



The voice for water consumers
Llais defnyddwyr dŵr

Water Affordability Scheme Funding – Opinion research

Summary report
March 2022

ccwater.org.uk

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Foreword

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Foreword



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In October 2020, the UK and Welsh Governments commissioned CCW to lead an independent review of the existing support available to help those who struggle to afford their water and sewerage bills and to identify ways it could be improved. We published the findings in May 2021.

One of our key recommendations was to introduce a sustainable, single social tariff to eliminate water poverty in England and Wales by ensuring that no-one has to spend more than 5% of their income (after housing costs) on water charges.

The new scheme would replace the current postcode lottery of support in England and Wales, where eligibility and the extent to which customers are helped varies between water companies. Our vision is for a new scheme which is fair, consistent and capable of ending water poverty.

Defra and Welsh Government have now established a development group to explore CCW's recommendation of a new scheme.

Current social tariff schemes are funded through an additional levy on customers' bills, and it is likely that this would also be the case for any new scheme. We wanted to understand whether customers would prefer to see their contribution used to support only households in their own water company region or as part of a wider fund to help people wherever they live. The research also examined customers' more general views on support schemes in England and Wales.

We found strong customer support for schemes to help households who would otherwise struggle to pay their water bills. Unfortunately, as identified in previous CCW research, awareness of the existence of support schemes remains low.

The research also indicates that a significant majority (around two thirds) of customers favour any contribution they might make to such support through bills being used to help customers wherever they live, rather than just other households served by the same water company.

We will use these findings to help inform the wider debate and to shape the decisions which are made on the development of a new water bill support scheme.

Andrew White
Senior Policy Manager

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Executive summary

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Executive Summary



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Awareness of, and support for having a financial support scheme

- Most respondents (75%) agree that low-income households should be helped by water support schemes to reduce their bills
- 3 in 4 respondents (76%) are not aware if their water company provides help of this kind or not
- When asked if they were aware of their water company's support schemes, those aged between 35-55 were the most aware (29%) and those in the 55+ age group (79%) were the least aware

Preferences for funding going towards a scheme that helps those who need it wherever they live/ at a company level

- 65% of respondents would prefer their financial contributions to the scheme to be part of a pot to help those who need it most wherever they live
- The remaining third (35%) were more in favour of their financial contributions helping people in the same water company
- Respondents from England (66%) were more likely to be in favour of funding being used to help those who need it wherever they live than those from Wales (56%)

Level of importance

- Those who prefer funding being used to help people wherever they live are more likely to see this as important (80%) than those who prefer their financial contributions to go towards helping people in the same water company (64%)

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Background, objectives and methodology

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All water companies offer schemes to support water customers who struggle to afford their water bill and meet certain criteria such as having a very low income or are eligible for certain benefits.

Schemes are funded through water bills paid by customers who do not qualify for these support schemes.

In 2020, CCW was asked by Defra and Welsh Government to conduct an independent review of current financial support for water customers and make recommendations on how to improve the help available to customers who may struggle to pay their water and sewerage bills.

Background and Key Objective



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The review led to a suite of recommendations to improve affordability. One of the key recommendations is to introduce a 'single social tariff' – that is, one support scheme for the whole of England and Wales, which would replace all of the individual water company schemes.

One option CCW considered was for a scheme to be funded through water customer bills as now, but with each water company putting a specific amount of money – determined by Government - into a central pot from which funds could be re-allocated across companies so that for the first time, the same level of access to support would be available to customers, wherever they live rather than depending on what water company they are served by.

Whilst the amount that customers currently pay towards their company specific social tariff scheme varies by company, the amount that customers would pay towards a single social tariff scheme would on average be the same wherever they live. However, in moving to a single social tariff scheme, the amount that people pay will change from before. It is likely that some would end up paying a bigger contribution than before and some less. A single social tariff scheme would give the same level of help regardless of where people live, for a consistent level of customer help.

This research looks to answer one key objective which has been outlined below:

To identify customer views and preference for whether funding should be used to help people served by the same water company, or as part of a pot to help everyone who needs it wherever they live

Overview



Online survey of 2,000 adults (aged 18+) in England and Wales



Fieldwork conducted 20-21 December 2021



The full sample has been weighted to be representative of England and Wales combined based upon the 2011 census profile. The boost sample has been weighted down to be representative of Wales

Approach

CCW commissioned Yonder to undertake an online omnibus survey in England and Wales.

Yonder own and manage a highly engaged online panel of 180,000 UK adults and this resource was used as the primary source of sample for the online survey.

Yonder conducted 2,000 online interviews (1890 from England and 110 from Wales) with water bill-payers in England and Wales. Boost interviews were conducted among consumers in Wales to allow for robust analysis and weighted back into the overall sample at the correct proportions.

The first question in the survey identified responsibility for paying water bills. All respondents with responsibility, were asked all questions in the survey. 43% pay for their water bill solely and 57% pay for it jointly.

Sampling

A stratified sampling technique was employed using multiple demographic groupings to select respondents randomly from Yonder's online panel. This approach helps to minimise selection bias and ensure certain segments of the population are not over- or under-represented.

Quotas were set on age, gender, region and social grade. The data was then weighted based upon the 2011 Census profile of England and Wales combined. Rim weighting was applied for age, gender, government office region, social grade, taken a foreign holiday in the last 3 years, number of cars in the household, and working status. Tenure was weighted based upon the England and Wales profile as individual nations. The boost sample was weighted down to match the 2011 Census profile of Wales.

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Respondent Profile

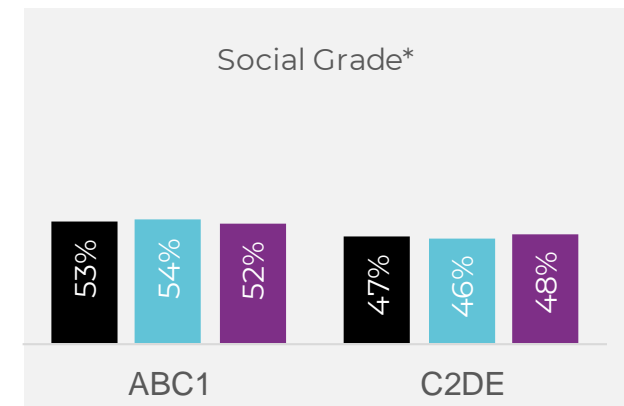
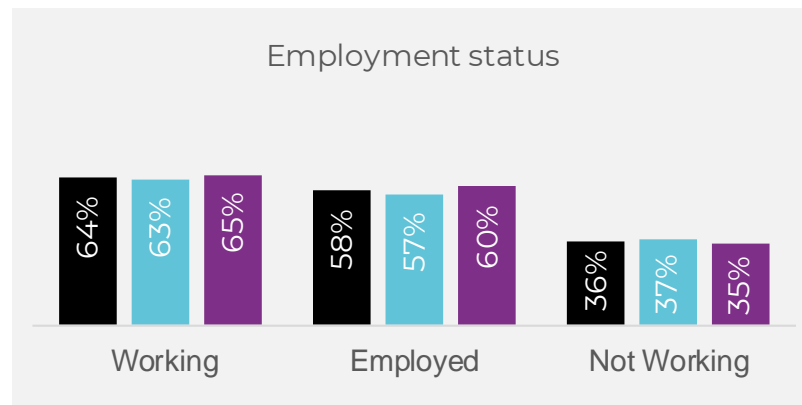
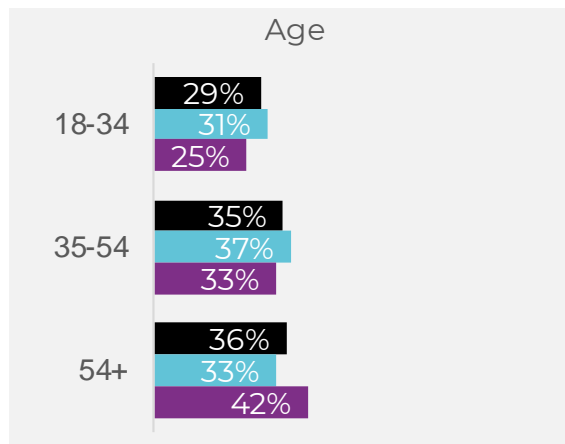
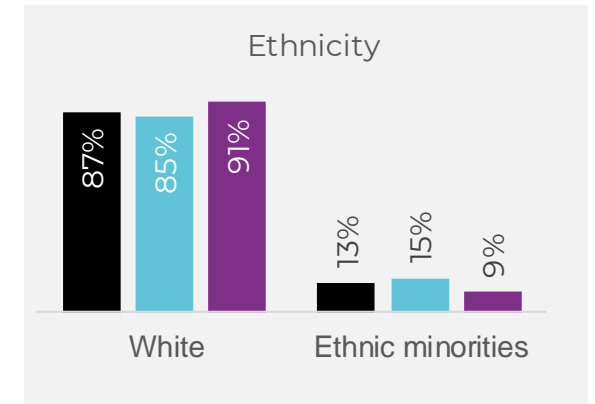
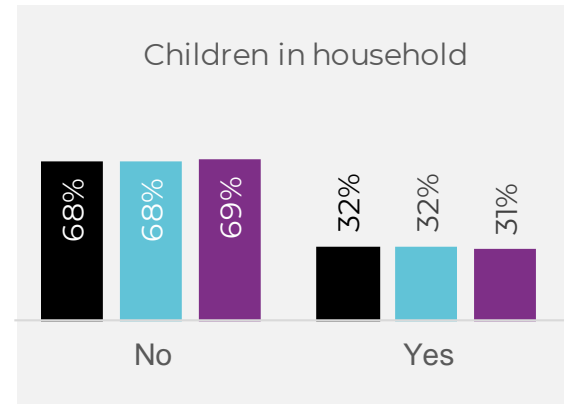
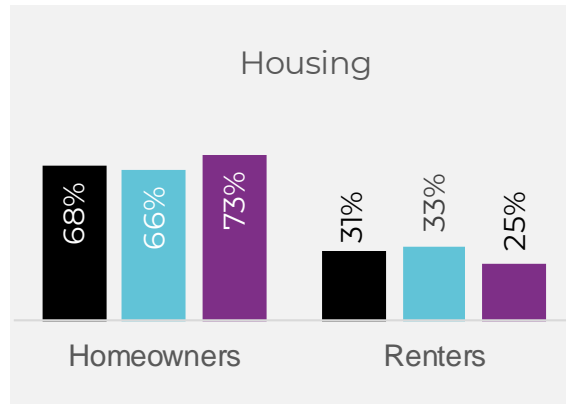
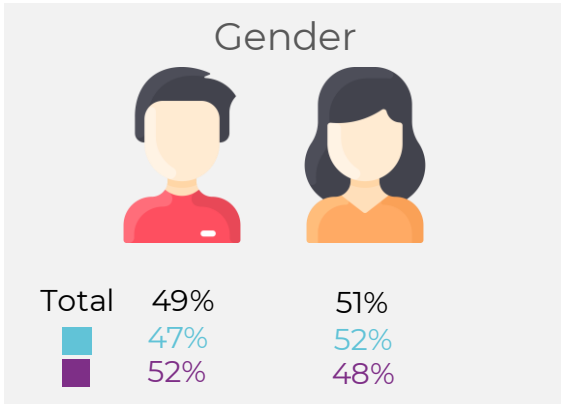
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Respondent Profile



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Total
 Those in favour of funding being used to people wherever they live
 Those in favour of funding being used to support only those in the same water company area



* Social grade is a demographic classification based on the occupation of a household's chief income earner. AB is higher or intermediate, managerial, administrative or professional; C1 is supervisory or clerical and junior managerial, administrative or professional; C2 is skilled manual workers; DE is semi-skilled and unskilled manual workers, state pensioners, casual workers and unemployed with state benefits only



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Findings

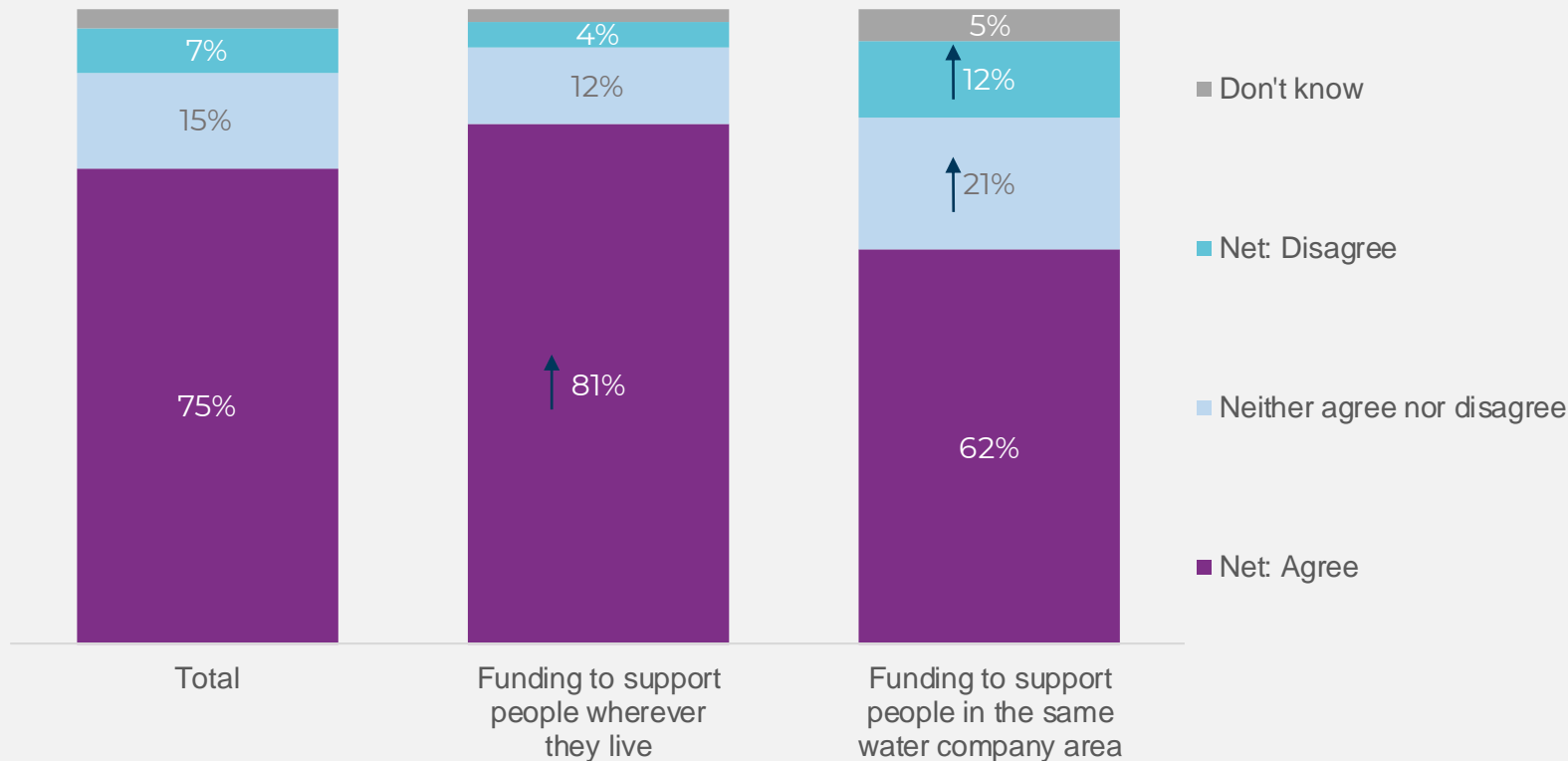


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Three quarters agree that low-income households that struggle to afford water bills should be able to get a reduced bill. Just 7% disagree

Low-income households should be helped by schemes that reduce their bill by preferred scheme

↑↓ Significantly higher/lower than the total at 95%



Low-income households should be helped by schemes that reduce their bill demographics



Renters are more likely to agree (82%)



Those who are not working are more likely to agree (79%)



Home makers are more likely to agree (86%)



Those in the DE social grade* are the most likely to agree (81%)

* Social grade is a demographic classification based on the occupation of a household's chief income earner. See slide 12 for a full description

The majority are not aware if their water company offers help of this kind or not (76%). The 35-54 age group are most likely to be aware

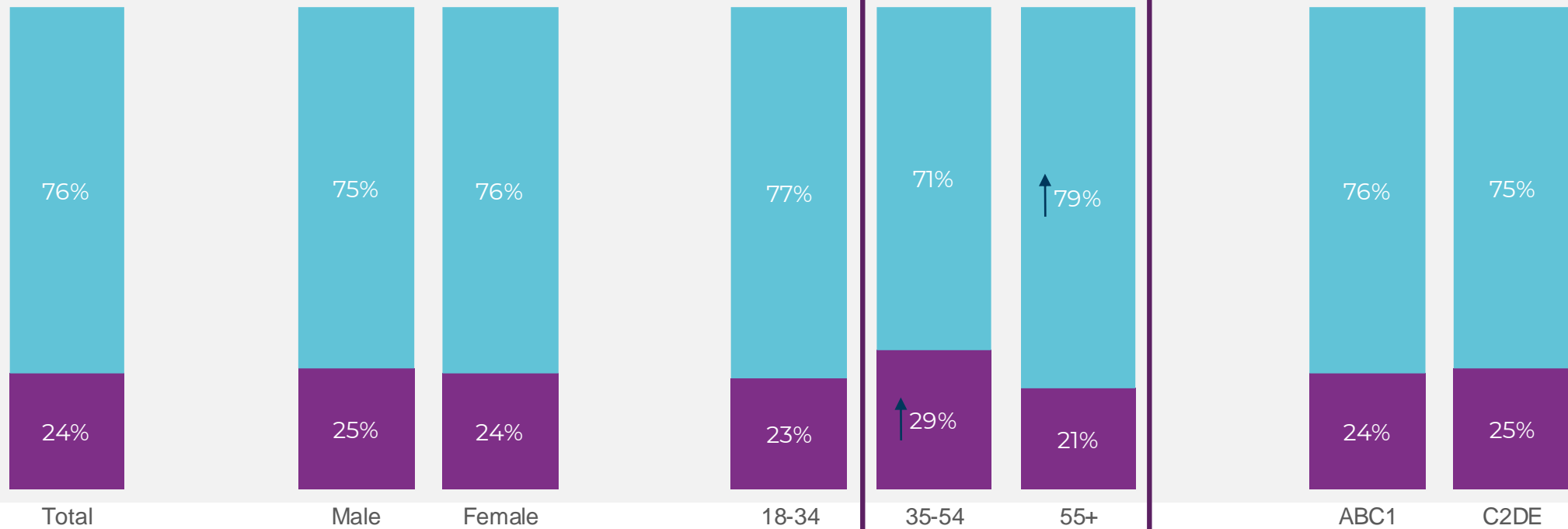


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Awareness of water company assistance

↑↓ Significantly higher/lower than the total at 95%

■ Yes, I am aware they do ■ No, I am not aware if they do or not



The majority would prefer the financial assistance they contribute to go towards helping people wherever they live over helping only those in the same water company area



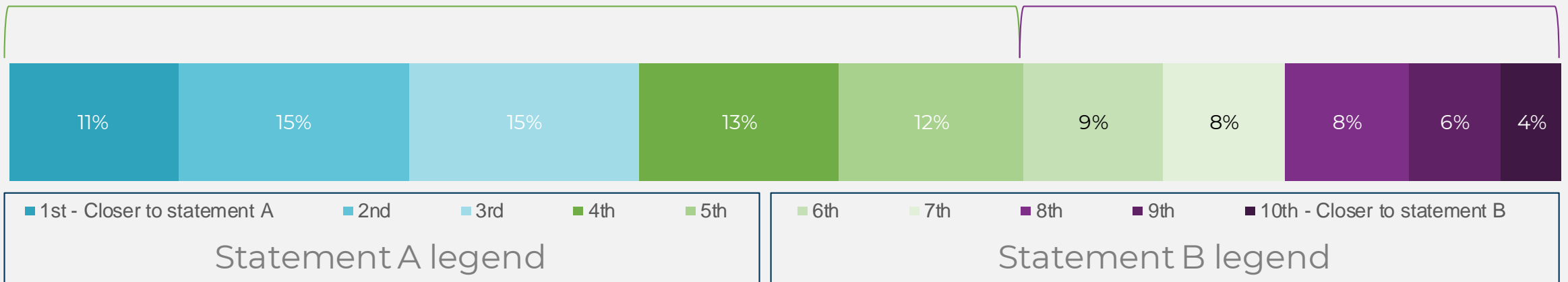
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Preferred water support scheme

Respondents were asked where they would place themselves on the scale below in terms of how they felt about any financial assistance they contribute is used (scale numbers were not shown)

A) Financial assistance I contribute towards should be part of a pot to help those who need it most wherever they live: 65%

B) Financial assistance I contribute towards should help people only in my own water company area even if that means some people in other water company areas don't get the help they need: 35%



Q.4 Where would you place yourself on this scale in terms of how you feel about you feel about how any financial assistance you contribute is used . A) Financial assistance I contribute towards should be part of a pot to help those who need it most wherever they live. B) Financial assistance I contribute towards should help people only in my own water company area even if that means some people in other water company areas don't get the help they need. All respondents Base: 16
Total (2000), 1 Closer to statement A (215), 2 (295), 3 (301), 4 (253), 5 (245), 6 (186), 7(162), 8 (155), 9 (110), 10 Closer to B (78), Net A (1308), Net B (692)

Respondents from England were more likely than those from Wales to be in favour of funding going towards helping those who need it wherever they live



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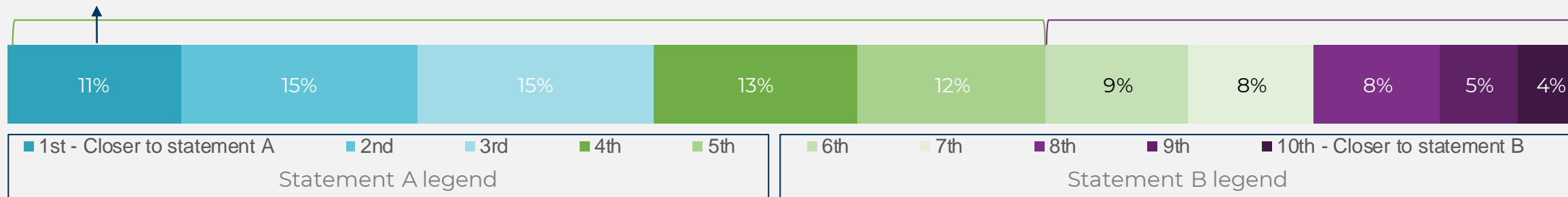
Preferred scheme by nation

Respondents were asked where they would place themselves on the scale below in terms of how they felt about any financial assistance they contribute is used (scale numbers were not shown)

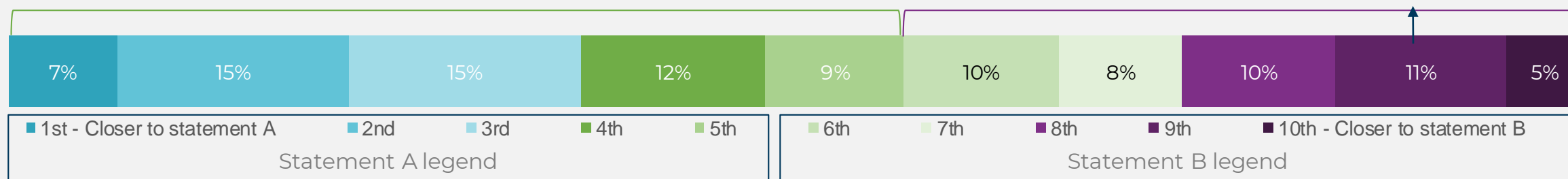
A) Financial assistance I contribute towards should be part of a pot to help those who need it most wherever they live:
England: 66% Wales: 56%

B) Financial assistance I contribute towards should help people only in my own water company area even if that means some people in other water company areas don't get the help they need:
England: 34% Wales: 44%

England



Wales



↑/↓ Significantly higher/lower than the subgroup at 95%

Q.4 Where would you place yourself on this scale in terms of how you feel about how any financial assistance you contribute is used . A) Financial assistance I contribute towards should be part of a pot to help those who need it most wherever they live. B) Financial assistance I contribute towards should help people only in my own water company area even if that means some people in other water company areas don't get the help they need
All respondents: (2000), England (1571), Wales (429)

The preference for water support schemes that help people wherever they live is significantly higher across England (66%) than in Wales (56%), especially in London (76%) and the South-East (73%)



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Regional breakdown of those who favour water support schemes that help people wherever they live



Significantly higher/lower than the total at 95%



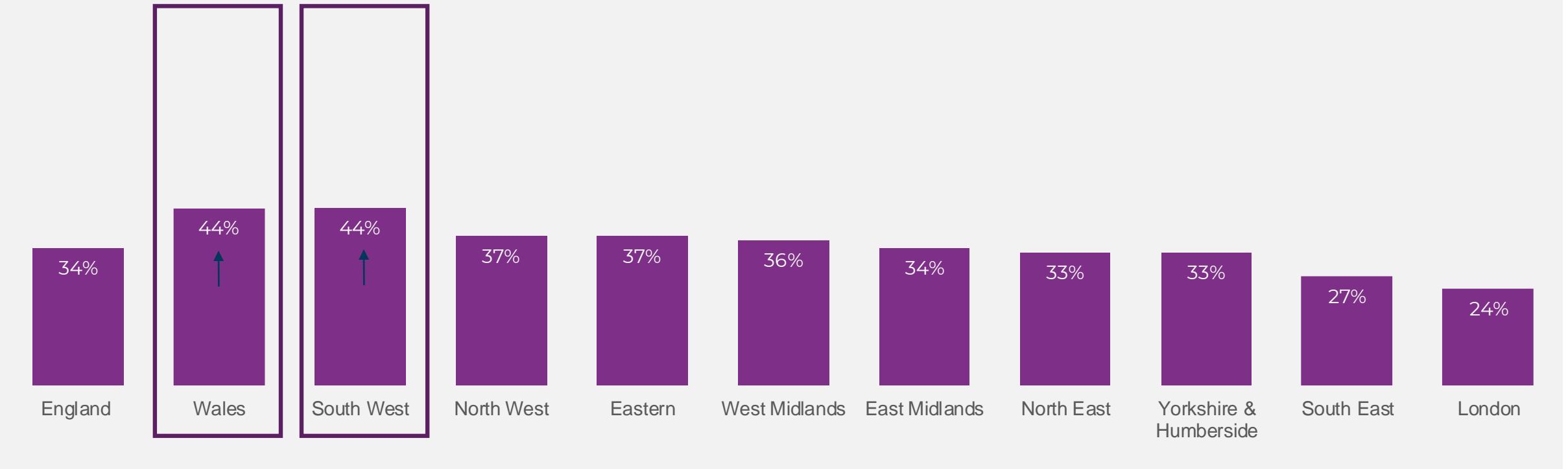
Preference for water support schemes that help people within a water company area is significantly higher in Wales (44%) than in England (34%) and also in South West England (44%)



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Regional breakdown of those who favour water support schemes that help people in the same water company area

↑↓ Significantly higher/lower than the total at 95%



Those who prefer a scheme which helps people wherever they live are more likely to see this as important (80%) than those who prefer a water company level scheme (64%)

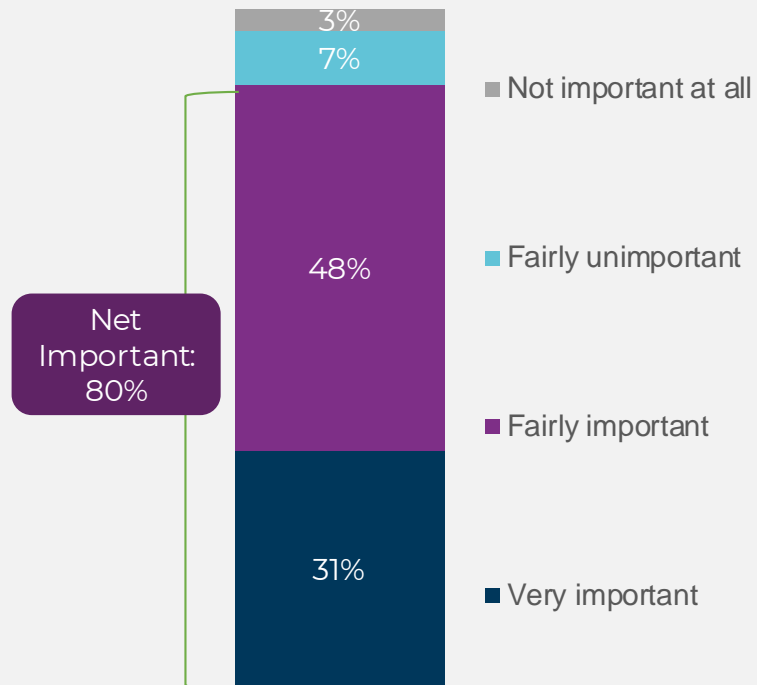


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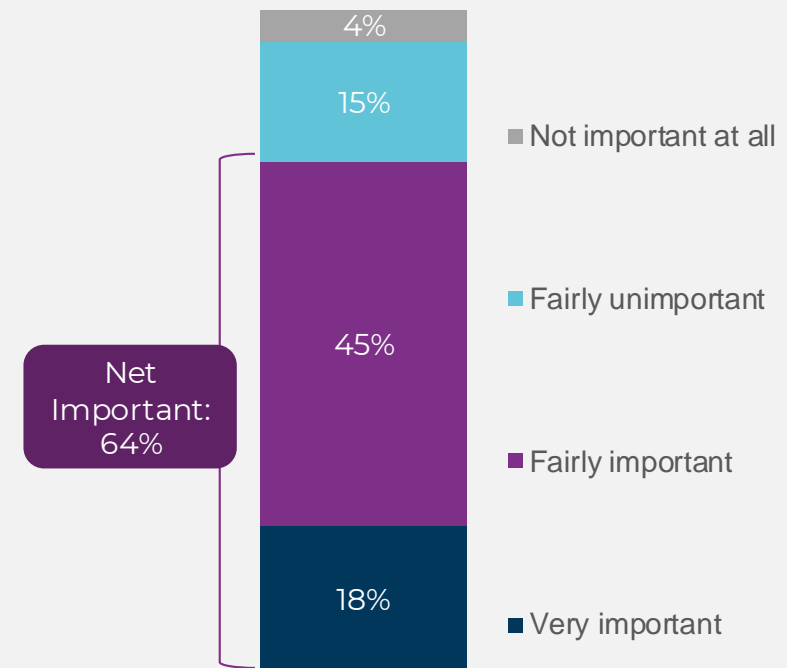
Importance of how financial assistance should be distributed

↑↓ Significantly higher/lower than the total at 95%

Level of importance for those who favour water support schemes that help people wherever they live



Level of importance for those who favour water support schemes that help people in the same water company area



Q.5a How important is it to you that financial assistance you contribute towards should be part of a pot to help those who need it most wherever they live.

All respondents agreeing more with statement A at Q4. Base: Total (1308), NET: Important (1045), NET: Unimportant (132)

Q.5b How important is it to you that financial assistance you contribute towards should help people only in your water company area even if that means some 20 people in other water company areas don't get the help they need. All respondents agreeing more with statement B at Q4 Base: Total (693), NET: Important (441), NET: Unimportant (136)

Reasons for preferring a scheme which helps people wherever they live include avoiding a postcode lottery for help and to ensure access to clean water as it is a basic right



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Net : Important
80%

Reasons why providing support for a scheme that help people wherever they live is important/unimportant

↑↓ Significantly higher/lower than the total at 95%

Net: Unimportant
10%

"If help is needed it shouldn't matter what company you're with or where you live"

"Because it seems pointless to let money sit in a pot within one company when someone a town over could benefit from it"

"We need to look after our own first then others outside our area"

"I think its important to take care of one another, regardless of where we are in the country"

"The pot should be used for all people and not just those in my area. What if no one in my area needs this"

"I never thought about it before now. With all the problems with Covid at the moment its very low on my priority list"

"Everyone has a right to clean, safe water and money should go to where its needed not just in my own area"

"Access to the basic requirements for life should not be a postcode lottery"

"I don't agree that I should help financially, it should be water companies. The fact that I don't have a say in this mean I don't care who it helps"

Q6. Why do you say that it is important / not important that financial assistance you contribute towards should be part of a pot to help those who need it most wherever they live 21

Many feel funding should provide support for people in the same water company area to increase the sense of community



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Reason why providing support for people in the same water company area is important

Net: Important
64%

"I would like to support my local people"

"I believe this help should be kept within my current supplier"

"Why should I pay for another company's water"

"I feel any extra I pay should be spread locally"

"My own water bill is high enough already"

"The scheme should be local so that it promotes a greater sense of community and support for those in need"

Net: Unimportant
20%

"I should only pay for what I use. Previously water was free for everyone, and it should also be now"

"I don't want to subsidise anybody"

"Not really my concern but if it was then I would keep it local"

"I feel its unimportant because I don't think I should have to contribute to someone else's pot. Its hard enough for everyone including myself"

"It is not something I think is important to me"

"If I am subsidising other people, I would prefer them to be in my area, but I don't feel particularly strongly about this, other than how the division of funds across companies might operate in a fair and cost-effective way"

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