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The voice for water consumers
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Framework for water company research

A report by the Consumer Council for Water



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Framework For Water Company Research

The three pillars of water company research are:

Ongoing research and engagement to understand customer views

- Satisfaction tracking surveys
- Ad-hoc research into new schemes, services and policies
- Social media scrapes, analysis of customer contact and complaint data

- Understanding business as usual experiences and service needs across the customer base – seldom heard, vulnerable, financial support, priority and inclusive services
- Understanding attitudes and testing comms to influence behaviours e.g. water saving, responsible disposal



Business Planning Research (Price Review)

Every piece of customer research needs to be meaningful, so that uninformed bill-payers can relate to what they are being asked about bills and services. Companies should also seek to understand their customers' views on complex, longer-term questions through qualitative research with informed consumers. Some of this research could be done collectively.

Examples of research with uninformed customers:

- Service priorities now
- Bill levels and profile
- Bill range after ODIs
- Acceptability testing
- Valuation of services

Examples of research with informed customers:

- Service priorities in the future
- Performance commitments
- Long-term resilience of services
- Environment
- Valuation of services



Ongoing Community Engagement

As part of their social contracts, companies must understand and respond to communities affected by the delivery of their schemes. Therefore, companies should test options for how schemes are delivered e.g. mains rehabilitation, Sustainable Drainage (SuDs), or when infrastructure is refurbished or built.

The testing could consider:

- what is the preferred or least disruptive approach for roadworks/road closures
- how to improve the amenity value of a new building or green area
- how to improve the visual appearance or minimise environmental impact (e.g. green roof)
- how to communicate progress with the local community (e.g. local social media channels, a feedback app, local roadshow, noticeboards)
- how the company and its contractors can be a good neighbour while delivery work is underway

This Framework for Water Company Research builds on a number of other documents CCW has published as part of our campaign to improve customer engagement in the water sector. The others are:

- [Engagement for better consumer and business outcomes](#) published May 2020
- [Water Matters Highlights Report 2019-20](#) published 5th August 2020
- [Lessons learned from the 2019 price review](#) published 9th October 2020
- [CCW's view on engagement at PR19: What worked well and how to build on this](#) published 2nd November 2020.



Why this Framework? The need for a clear research strategy

Water companies should have a rolling research strategy that links together all three of the aspects in this document: ongoing research, community engagement and business planning research. The key benefit of this approach is that it is not restricted to five-year cycles to coincide with the price review programme. Some research evidence - such as the cultural aspects of water use - will also remain valid for several or more years unless something has changed contextually to bring it into question.

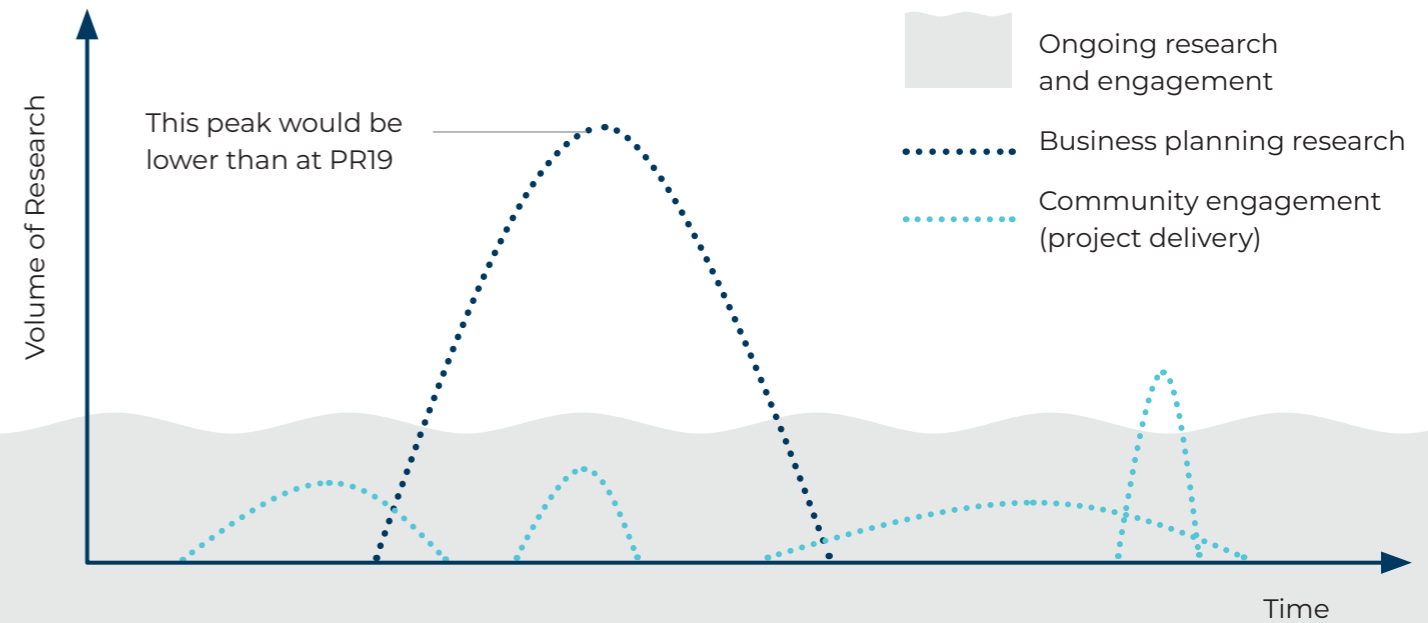
A water company's research framework should show a clear line of sight between each piece of research and engagement and the overall business strategy. A well-thought-through strategy should mean that last-minute research is seldom required, giving water companies the time needed to develop meaningful research alongside the research agencies and stakeholders they work with.

This Framework for Water Company Research pulls together three key strands of public engagement – ongoing research and engagement, business-planning research and ongoing community engagement

All of these are equally important, and companies must undertake each of them to gain a full understanding of consumer views before applying them to the benefit of consumers. Historically, the biggest focus has been on business planning research, and while ongoing engagement is increasing, water companies can do more to build on this, especially with their vulnerable customers. What is less clear is what companies are doing to engage with communities before delivering schemes which temporarily cause localised disruption such a closure of roads and access, an increase in noise levels, and changes in the visual aspects of the places people live in.

Figure 1: Indicative volumes of research carried out over a five-year Asset Management Period (AMP) under the proposed framework for water company research.

Under this proposed framework, the volume of business planning research would be lower than at PR19, with some of this - especially around vulnerable consumers - shifting to ongoing research and engagement to ensure that current service experiences and options are constantly evolving to meet peoples' needs. In addition, it may be beneficial for some business planning research to be done collectively, and managed centrally. Note in the figure, four projects merit significant community engagement - this is illustrative only and would vary from company to company.



We now consider each strand of engagement in more detail below:

Ongoing research and engagement

This is a constant feedback loop to inform business as usual activities. It comprises, but is not limited to:

- Satisfaction tracking surveys
- Ad-hoc research into new support schemes, services and policies
- Social media scrapes, analysis of customer contacts and complaints and service feedback
- Understanding business as usual experiences and service needs across customer base – seldom heard, vulnerable, financial support, priority and inclusive services
- Understanding attitudes and testing communications to influence behaviours e.g. water saving, responsible use of sewers and drains.

Ongoing engagement is the bread and butter of business intelligence; it keeps companies in touch with consumer sentiment to inform improvements to business as usual practices. Ongoing engagement is particularly important to develop an understanding of the experiences of different segments of the consumer base, especially the vulnerable and seldom heard, as they are more likely to encounter barriers to engagement (such as speaking English as a second language) or need inclusive services and have different service expectations to other consumers. CCW's meaningful engagement research found that research to understand the experiences and needs of people in vulnerable circumstances should shift away from business planning to ongoing engagement. Ongoing engagement also helps companies understand why consumers have the attitudes they do and how to constructively influence behaviours and change attitudes across different consumer segments.

Business planning research

This underpins how companies invest in their services to meet changing consumer needs over time. Underpinning each water company's five-year business plan is a programme of business plan research. This collates the views of uninformed and informed consumers to provide evidence of what consumers want for future services and prices. Research for business plans should focus on:

- consumer priorities for current and future services
- research to understand views on specific issues such as the water environment, or resilience of services and how best to achieve this
- acceptability of price and service proposals, and
- views on affordability and acceptability of bill changes including incentives for performance.

Ultimately, we would like to see less research conducted around business plans, with a change in focus from quantity to quality. Some of this research – particularly around vulnerable and hard to reach consumer groups – should be transferred to ongoing business engagement. We also think that some aspects of research would be better conducted centrally; for example, views on the common performance commitments and associated rewards and penalties.

CCW's [meaningful engagement research](#) found that some aspects of business plan research are better suited to a qualitative approach involving informed consumers. Participants can find it difficult to give meaningful responses in surveys that go into a lot of detail across lots of different aspects of service. Qualitative research enables people to become informed so they can give views based on an understanding of the issues and choices. Where surveys are necessary – for example to measure overall support for business plans – water companies should ensure they are at a level that people are able to respond to. This makes the development and piloting of complex surveys a much more important phase within research than it may previously have been. One way to approach this is through co-creation – running qualitative research first, and then using some of these informed participants to help develop a survey aimed at members of the public who may know little about the issues, before piloting as usual.

To be meaningful, research with consumers has to produce outputs that are a valid reflection of their views for companies to act upon with confidence. They should have real choices about things that are relevant to them, where they feel their views will be considered and companies have to be willing to change their plans accordingly and clearly show the thread of evidence that supports this.

The place for community engagement

Water companies often reach out to communities to ask for their help – for example, local water saving campaigns or responsible use of sewers. We would like to see more examples of water companies engaging with communities to enable them to influence how infrastructure schemes are delivered in their area. [Research in the US](#) found that customers are more likely to feel an emotional connection with their water utility as a result of different aspects of community engagement. Done well, this creates the feeling that the water company reflects community values, involves people in consultations and is actively involved in community life. We believe that community engagement could help water companies move from transactional engagement (contacts, bill payment etc.) towards forging stronger relationships and emotional connections with consumers.

- Water companies can help boost their reputation and trust by being 'good neighbours' while work to deliver infrastructure schemes is underway. This means having a meaningful dialogue before works start to set out what is involved, what the impacts on the community may be, understand how communities want these to be managed, and reach a shared understanding of how schemes will be delivered to best meet community expectations. Water companies should consider the scale of engagement needed, how they will reach out to communities to be inclusive, how they can explain things in consumer friendly terms, and how they will ensure that an ongoing dialogue continues for as long as the community feels necessary.

- Water companies should involve communities in the design of schemes that will have an amenity value, for example Sustainable Drainage Systems (SuDs) that create green spaces, or reservoirs. Communities will benefit through being able to influence the planning of activities, which, for a while, will affect their day-to-day lives. They will also be given a say in what they want in the final area – for example, benches, waste bins, community areas to grow things. Water companies should also benefit through forging closer links with communities, as this may improve perceptions of companies. Here are examples of community engagement projects from Northumbrian Water: www.nwl.co.uk/globalassets/customer-images/water-supplyquality-and-leaks-images/fellgate.pdf and Portsmouth Water: www.portsmouthwater.co.uk/new-reservoir/planning-and-construction/.

Water company processes for community engagement

- There is no 'one-size fits all' to community-level engagement. Each water company will have its own processes to identify where community-level engagement is required. For example, this may look at the scale of the scheme, how long it will take to deliver, the location of the scheme and logistics of supply relative to centres of population, and contacts/complaints generated by similar schemes. It should set out the instances and principles where community engagement would not be triggered, for example, schemes with minimal impact on people and the environment.

Community engagement on scheme delivery should be a business as usual activity

■ The learning points from each engagement process should inform future engagement, and possibly be the starting point for the design of future similar schemes before communities refine some of these aspects. Complaints and contacts about scheme delivery (an aspect of ongoing research and engagement) may inform the community engagement framework. For example, if engagement had not previously taken place, it might mean that a trigger for community engagement should be added to the company engagement framework.

Establishing best practice

■ Tell us, by sending your examples [here](#), how you engage with communities at a local level on the delivery of schemes. We know that community engagement does take place, but it is not clear how widespread or effective this has been. We would like to understand how communities have been able to influence how water companies have delivered schemes in their area, to mitigate the negative impacts and enhance the outputs, and what water companies have learnt through this process of engagement. We intend to use real-life company examples to develop best practice and share this within the industry.



Next steps for CCW

Planning for PR24 is already underway. Now is the time for the water sector in England and Wales to consider how future engagement will look in the lead-up to the next price review. We are already helping to shape what better engagement could look like through our [“Lessons learned from the 2019 price review”](#) and [“CCW’s view on engagement at PR19: What worked well and how to build on this”](#) reports.

As part of our campaign for better engagement, we are considering the role that future consumer representative models play in shaping research strategies and how to ensure a better balance of the different types of research we have outlined in this document. We plan to engage with the sector on this over the next few months.

The sector could also benefit from some research being conducted ‘centrally’ or collectively, where comparable surveys are undertaken with customers of all water companies England and Wales. This could involve initially measuring customers’ preferences or priorities, and further in the process, measuring the acceptability and affordability of company business plans and Ofwat’s price determinations. This would require collaboration between companies, Ofwat and CCW. This approach could help ensure best practice is applied consistently, and allow for comparability in the results across the industry to help highlight where issues of concern to consumers remain. ‘Centralised’ research could be used to complement the research and engagement companies carry out at the local level. We will engage with Ofwat, companies and other stakeholders on how this approach could work and deliver greater benefits at PR24.

We also review how well the [triangulation framework](#) developed for PR19 worked, how it could be improved, and how well companies did to bring together sources of evidence on consumer views and experiences, to arrive at the conclusions they used to underpin business plans. We see triangulation of different sources of consumer evidence continuing to play an important role in the future. We expect to publish new guidance to support triangulation in spring 2021.

We will also plan to identify good practice in community-level engagement for the delivery of schemes and we are looking to share examples next year.

Finally, we are keen to work in partnership with the sector on better engagement and we encourage you to get in touch to discuss how we can collectively make progress on this important topic.



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Llais defnyddwyr dŵr

Contact us

CCW,
1st Floor,
Victoria Square House,
Victoria Square,
Birmingham,
B2 4AJ.

0300 034 2222 in England

0300 034 3333 in Wales



[ccwater.org.uk](https://www.ccwater.org.uk)