

Turquoise



SSC WRMP24 Acceptability Testing Wave 2 Report

Full Colour Thinking from Turquoise for South Staffs Water

October 2023

Introduction and background.

- South Staffs Water PLC (SSC), incorporating Cambridge Water, supply clean water to roughly 1.6 million people.
- At least every five years, water companies are required to prepare a fully updated water resources management plan (WRMP). This sets out in detail how each supply region plans to meet the demand for water over the least the next 25-year planning period. Both SSC supply regions face challenges around ensuring sustainable long-term demand versus supply balance (SBD) given the impacts of rapid population growth, climate change on rainfall patterns and now the additional impact of increased household consumption (PCC) caused by COVID-19- particularly in the SSW supply region. Overall, the SBD challenge is more acute in the Cambridge region given the challenges faced.
- This research covers Wave 2 of Theme 4 of SSC's overall WRMP24 customer engagement programme. The main objective is to measure the acceptability and affordability of the final regional plans with household, non-household and future customers.
- This second wave covers customer responses to the final WRMP24 plan. It is designed to build on the initial view of the acceptability and affordability of the draft plans collected in Wave 1, Summer 2022. In Wave 2, the wider bill impacts for SSC's PR24 plan were known so customers had a full picture of the wider bill changes from 2025-2030 and then beyond to 2050 from a WRMP perspective.



Specific research objectives.

01



To determine **whether customers find the SSW/CAM WRMP draft plan acceptable and the reasons for this.**

02



To determine **whether customers find the SSW/CAM WRMP draft plan affordable and the reasons for this.**

03



To provide a view **of what is driving acceptability and affordability levels amongst customers.**



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Methodology and Sample.

Methodological Considerations.

- SSC and Turquoise Thinking were cognisant of the necessary trade-off between providing enough information on the proposed WRMP plans for customers to make informed decisions, whilst ensuring that customers could fully understand the stimulus provided and were not overwhelmed by the amount of information.
- As well as ensuring the stimulus found the right balance, it was vital to ensure that all types of customers fully understood the questions used in the survey. Prior to Wave 1, Turquoise Thinking conducted 12 cognitive interviews with customers across the SSC region (6 in the South Staffs Water area and 6 in the Cambridge Water area) to test both the stimulus and the questionnaire. A summary of the results and key changes can be found on slide 8. Feedback was also sought from SSC's challenge panel.
- Another key element of the research was to ensure that the results were robust and as representative of the SSC customer base (in both regions) as possible.
- To achieve a robust sample of household customers in both regions, a hybrid recruitment approach was used. SSC invited a representative selection of customers to take part via email which yielded 301 responses across the SSC region. This was supplemented by a sample of 335 household customers recruited via a commercial panel (Cint).
- Whilst the panel sample used quotas (based on the latest census information on gender, age and social grade) to ensure a demographically representative sample, the SSC email sample did not use quotas to avoid disappointing customers who wanted to give their feedback.



Methodological Considerations.

- As such, it was necessary to weight the household data collected to accurately represent the demographics (gender, age and social grade) of the region. Again, the latest available census information was used for this weighting which can be seen on slide 10. The SSC region overall was weighted 70% South Staffs Water to 30% Cambridge Water. In the Appendix of this report (slide 101), there is a table of the key metrics weighted to the actual regional profile of 79% SSW : 21% CW for comparison.
- All 101 non-household customers surveyed were recruited via a commercial panel, Cint, who were preferred due to their ability to source a larger sample for this audience. Due to the difficulty in recruiting a robust sample of non-household customers in both regions, no quotas were set as Turquoise Thinking and SSC felt it better to prioritise a larger sample over what would have been a very small representative sample.
- Whilst the overall SSC non-household sample was weighted 70:30 South Staffs Water to Cambridge Water, as with the household sample, no further weighting was applied due to the negative impact on effective sample size this would have caused.
- Also included in the total sample, was representation of future customers – i.e., non-bill paying customers aged 16-34. A maximum sample of 60 was achieved via commercial panel, Cint. Again, when looking at future customers results, the data was weighted 70:30 South Staffs Water to Cambridge Water – no other weighting was applied to this group.



Methodological Considerations.

- Turquoise Thinking and SSC also wanted to ensure representation of two other groups – vulnerable customers (either financially, non-financially or transient) and digitally disadvantaged customers who would be less likely, or able, to give their feedback online. Therefore, six days of on-street research was conducted across both supply regions targeting these customers. This yielded 57 completed surveys.
- All survey responses were captured between 14th September and 6th October 2023.



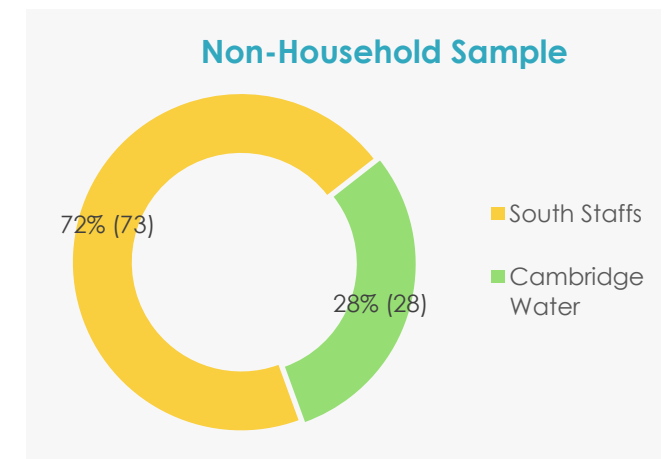
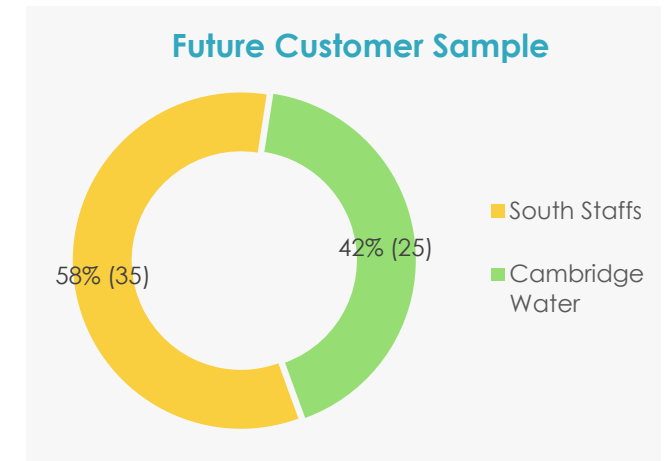
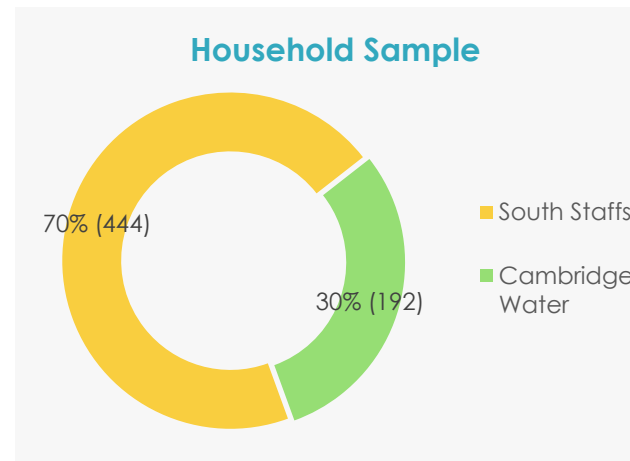
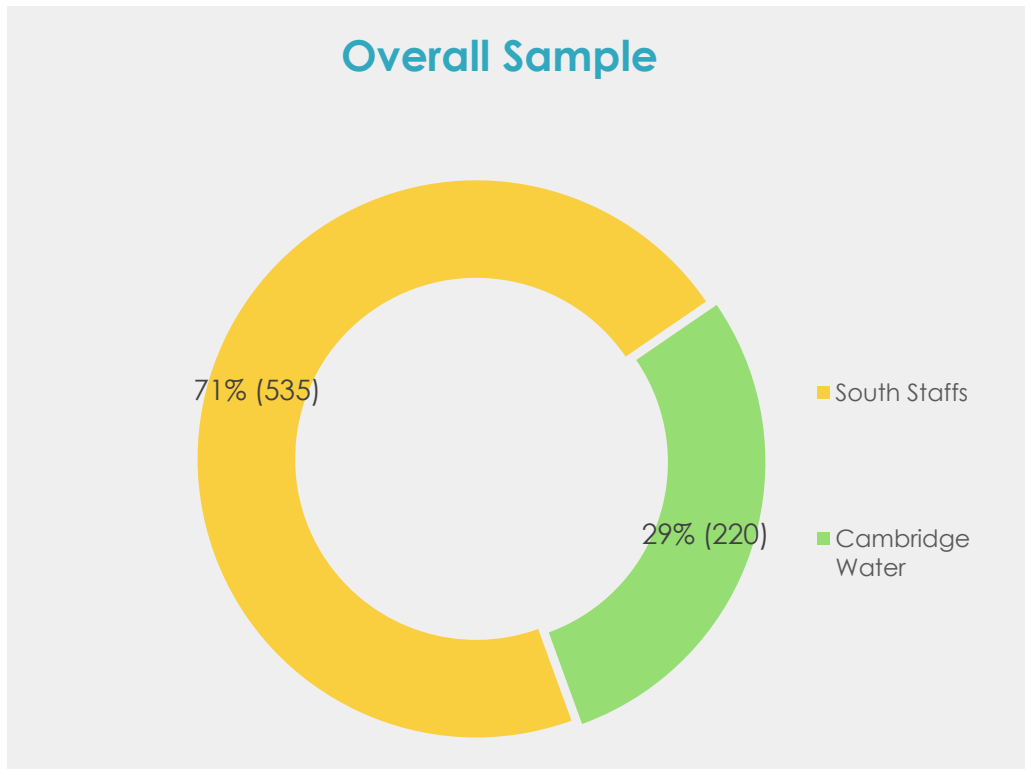
Cognitive Testing (Wave 1, Summer 2022).

- Across the 12 cognitive interviews undertaken, all respondents found the questionnaire and associated stimulus 'easy to understand' (42% quite easy and 52% very easy).
- Despite this, there were several areas throughout the questionnaire where improvements to the survey were made based on the feedback. For the most part, these improvements were small wording changes and additional clarification.
- Some customers found it difficult to split the clean and wastewater elements of their bill – all customers felt more confident accurately giving their combined clean water and wastewater bill. Therefore, when asking for customers to give their bill we asked for the combined water and wastewater bill (either per month or year) and calculated the clean water only element for them within the survey.
- Also included, was a stimulus slide explaining how their combined water and wastewater bill is split and what proportion goes to SSC as their water only provider.
- The overarching feedback on the plan stimulus slides was that it was too much to read and that some terms were complex. Turquoise Thinking and SSC worked to reduce the length, whilst retaining the balance of providing enough information. Additional bolding was used to pull out the key elements for customers to absorb and certain terms were reworded to be more understandable.
- A link to the summary cognitive report, questionnaires and stimulus can be found in the Appendix, slide 116.



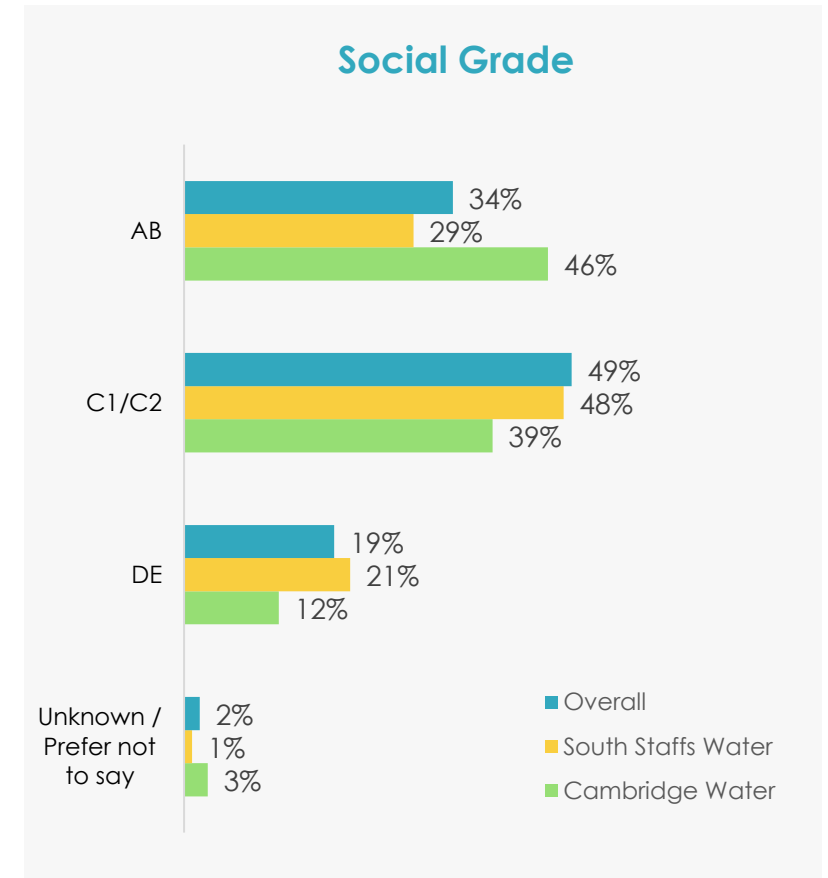
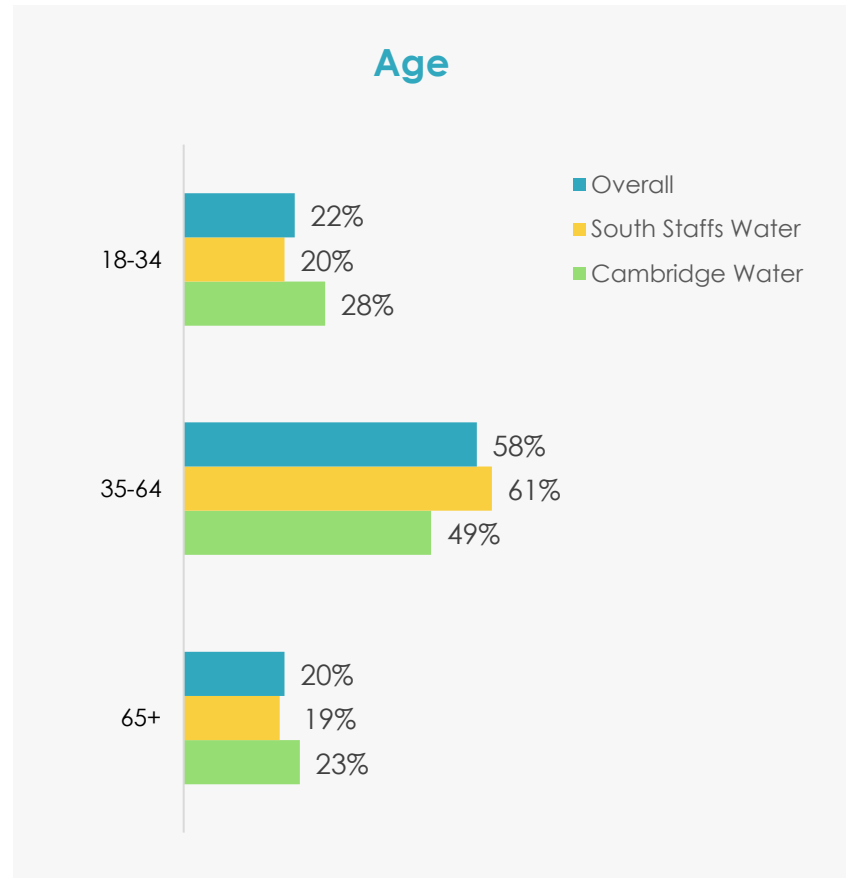
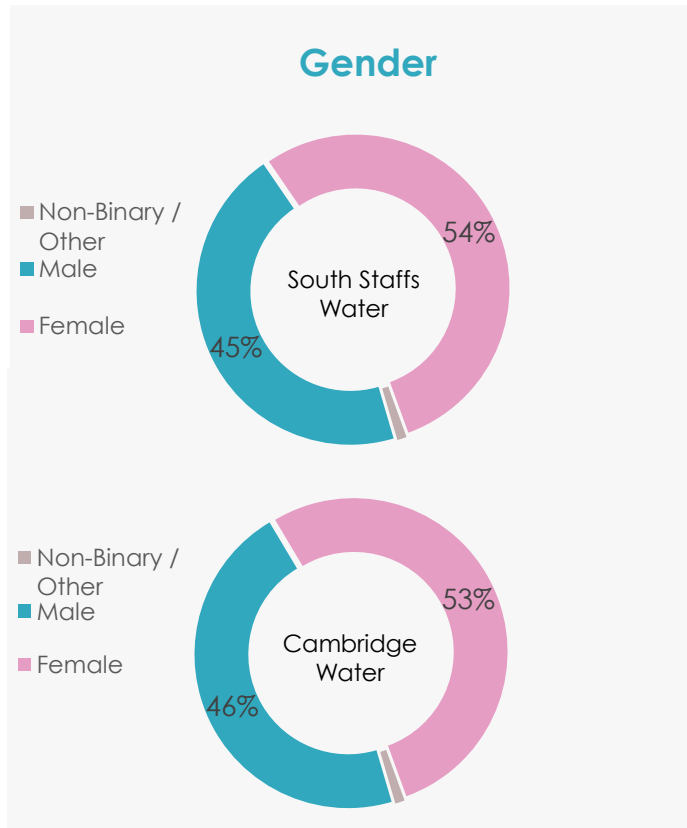
Sample Summary.

- The total number of participants surveyed was 787 – 636 household customers; 101 non-household (business) customers; 60 future customers (non-bill payers aged 16-34).
- Note that these are the raw, unweighted, sample splits achieved.



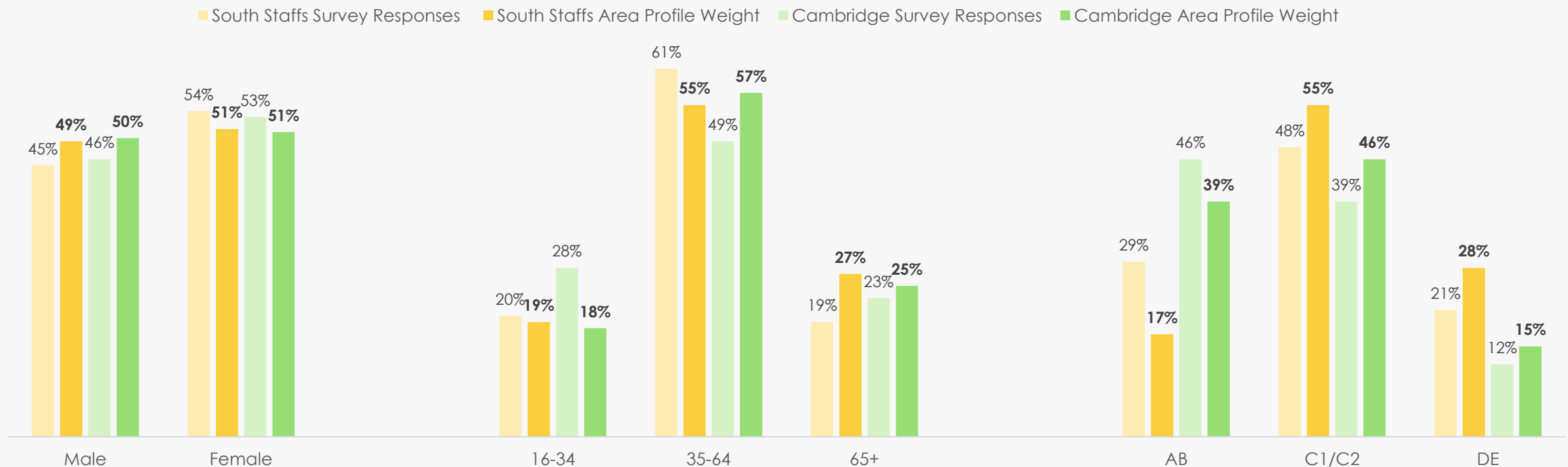
Household Sample Demographics (Unweighted).

- The percentages below are unweighted and represent the actual demographic split of respondents surveyed.
- Note that the social grade split also includes an estimate of social grade for respondents who are retired. This was estimated by asking whether retired respondents have a private pension and what the chief income earner's occupation type was before retiring.



Weighted Household Sample Demographics.

- The below chart shows the demographic split of achieved interviews and the actual demographic profile of the area based on ONS data.
- When looking at results for by individual company, the data has been weighted to represent the actual demographic profile shown below.
- When looking at results on an overall SSC household level, the below profile was weighted 70:30 South Staffs Water to Cambridge Water. All results in the report beyond this point are weighted to the profile below unless specified.
- In the Appendix of this report (slide 101), there is a table of the key metrics weighted to the actual regional profile of 79% SSW : 21% CW for comparison.



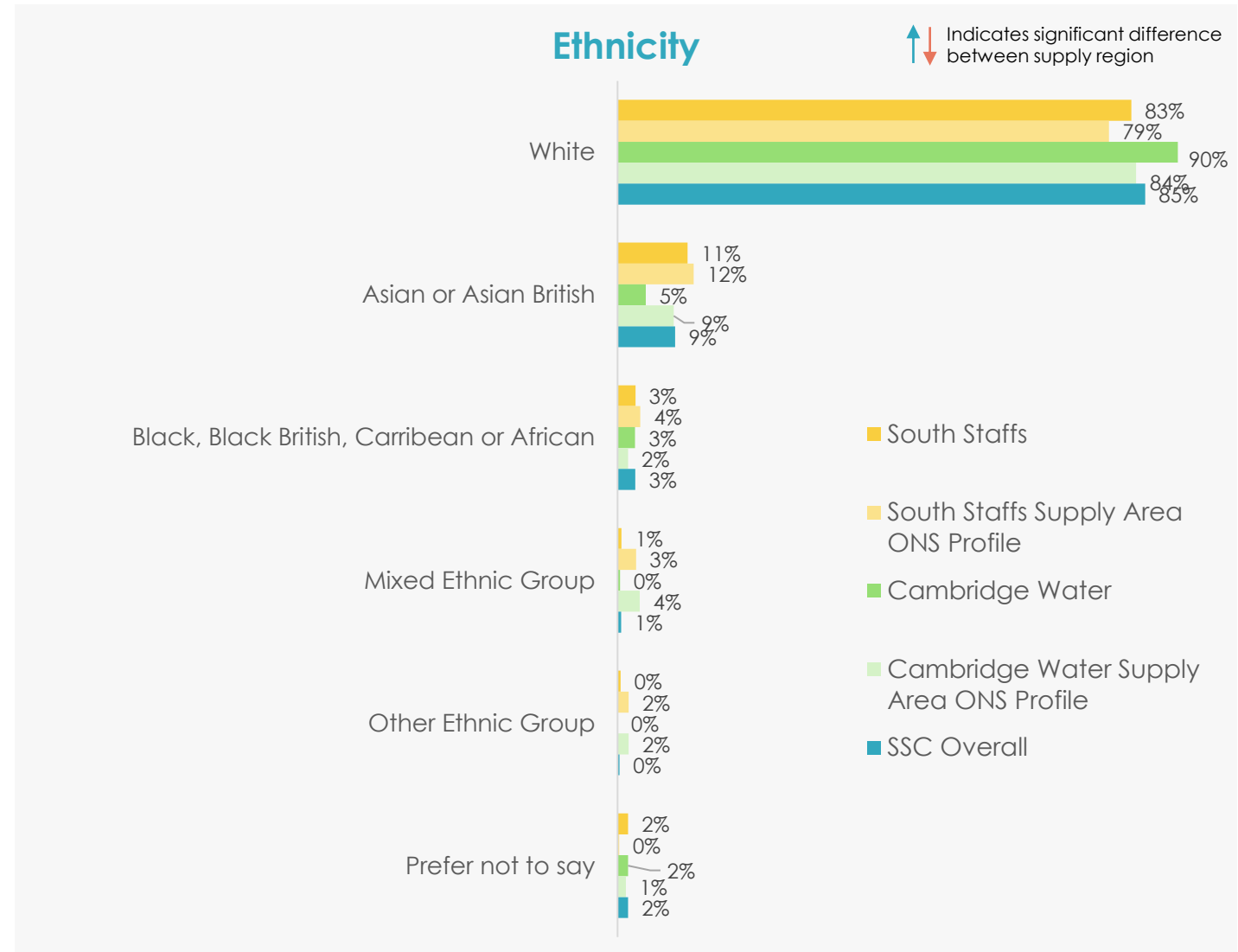


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Sample Profile.

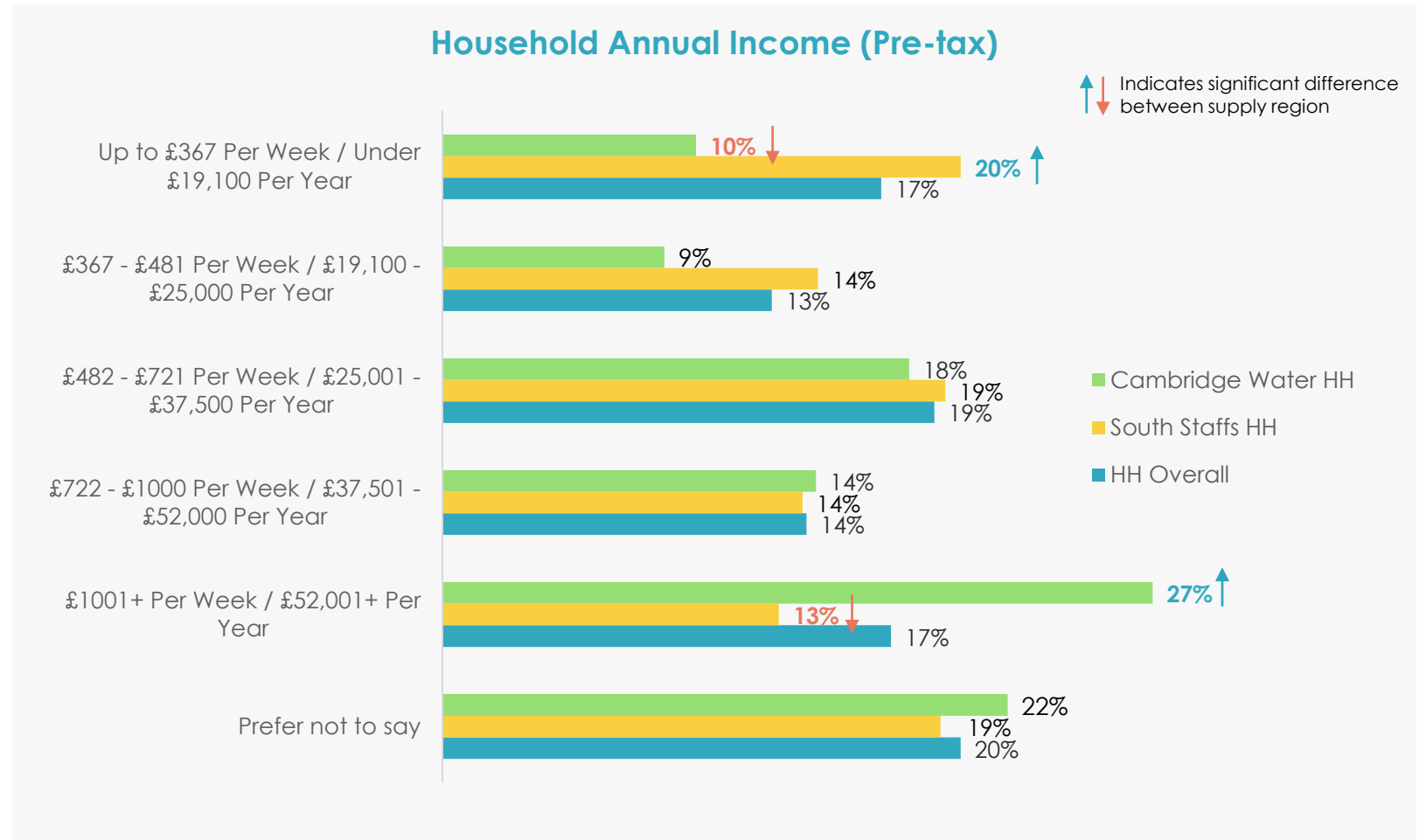
Household Sample Demographics - Ethnicity.

- The overall household sample is representative of the region with only a few percentage points difference for certain groups.
- 85% of household respondents across the SSC region identify as White (either British or other White group).
- The second highest represented ethnicity was Asian or Asian British at 9%.

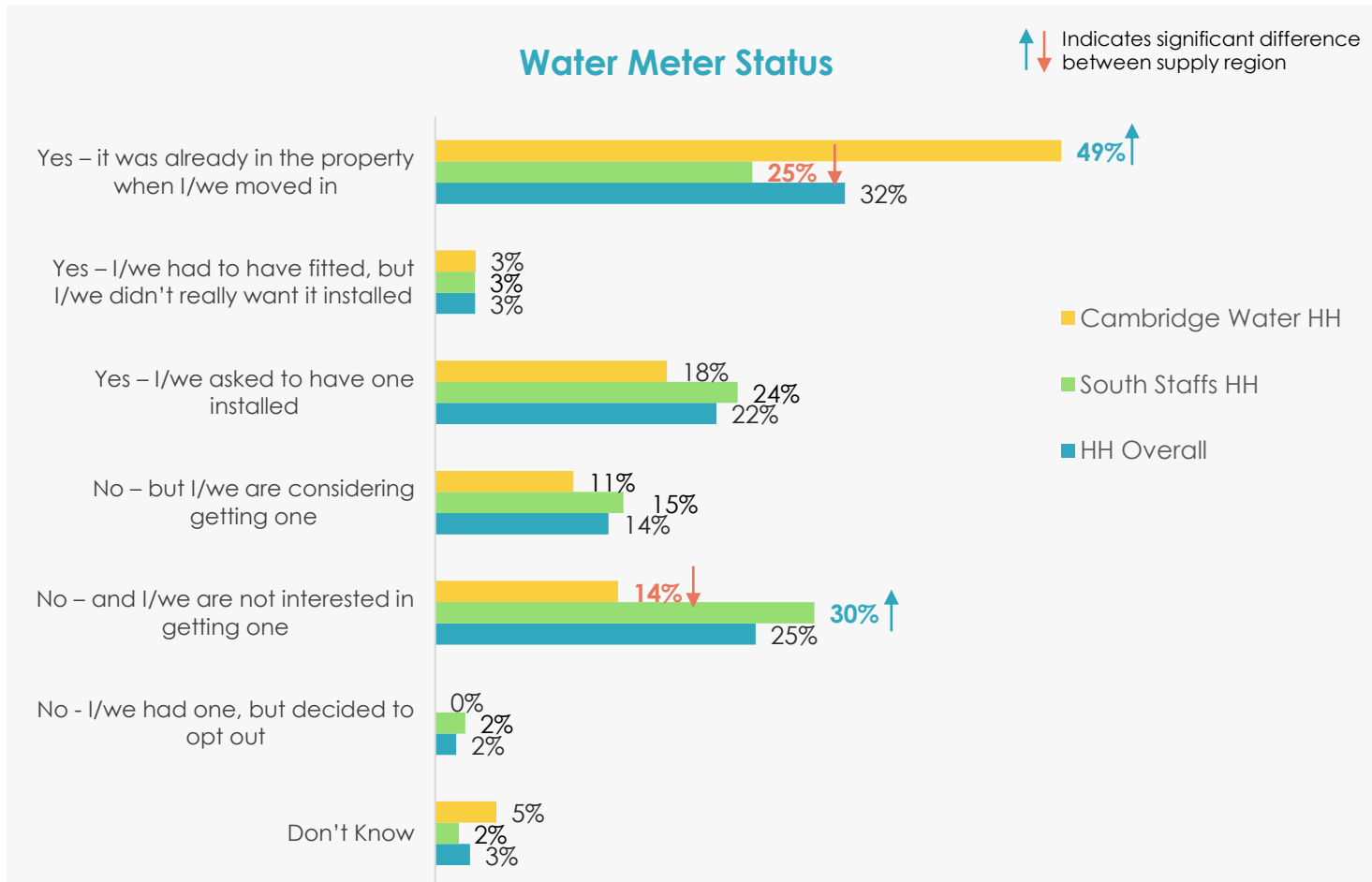


Household Sample Demographics - Annual household income.

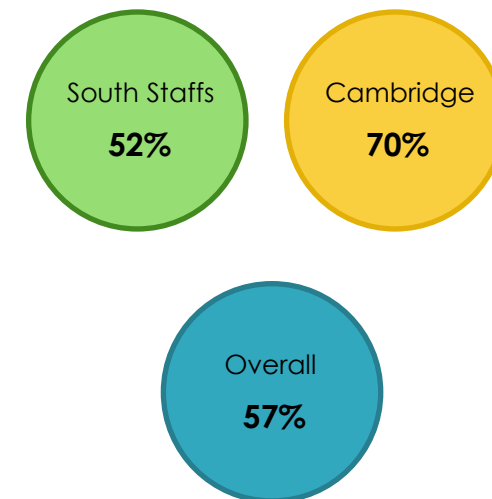
- There were significant differences in household income, with Cambridge Water customers having a significantly higher income profile than South Staffs customers.
- 27% of Cambridge Water customers were in the highest household income bracket, which is twice the proportion of South Staffs customers (13%). In turn, there was twice as many South Staffs customers (20%) in the lowest income bracket than Cambridge Water customers (10%).



Household Sample Demographics – Metering.



Metered customers in the Sample



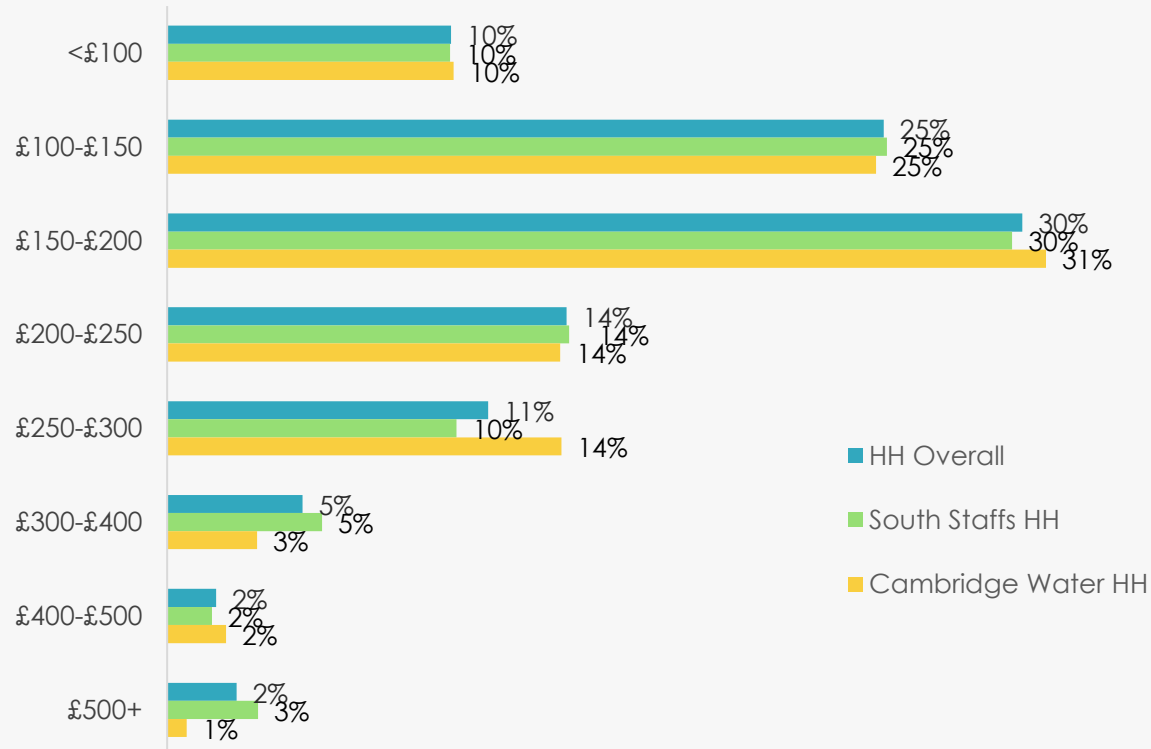
Actual meters rates:

- SSW: 45%
- Cambridge 75%

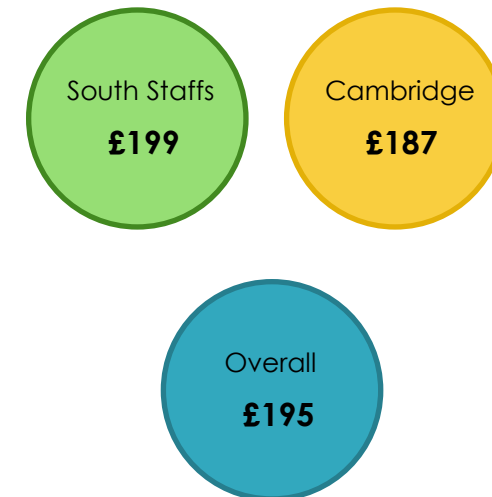
Household Sample Demographics – SSC Bills.

- Respondents were asked to enter their total water and wastewater bill amount (either monthly or annual), from this we calculated within the survey their current clean water bill only (for South Staffs or Cambridge) to use in subsequent questions. Below are the categorised and average annual clean water bill amounts given by household customers.
- Note that, on average, customers indicated a higher-than-average bill in both regions.

Annual Bill Categorized



Claimed Average Annual Bill



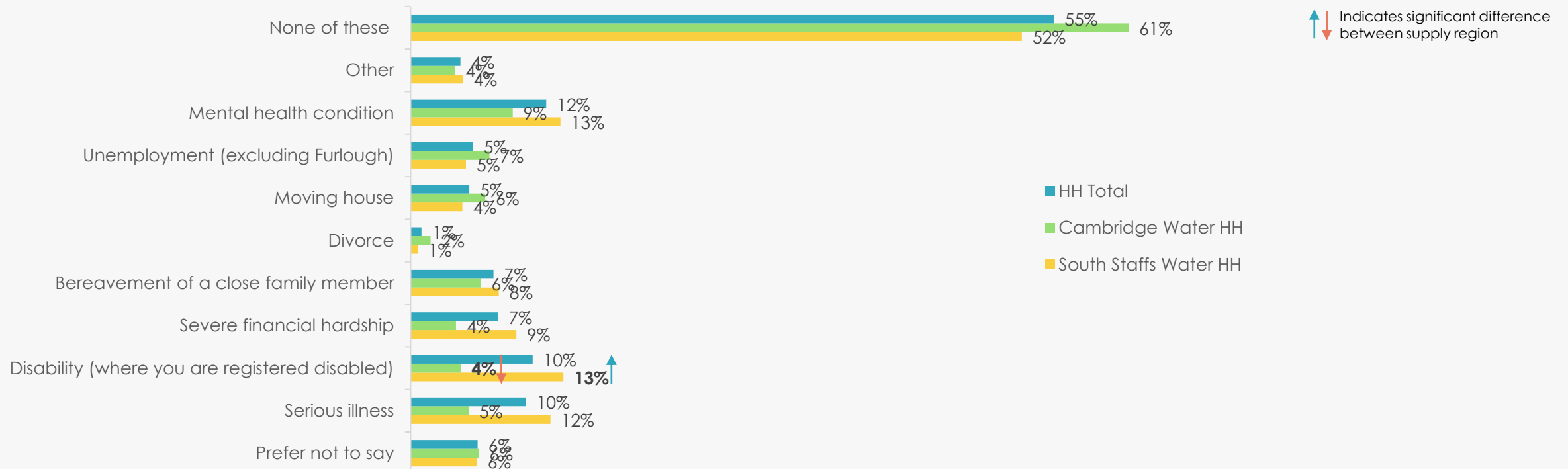
Actual average bills:

- SSW: £173
- Cambridge £161

Household Sample Demographics - Personal Circumstances and Vulnerability.

- There are significant regional differences in the proportion of customers considered 'vulnerable' (40% South Staffs : 27% Cambridge Water). These customers satisfy at least one of the following criteria: serious illness, disability (registered disabled), severe financial hardship, unemployed, a household income of less than £19,100 per year, and/or retired with only a state pension.
- Across the SSC region, 36% of respondents are considered 'vulnerable'.
- 5% (32 customers) of the sample were digitally disadvantaged, with these surveys completed on-street across the region.

Can you tell me if in the last 12 months, if you or anyone in your household has experienced any of the following?



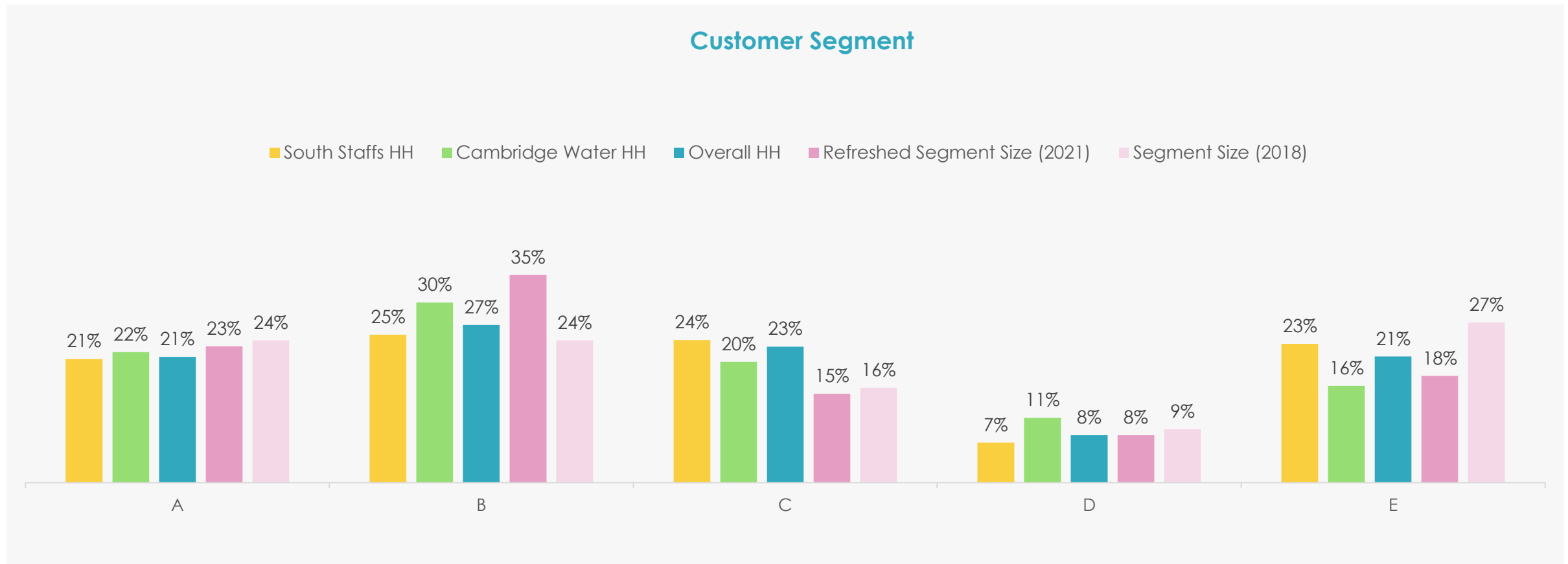
Household Sample Demographics (Customer Segments).

- The below chart table provides a brief overview of SSC's customer segments which have been used to aid in the analysis of these results.

Customer Segment	Overview of Segment
A (23% of SSC's customer base)	Very time-pressed juggling all their commitments. Consequently, don't think much about their water usage and don't want their time wasted. Often online.
B (35%)	Highly engaged with their water usage and the wider community they live in. Expect a very high level of service from companies they use. Use technology but prefer a personal relationship.
C (15%)	Often financially and time pressured. Strong preference for being online and using social media.
D (8%)	Highly engaged with using the 'latest' technology and managing their lives online.
E (18%)	Highly engaged with technology and very focussed on their network of family and friends. Admit to not thinking about their water usage or services and prefer a more transactional relationship with their water company.

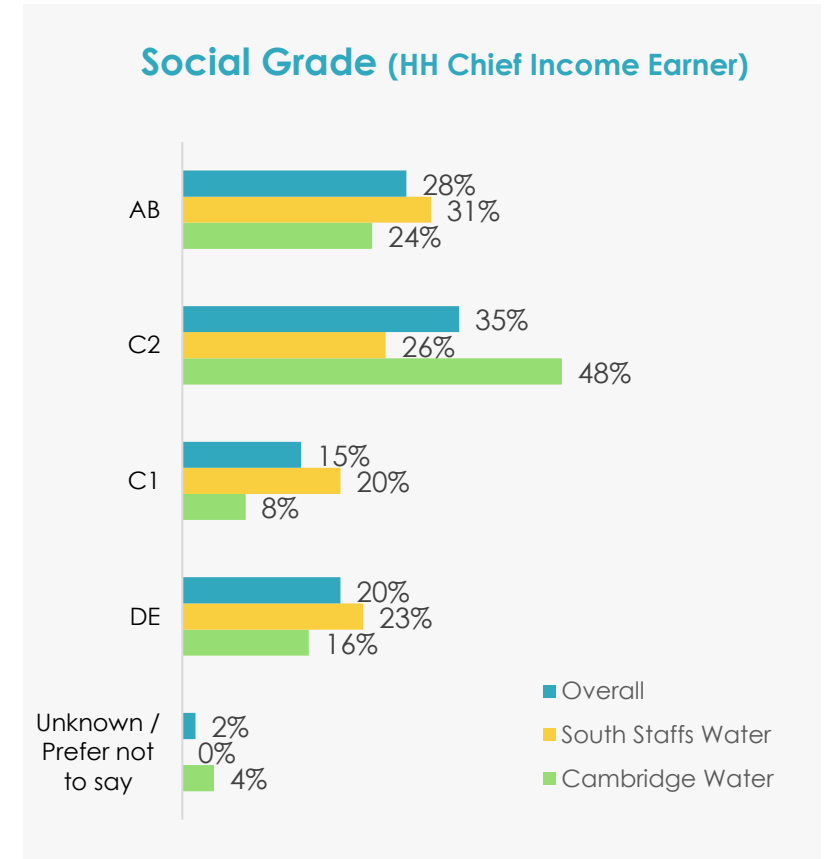
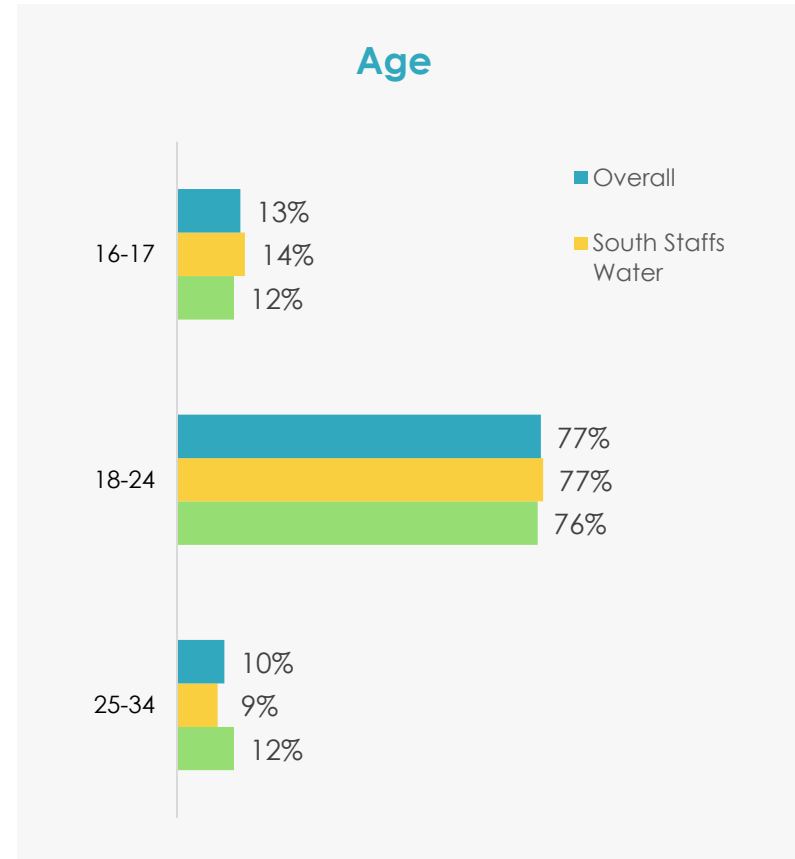
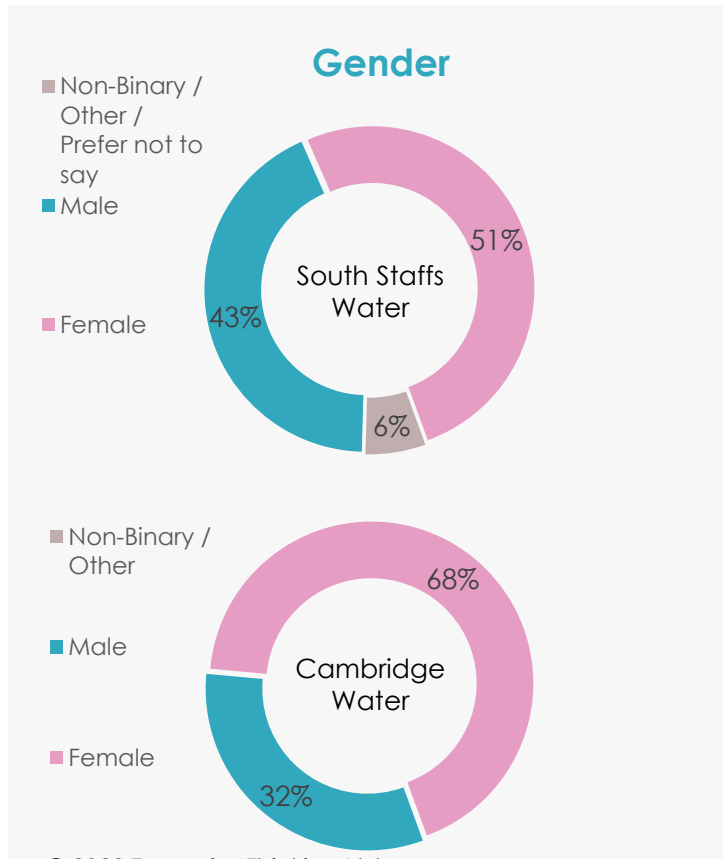
Household Sample Demographics (Attitudinal Segments).

- The below chart shows the split of achieved interviews by attitudinal segment.
- Overall, the segment proportions achieved within the sample are broadly inline with the 2021 refreshed customer splits.



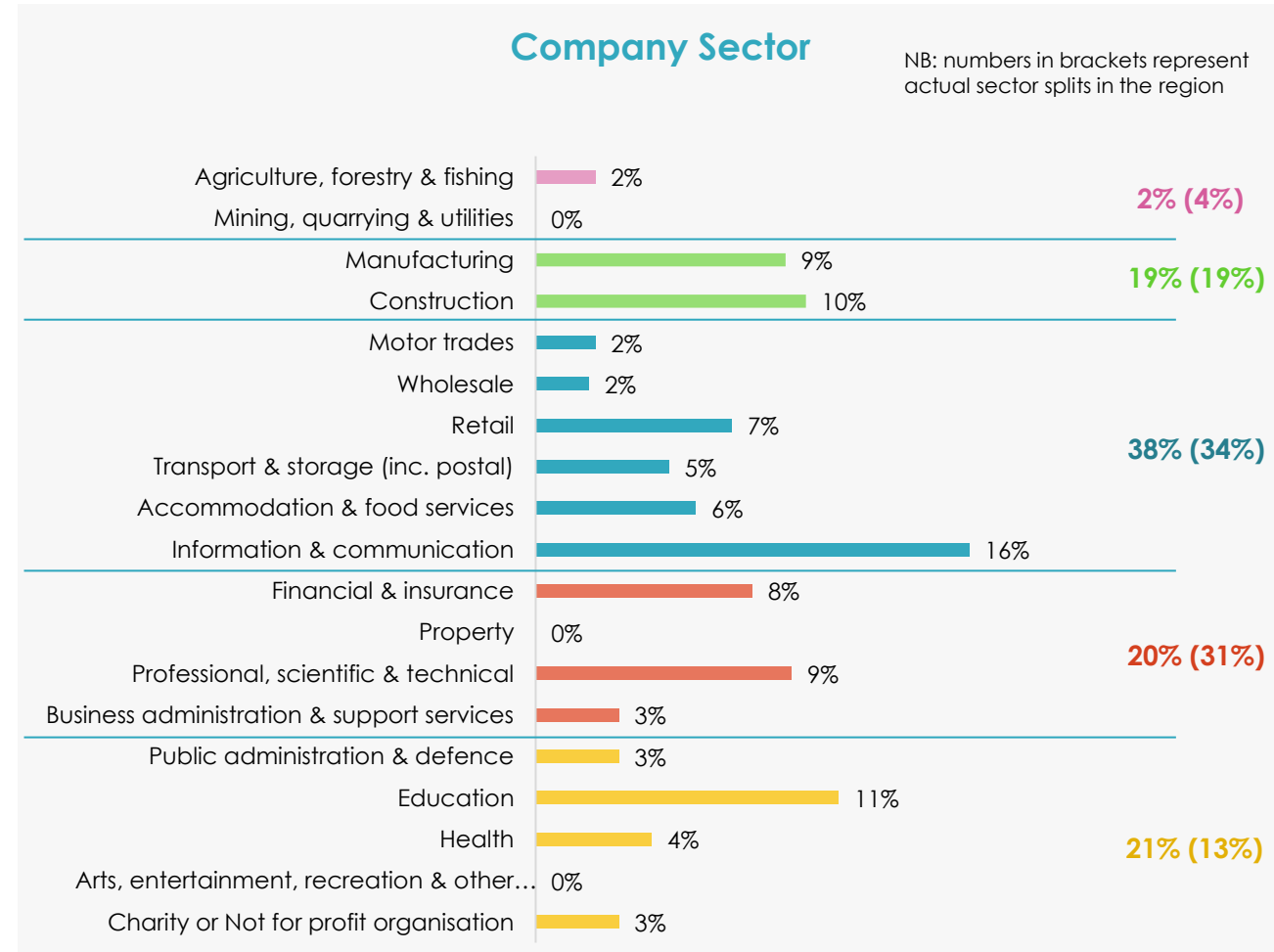
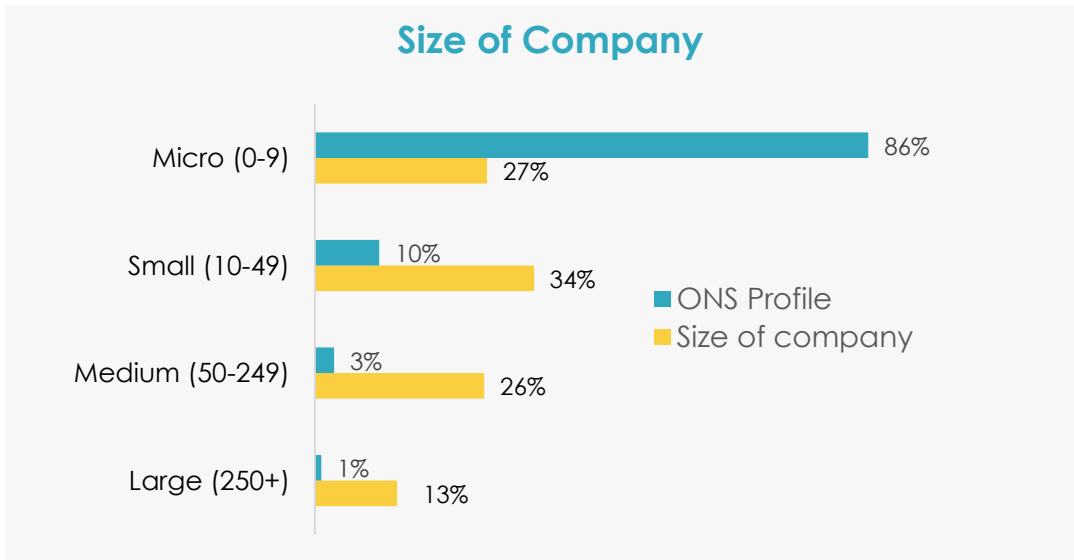
Future Customers Sample Demographics.

- The percentages below are unweighted and represent the actual demographic split of respondents surveyed.
- All future customers surveyed are non-bill-payers – 85% living at home with their parent(s) / guardian(s) and 15% in a rental property where the water bill is covered.
- Note that, when looking at results by the SSC region as a whole (South Staffs Water and Cambridge Water) for future customers, the data is weighted 70:30, South Staffs Water : Cambridge Water.



Non-Household Sample Demographics.

- The figures on this slide are unweighted and represent the demographic split of respondents' businesses surveyed versus the actual split within the region.
- Due to the nature of the survey, and the required viewing of the plan stimulus, the survey could only be completed online. Achieving a reasonable sample and representative split by size of company by this method is notoriously difficult. To achieve as robust a sample as possible, we had to accept the natural fall-out of size of business.
- Despite the size of business profile, the company sector split achieved is close to the actual region profile.
- Note that, when looking at results by the SSC region as a whole (South Staffs Water and Cambridge Water) for NHH customers, the data is weighted 70:30, South Staffs Water : Cambridge Water. In the Appendix of this report (slide 102), there is a table of the key metrics weighted to a more representative regional profile of 79% SSW : 21% CW for comparison.



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Key Findings.



Key Findings – Wave 1 vs Wave 2.

- The key difference between the two Waves was in terms of plan affordability which saw a significant drop in Wave 2. This result is perhaps not unexpected considering the difference in cost presented to customers between Wave 1 (+£14.28 per year for SSW : £13.90 per year for CW) and Wave 2 (+£34.08 per year for SSW : +£47.00 per year for CW).
- Despite this, informed plan acceptability remained relatively high and, in fact, rose marginally by 1%p for SSW customers and 5%p for Cambridge Water customers. However, it should be noted that the proportion of customers who found the informed plan unacceptable rose significantly in Wave 2 (from 18% in Wave 1 to 27% in Wave 2).

		% Response	
		WAVE 1 - Acceptable (%) / Easy (%)	WAVE 2 - Acceptable (%) / Easy (%)
SSC HH Overall	Uninformed Plan Acceptability	71% ↓	81% ↑
	Informed Plan Acceptability	63%	64%
	Plan Affordability	48% ↑	27% ↓
South Staffs HH	Uninformed Plan Acceptability	71% ↓	79% ↑
	Informed Plan Acceptability	62%	61%
	Plan Affordability	43% ↑	25% ↓
Cambridge HH	Uninformed Plan Acceptability	73% ↓	85% ↑
	Informed Plan Acceptability	67%	72%
	Plan Affordability	49% ↑	32% ↓

↑ ↓ Indicates significant difference between Wave

% figures for neutral and don't know responses included but not shown

Key Findings – Wave 2 Overview.

		% figures for neutral and don't know responses included but not shown		% Response	
				Unacceptable (%) / Difficult (%)	Acceptable (%) / Easy (%)
SSC HH Overall	Uninformed Plan Acceptability	15%		81%	
	Informed Plan Acceptability	27%		64%	
	Plan Affordability	35%		27%	
South Staffs HH	Uninformed Plan Acceptability	17%		79%	
	Informed Plan Acceptability	29%		61%	
	Plan Affordability	38%		25%	
Cambridge HH	Uninformed Plan Acceptability	10%		85%	
	Informed Plan Acceptability	21%		72%	
	Plan Affordability	26%		32%	

↑ ↓ Indicates significant difference between region

Key Findings.

- While the focus of the plans, in terms of how SSC are planning to achieve their targets, didn't change much between Wave 1 and Wave 2 (the biggest change coming in the South Staffs area with the removal of the supply side option of raising the Blithfield Reservoir dam), there were significant increases in the cost to customers – up from an average £14.28 to £34.08 per year in South Staffs and an average £13.90 to £47 per year in Cambridge).
- Notwithstanding these price increases, most customers across both Waves found the informed plans acceptable with little difference in acceptability between Waves. Most customers feel that SSC are focussing on the right areas/services and support what the company are planning.
- The main difference between the two Waves came with an 8%p increase in the proportion of customers who found the plan unacceptable. Overall, 27% of customers found the plans unacceptable with a further 9% answering 'don't know' which are not insignificant proportions.
- Looking at the reasons given by these customers, there is a clear affordability concern for some with many already struggling with their current water/wastewater and other household bills. Customers with lower household incomes and/or lower social grades were more likely to find the plans unacceptable, significantly in some cases. A key driver analysis on informed plan acceptability also highlighted the importance of plan affordability in driving acceptability scores – this was evidenced anecdotally in customers' verbatim views of the plans.



Key Findings – Perceptions of SSC

- Firstly, it should be noted when looking at the results to this study that household customers in particular reported lower SSC perception scores than would be expected.
- Satisfaction with overall service was just 57% for household customers in this research. This year-to-date in comparable research, satisfaction with overall service is 70% (58% when isolating those completing via the same online methodology).
- Trust scores were similarly low, with just 56% indicating that they trust SSC. This figure is 13% points lower than the figure recorded in comparable research (59% when isolating those completing via the same online methodology).
- Finally, current bill affordability was also lower at 54%, 15% points lower than the figure recorded in comparable research (59% when isolating those completing via the same online methodology).
- Whilst the comparable online only results are similar, it's also possible that the nature / subject matter of the research has had an impact in terms of customers self-selecting to take part. However, it should be noted that these perception questions were answered before seeing the plans.



Key Findings – Uninformed Plan Acceptability

HOUSEHOLD CUSTOMERS	UNACCEPTABLE (1 or 2 scores)	ACCEPTABLE (3 or 4 scores)
SS region	16.53%	79.49%
CAM region	10.19%	84.94%
Male	11.00%	84.00%
Female	18.36%	78.50%
18-24	0.00%	100.00%
25-34	12.79%	84.52%
35-44	16.25%	83.02%
45-54	14.68%	80.65%
55-64	18.16%	74.26%
65+	13.57%	80.48%
SEG AB	10.64%	87.64%
SEG C1	11.80%	86.06%
SEG C2	19.75%	72.28%
SEG DE	17.90%	75.54%
SSC Overall	14.63%	81.12%

NON-HOUSEHOLD CUSTOMERS	UNACCEPTABLE (1 or 2 scores)	ACCEPTABLE (3 or 4 scores)
SS region	10.96%	87.67%
CAM region	0.00%	100.00%
SSC Overall	7.67%	91.37%

FUTURE CUSTOMERS	UNACCEPTABLE (1 or 2 scores)	ACCEPTABLE (3 or 4 scores)
SS region	11.43%	88.57%
CAM region	20.00%	56.00%
SSC Overall	14%	78.8%

Note: no significant differences by region or demographic

Key Findings – Uninformed Plan Acceptability

HOUSEHOLD CUSTOMERS	UNACCEPTABLE (1 or 2 scores)	ACCEPTABLE (3 or 4 scores)
Metered	12.00%	84.00%
Unmetered	18.67%	76.94%
HH income <=£25k	14.27%	81.94%
HH income >£25k-£52k	11.16%	86.54%
HH income >£52k	12.09%	87.24%
Segment A	10.09%	86.99%
Segment B	11.05%	82.69%
Segment C	13.97%	85.43%
Segment D	10.38%	87.14%
Segment E	25.91% ↑	66.41% ↓
PSR Vulnerable	16.35%	78.08%
White	14.06%	81.66%
BAME	18.55%	76.80%
SSC Overall	14.63%	81.12%

NON-HOUSEHOLD CUSTOMERS	UNACCEPTABLE (1 or 2 scores)	ACCEPTABLE (3 or 4 scores)
Micro (0-9 employees)	3.58%	92.84%
Small (10-49 employees)	2.81%	97.19%
Medium (50-249 employees)	18.20%	81.80%
Large (250+ employees)	7.49%	92.51%
SSC Overall	7.67%	91.37%

Key Findings – Uninformed Plan Acceptability.

- Positively, just over 8 out of 10 household customers (81%) believed the plan acceptable based on the uninformed stimulus. The two clear main reasons given by household customers who found the 'uninformed' plan acceptable were that they 'support what they [SSC] are trying to do in the long-term' (53%) and 'their [SSC's] plan seems to focus on the right services' (38%). These were the top-two reasons given by customers in both regions with no significant differences between the two regions across the set.
- The main reasons for finding the plan unacceptable centred around the cost of the plan, and the share of the cost to customers specifically in comparison to the contribution from SSC – i.e., they feel SSC should contribute more from profits or the company itself should pay for these improvements.
- Future customers also found the plan acceptable based on the uninformed stimulus – 75% overall. Whilst South Staffs Water Future Customers did find the plan significantly more acceptable than Cambridge Water customers, a quarter (24%) of Cambridge Water customers cited 'don't know' which impacted the acceptability figure.
- Non-household customers found the plan more acceptable than household customers based on the uninformed stimulus – 88% overall. There was little difference between the regions in terms of overall acceptability; however, while all Cambridge Water customers found the plan acceptable, 11% of South Staffs NHH customers found the plan unacceptable.



Key Findings – Informed Plan Acceptability

↑↓ Indicates significant difference between group

HOUSEHOLD CUSTOMERS	UNACCEPTABLE (1 or 2 scores)	ACCEPTABLE (4 or 5 scores)
SS region	29.45%	61.37%
CAM region	20.66%	71.79%
Male	27.75%	60.54%
Female	25.96%	68.45%
18-24	17.25%	80.47%
25-34	17.47%	77.44%
35-44	29.86%	65.40%
45-54	28.21%	60.86%
55-64	35.36%	54.50%
65+	24.70%	63.30%
SEG AB	21.25%	73.39%
SEG C1	27.60%	62.94%
SEG C2	27.32%	61.73%
SEG DE	30.86%	60.39%
SSC Overall	26.81%	64.50%

NON-HOUSEHOLD CUSTOMERS	UNACCEPTABLE (1 or 2 scores)	ACCEPTABLE (4 or 5 scores)
SS region	15.07%	83.567%
CAM region	10.71%	89.29%
SSC Overall	13.76%	85.28%

FUTURE CUSTOMERS	UNACCEPTABLE (1 or 2 scores)	ACCEPTABLE (4 or 5 scores)
SS region	25.71%	68.57% ↑
CAM region	28.00%	28.00% ↓
SSC Overall	26.40%	56.40%

Key Findings – Informed Plan Acceptability

HOUSEHOLD CUSTOMERS	UNACCEPTABLE (1 or 2 scores)	ACCEPTABLE (4 or 5 scores)
Metered	23.95%	69.07%
Unmetered	30.06%	59.50%
HH income <=£25k	32.49%	55.56%
HH income >£25k-£52k	18.79%	74.73% ↑
HH income >£52k	18.39% ↓	78.15% ↑
Segment A	21.04%	71.29%
Segment B	21.44%	68.85%
Segment C	21.36%	69.80%
Segment D	23.83%	70.66% ↓
Segment E	46.27% ↑	44.26% ↓
PSR Vulnerable	32.76%	55.71%
White	27.61%	63.10%
BAME	18.12%	76.18%
SSC Overall	26.81%	64.50%

NON-HOUSEHOLD CUSTOMERS	UNACCEPTABLE (1 or 2 scores)	ACCEPTABLE (4 or 5 scores)
Micro (0-9 employees)	11.16%	85.26%
Small (10-49 employees)	8.77%	91.23%
Medium (5-249 employees)	25.91%	74.09%
Large (250+ employees)	7.49%	92.51%
SSC Overall	13.76%	85.28%

Key Findings – Informed Plan Acceptability.

- Overall, 65% of household customers found the informed plans acceptable. This, however, is 16%p lower than the uninformed acceptability score of 81%. It should be noted that just over half of all customers found the plan 'somewhat acceptable', with only 13% finding the plan 'completely acceptable'.
- South Staffs Water household customers, as with uninformed acceptability, scored slightly lower than Cambridge Water household customers (72% Cambridge: 61% South Staffs).
- Overall, 27% of household customers found the informed plan unacceptable, with a further 9% citing 'don't know'.
- Whilst there were no significant differences by key demographics (gender, age and SEG), customers from Segment E, PSR vulnerable customers and/or customers with lower household incomes were less likely to find the plan acceptable.
- The key driver of informed plan acceptability, by a distance, is plan affordability – this is true in both regions, although to a greater extent in the South Staffs Water region). Interestingly, a comparative Key Drivers Analysis (KDA) of uninformed plan acceptability shows a much greater importance of SSC perception metrics (and a lesser importance of plan affordability) suggesting that customers may not have fully absorbed the bill impacts at the uninformed stage and were more relying on their perceptions of the company in giving their acceptability responses.



Key Findings - Informed Plan Acceptability.

- Overall, 56% of future customers found the informed plans acceptable. However, perhaps unsurprisingly, there was a higher proportion of 'don't know' responses amongst this group – particularly in the Cambridge Water region which led to significantly lower acceptability in the region.
- Future customers, as with household customers, felt that the plans focussed on the right services and they are mostly supportive of what SSC are trying to do in the long-term. Future customers who found the plan unacceptable did so mainly due the cost of the plan with the most common reasons for finding the plans unacceptable being the plan was is too expensive or indicating that they won't be able to afford the increases.
- Non-household customers were the most likely customer type to find the plans acceptable with 85% overall. Again, the most common reasons given for finding the plans acceptable amongst these customers were that the plan seems to focus on the right services and that they/their organisation support what SSC are trying to do in the long-term.



Key Findings – Informed Plan Affordability

↑ ↓ Indicates significant difference between group

HOUSEHOLD CUSTOMERS	DIFFICULT (1 or 2 scores)	EASY (4 or 5 scores)
SS region	38.16%	25.07%
CAM region	26.34%	31.84%
Male	36.58%	26.17%
Female	32.75%	28.05%
18-24	39.47%	28.27%
25-34	33.78%	37.63%
35-44	34.68%	29.56%
45-54	29.76%	31.08%
55-64	45.20%	15.88%
65+	31.67%	22.58%
SEG AB	20.53% ↓	38.24% ↑
SEG C1	26.82%	26.81%
SEG C2	43.40%	23.30%
SEG DE	51.99% ↑	19.40%
SSC Overall	34.61%	27.10%

NON-HOUSEHOLD CUSTOMERS	DIFFICULT (1 or 2 scores)	EASY (4 or 5 scores)
SS region	17.81%	47.95%
CAM region	14.29%	50.00%
SSC Overall	16.75%	48.56%

FUTURE CUSTOMERS	DIFFICULT (1 or 2 scores)	EASY (4 or 5 scores)
SS region	37.14%	28.57%
CAM region	68%	8%
SSC Overall	46.40%	22.40%

Key Findings – Informed Plan Affordability

HOUSEHOLD CUSTOMERS	DIFFICULT (1 or 2 scores)	EASY (4 or 5 scores)
Metered	29.59%	30.52%
Unmetered	41.76%	22.39%
HH income <=£25k	47.84% ↑	16.85% ↓
HH income >£25k-£52k	23.31% ↓	34.91%
HH income >£52k	14.56% ↓	53.31% ↑
Segment A	28.27% ↓	31.47%
Segment B	34.11%	33.61%
Segment C	35.51%	22.38%
Segment D	25.89%	27.32%
Segment E	43.89%	19.61%
PSR Vulnerable	49.82% ↑	12.11% ↓
White	32.64%	28.58%
BAME	46.18%	20.21%

NON-HOUSEHOLD CUSTOMERS	DIFFICULT (1 or 2 scores)	EASY (4 or 5 scores)
Micro (0-9 employees)	15.16%	48.21%
Small (10-49 employees)	11.59%	55.79%
Medium (5-249 employees)	33.19%	33.19%
Large (250+ employees)	0.00%	61.67%
SSC Overall	16.75%	48.56%

Key Findings – Informed Plan Affordability.

- Amongst household customers, just 27% of household customers indicated that they would find their future bill 'easy' to afford with 35% believing they would find it difficult to afford. Whilst the differences between the supply regions were not statistically significant, customers in the South Staffs region indicated that they would find their future bill more difficult to afford than customers in the Cambridge Water region
- Almost half of all customers (sig. high 48%) with the lowest two household income bracket of up to £25k per year indicated that they would find it difficult to afford the future bill. Albeit with substantial crossover with household income, a significantly high 52% of customers with a DE social grade and 50% of PSR vulnerable customers indicated that they would find it difficult to afford the future bill
- Overall, 50% of future customers indicated that they would find it difficult to afford the future plan bill. The proportion was higher amongst Cambridge Water future customers (68%), although not significantly at the smaller sample size. Just 20% indicated that they would find the future bill easy to afford, although naturally it will be difficult for some future customers to forecast how easy or difficult it will be for them to afford the bill in the future.
- Around half of SSC's NHH customers indicated that their organisation would find it 'easy' to afford their future bill (49%). However, the most common single response across both regions, however, was '3 – neither easy nor difficult' (35%).





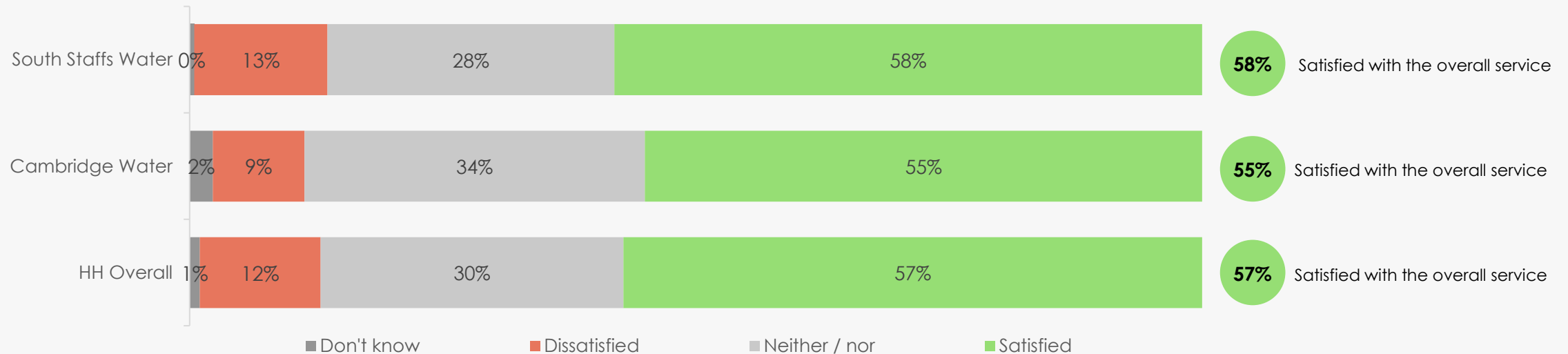
turquoise

Perceptions of SSC.

Household Satisfaction with Overall Service.

- Household satisfaction with overall service was 57% overall. This figure is in line with the 58% figure recorded in comparable tracker research this year to date.
- 12% of customers reported being dissatisfied with the overall service provided overall; 13% in South Staffs and 9% in Cambridge.
- There were no significant differences by key demographics, however as with value for money, male customers (53%) and younger customers, aged 18-34 (52%), were less satisfied than other demographic groups.

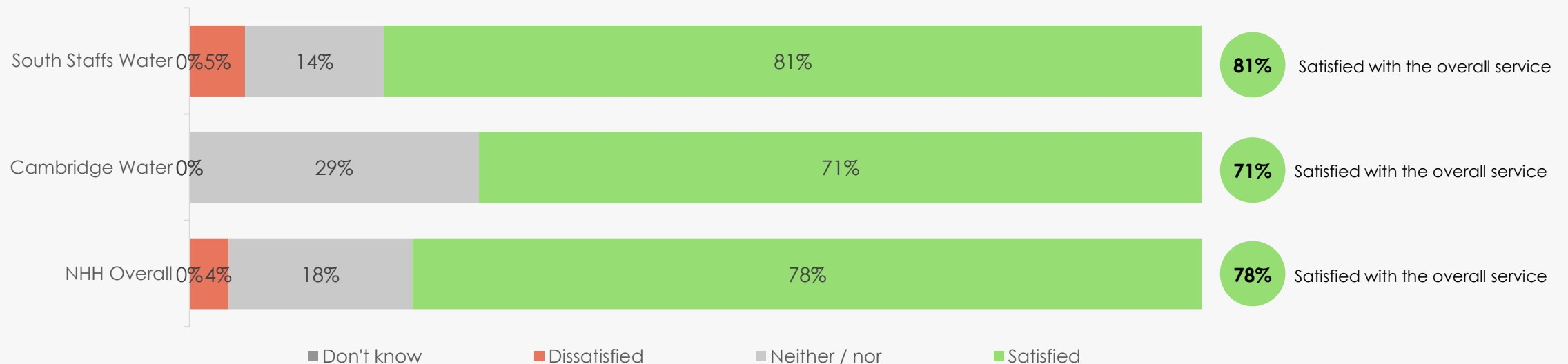
How satisfied would you say you are with the overall service provided by SSC?



Non-Household Satisfaction with Overall Service.

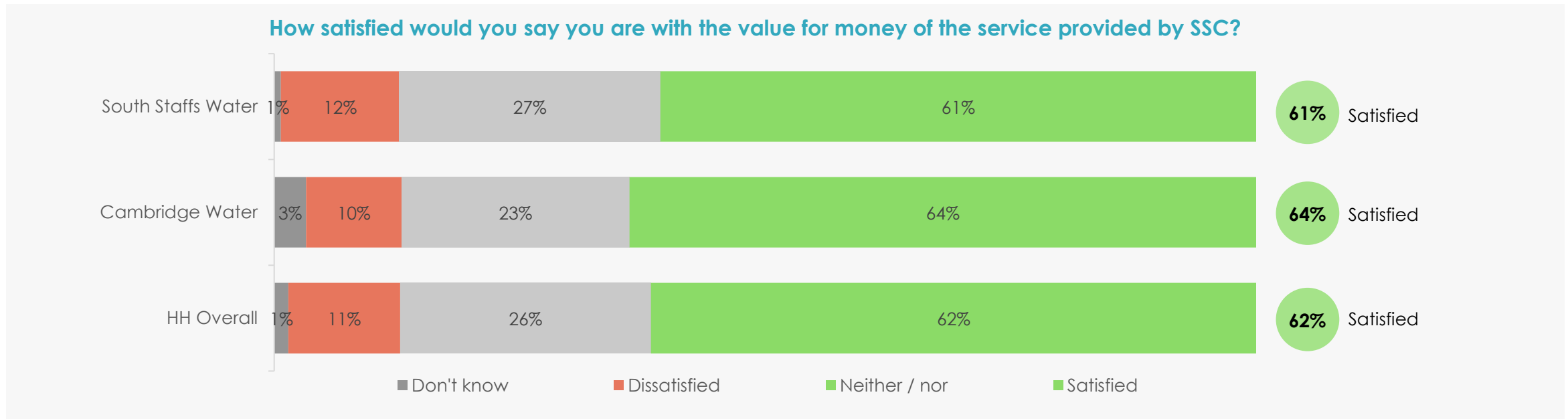
- Non-household satisfaction with overall service was significantly higher than household satisfaction at 78% overall.
- Satisfaction was slightly lower in the Cambridge Water region (71%) than in the South Staffs region (81%), however, not significantly.
- Just 4% of customers reported being dissatisfied with the overall service provided, with all dissatisfied business customers in the South Staffs region.

How satisfied would you say you are with the overall service provided by SSC?



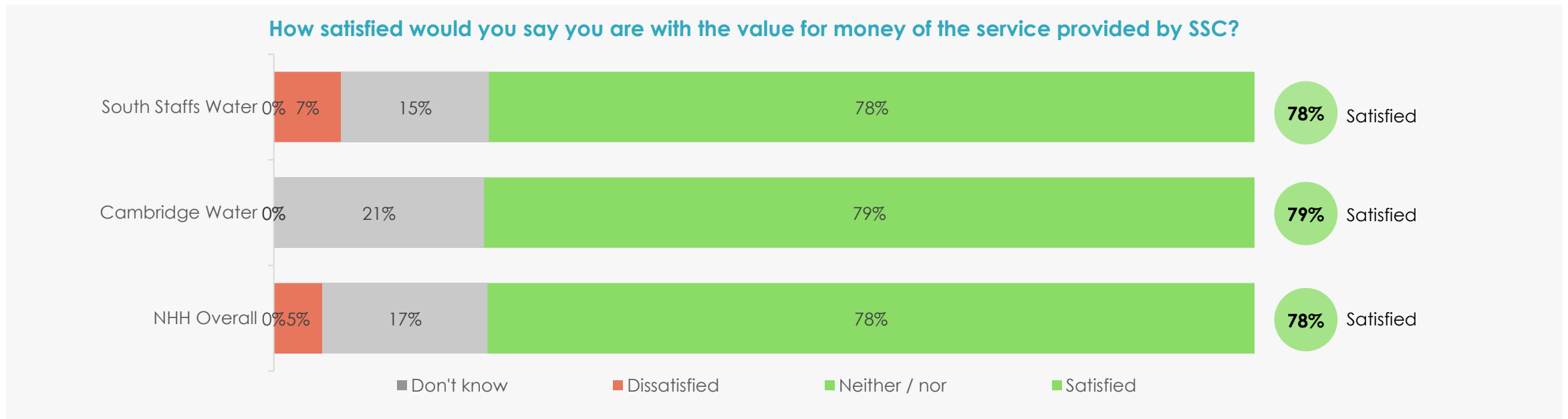
Household Satisfaction with Value for Money.

- Overall household satisfaction with value for money was 62%. This result is in line with the comparable figures recorded in other SSC tracking surveys.
- Cambridge Water household customers were slightly more satisfied with value for money than South Staffs Water customers, although not significantly.
- Whilst there were no significant differences by key demographics, male customers (57%) and younger customers, aged 18-34 (58%), were less satisfied.



Non-Household Satisfaction with Value for Money.

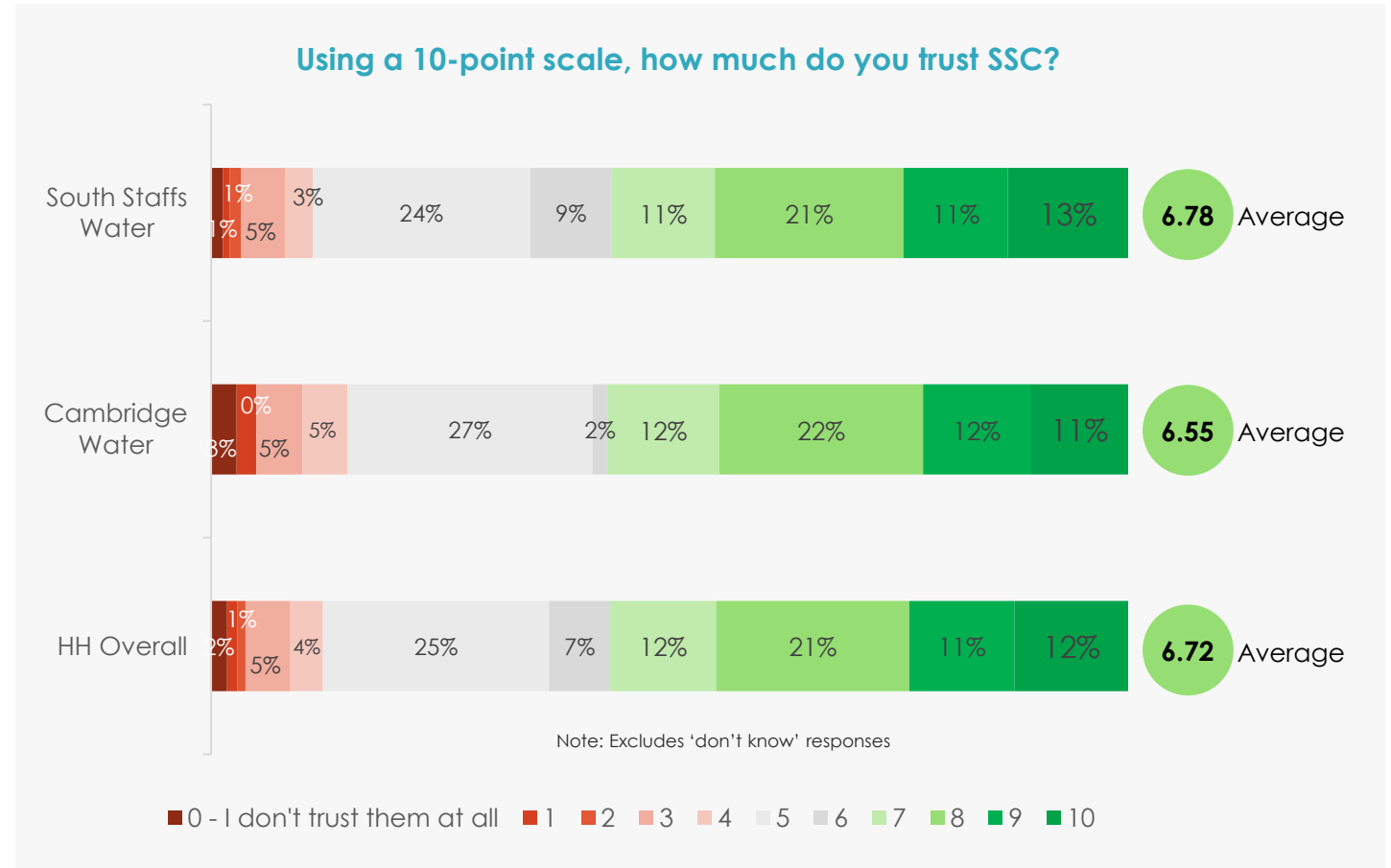
- Overall household satisfaction with value for money for non-household customers was 78%, 16%p higher than household satisfaction.
- Satisfaction with value for money was similar in both supply regions, however, South Staffs Water business customers reported 7% dissatisfaction compared with 0% dissatisfaction amongst Cambridge Water customers.



Household Trust.

How much do you trust SSC?

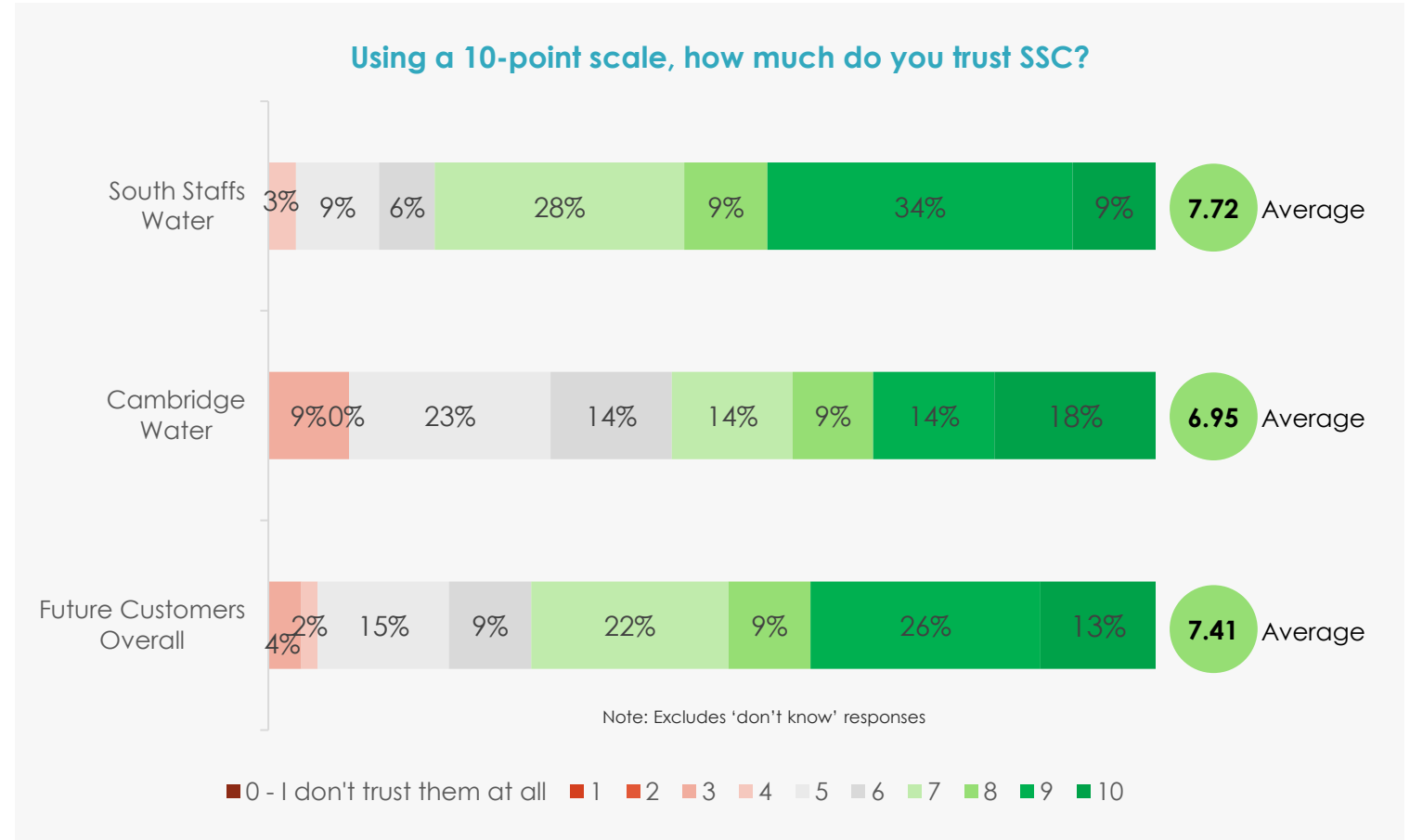
- Overall, 56% of household customers trust SSC (scored 7-10). Again, this is aligned with the 59% recorded in comparable tracker research this year to date.
- Average trust scores were slightly higher amongst South Staffs Water customers (6.78) than Cambridge Water customers (6.55), however, not significantly.
- There were no significant differences by key demographics. The lowest average trust scores by demographic groups were amongst males (6.45).



Future Customer Trust.

How much do you trust SSC?

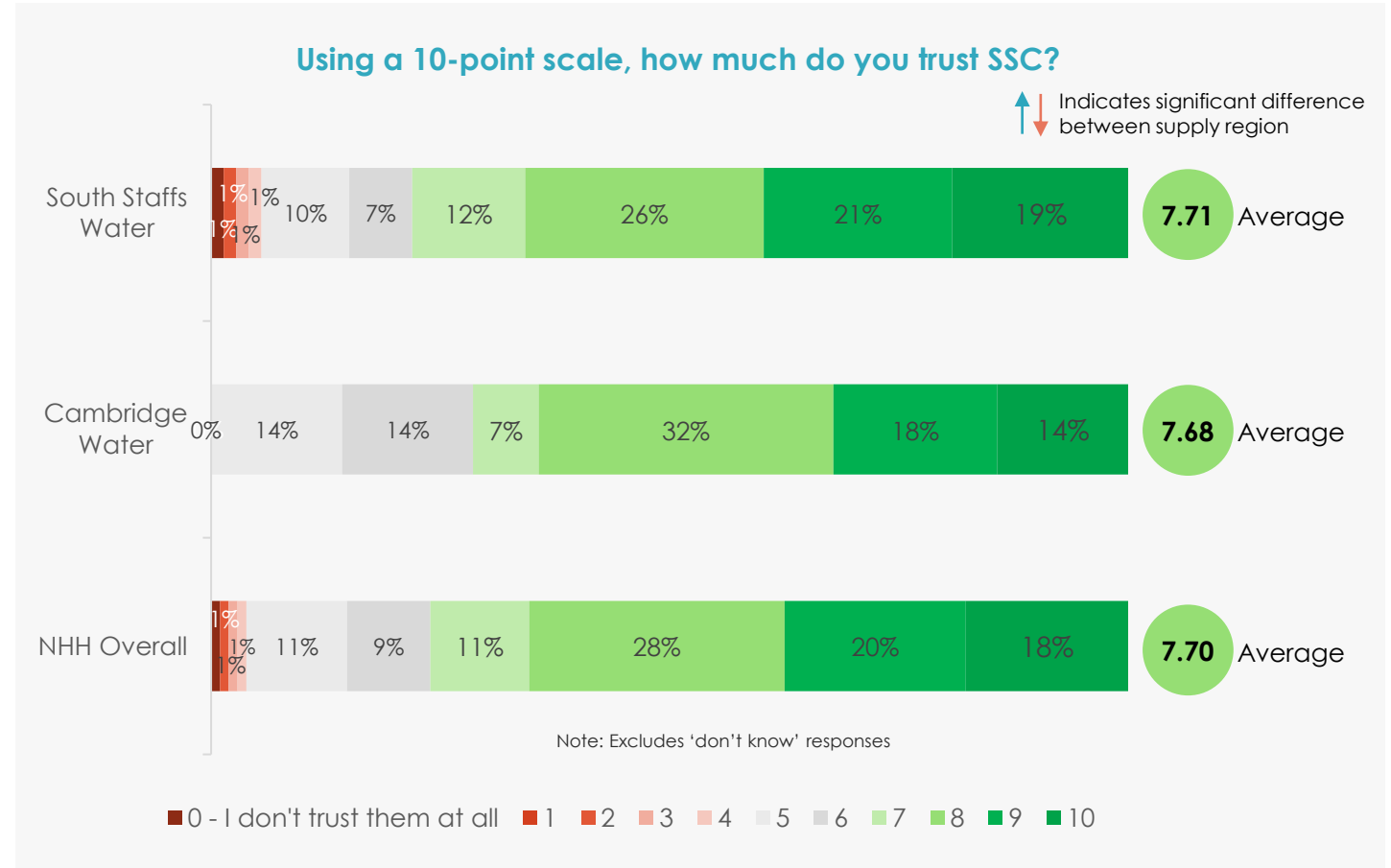
- Overall, trust scores were higher amongst future customers than current customers. 81% of South Staffs future customers trust SSC (scored 7-10) compared to just 55% of Cambridge Water future customers.
- However, it's perhaps understandable that a large proportion of Cambridge Water future customers gave middling scores of 5 or 6 (37%) and likely represents a lack of knowledge amongst this audience.



Non-Household Trust.

How much do you trust SSC?

- Overall, trust scores amongst non-household customers were higher than amongst household customers.
- Across both regions, 76% of customers are considered to trust SSC (scored 7-10).
- There was very little difference in average trust scores in the two supply regions.



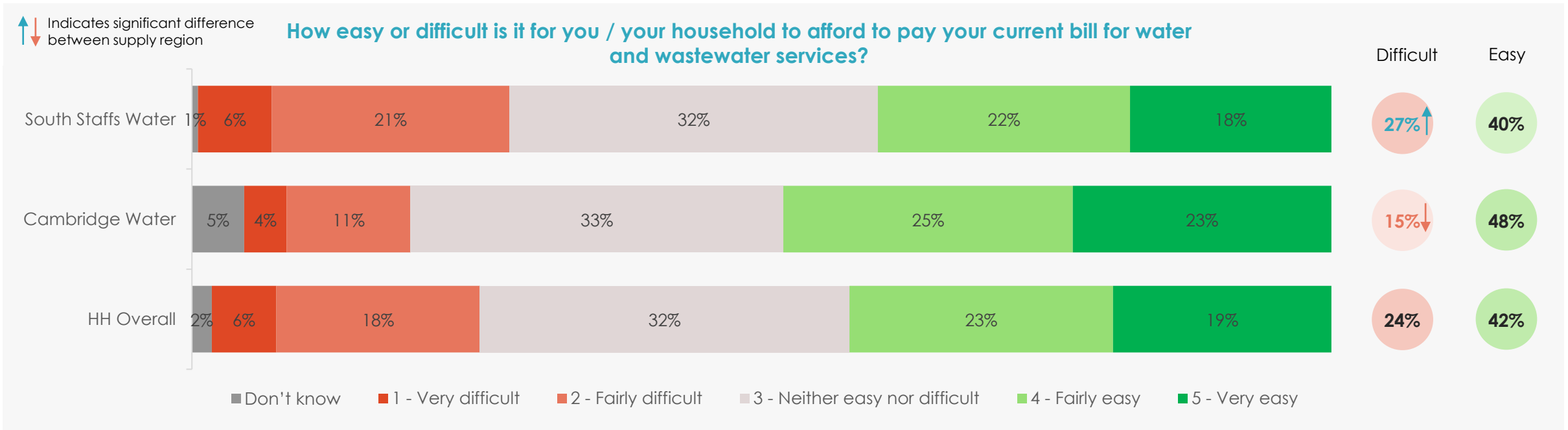
A vibrant turquoise hummingbird is shown in flight, hovering near a yellow flower. The bird's feathers are iridescent, with shades of green and blue. The background is a soft, out-of-focus green. The word "turquoise" is written in a white, dotted font in the upper left corner.

turquoise

**Current Bill
Affordability.**

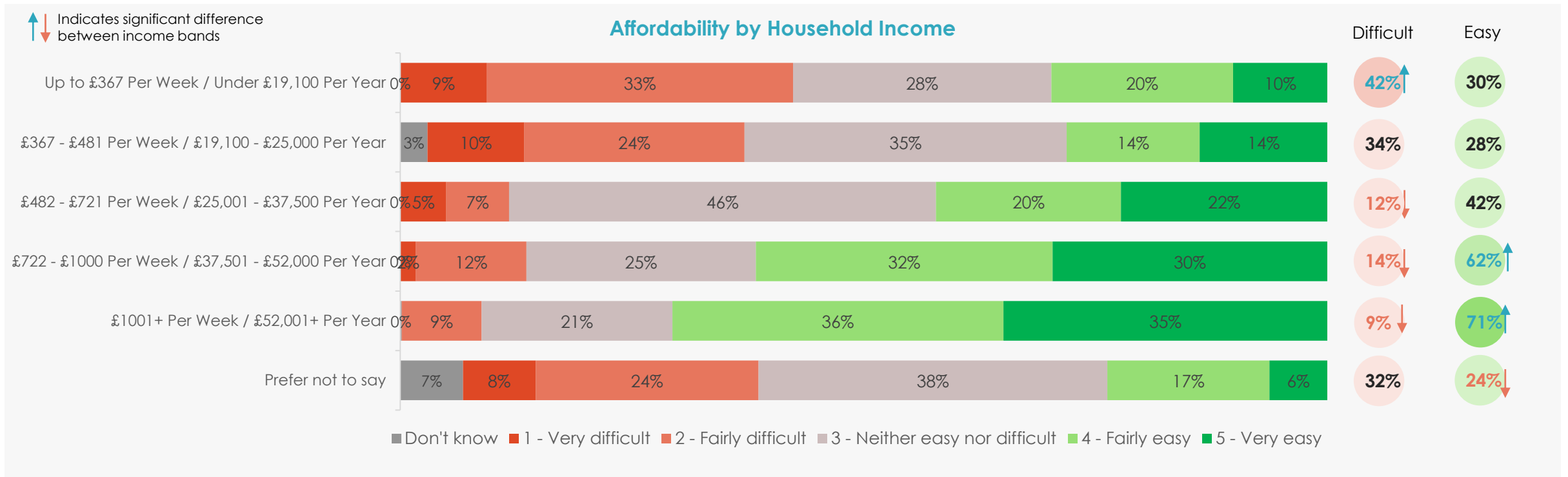
Household Current Bill Affordability.

- Having entered their total clean and wastewater bill, respondents were shown what their current annual clean water bill amount was. Customers were then asked how easy or difficult it is for them to afford to pay their current bill for water and wastewater services.
- Overall, just 42% of household customers indicated that they find their current bill easy to afford – 40% of South Staffs customers and 48% of Cambridge Water customers.
- There was a significant difference between the two supply regions, with South Staffs Water customers significantly more likely find their current bill difficult to afford than Cambridge Water customers. Just over a quarter of South Staffs Water customers find their current bill difficult to afford (27%) compared with 15% amongst Cambridge Water customers.
- The affordability question used in Wave 2 was changed to reflect the Ofwat guidance on affordability testing, which makes it difficult to compare with Wave 1.



Household Current Bill Affordability by Household Income.

- Customers with higher annual household incomes were more likely to find their current bill easy to afford. Customers in the two highest household income brackets (£37,501-£52,000 and £52,001+ per year) were significantly more likely to find their current bill easy to afford, 62% and 71% respectively.
- Customers who preferred not to divulge their annual household income were significantly less likely to find their current bill easy to afford (24%).
- More than two-fifths (42%) of customers with a household income of under £17,005 per year indicated that they find their current bill difficult to afford.
- Linked to these results, customers with lower social grades were more likely to find their current water bill difficult to afford – DE significantly (47%).

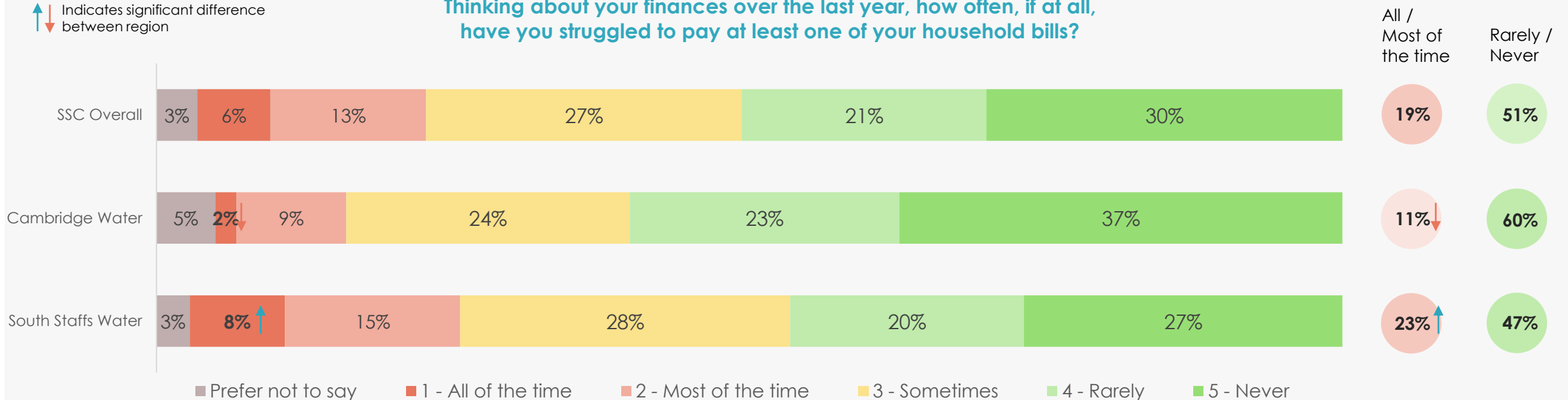


Wider Household Affordability – Water and Other Bills.

- Continuing the theme of affordability, customers were also asked about how often they struggle to pay at least one of their household bills. Concerningly, just 51% of customers reported either rarely or never struggling.
- Nearly a quarter (23%) of South Staffs Water customers indicated that they struggle to pay at least one of their household bills either all or most of the time – significantly higher than the 11% of Cambridge Water customers.
- Nearly 2 in 5 (38%) of customers with a DE social grade report struggling to pay at least one of their household bills either all or most of the time – similarly, 30% of customers with a household income of under £25k per year reported struggling at least most of the time.

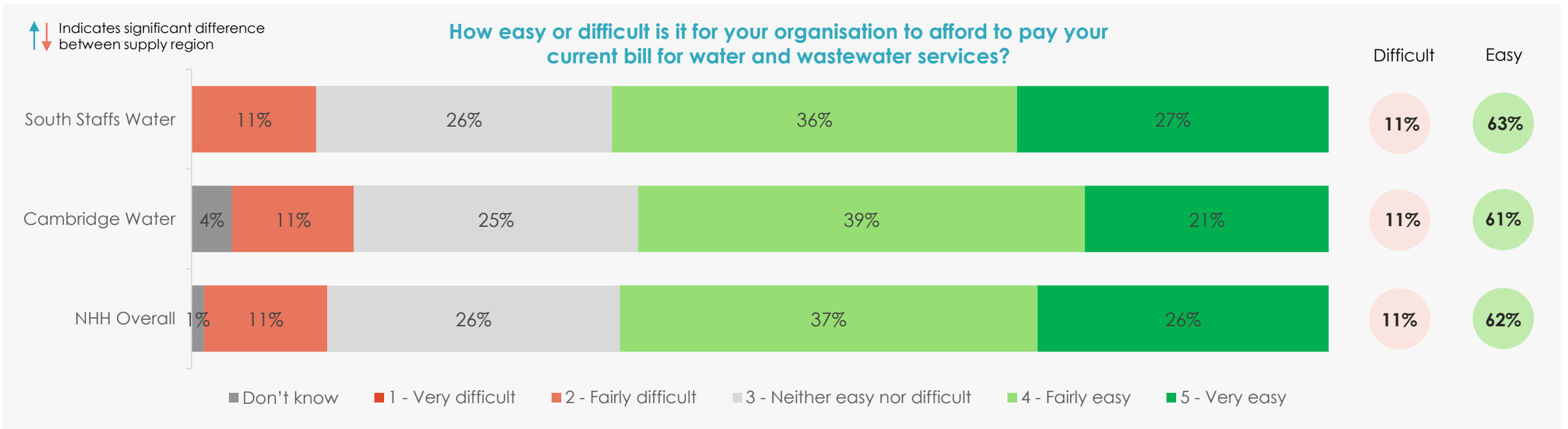
↑ ↓ Indicates significant difference between region

Thinking about your finances over the last year, how often, if at all, have you struggled to pay at least one of your household bills?



Non-Household Affordability.

- The affordability question was also changed for business customers to reflect Ofwat guidance. Having entered their total clean and wastewater bill, respondents were shown what their organisation's current annual clean water bill amount was. They were then asked how easy or difficult it is for their organisation to afford their current water and wastewater bill.
- Overall, 62% of non-household customers indicated that their organization finds their current bill easy to afford, with very little difference between the supply regions.



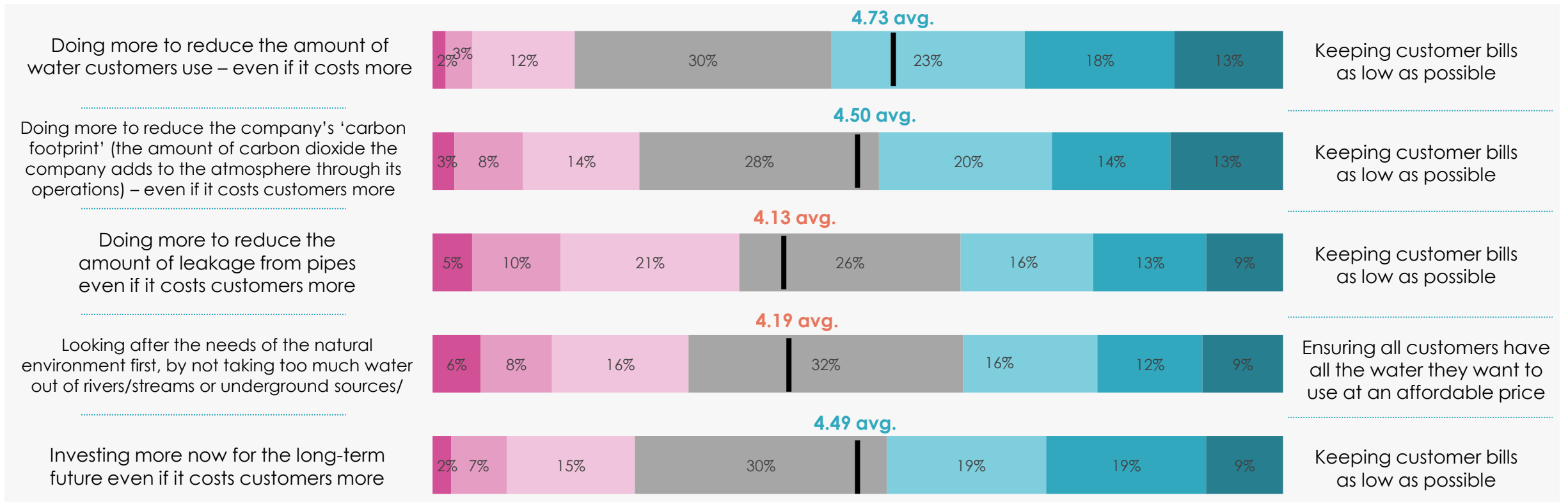


turquoise

Attitudes Towards Key
Plan Trade-Offs.

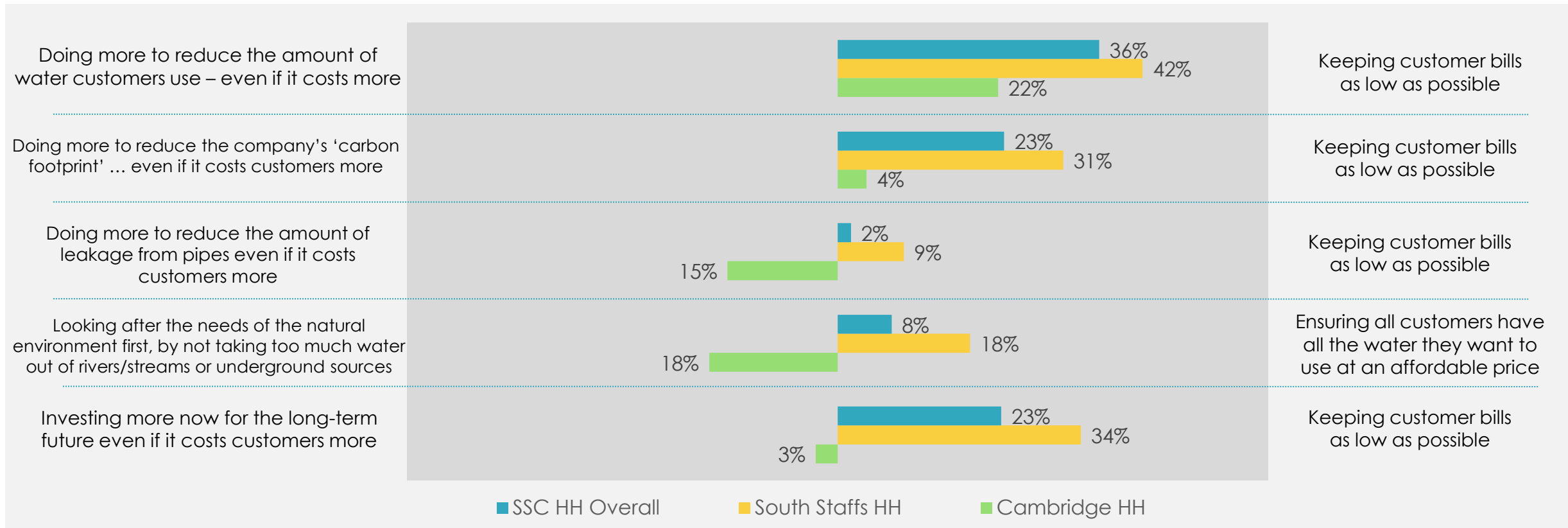
Household Attitudes Towards Plan Trade-Offs.

- The chart below shows the overall SSC household views on the trade-offs, with the average score for each set of opposing statements shown. Note that, an average score between both statements would be 4.00.
- There is a slight preference across the household sample towards either the 'keeping customer bills as low as possible' for all statements with that option included – to a lesser extent against 'doing more to reduce the amount of leakage from pipes even if it costs customers more'.



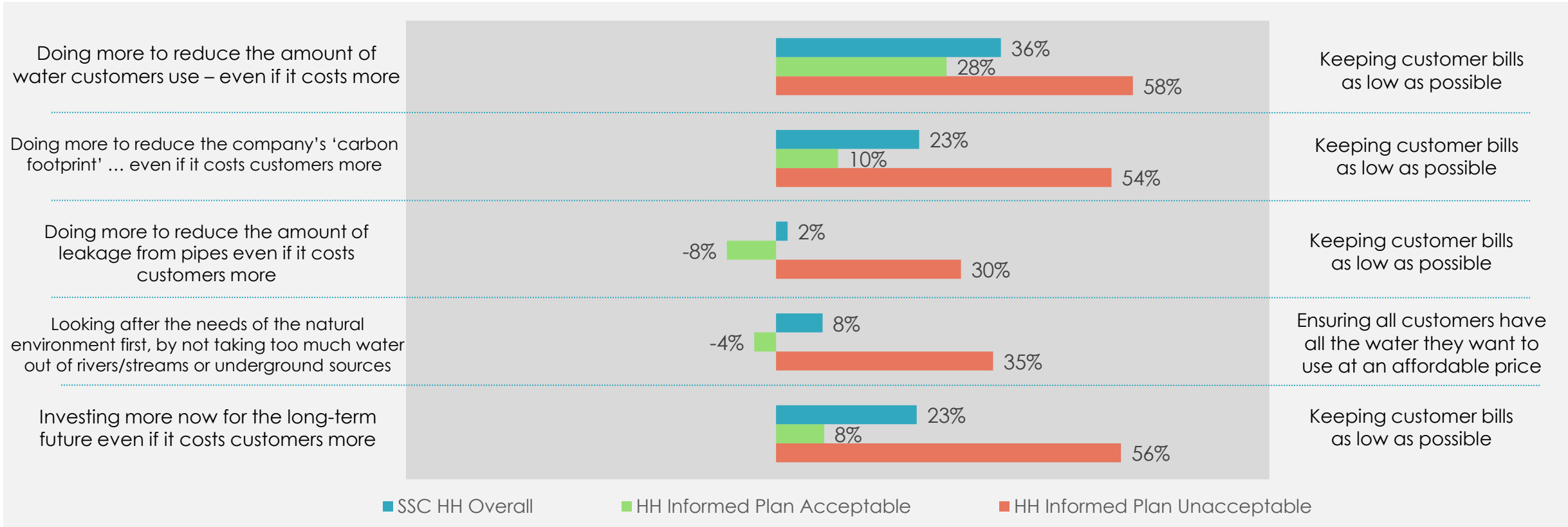
Household Attitudes Towards Plan Trade-Offs by Region.

- The chart below shows the size of the majority for each opposing statements (middling scores of 4 excluded)
- There were significant differences in attitudes towards these trade-offs by region. South Staffs Water customers, on average, scored significantly higher (closer) to the affordability ('keeping customer bills as low as possible') end of the spectrum than Cambridge Water customers for all five set of statements.



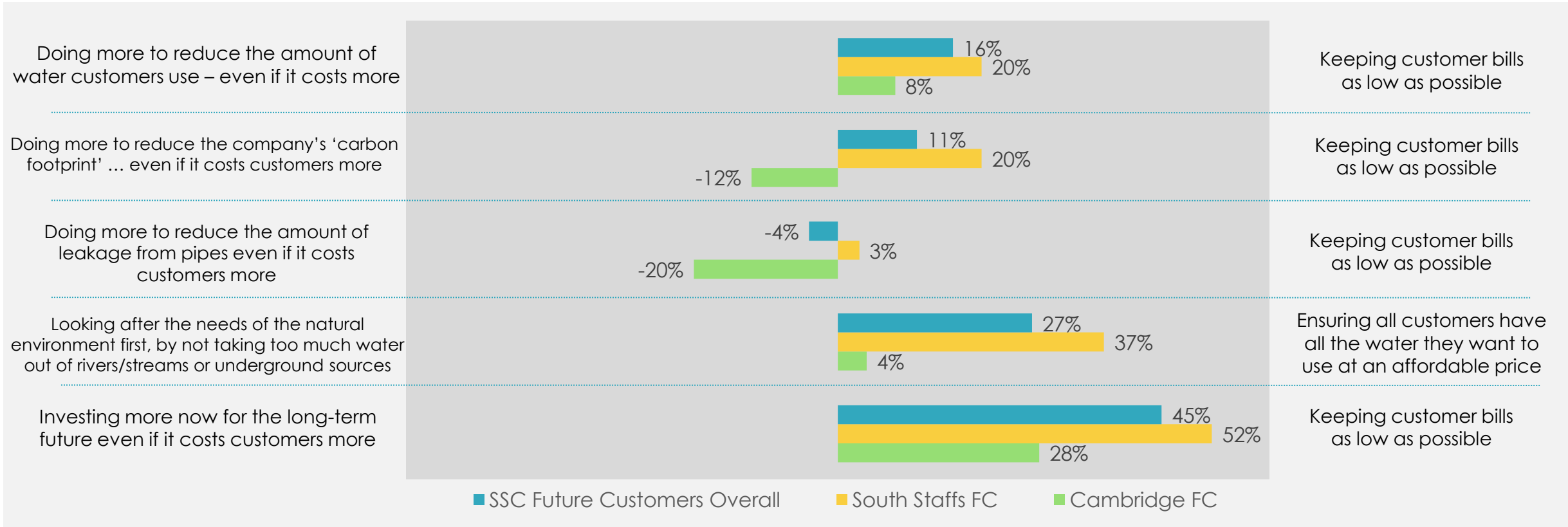
Household Attitudes Towards Plan Trade-Offs by Plan Acceptability.

- The chart below shows the size of the majority for each opposing statements (middling scores of 4 excluded).
- There were significant differences in attitudes towards these trade-offs by whether a customer found the informed plans acceptable or unacceptable. Customers who found the plans unacceptable significantly favoured 'keeping customer bills as low as possible' and 'ensuring customers have all the water they need at an affordable price' over all opposing statements.



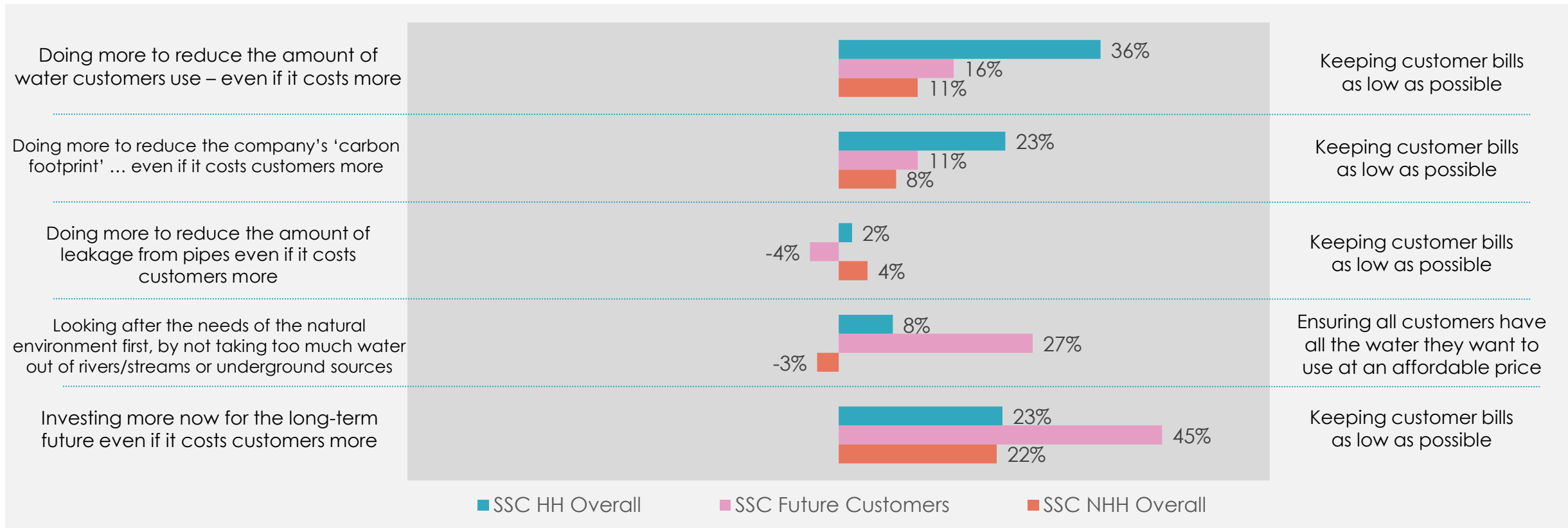
Future Customer Attitudes Towards Plan Trade-Offs by Region.

- Future customer attitudes generally mirrored current household customers views regarding the five trade-offs.
- Again, there is a clear attitudinal difference between the two supply regions.
- Interestingly, future customers were even more favorable towards keeping customer bills as low as possible over investing more now for the long-term even if it costs customers more than current customers.



Attitudes Towards Plan Trade-Offs by Customer Type.

- Household customers are more in favour of keeping customer bills as low as possible than Future Customers and NHH customers against both 'doing more to reduce the amount of water customers use...' and 'doing more to reduce the company's carbon footprint'.
- Future Customers are more in favour of 'ensuring all customers have all the water they want to use at an affordable price' over 'looking after the needs of the natural environment first...' and 'keeping customer bills as low as possible' over 'investing now for the long-term future even if it costs customers more'.



A turquoise hummingbird is shown in flight, hovering near a yellow flower. The bird's wings are spread, and its long beak is pointed towards the flower. The background is a soft, out-of-focus green. The word "turquoise" is written in a white, dotted font in the upper left corner.

turquoise

Uninformed
Acceptability.

Uninformed Acceptability.

- In line with Wave 1, before being shown a summary outline of the plan to garner 'uninformed views', all respondents were shown a short video explaining the reasons why SSC need to produce the plan, the challenges the region faces in the future and some background around the consultation to-date.
- Respondents were held on the page until they had viewed the video and spent a reasonable time (45 secs minimum) reading the summary plan information to ensure, as far as possible, the most robust feedback.

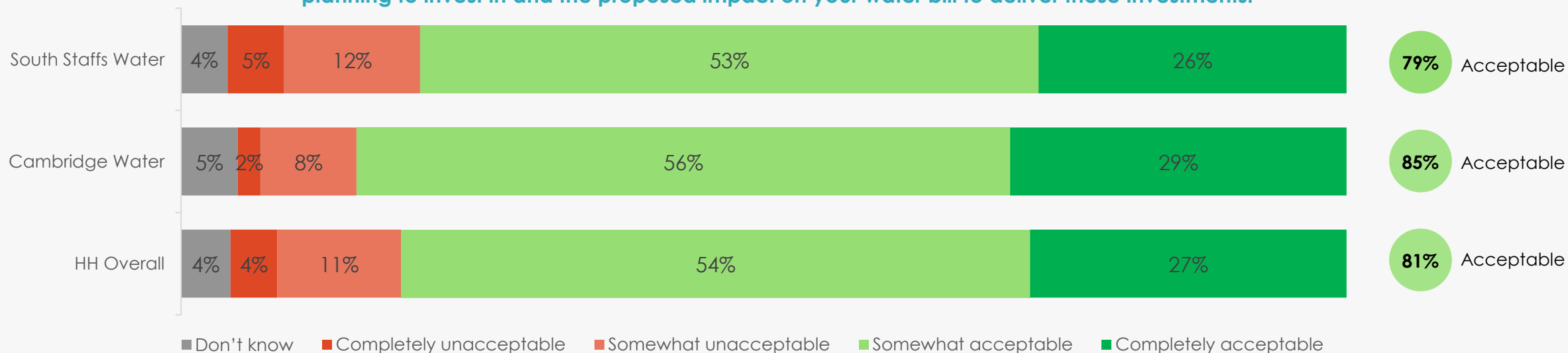


Household Uninformed Acceptability.

- Positively, just over 4 out of 5 household customers (81%) said the plan(s) are acceptable based on the uninformed stimulus, with the majority (54%) viewing the plans as 'somewhat acceptable'.
- Acceptability was higher in the Cambridge Water region (85%), but not significantly.
- Overall, 15% of household customers believed the plan was unacceptable at this stage (17% South Staffs; 10% Cambridge) – and a further 4% answered 'don't know'.
- The plan was viewed as acceptable by the majority of customers across all demographic groups. A lower proportion of customers with a lower social grade, C2, D, or E, were less likely to view the plan as acceptable – however, acceptability was still above 70% for all three groups.

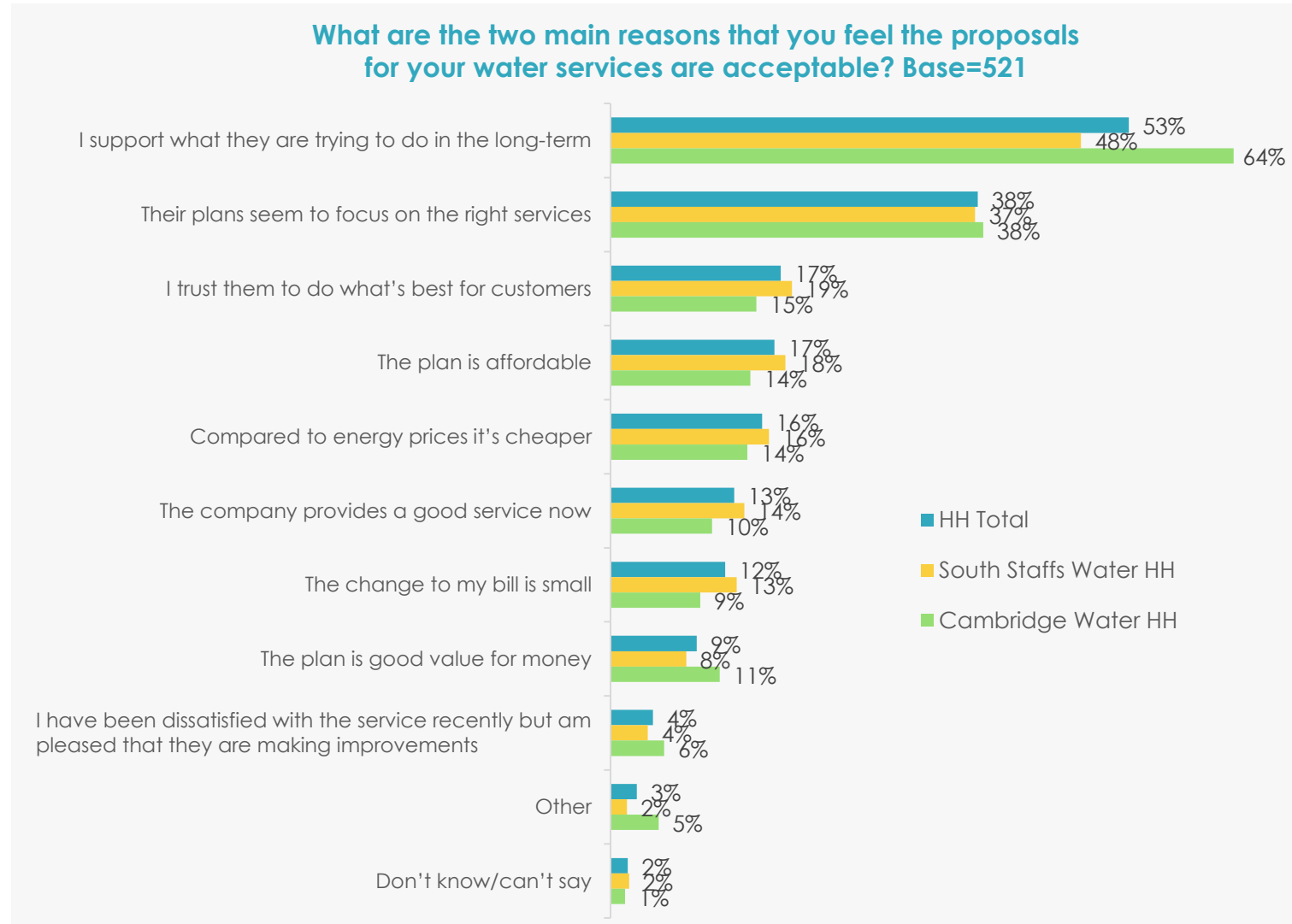
How acceptable is this plan for you? Please think about the options presented that SSC is planning to invest in and the proposed impact on your water bill to deliver these investments.

↑ ↓ Indicates significant difference between supply region



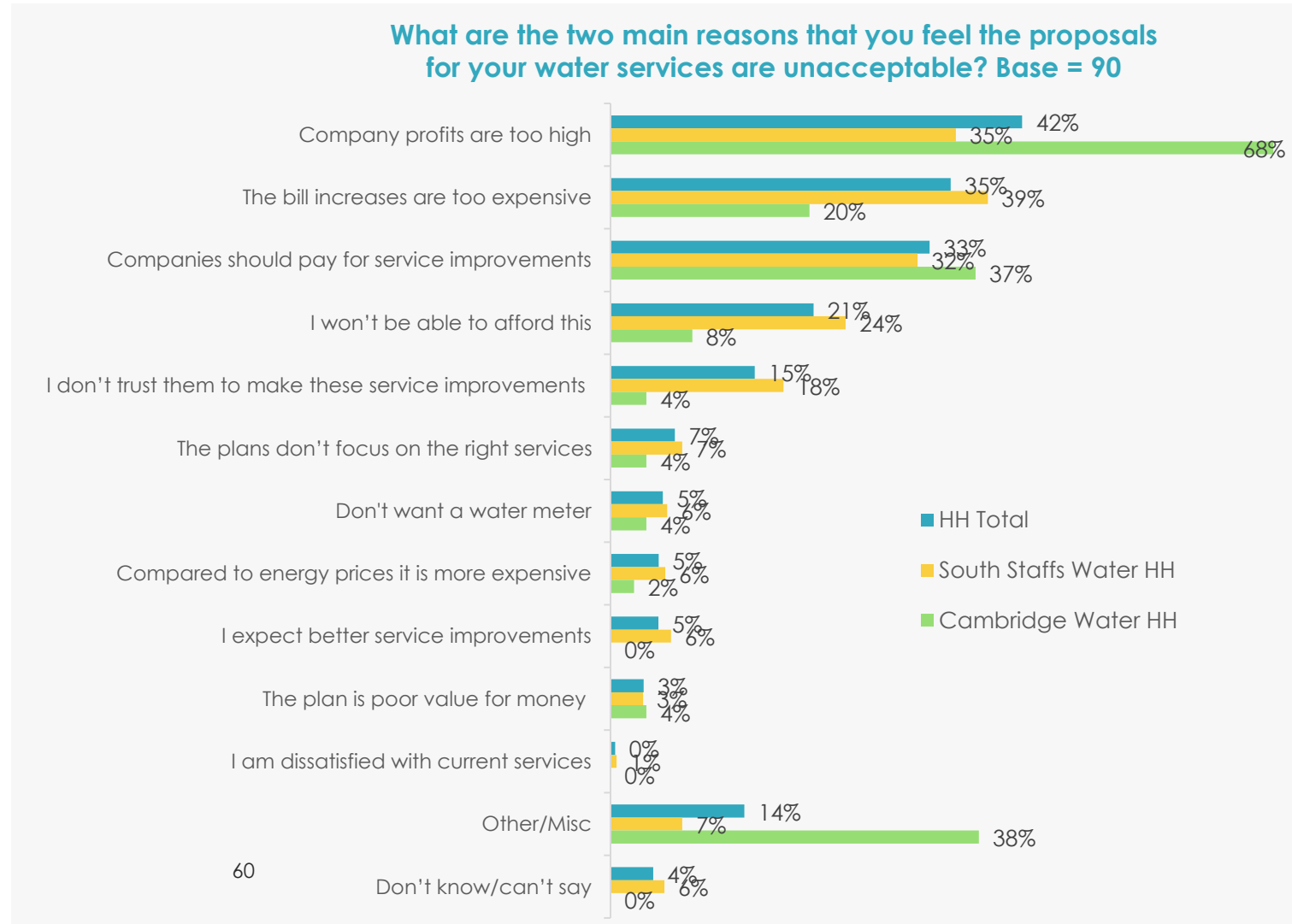
Household Reasons for Finding the Uninformed Plan Acceptable.

- The two clear main reasons given by household customers who found the 'uninformed' plan acceptable were that they 'support what they [SSC] are trying to do in the long-term' (53%) and 'their [SSC's] plan seems to focus on the right services' (38%). These were the top-two reasons given by customers in both regions with no significant differences between the two regions across the set.
- The only significant difference by demographic group was for younger customers, aged 18-34, who were significantly less likely to cite the top reason – 'I support what they are trying to do in the long-term' – with just 32% citing this. Interestingly, this group of customers were more likely, although not significantly, to cite 'the plan is affordable' (29%).



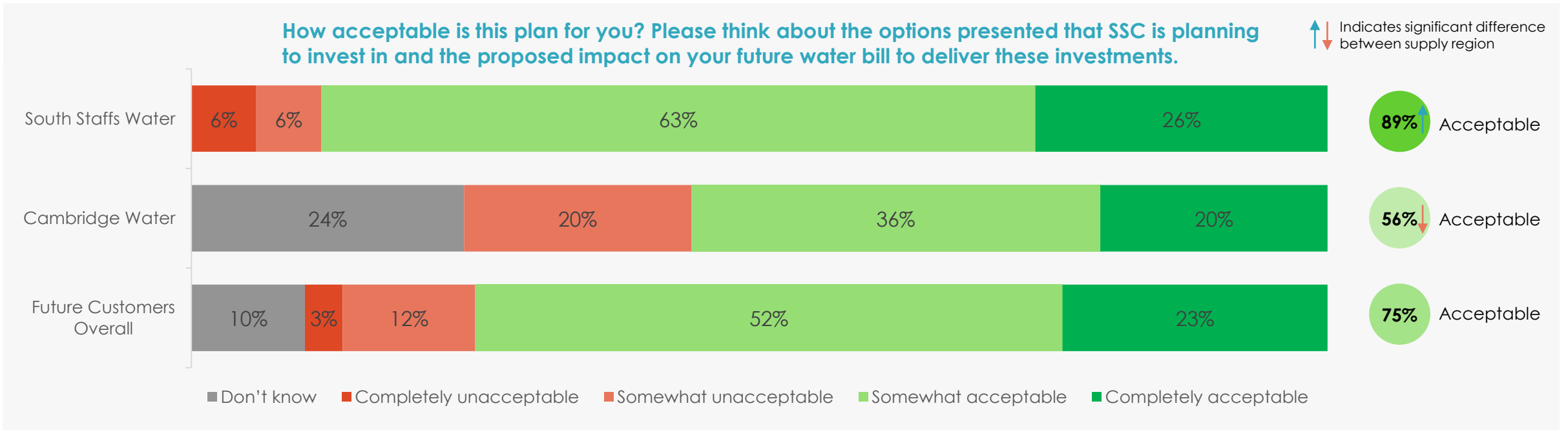
Household Reasons for Finding the Uninformed Plan Unacceptable.

- The main reasons for finding the plan unacceptable centred around the cost of the plan, and the share of the cost to customers specifically in comparison to the contribution from SSC. Customers were informed in the stimulus materials ahead of the question what the current shareholder return is.
- The most often cited reason was that 'company profits are too high' (42%). This was cited by 68% of Cambridge Water customers who found the plan unacceptable. A third of customers (33%) who found the plan unacceptable cited 'companies should pay for service improvements'.
- Just over a third of customers (35%) who found the plan unacceptable did so as they believe that 'the bill increases are too expensive'. This reason was more common amongst South Staffs customers (39%) than Cambridge Water customers (20%).
- 21% of customers who found the plan unacceptable cited 'I won't be able to afford this'.



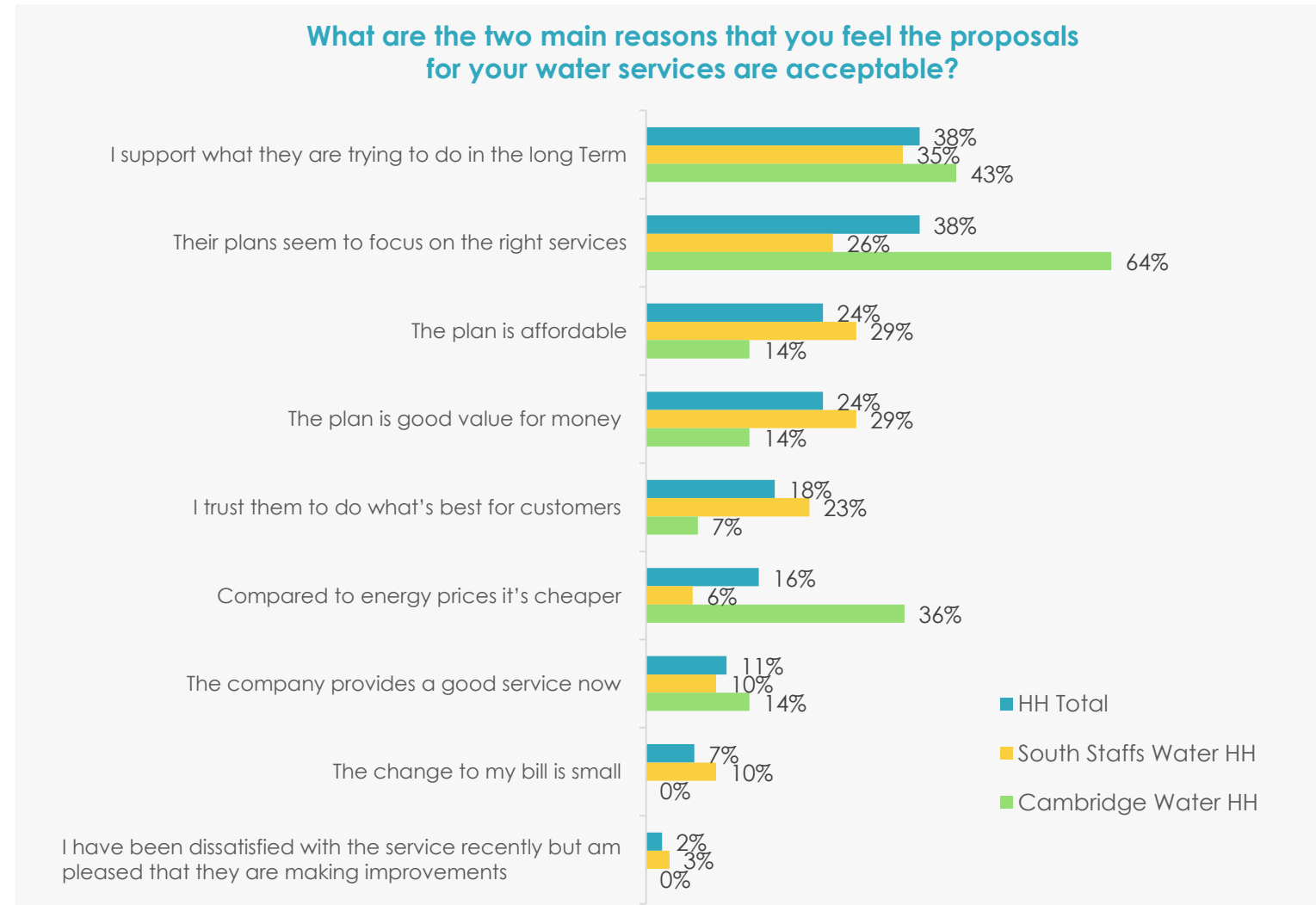
Future Customer Uninformed Acceptability.

- Future customers also found the plan acceptable based on the uninformed stimulus – 75% overall.
- Whilst South Staffs Water Future Customers did find the plan significantly more acceptable than Cambridge Water customers, a quarter (24%) of Cambridge Water customers cited ‘don’t know’ which impacted the acceptability figure. It should also be noted that the sub-sample size of Cambridge Water future customers is only 25 which makes the result less reliable.



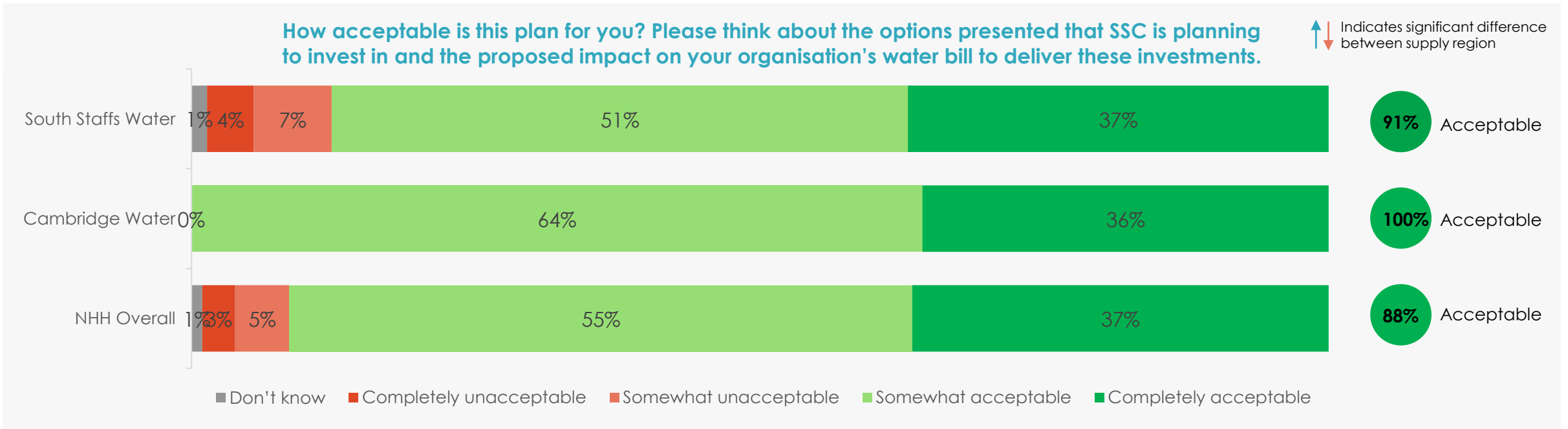
Future Customer Reasons for Finding the Plan Acceptable.

- The two main reasons for finding the plan acceptable amongst future customers were the same as for household customers – ‘I support what they are trying to do in the long-term’ and ‘their plans seem to focus on the right services’.
- Cambridge Water Future Customers were more likely to believe that the plan focusses on the right services than South Staffs Future Customers. Cambridge Water customers were also more likely to cite ‘compared to energy prices it’s cheaper’ than South Staffs Future Customers. Neither differences were significant at the small sub-sample levels.



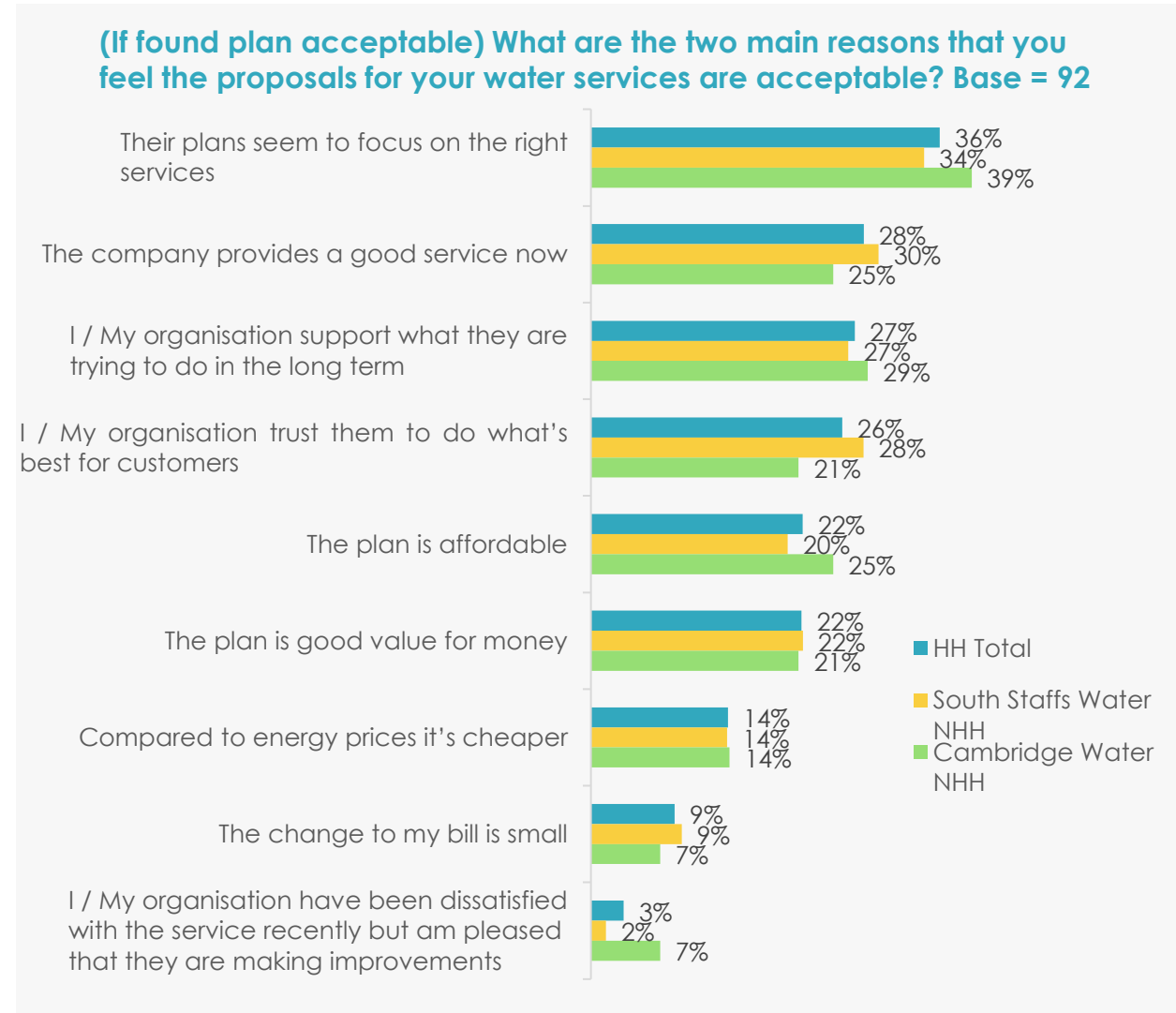
Non-Household Uninformed Acceptability.

- Non-household customers found the plan more acceptable than household customers based on the uninformed stimulus – 88% overall.
- There was little difference between the regions in terms of overall acceptability; however, while all Cambridge Water customers found the plan acceptable, 11% of South Staffs NHH customers found the plan unacceptable.



Non-Household Reasons for Finding the Uninformed Plan Acceptable.

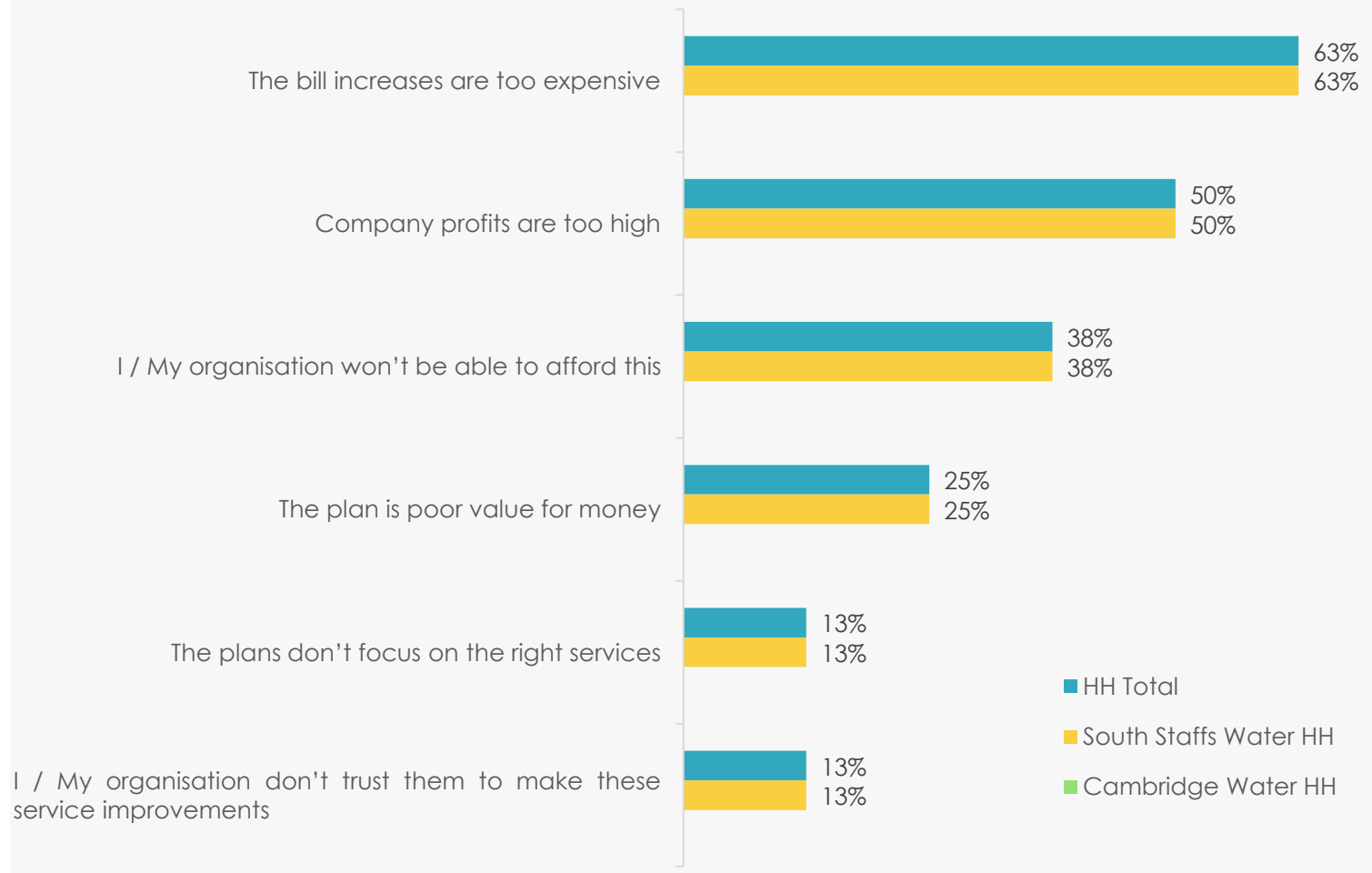
- There was no outstanding reason given by NHH customers who found the uninformed plan acceptable. Four reasons were cited by more than a quarter of NHH customers.
- The most often cited reason was 'their plans seem to focus on the right services' (36%).
- The second most cited reason, which differs from household and future customers, was that 'the company provides a good service now'. Clearly there is a higher satisfaction and trust in SSC amongst NHH customers and the next two most cited reasons were 'I/My organisation support what they are trying to do in the long term' and 'I/My organisation trust them to do what's best for customers'.



Non-Household Reasons for Finding the Uninformed Plan Unacceptable.

- Note that, there were no NHH customers in the Cambridge Water region that found the uninformed plan unacceptable.
- The most common reasons given by non-household customers for finding the plan acceptable was that bill increases are too expensive (63%).

(If found plan unacceptable) What are the two main reasons that you feel the proposals for your water services are unacceptable? Base = 8



A vibrant turquoise hummingbird is shown in flight, hovering near a yellow flower. The bird's feathers are iridescent, with shades of green and purple. The background is a soft, out-of-focus green. The word "turquoise" is written in a white, dotted font in the upper left corner.

turquoise

Informed
Acceptability.

Informed Acceptability.

- Before being shown the informed plan stimulus, respondents were shown a further short video before introducing the informed plan.
- Respondents were, again, held on the page until they had viewed the video and spent a reasonable time (60 secs) reading the informed plan stimulus to ensure, as far as possible, the most robust feedback.
- Having viewed the informed plan stimulus, and before answering any questions on it, the concept of inflation and its impact on their bills was introduced to ensure respondents were as knowledgeable as possible.
- Based on the respondent's current bill, each were shown a calculated estimation of their future bill at the end of 2029 (AMP8) followed by an estimated bill for the full 2025-2050 incorporating the cost of the plan and inflation, broken down by the main options in the plan.

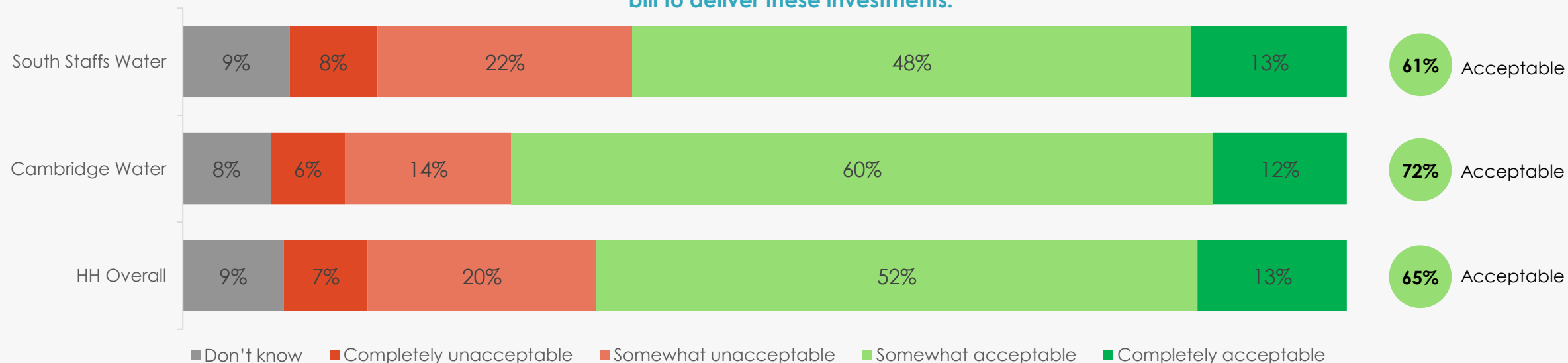


Household Informed Acceptability.

- Overall, 65% of household customers found the plan acceptable, having seen it in more detail. This is 16%p lower than the uninformed acceptability score of 81%. It should be noted, however, that just over half of all customers found the plan 'somewhat acceptable', with only 13% finding the plan 'completely acceptable'.
- South Staffs Water customers, as with uninformed acceptability, scored slightly lower than Cambridge Water customers (72% Cambridge: 61% South Staffs)
- Overall, 27% of household customers found the informed plan unacceptable, with a further 9% citing 'don't know'.
- Whilst there were no significant differences by key demographics (gender, age and SEG), customers with lower household incomes were significantly less likely to find the plan acceptable than those with higher incomes.

Having seen the plan in more detail, how acceptable is this plan for you? Please think about the options presented that SSC is planning to invest in and the proposed impact on your water bill to deliver these investments.

↑ ↓ Indicates significant difference between supply region

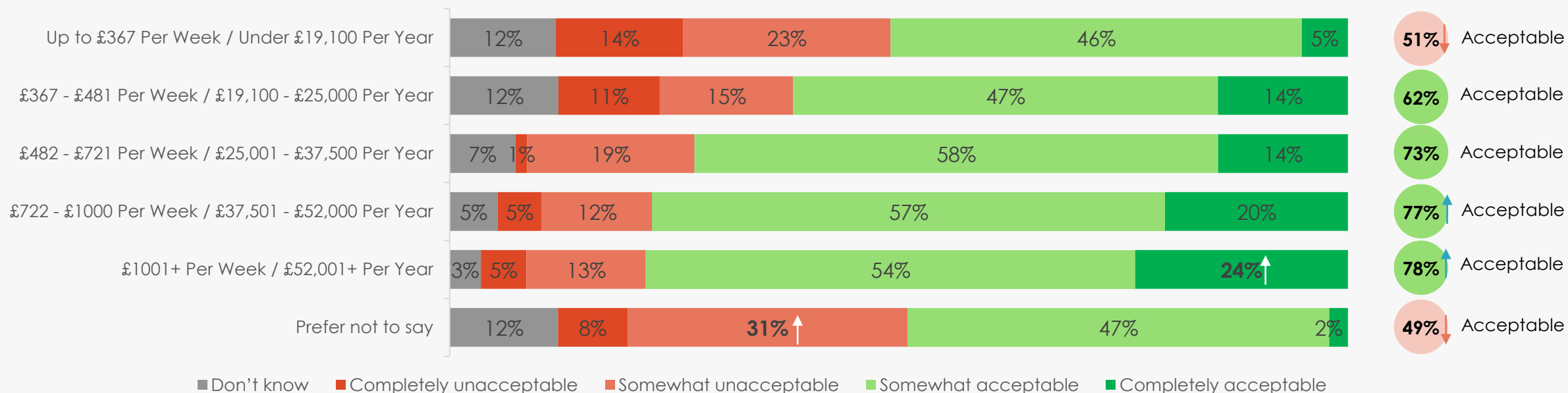


Household Informed Acceptability by Household Income.

- As seen below, household income had a significant impact on acceptability of SSC's plans. Just over half of customers in the lowest household income bracket or £19,100 or below found the plan acceptable (51%), with 37% of these customers finding the plan unacceptable.
- Customers in the highest household income bracket were significantly more likely to find the plan completely acceptable (24%).

Having seen the plan in more detail, how acceptable is this plan for you? Please think about the options presented that SSC is planning to invest in and the proposed impact on your water bill to deliver these investments.

↑ ↓ Indicates significant difference between income bracket

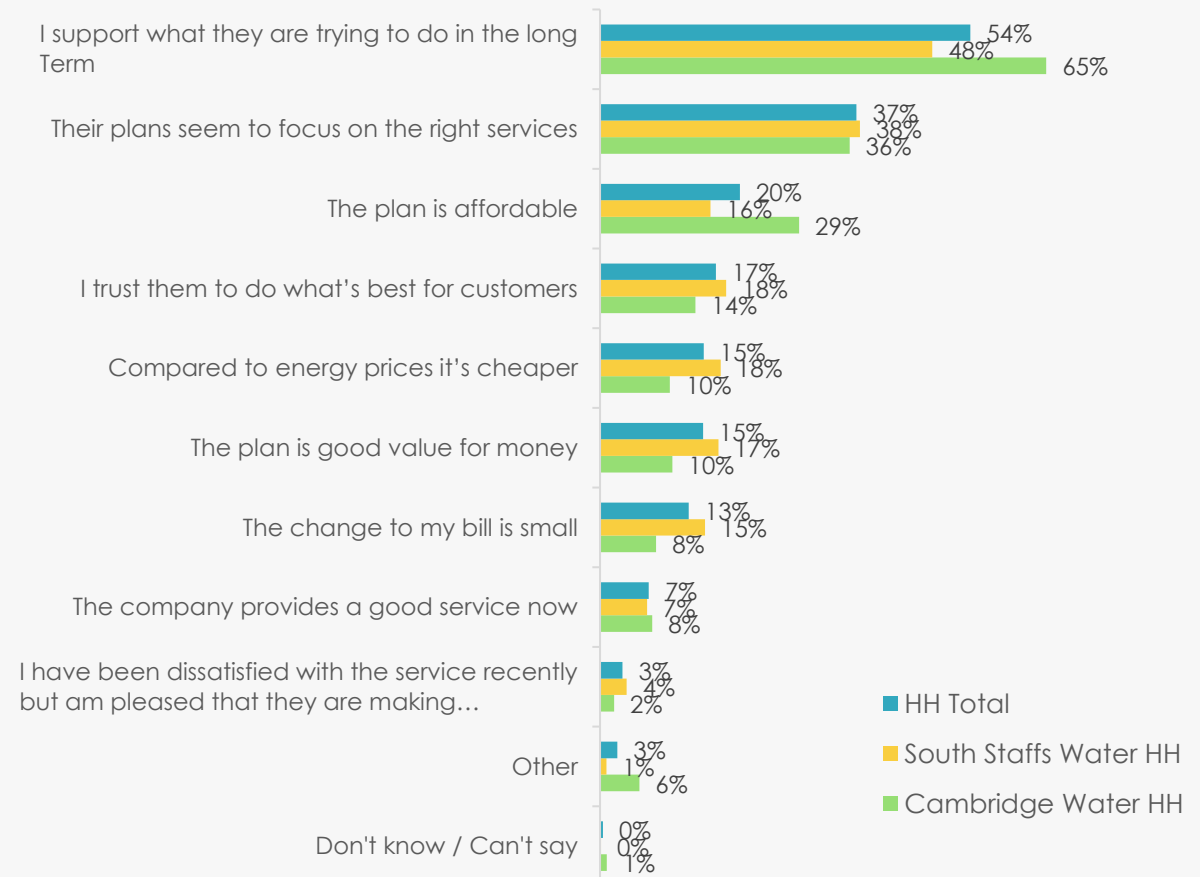


Household Reasons for Finding the Informed Plan Acceptable.

- The key reasons given for finding the informed plan acceptable largely mirrored the reasons given for the uninformed plan.
- The two most often cited reasons were again, 'I support what they are trying to do in the long-term' (54%) and 'their plans seem to focus on the right services' (37%).

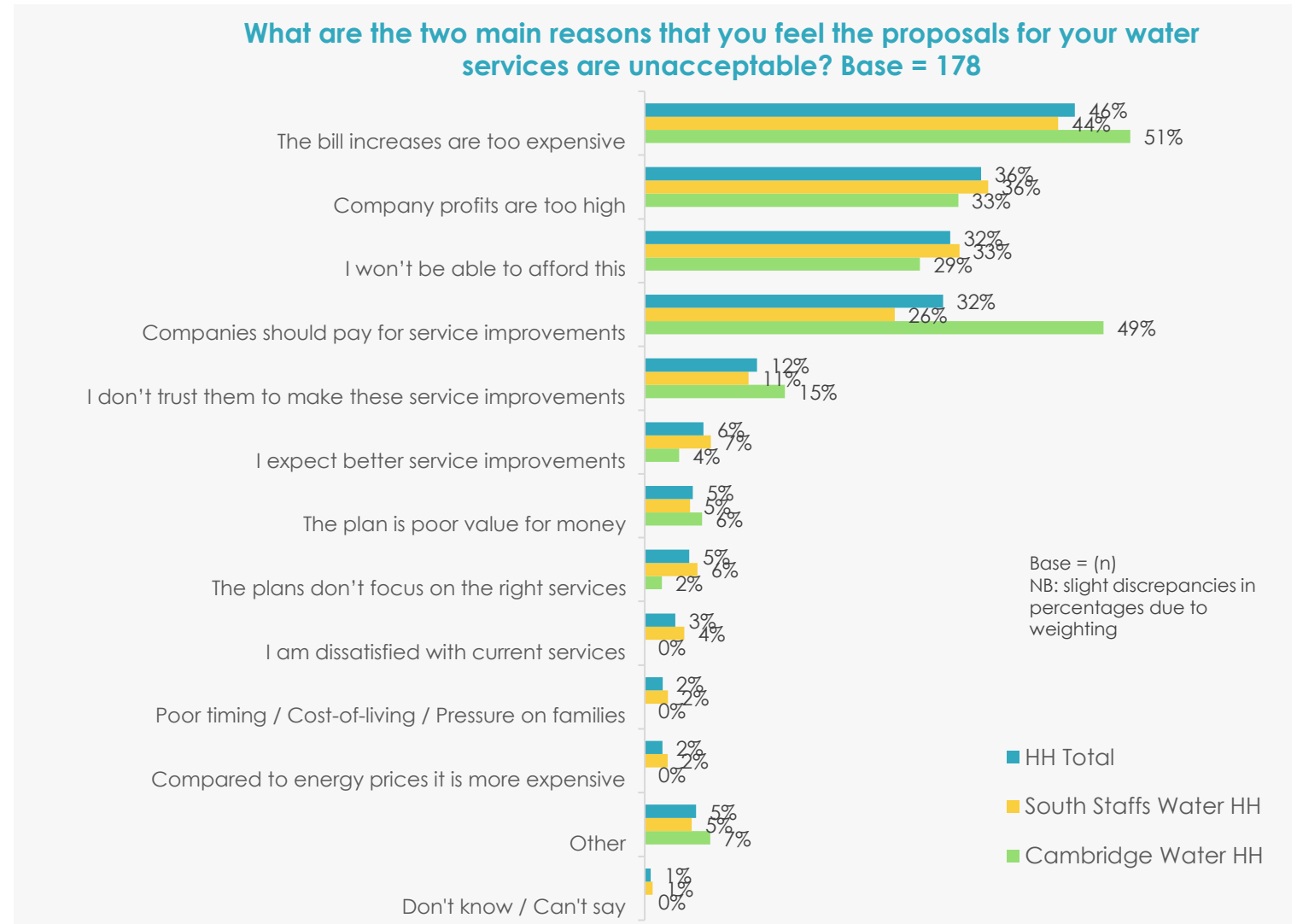
(If found plan acceptable) What are the two main reasons that you feel the proposals for your water services are acceptable?

Base = 406



Household Reasons for Finding the Plan Unacceptable.

- In terms of the reasons given for finding the informed plan unacceptable, there were some slight differences to the reasons given for the uninformed plan.
- The cost of the plan to customers played a greater role in finding the informed plan unacceptable, with 'the bill increases are too expensive' being the most often cited reason (46% - up from 35% for the uninformed plan). Similarly, 'I won't be able to afford this' was cited by more customers (32% - up from 21% for the uninformed plan).
- The two other key reasons were 'company profits are too high' (36%) and 'companies should pay for service improvements' (32%) – this was cited by almost twice the proportion of CW customers.



HH Informed vs. Uninformed Plan Acceptability

- The chart below illustrates the shift in acceptability responses between the informed and the uninformed plans highlighted on the previous slide.

HH	Total %	INFORMED ACCEPTABILITY			
		Don't know	Unacceptable	Acceptable	Overall
UNINFORMED ACCEPTABILITY	Don't know	2%	2%	1%	4%
	Unacceptable	0%	10%	4%	15%
	Acceptable	7%	15%	59%	81%
	Overall	9%	27%	64%	100%

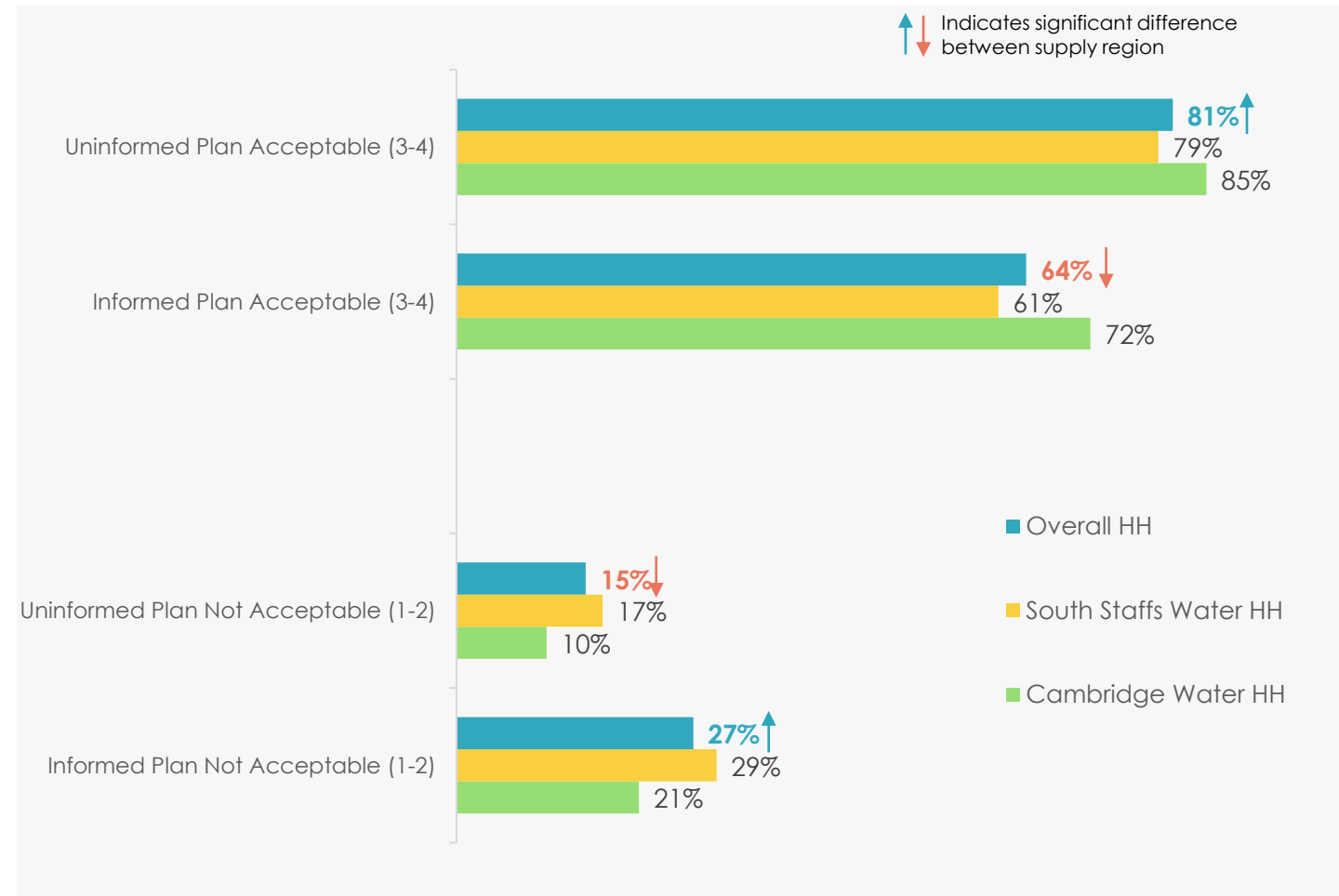
5% of the HH sample found the informed plan acceptable but not the uninformed plan

59% of the HH sample found both the informed and uninformed plans acceptable

22% of the HH sample found uninformed plans acceptable but not the informed plan

HH Informed vs. Uninformed Plan Acceptability

- Overall, acceptability amongst HH customers having seen the informed plan stimulus fell significantly, by 17%p from 81% to 64%.
- The proportion of customers who didn't find the plan acceptable was significantly higher for the informed plan (27%) (note – don't knows included but not shown on chart).
- Whilst 5% of customers didn't find the uninformed plan acceptable but did find the informed plan acceptable, nearly a quarter of household customers (22%) found the uninformed plan acceptable but the informed plan not acceptable.
- Isolating the group, we found that they are significantly more likely to be female and have a low household income (sig. likely to be in the lowest household income bracket). These customers are also significantly more likely to be finding their current SSC bill difficult to afford – just 4% stated that they would find the future plan bill 'easy' to afford.
- The reasons given by this group for not finding the informed plan acceptable centred around affordability – 49% stating that 'the bill increases are too expensive' and 37% 'I won't be able to afford this'.

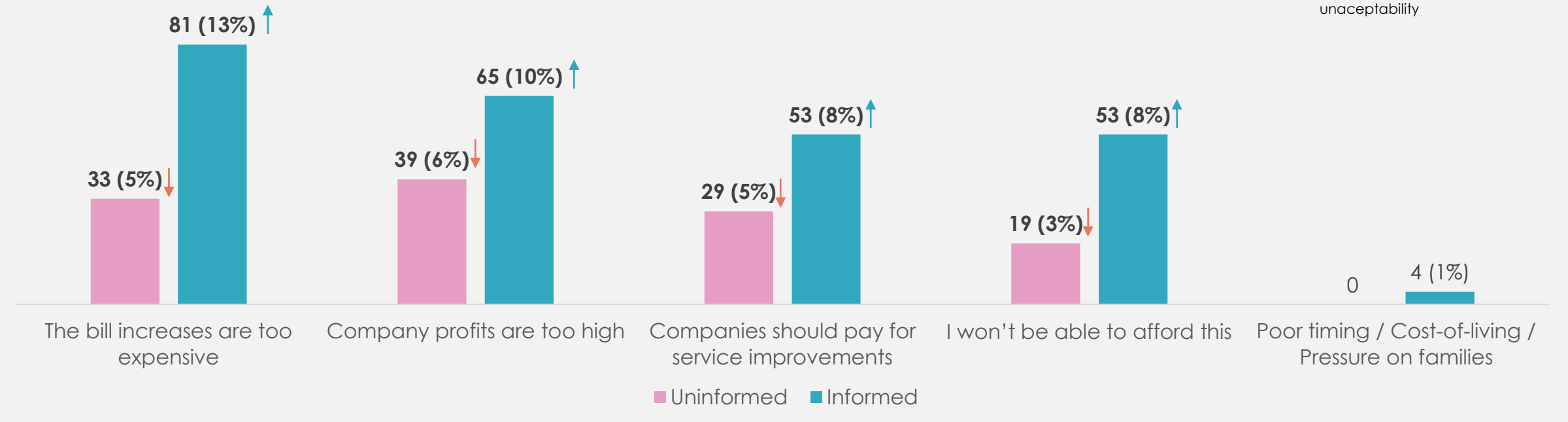


Reasons for finding the plans unacceptable – bill increases

- Further to the previous slide, there were also significant increases in the proportion of customers citing reasons for finding the plans unacceptable that centred around bill increases from the uninformed to informed plans. Overall, the number of customers citing at least one of the reasons in the chart below rose significantly from 79 (12.4%) to 158 (24.9%) customers.
- Whilst the larger increases were around the bill increases being too expensive and the customer believing they won't be able to afford the increases, there were also rises in reasons concerning SSC – e.g., profits are too high or SSC should pay for service improvements.

Reasons for finding the plans unacceptable – uninformed vs. informed
n (% of total HH customers)

↑ ↓ Indicates significant difference between reasons given for uninformed and informed unacceptability

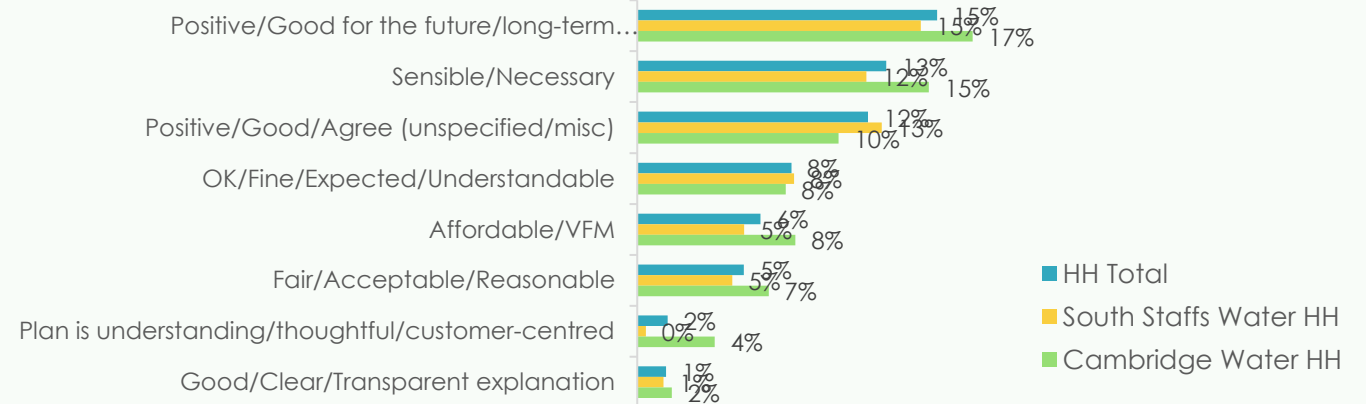


Customer Views on Plans.

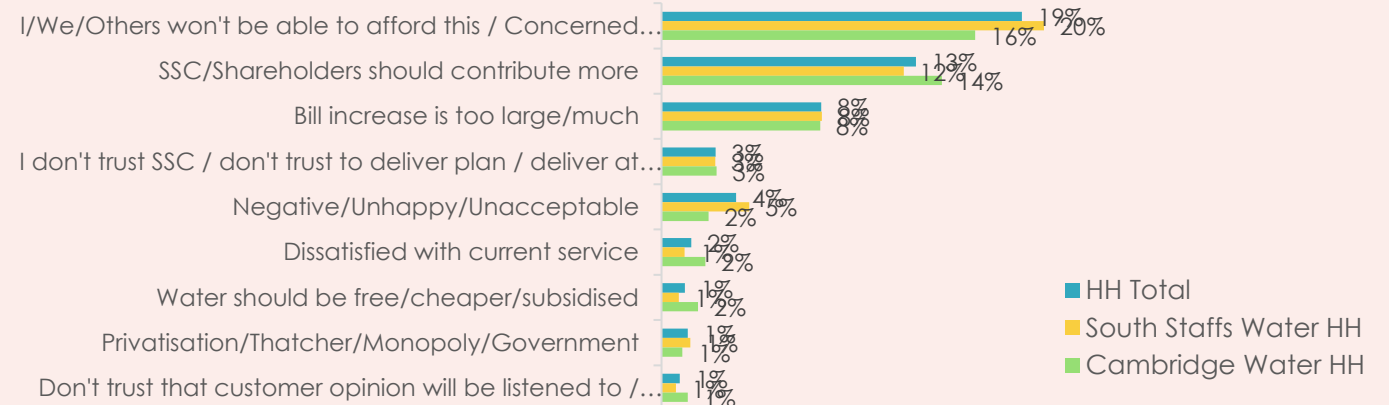
- The most common theme amongst customer's views on the plans was 'I/We/Others won't be able to afford this / concern about bills' (19%). 13% of customers also believe that SSC/Shareholders should contribute more to the plans and 8% believe the bill increase is too large.
- Positive reasons given centred around the plan being good for the long-term future of the region (15%) and sensible and necessary to combat the challenges the company faces (13%).
- Many of the comments from customers had positive and negative elements (selected comments can be seen on the next two slides); whilst customers generally accept that the plan is necessary/expected to combat the challenges highlighted in the plans, there is also a sense that the bill increases have come at a bad time for customers when people are struggling with the cost-of-living.

Based on what you have read about SSC's plan and the expected changes to the bills to deliver the plan please tell us in your own words what you think about it?

POSITIVE



NEGATIVE



Selected comments from HH customers who found the plans acceptable.

"I know that change and progress doesn't happen overnight and I know that certain things couldn't have been implemented 10 or 15 years ago due to the technology not being mature but it would have been nicer to see a more gradual price rise to fund these works. Even though I can afford it with little issue, it just seems like prices are going up everywhere but the customer is not seeing an improved service or product. I support what is going to happen but if somehow you find savings whilst implementing these improvements, please pass them on to the customers."

– **SSW HH Customer**

"I think it's reassuring that CW are investing in the future from an environmental perspective albeit there is a cost attached to this which a lot of people will not agree with. I'd rather know there is a plan to help both customers and the environment than there be no plan and a disaster down the line that will inevitably cost us all more.

I welcome any practical tips and means of using less water in the home including water butts which I didn't know were available. The only concern is what Anglian water are going to do and the increase that this will incur alongside CW plans. Hopefully the two organisations are working on this together." – **CW HH Customer**

"I am highly supportive of investment to increase our resilience in future. Failing to invest now, even if there is a financial cost, will only hurt more in the long-term. Although I recognise that we are extremely fortunate to be financially secure and there has been intense financial pressure on many people recently, I feel that water is one of our cheapest utilities despite being essential, and so should be a priority if we are going to spend more on anything. I also believe that most people could substantially reduce their water usage in order to offset increasing bills, if they have support; we are down to about 80L a day per person, and we have a garden that we water a lot. In the plan, I wasn't particularly impressed by the lack of concrete targets relating to the health of chalk waterways / rivers. "Improving habitats" is quite vague language. I would also like to see more done to encourage people to shower (and bath) less frequently, as this seems like a totally needless burden on our water supplies."

– **CW HH Customer**

"Clean water is vital for our survival, so it remains my top priority for investing money into the services to ensure we continue to receive a supply that is safe and plentiful now & in the future. However, the plan has not outlined the amount of profit made by South Staffs, or the profit likely to be made in the future. This plays a significant factor in how much money I, and other people, are prepared to pay and accept the plan of action." – **SSW HH Customer**

Selected comments from HH customers who found the plans unacceptable.

"I believe an increase above 30% is unmanageable for most. Especially those receiving help to pay less already. The thought of a 30% increase when everything else in the country is increasing except my income, it's not doable."

– **SSW HH Customer**

"Although there are some advantages to the plan in terms of future-proofing, the increase in price being put on the user feels unfair - salaries rarely increase with inflation and for people with families to provide for like myself the increased cost of these services would be difficult for us."

– **CW HH Customer**

"I understand that South Staffs has to think about demand, environmental impact, how best to protect and utilise water. What I am concerned about is the continual impact on customers household income, because the government won't invest properly in all types of services, customers are then asked to foot the bill. And in the plans it is not clear what stakeholders will be taking away after this, are they making any sacrifices or is the cost just passed on to the customer (not sure how substantial that approach is overall before all customers finances are depleted!). The increase south staffs is small but put it together with everything else and it still has an impact."

– **SSW HH Customer**

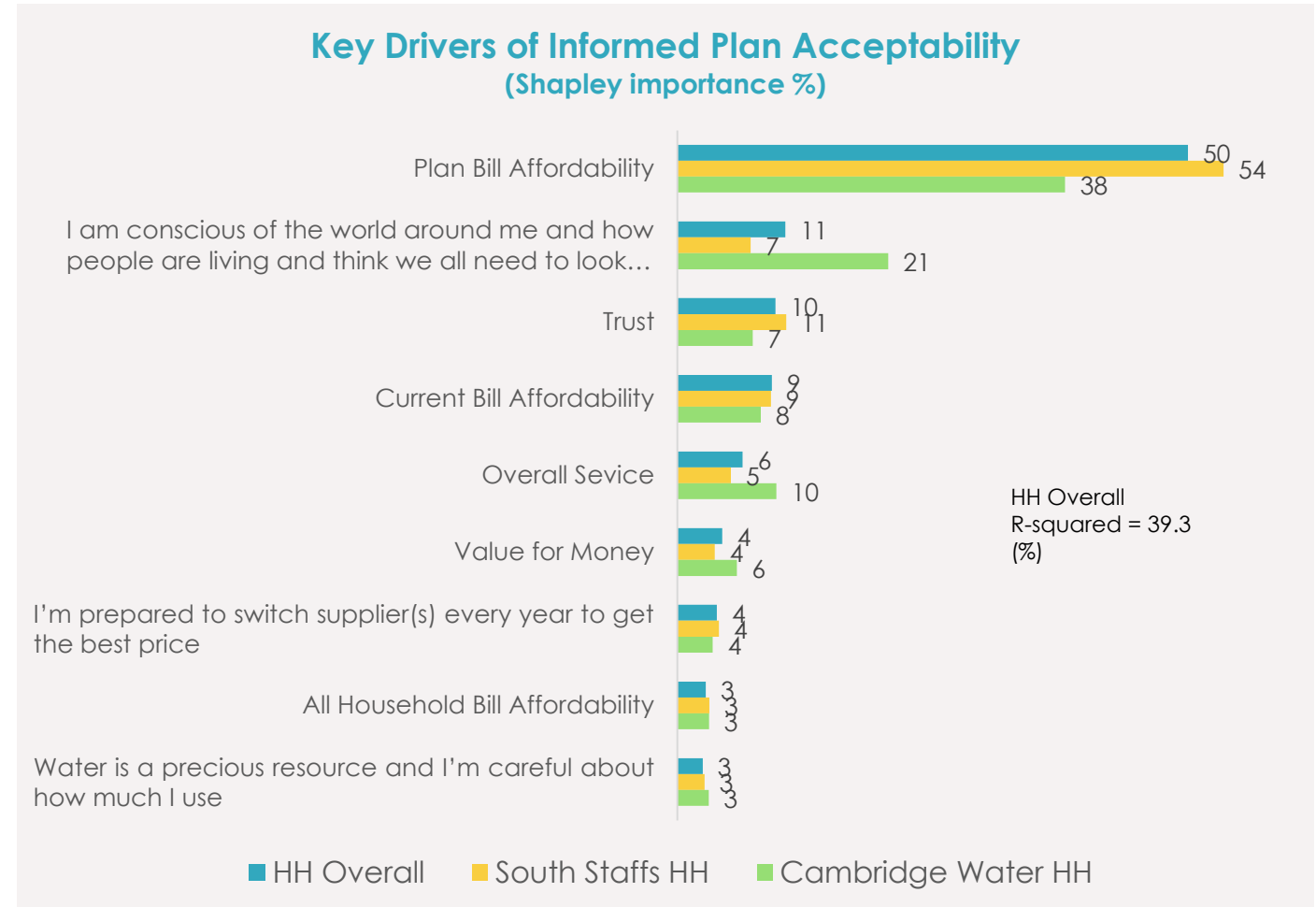
"Your job is to collect, clean and supply water. The water falls from the sky and is free as a base product. We have more rain than most but still for as long as I can remember (and I am 52) We have had hose pipe bans, adverts on TV and Radio, leaflets, etc for using less water and so on. So you have never been an efficient service provider. Populations increase exponentially but you have never invested sufficiently in the infrastructure to supply the service you are charging people for. Your business failings were to the extent you borrowed £60 Million from Pricoa. However you still managed to pay out Dividends of £10.7 Million. So now you want to charge the Consumer more for their water although they get nothing extra for the extra money. Still the same water through their same taps. If your business is in such a poor financial position that you have to borrow £60m and put consumer prices up...what on God's earth justifies giving away £10.7m. I also wonder how many Millions of pounds goes on excessive senior staff wages, bonuses, expenses etc. If people had a choice of their water provider South Staffs Water would be gone in a Heart Beat!"

– **SSW HH Customer**



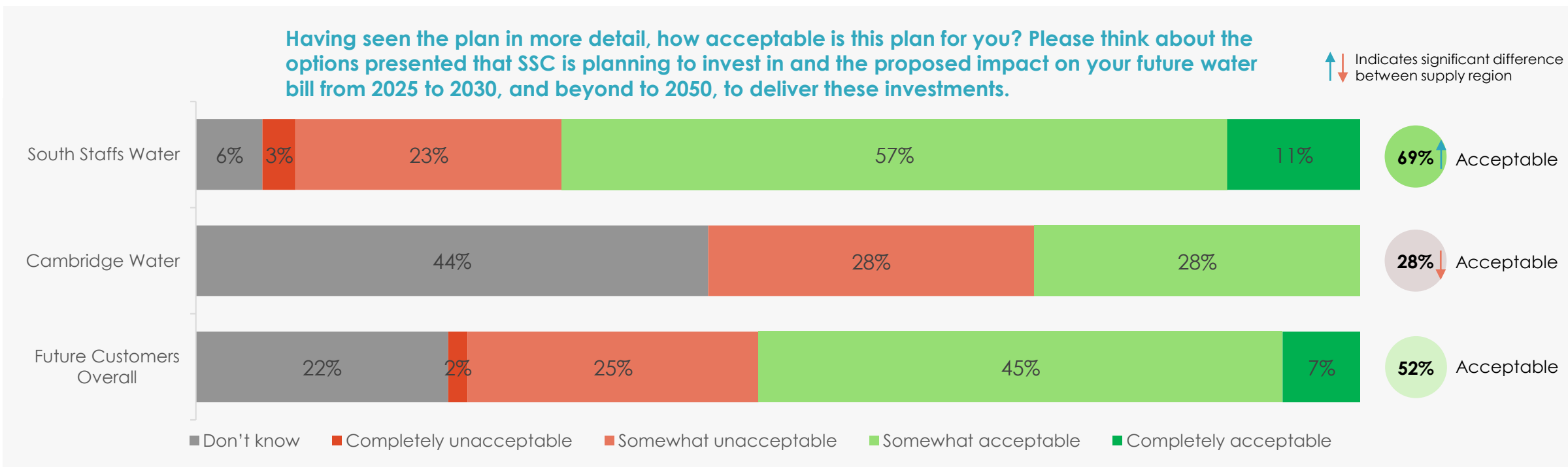
Key Drivers of Informed Plan Acceptability

- The key driver of informed plan acceptability, by a distance, is plan affordability – this is true in both regions, although to a greater extent in the South Staffs Water region).
- The next largest driver is the attitudinal statement 'I am conscious of the world around me and how people are living and think we all need to look after it for future generations' which tallies with the verbatim comments on the plan seen in the previous few slides. This was of significantly greater importance in the Cambridge Water region.
- Following the two drivers above came the key company performance metrics of Trust, Current Bill Affordability, Overall Service Satisfaction and Value for Money Satisfaction. Interestingly, a comparative KDA of uninformed plan acceptability shows a much greater importance of these metrics (and a lesser importance of plan affordability) suggesting that customers may not have fully absorbed the bill impacts at the uninformed stage and were more relying on their perceptions of the company in giving their acceptability responses.



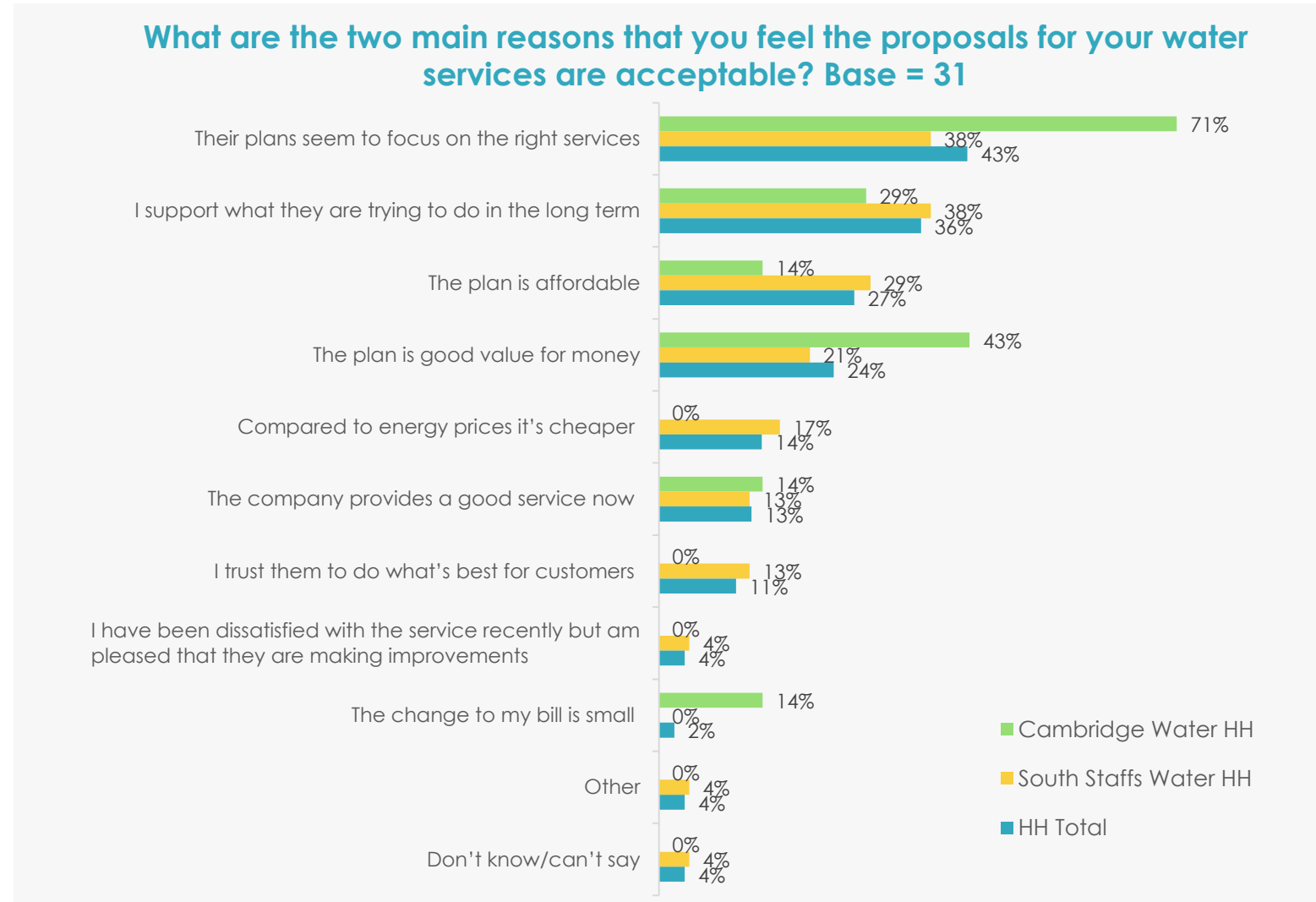
Future Customer Informed Acceptability.

- Future customers found the plan least acceptable based on the informed stimulus – 52% overall, which is 23%p lower than the 75% who found the plan acceptable based on the uninformed stimulus.
- A significantly higher proportion of South Staffs future customers found the plan acceptable, however, again this was more due to a large proportion of Cambridge Water customers citing 'don't know'. The proportion of future customers who found the plan unacceptable was similar across both regions - 25% overall.



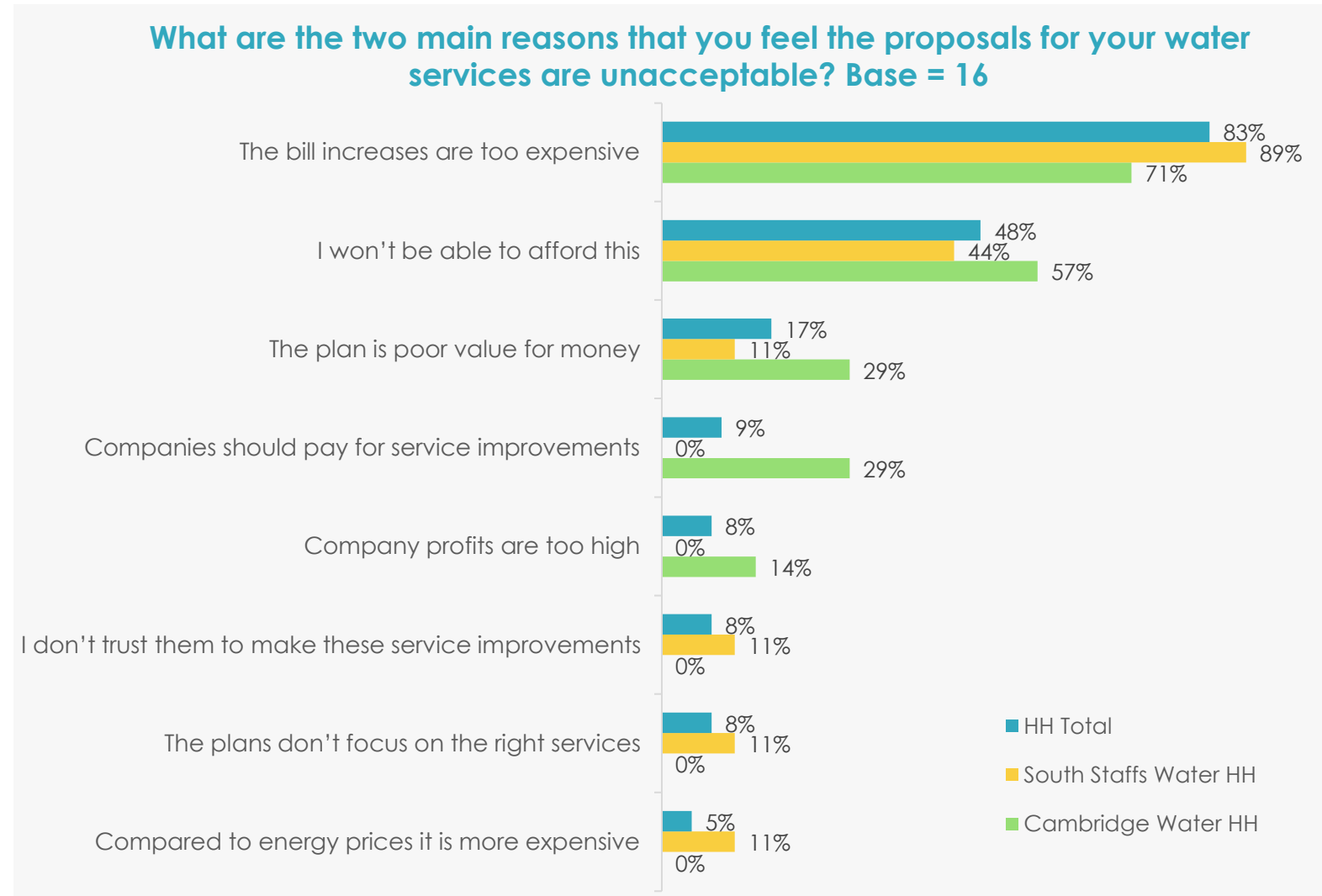
Future Customer Reasons for Finding the Plan Acceptable.

- The top two reasons given by future customers for finding the plan acceptable were the same as for household customers – ‘their plan seems to focus on the right areas’ (43%) and ‘I support what they are trying to do in the long term’ (36%).
- A higher proportion of Cambridge Water future customers cited ‘their plans seem to focus on the right services’ (71%) and ‘the plan is good value for money’ (43%).



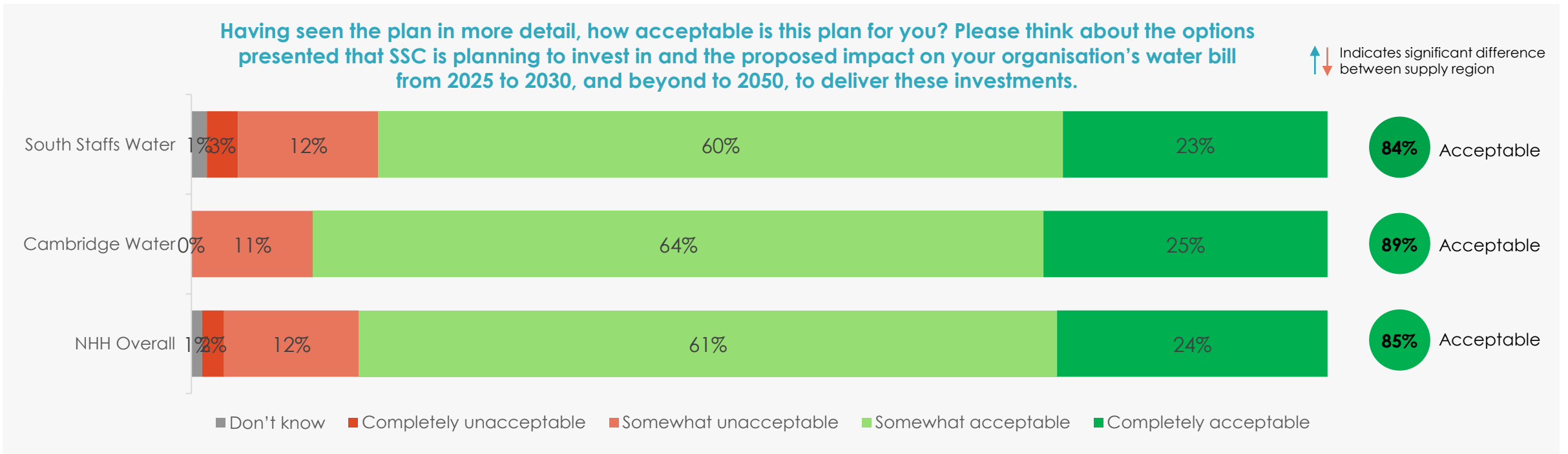
Future Customer Reasons for Finding the Plan Unacceptable.

- The main reasons given by future customers who found the informed plan unacceptable centred strongly around affordability. 83% of future customers cited 'the bill increases are too expensive' whilst 48% cited 'I won't be able to afford this'.



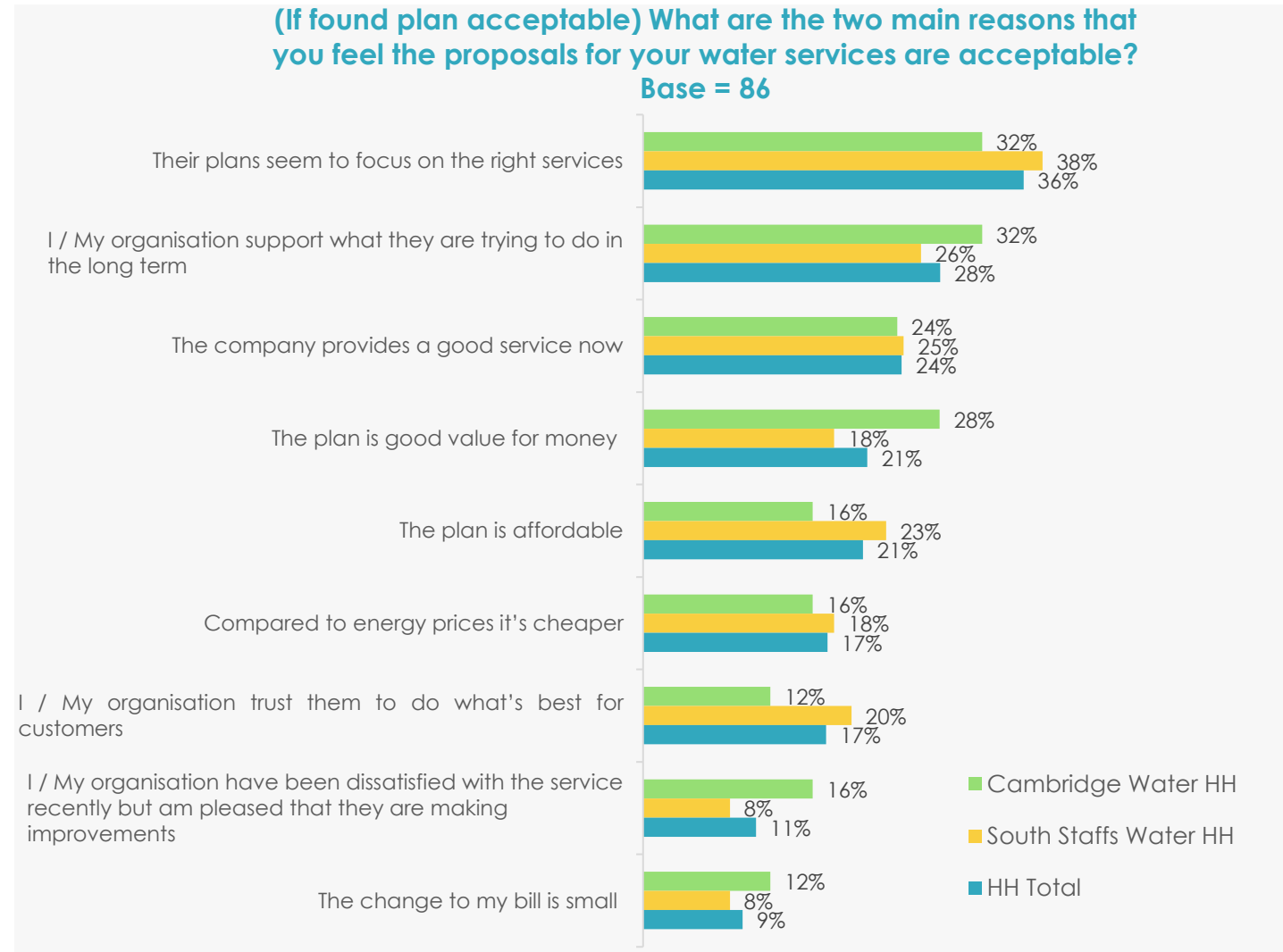
Non-Household Informed Acceptability.

- 85% of non-household customers found the plan acceptable based on the informed stimulus – 6%p lower than the 91% who found the plan acceptable based on the uninformed stimulus.
- Again, there was little difference between the regions, however, again Cambridge Water non-household customers reported a slightly higher acceptability % than South Staffs Water non-household customers (89% vs. 84%).



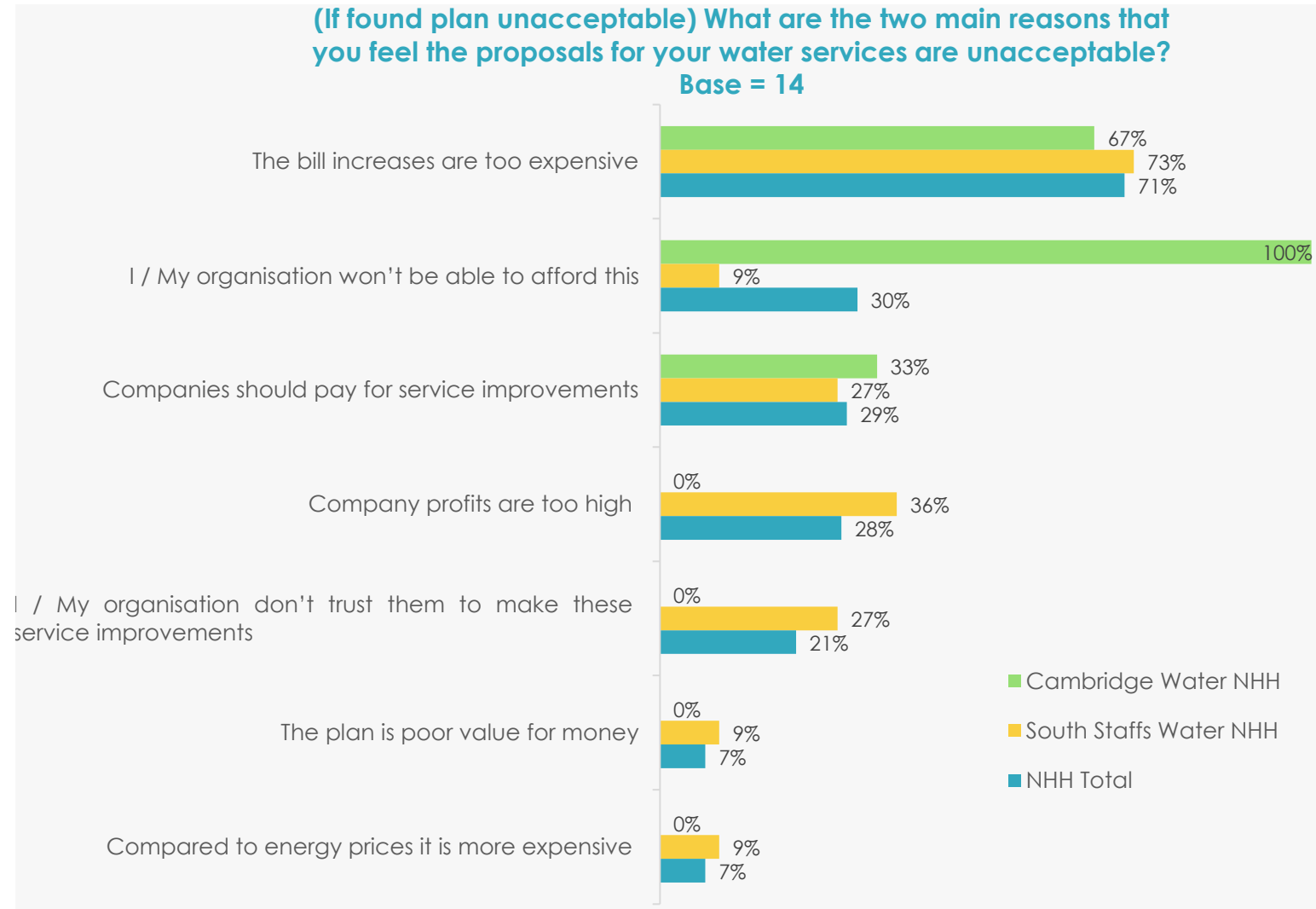
Non-Household Reasons for Finding the Plan Acceptable.

- The main reasons given by non-household customers for finding the plan acceptable were that 'the plan seems to focus on the right areas' (36%) and 'I/My organisation support what they are trying to do in the long term' (48%).
- Whilst there were no significant differences by supply region, Cambridge Water NHH customers were more likely to cite 'the plan is good value for money'. South Staffs NHH customers were more likely to cite 'the plan is affordable' and 'I/My organisation trust them to do what's best for customers'.
- NHH customers were also more likely than HH customers to find the plan acceptable because they believe that SSC 'provide a good service now' which tallies with their higher overall satisfaction scores.



Non-Household Reasons for Finding the Plan Unacceptable.

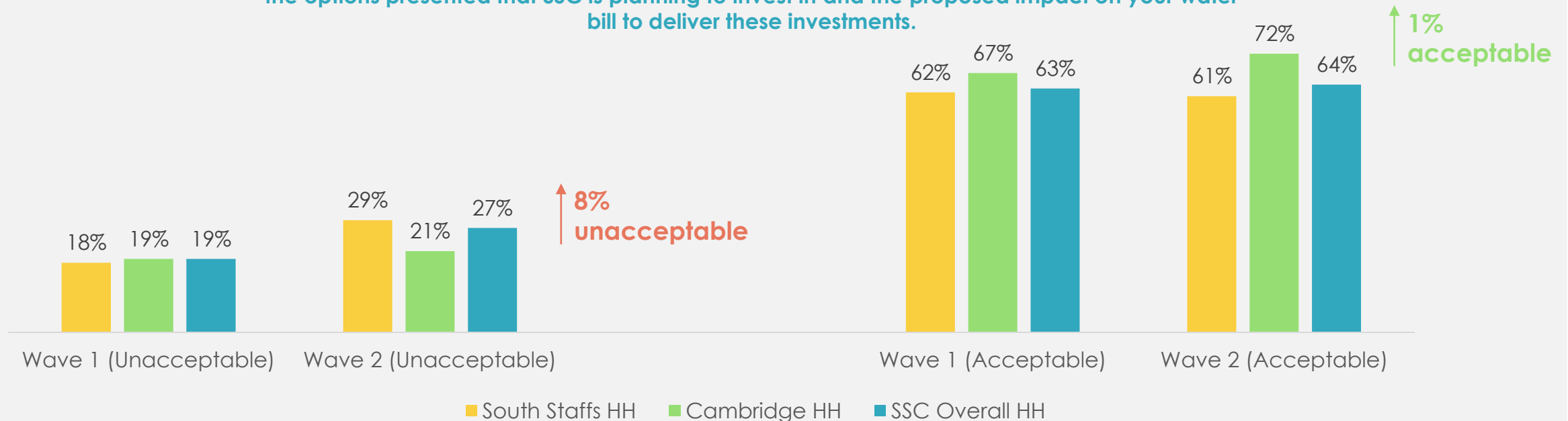
- The reasons for finding the plan unacceptable amongst NHH customers were generally around cost. The main reason was 'the bill increases are too expensive', cited by 71% of NHH customers who found the plan unacceptable.
- The second most common reason was that 'I/My organization won't be able to afford this' which was cited by 30% overall but by all three Cambridge Water NHH customers who found the informed plan unacceptable.
- As for household customers, there was also a feeling that more of the cost should be paid by SSC and that SSC's profits are too high.



Wave 1 vs Wave 2 Informed Acceptability

- While the focus of the plans, in terms of how SSC are planning to achieve their targets, didn't change much between Wave 1 and Wave 2 (the biggest change coming in the South Staffs area with the removal of the supply side option of raising the Blithfield Reservoir dam), there were significant increases in the cost to customers – up from an average £14.28 to £34.08 per year in South Staffs and an average £13.90 to £47 per year in Cambridge).
- Positively, a similar proportion of just under two-thirds of customers in both Waves found the plans acceptable. Across both Waves of research, customers generally agree that SSC are focussing on the right areas/services and support what the company are planning. The main difference between the two Waves came with an 8%p increase in the proportion of customers who found the plan unacceptable – as seen with the reasons given and the profile of these customers (low household income and DE social grade), there is a clear affordability concern for some with many already struggling with their current household bills.

Having seen the plan in more detail, how acceptable is this plan for you? Please think about the options presented that SSC is planning to invest in and the proposed impact on your water bill to deliver these investments.



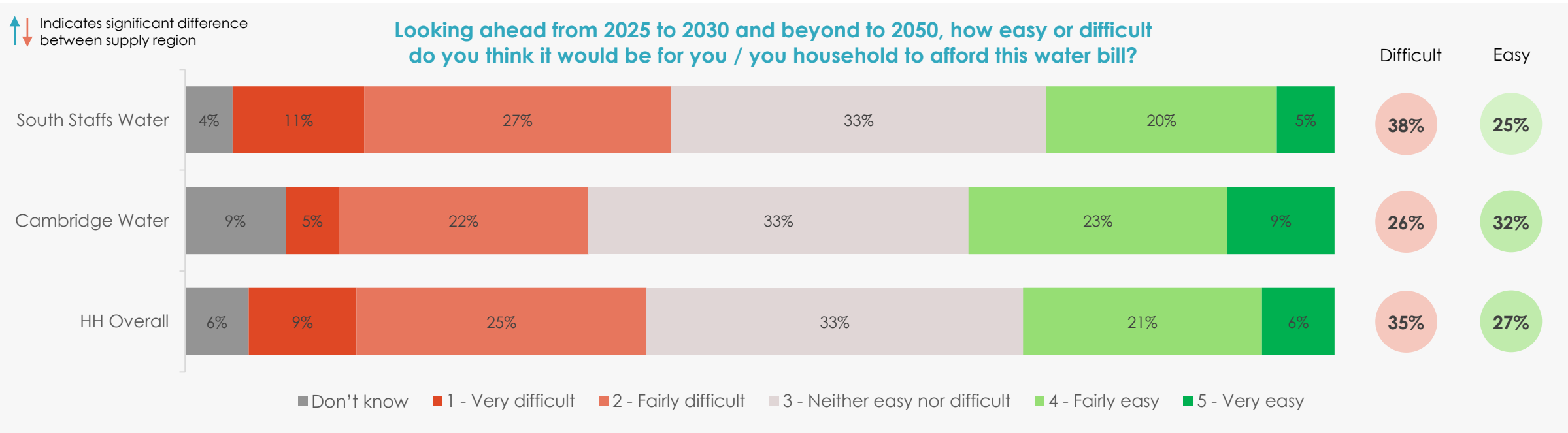
A vibrant turquoise hummingbird is shown in flight, hovering near a yellow flower. The bird's feathers are iridescent, with shades of green and blue. The background is a soft, out-of-focus green. The word "turquoise" is written in a white, dotted font in the upper left corner.

turquoise

**Future Bill / Plan
Affordability.**

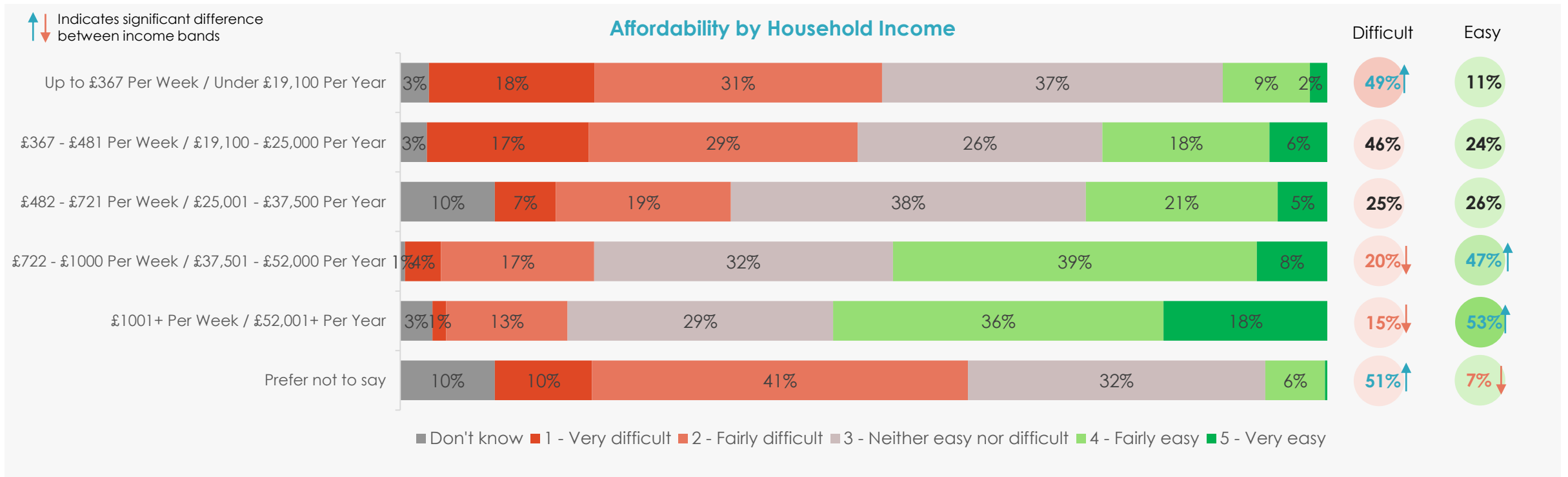
Household Plan Affordability.

- Having seen the plan in more detail via the informed stimulus, customers were shown what their future bill is forecast to be in 2025 (and beyond to 2050) allowing for inflation estimates. They were also asked to bear in mind that their wastewater supplier also have a plan for investments (+32% Severn Trent : +29% Anglian).
- Overall, just 27% of household customers indicated that they would find their future bill 'easy' to afford with 35% believing they would find it difficult to afford.
- Whilst the differences between the supply regions were not significant, it should be noted that customers in the South Staffs region indicated that they would find their future bill more difficult to afford than customers in the Cambridge Water region.
- Half of all customers (sig. high 49%) with the lowest household income bracket of up to £19,100 per year indicated that they would find it difficult to afford the future bill – 19% would find it very difficult. Albeit with substantial crossover, a significantly high 52% of customers with a DE social grade indicated that they would find it difficult to afford the future bill.
- There were no significant differences in affordability by other key demographics.



Household Plan Affordability by Household Income Bands.

- As mentioned on the previous slide, the two main drivers of affordability were household income and social grade.
- Nearly half of all customers in the two lowest income brackets indicated that they would find it difficult to afford their future bill. Higher income bracket households would find it significantly easier to afford.



Current Bill Affordability vs. Future Bill Affordability

- The chart below illustrates the shift in affordability responses from the customers' current bills to the future estimated plan bill.

HH	Total %	FUTURE PLAN BILL AFFORDABILITY			
		Don't know / Neither/nor	Difficult (to afford)	Easy (to afford)	Overall
CURRENT BILL AFFORDABILITY	Don't know / Neither/nor	19%	12%	3%	34%
	Difficult (to afford)	6%	17%	1%	24%
	Easy (to afford)	14%	6%	22%	42%
	Overall	38%	35%	27%	100%

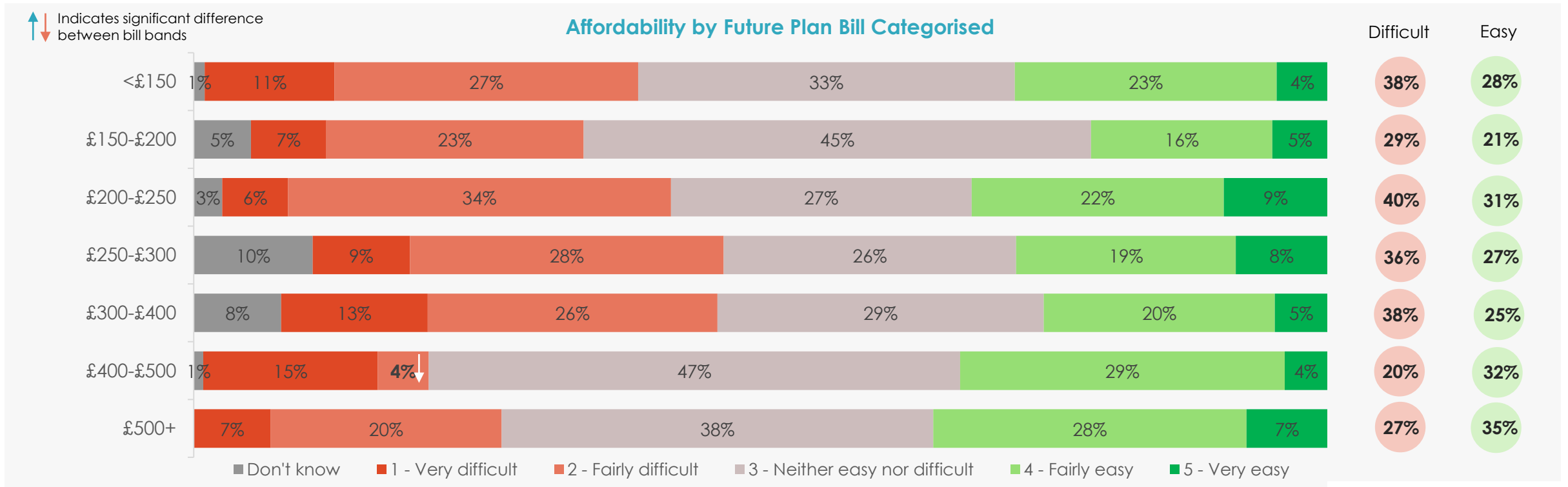
4% of the HH sample found the future plan bill affordable but not their current bill

22% of the HH sample find both their current bill and the future plan bill affordable

20% of the HH sample find their current bill easy to afford but not the future plan bill

Household Affordability by Future Annual Plan Bill.

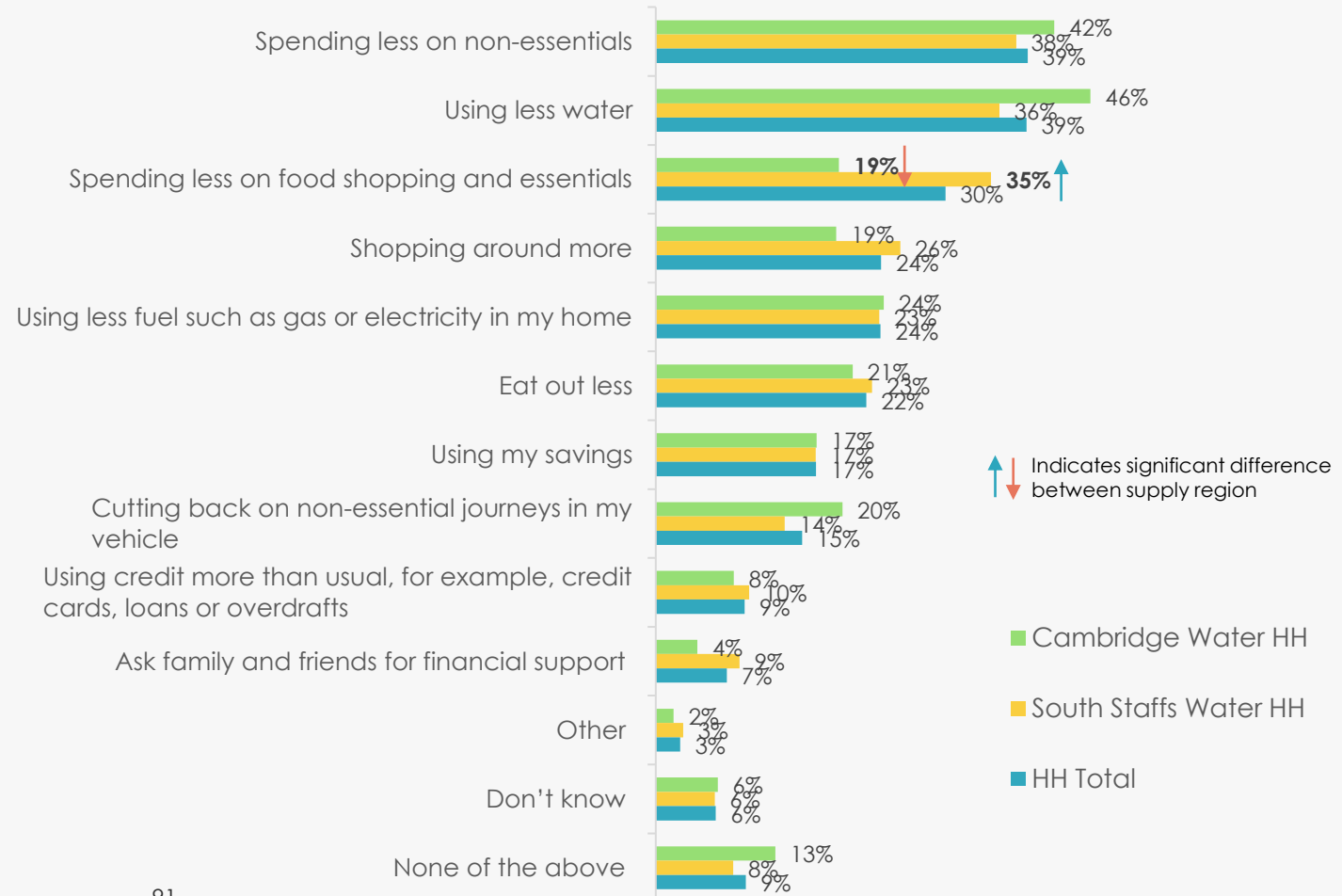
- There was actually little difference in affordability by the size of a customer's future bill – at least no significant differences – suggesting it is more overall household finances driving affordability than the size of their current clean water bill.



Household Affordability.

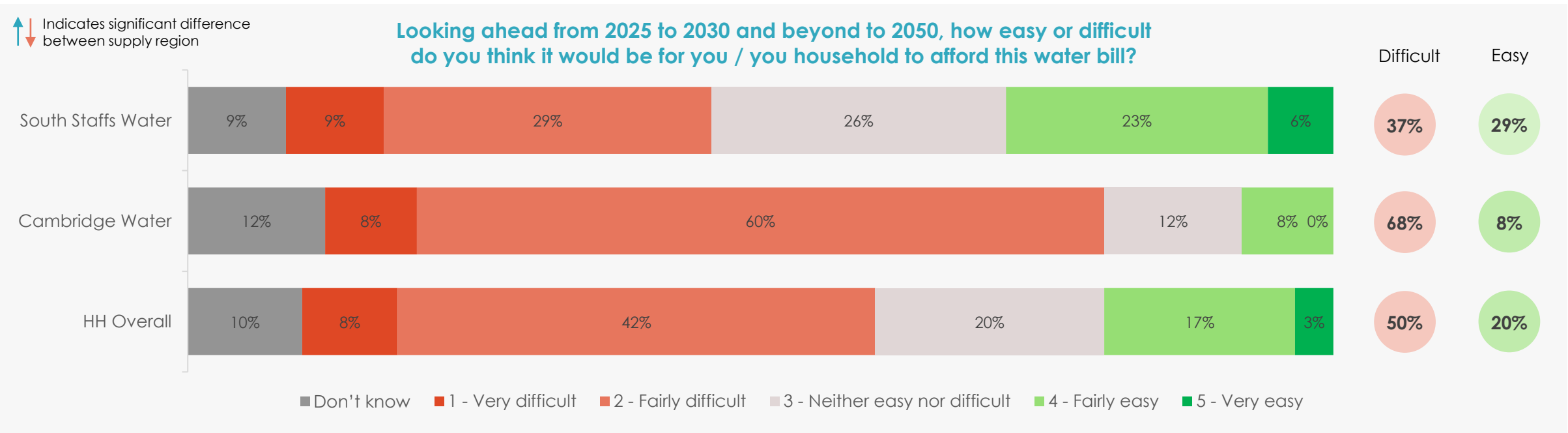
- Household customers across both regions were asked what they would need to do to pay for the increase in their water bill.
- The most common actions customers would need to take would be 'spending less on non-essentials' (39%), 'using less water' (39%) and 'spending less on food shopping and essentials' (30%) – this action was cited by a significantly high proportion of South Staffs Water customers.
- When isolating the group of customers who indicated that they would find it difficult to afford their future bill, 57% indicated that they would need to 'spend less on food shopping and essentials', 42% would need to 'spend less on non-essentials' and 35% would need to 'use less fuel such as gas or electricity in their home'.

Which of the following do you think you would need to do to pay for the increase in your water bills between 2025 and 2030?



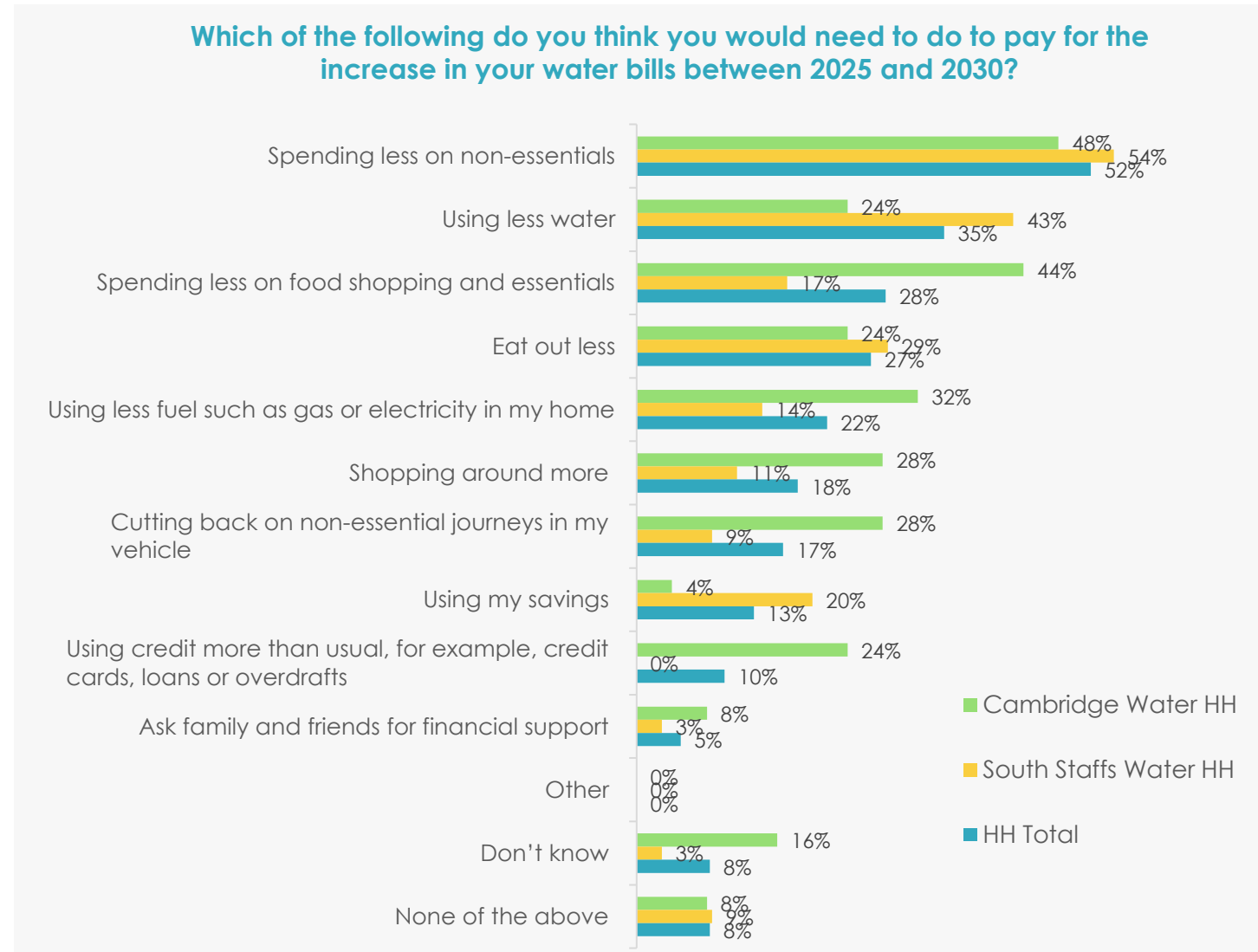
Future Customer Plan Affordability.

- Overall, 50% of future customers indicated that they would find it difficult to afford the future plan bill. The proportion was higher amongst Cambridge Water future customers (68%), although not significantly at the smaller sample size.
- Just 20% indicated that they would find the future bill easy to afford, although naturally it will be difficult for some future customers to forecast how easy or difficult it will be for them to afford the bill in the future.



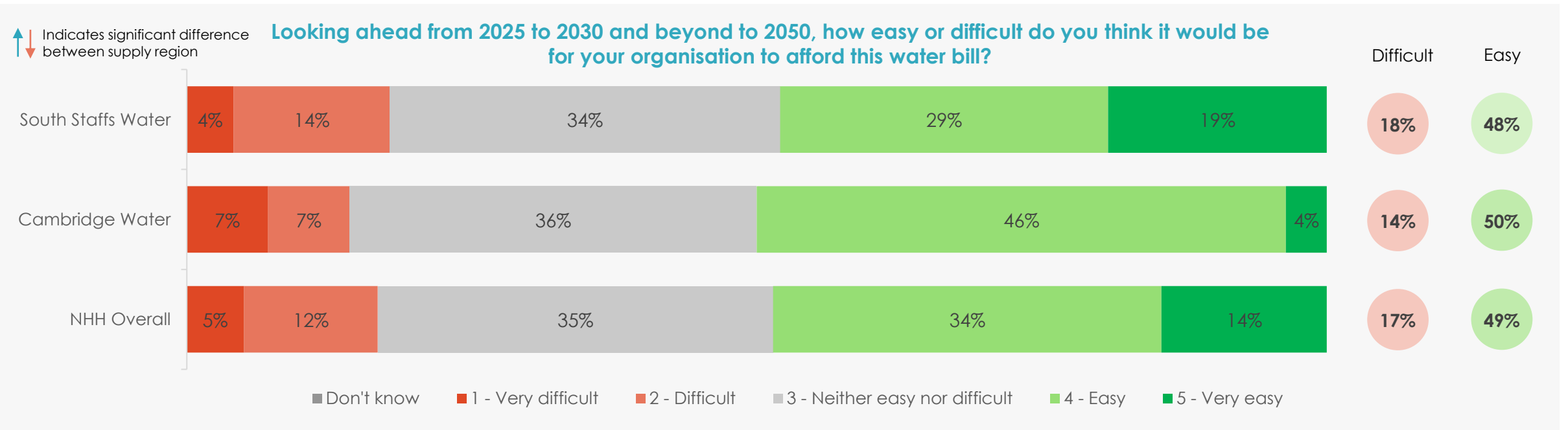
Future Customer Plan Affordability.

- The most common actions customers would need to take mirrored household customers. The top three actions were 'spending less on non-essentials' (52%), 'using less water' (35%) and 'spending less on food shopping and essentials' (28%).



Non-Household Affordability.

- Having seen the plan in more detail via the informed stimulus, NHH customers were shown what their future bill is forecast to be in 2025 (and beyond to 2050) allowing for inflation estimates. They were also asked to bear in mind that their wastewater supplier also have a plan for investments (+32% Severn Trent : +29% Anglian).
- Around half of SSC's NHH customers indicated that their organisation would find it 'easy' to afford their future bill (49%). The majority of these customers cited '4 – Easy'.
- The most common response across both regions, however, was '3 – neither easy nor difficult' (35%).



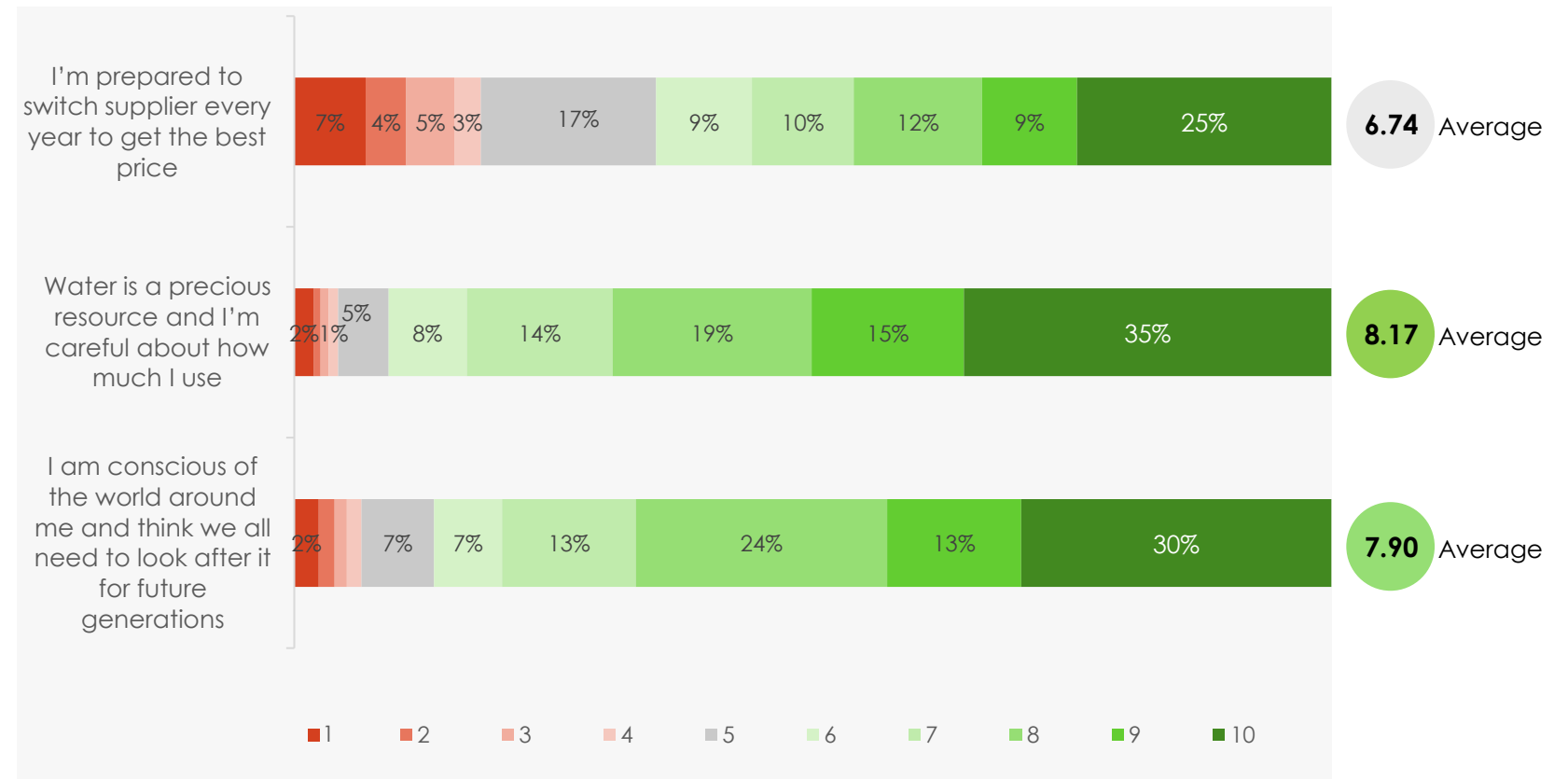


turquoise

Further Customer
Attitudes.

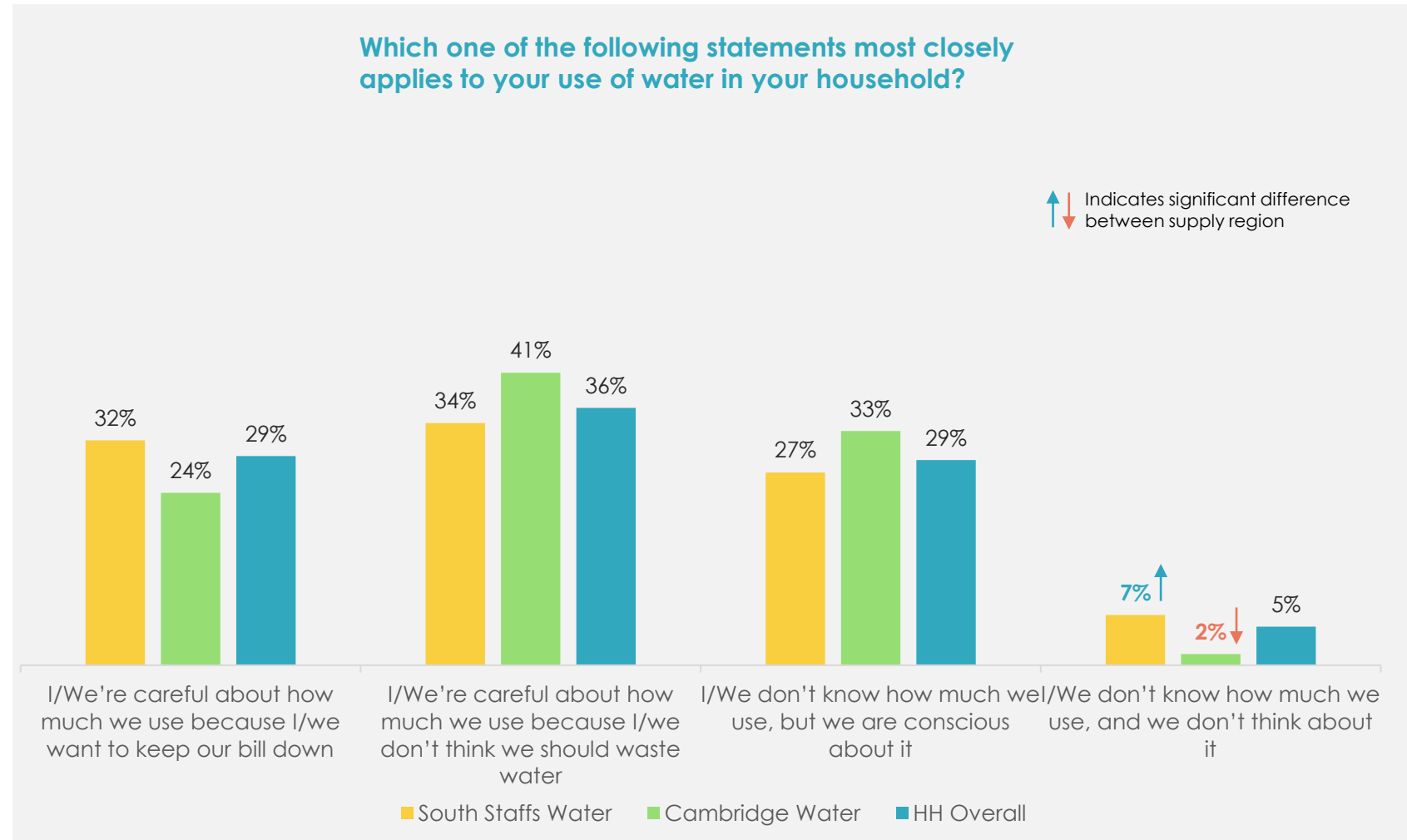
Household Customer Attitudes Towards Water.

- Attitudes towards the environment are strong, with over 83% agreeing (scored a 7-10) that water as a precious resource and they are careful about how much they use. Similarly, 80% of customers agreed that they are conscious of the world around them and that we all need to look after it for future generations. Customers who found the informed plan acceptable were significantly more likely to agree with both statements.
- There were no significant differences by region regarding these attitudes.
- As seen in the earlier informed plan acceptability section, the attitudinal statement with the largest impact on acceptability of the plans was 'I am conscious of the world around me...look after it for future generations' with higher agreement with this driving higher plan acceptability scores. The same was true, to a lesser extent, for 'water is a precious resource...' and the inverse for 'I'm prepared to switch supplier...'



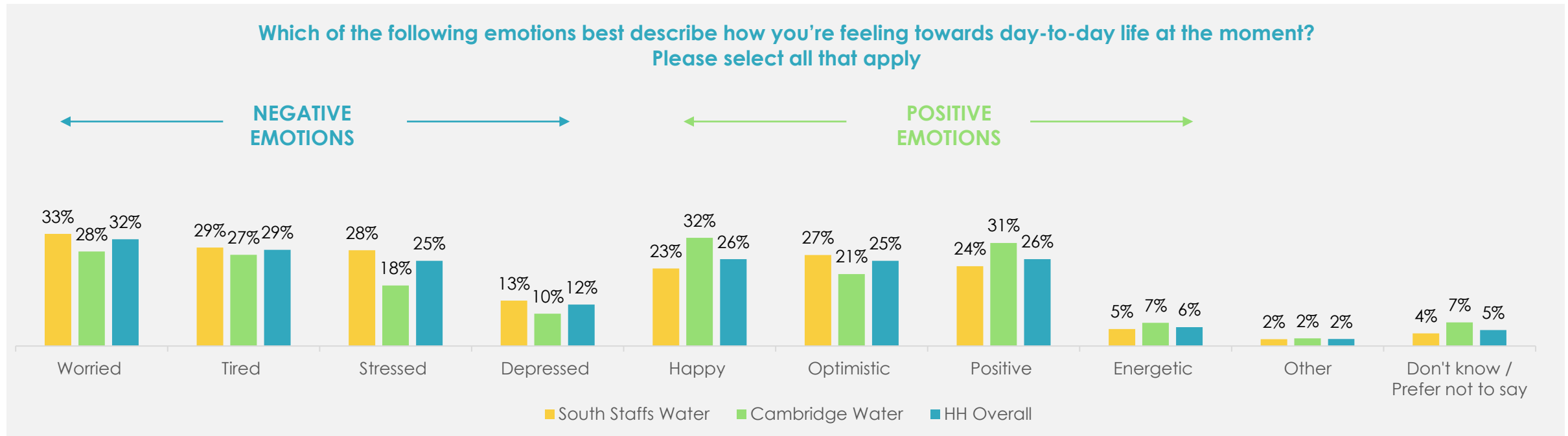
Household Customer Attitudes Towards Water Usage.

- Overall, there are minor differences in attitudes towards water usage by supply region. Cambridge Water customers are more likely to be conscious of their water usage and careful with how much they use so as not to waste it. Customers who are careful with their water usage as they don't think we should waste water were more likely to find the informed plan acceptable (70%), however, not significantly.
- South Staffs Water customers are significantly more likely not to think about their usage (although only 7%).



Household Customer Emotions.

- A question around how customers are feeling was asked to gain more insight behind other response to the survey.
- The top-3 emotions for customers currently are feeling 'worried' (32%), 'tired' (29%) and/or 'happy' (26%) and/or 'positive'.
- There were no significant differences by regions, however, customers who selected any of the four negative emotions were significantly less likely to find the informed plans unacceptable. In contrast, customers who indicated feeling any of the four positive emotions were significantly more likely to find the informed plans acceptable.



Household Customer Emotions by Key Measures.

- As can be seen below, customer emotions had a significant impact on plan acceptability and perceptions of affordability.
- The most powerful positive emotion was feeling 'energetic,' with the highest proportions of acceptance for informed plan and plan affordability.
- Feeling 'depressed' was the most powerful negative emotion with the lowest scores for both acceptance for informed plan and plan affordability.

↑ ↓ Indicates significant difference by emotion

Positive Emotions		% Response	
		Unacceptable (%) / Difficult (%)	Acceptable (%) / Easy (%)
Happy	Uninformed Plan	9%	89%
	Informed Plan	13% ↓	82% ↑
	Plan Affordability	17% ↓	47% ↑
Optimistic	Uninformed Plan	7% ↓	89%
	Informed Plan	20%	73%
	Plan Affordability	24% ↓	40% ↑
Positive	Uninformed Plan	7% ↓	90%
	Informed Plan	16% ↓	79%
	Plan Affordability	24% ↓	38% ↑
Energetic	Uninformed Plan	4%	96%
	Informed Plan	4% ↓	94% ↑
	Plan Affordability	9% ↓	52% ↑

Negative Emotions		% Response	
		Unacceptable (%) / Unaffordable (%)	Acceptable (%) / Affordable (%)
Worried	Uninformed Plan	22%	75%
	Informed Plan	35% ↑	54% ↓
	Plan Affordability	50% ↑	13% ↓
Tired	Uninformed Plan	14%	83%
	Informed Plan	33%	57%
	Plan Affordability	45% ↑	16% ↓
Stressed	Uninformed Plan	17%	80%
	Informed Plan	36% ↑	55% ↓
	Plan Affordability	53% ↑	16% ↓
Depressed	Uninformed Plan	19%	77%
	Informed Plan	42% ↑	46% ↓
	Plan Affordability	61% ↑	8% ↓








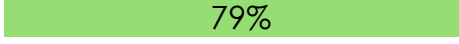





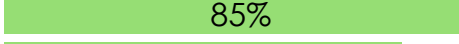




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Appendix.










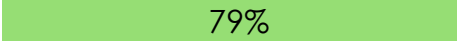





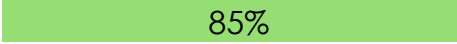

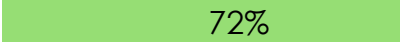


Key HH Findings – Overview (79:21 SSC Weight)

- Historically, and for comparability in this report, a 70:30 weight has been used when looking at the SSC region results. The actual breakdown of HH customers across the SSC region is 79% South Staffs Water and 21% Cambridge Water. The impact of changing the SSC region results to the 79:21 weighting can be seen in the following slides. Note that, this weighting only changes results for variables working across the whole region, with isolated South Staffs Water and Cambridge Water results unchanged.

			% Response		
			Unacceptable (%) / Difficult (%)	Acceptable (%) / Easy (%)	
SSC HH Overall	Uninformed Plan Acceptability		15%		81%
	Informed Plan Acceptability		28% (+1%p)		64% (-1%p)
	Plan Affordability		36% (+1%p)		26% (-1%p)
South Staffs HH	Uninformed Plan Acceptability		17%		79%
	Informed Plan Acceptability		29%		61%
	Plan Affordability		38%		25%
Cambridge HH	Uninformed Plan Acceptability		10%		85%
	Informed Plan Acceptability		21%		72%
	Plan Affordability		26%		32%

Key NHH Findings – Overview (79:21 SSC Weight)

- Historically, and for comparability in this report, a 70:30 weight has been used when looking at the SSC region results. The actual breakdown of HH customers across the SSC region is 79% South Staffs Water and 21% Cambridge Water. The impact of changing the SSC region results to the 79:21 weighting can be seen in the following slides. Note that, this weighting only changes results for variables working across the whole region, with isolated South Staffs Water and Cambridge Water results unchanged.

			% Response		
			Unacceptable (%) / Difficult (%)	Acceptable (%) / Easy (%)	
SSC HH Overall	Uninformed Plan Acceptability		15%		81%
	Informed Plan Acceptability		28% (+1%p)		64% (-1%p)
	Plan Affordability		36% (+1%p)		26% (-1%p)
South Staffs HH	Uninformed Plan Acceptability		17%		79%
	Informed Plan Acceptability		29%		61%
	Plan Affordability		38%		25%
Cambridge HH	Uninformed Plan Acceptability		10%		85%
	Informed Plan Acceptability		21%		72%
	Plan Affordability		26%		32%

Links to Supporting Documents.

Cognitive Testing Summary (Wave 1)	https://turquoisethinking.sharefile.com/public/share/web-sb90fd8e5065c4dfe83ebd67312855448
Household Customer Questionnaire	https://turquoisethinking.sharefile.com/public/share/web-s384220d9b6954aa6ac37fc3cf6405383
Non-Household Customer Questionnaire	https://turquoisethinking.sharefile.com/public/share/web-sb5e4a78210c3454ea63e1e61ddec376f
Future Customer Questionnaire	https://turquoisethinking.sharefile.com/public/share/web-s6e86827ce06545d1a61477910ff1482
Household and Future Customer Stimulus	https://turquoisethinking.sharefile.com/public/share/web-s5c0d8ddc45ce48989dffddb33f2a343a
Non-Household Customer Stimulus	https://turquoisethinking.sharefile.com/public/share/web-se7495eeac6bb46e6b2b21711f79a6883
Stimulus Videos	https://turquoisethinking.sharefile.com/public/share/web-sd99c2de845a44a92a49fc16bd5689500

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