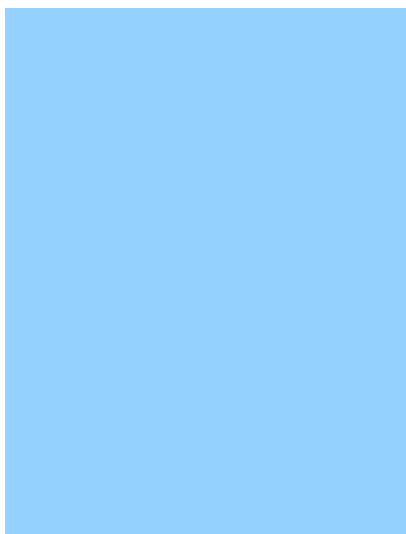


eftec
economics for the environment

ICS
consulting



*PR14 Acceptability
Study: ANNEXES*

*Report Submitted to
South Staffs Water
Limited*

November 2013

This document has been prepared by:

ICS Consulting Ltd
Pear Tree House, Main Street
Little Smeaton, North Yorkshire
WF8 3LG
www.icsconsulting.co.uk

and

Economics for the Environment Consultancy Ltd (eftec)
73-75 Mortimer Street
London
W1W 7SQ
www.eftec.co.uk

Study team:

Amanda Borrmann (ICS Consulting)
Dr Scott Reid (ICS Consulting)
Dr Lisa Gahan (ICS Consulting)
Dr Adalbert Ngongang (ICS Consulting)
Allan Provins (eftec)
Martin Baker (ICS Consulting)

Quantitative Fieldwork:

FACTS International
Facts Centre
3 Henwood
Ashford
Kent
TN24 8FL
<http://www.facts.uk.com>

CONTENTS

<u>ANNEX 1: HOUSEHOLD QUESTIONNAIRE</u>	<u>4</u>
<u>ANNEX 2: BUSINESS QUESTIONNAIRE</u>	<u>24</u>
<u>ANNEX 3: SHOWCARDS</u>	<u>41</u>
<u>ANNEX 4: HOUSEHOLD RESULTS</u>	<u>53</u>
<u>ANNEX 5: BUSINESS RESULTS</u>	<u>90</u>
<u>ANNEX 6: THE TREATMENT OF INFLATION IN CUSTOMER RESEARCH</u>	<u>107</u>
<u>ANNEX 7: PROSPECTS OF REAL GROWTH IN HOUSEHOLD INCOMES</u>	<u>112</u>
<u>DOCUMENT CONTROL</u>	<u>115</u>

Annex 1: Household Questionnaire

SECTION A: INTRODUCTION

We are carrying out a customer survey on behalf of your water company.

South Staffs Water merged with Cambridge Water earlier this year, and the combined company provides water to 1.5 million people in Staffordshire and Cambridge.

Your views will help us to understand what matters to the customers in both of the regions and will determine priorities in the coming years.

The survey will take around 20-25 minutes to complete. Any answer you give will be treated in confidence in accordance with the Code of Conduct of the Market Research Society. We would like to assure you that all the information we collect will be used for research purposes only. It will not be possible to identify any particular individual or address in the results.

Recruitment and Screening

QA. Do you or any of your close family work or have worked in the past in any of the following professions: marketing, advertising, public relations, journalism, market research or the Water Industry (including working for South Staffs Water or Cambridge Water)? **SINGLE CODE**

Yes	1	CLOSE
No	2	ASK QB

QB. Are you the person most responsible for paying the utilities bills (such as water, electricity, and gas) in your household, or are you jointly responsible with someone else? **SINGLE CODE**

Person most responsible	1	ASK QC
Jointly responsible	2	ASK QC
Not responsible	3	CLOSE
Don't know	4	CLOSE

QC. Which company provides your household water supply services? **SINGLE CODE**

South Staffs Water	1	Go TO QD
Cambridge Water	2	Go TO QD
Other company - SPECIFY -	2	THANK & CLOSE
Not connected to mains water (a possibility in rural areas)	3	THANK & CLOSE
Don't know	4	THANK & CLOSE

<IF SCREENED OUT>

Thank you very much for your time. That's all the questions that we have for you today.

< CLOSE SURVEY >

Background and Quota Questions

QD. Please can you indicate your gender: **SINGLE CODE**

Male	1
Female	2

QE. Which of these age groups do you fall within: **SINGLE CODE**

18-29	1
30-44	2
45-64	3
65+	4
Refused	5

QF. Could you please tell us your postcode?

The postcode is used simply to help us classify different areas. We don't need your house number or any other identifying information. You will not receive any marketing materials, calls or junk mail as a result of supplying this information.

Postcode

.....

OR

Prefer not to answer

1

QG. Are you the main income earner in the household? **SINGLE CODE**

No	0
Yes	1
No income earners	2

AUTOCODE QH=6 AND SKIP TO Q1

QH. What is the main income earner's occupation? **SINGLE CODE**

IF THE RESPONDENT IS NOW RETIRED PLEASE ASK WHICH OF THE FOLLOWING CATEGORIES BEST DESCRIBES THE EMPLOYMENT STATUS OF THE MAIN INCOME EARNER BEFORE THEY RETIRED.

Higher managerial, administrative or professional	1	A
Intermediate managerial, administrative or professional	2	B
Supervisory or clerical and junior managerial, administrative or professional	3	C1
Skilled manual worker	4	C2
Semi or unskilled manual worker	5	D
Casual worker, pensioner or dependant on state welfare	6	E

QI. Do you or anyone in your household have a long-term illness, health problem or disability which limits your daily activities or the work you can do? **MULTI CODE**

Yes (self)	1
Yes (Other)	2
No	3
Don't know/refused	4

Section B: Customer Bills and Uninformed Acceptability

South Staffs Water merged with Cambridge Water earlier this year, and the combined company provides water to 1.5 million people in Staffordshire and Cambridge.

South Staffs Water and Cambridge Water would like to understand customers' views and priorities so they are taken into account in developing plans for future services. This survey will ask for your views on a range of issues related to the water supply services in Staffordshire and Cambridge.

Show Map/s of regions served

NEXT PAGE

The next few questions are about your current bill.

Q1	Do you have a water meter - i.e. is your water bill based on a meter reading? SINGLE CODE	
	No	1
	Yes	2
	Don't know	3

Q2	If interviewer-led survey then do not ask but indicate location on map.		
	If online, then:		
	Please indicate in which region you live:		
	[Insert MAP/S]		
	Staffordshire	1	GO TO Q3
	Cambridge	2	GO TO Q3

Q3	A proportion of your bill that you pay to your water company is paid to the provider of your sewerage services. In the Staffordshire region this is Severn Trent Water and in the Cambridge region this is Anglian Water.	
	The company providing your sewerage service is responsible for taking your waste water away, treating it and returning it to the environment. South Staffs Water and Cambridge Water are only responsible for providing clean water at you tap. Were you aware of this?	
	SINGLE CODE	
	Yes	1
	No	2

Q4	What is the total amount your household pays for both water <u>and</u> sewerage services?	
Q4A. Exact amount per year (£)	
OR		
Q4B:		
Less than £13 per month	Less than £150 per year	1
£13 - £16 per month	£151 - £200 per year	2
£17 - £20 per month	£201 - £250 per year	3
£21 - £24 per month	£251 - £300 per year	4
£25 - £28 per month	£301 - £350 per year	5
£29 - £32 per month	£351 - £400 per year	6
£33 - £37 per month	£401 - £450 per year	7
£38 - £41 per month	£451 - £500 per year	8
£42 - £45 per month	£501 - £550 per year	9
£46 - £50 per month	£551 - £600 per year	10
Over £50 per month	Over £600 per year	11
Don't know	Don't know	12

Q5 This question asks about water bills only. A prompt is given - which is the average bill and % split water/waste. This is customised depending on whether the respondent has said they are metered or not, and the region they are based in.

If the respondent does not know if they are metered in Q1, treated as unmetered.

If Q2 =1 (i.e. lives in South Staffordshire region) then

If Q1= 2 (i.e. Metered customer)

For a customer with a water meter the average bill level for water services, excluding sewerage services, is **£140** a year. This is **52%** of the average total sewerage and water bill.

The average bill level for sewerage services, excluding water services, is **£139** a year. This is **48%** of the average total sewerage and water bill.

If Q1 = 1 or 3 (i.e. Non metered customer or not sure)

For a customer without a water meter the average bill level for water services, excluding sewerage services, is **£146** a year. This is **46%** of the average total sewerage and water bill.

The average bill level for sewerage services, excluding water services, is **£169** a year. This is **54%** of the average total sewerage and water bill.

If Q2 =1 (i.e. lives in Cambridge region) then

If Q1= 2 (i.e. Metered customer)

For a customer with a water meter the average bill level for water services, excluding sewerage services, is **£119** a year. This is **35%** of the average total sewerage and water bill.

The average bill level for sewerage services, excluding water services, is **£223** a year. This is **65%** of the average total sewerage and water bill.

If Q1 = 1 or 3 (i.e. Non metered customer or not sure)

For a customer without a water meter the average bill level for water services, excluding sewerage services, is **£152** a year. This is **34%** of the average total sewerage and water bill.

The average bill level for sewerage services, excluding water services, is **£291** a year. This is **66%** of the average total sewerage and water bill.

What is the total amount your household pays for water supply services?

Q5A. Exact amount per year (£)

.....

OR

Q5B:

Less than £8 per month	Less than £100 per year	1
£8 - £13 per month	£100 - £150 per year	2
£13 - £16 per month	£151 - £200 per year	3
£17 - £20 per month	£201 - £250 per year	4
£21 - £24 per month	£251 - £300 per year	5
£25 - £28 per month	£301 - £350 per year	6
£29 - £32 per month	£351 - £400 per year	7
£33 - £37 per month	£401 - £450 per year	8

£38 - £41 per month	£451 - £500 per year	9
£42 - £45 per month	£501 - £550 per year	10
£46 - £50 per month	£551 - £600 per year	11
Over £50 per month	Over £600 per year	12
Don't know	Don't know	13

Q6 To confirm, you stated that your current water bill is **[INSERT RESPONSE FROM Q5]** per year. How sure/certain are you that this is the amount you currently pay?
SINGLE CODE

Very certain	1
Fairly certain	2
Not very certain	3
Very uncertain	4

Q7 How do you feel about the amount that you pay for the water services that you receive? Is it.....**SINGLE CODE**

Too little	1
About right	2
Slightly too much	3
Far too much	4

Q8 How easy or difficult do you find it to pay your current water bill; i.e. how affordable is it? **SINGLE CODE**

I do not have any problem paying my bill	1
It is difficult to pay my bill and I sometimes pay it late	2
It is difficult to pay my bill and I never pay it on time	3

Q9 We are interested in your preferences for water bills and the services you receive.

Water bills change by the rate of inflation each year. After inflation has been taken into account, which of the following options would you prefer to happen to your bill from 2015 - 2020:

SINGLE CODE

Bills increase by a small amount and services improve	1
Bills remain the same and service levels unchanged	2
Bills decrease by a small amount and services deteriorate	3

Q10a The proposed change in your bill and service levels will be explained later in the survey. Before seeing this information, please answer the following question:

Overall, how acceptable do you consider the proposed plan to be?

SINGLE CODE. DISPLAY PLAN SUMMARY - SHOWCARD A1

Very acceptable	1	GO TO Q13
Acceptable	2	GO TO Q13
Unacceptable	3	GO TO Q13
Completely unacceptable	4	GO TO Q13
Don't know	5	GO TO Q12

Q11b Your bill will also increase by the impact of inflation each year. Inflation is the general rise in prices and wages over time. We can not predict accurately what inflation will be in the future but current forecasts suggest this will be 3% each year.

The plan is shown below with this impact. Overall, how acceptable do you consider the proposed plan to be?

SINGLE CODE. DISPLAY PLAN SUMMARY - SHOWCARD A2

Very acceptable	1	GO TO Q13
Acceptable	2	GO TO Q13
Unacceptable	3	GO TO Q13
Completely unacceptable	4	GO TO Q13
Don't know	5	GO TO Q12

Q12 Why were you not able to say whether the proposed plan is acceptable or not?

**SINGLE CODE
ROTATE**

I need more information before I can make a decision	1
Water companies and the Government should decide - customer should not be asked about this	2
This is not important to me	3
I have not thought enough about water and sewerage services to answer the question	4
Don't know	3
Other [RECORD VERBATIM]	4

Section C: Current Levels of Service

NEXT PAGE

This list shows the activities that your water company is responsible for. It also shows what activities your water company is not responsible for. **[SHOWCARD B1]**

NEXT PAGE

A summary of your water company's performance is shown below.
[Showcard B2]

Q13 How important do you think each of the activities are?

**SINGLE CODE FOR EACH LINE
(Option removed below, so only 5 choices, not 6)**

ROTATE	Not important at all	Fairly unimportant	Fairly important	Very important	Don't know
Providing drinking water that is safe and pleasant to drink	1	2	4	5	6

Providing a reliable and continuous supply of water from the tap	1	2	4	5	6
Maintaining the system of water pipes and water treatment works	1	2	4	5	6
Managing and protecting the water environment - including rivers and lakes - by taking water for drinking supplies in a responsible way	1	2	4	5	6

Q14 Overall how satisfied are you with the service you receive from your water company?
?SINGLE CODE

Very satisfied	1	GO TO Q15
Fairly satisfied	2	GO TO Q15
Fairly dissatisfied	3	GO TO Q16
Very dissatisfied	4	GO TO Q16
Don't know	5	GO TO Q17

Q15 Which two statements best describe your reason(s) for being satisfied with the water supply service you receive?
RECORD MAIN RESPONSE (A) AND SECOND REASON (B). SINGLE CODE FOR A AND B; SKIP Q16 AND GO TO Q17

ROTATE

	(a) Main reason	(b) 2nd reason
Not experienced any problems with water services	2	2
Drinking water supplies are reliable with very few interruptions	3	3
Tap water is good quality and pleasant to drink	4	4
Impacts on the water environment (rivers, lakes, and coastal waters) are well-managed	5	5
It is good value for money	1	1
Your water company deals with customer queries or complaints efficiently	6	6
Don't know	7	7
Other [RECORD VERBATIM]	8	8

Q16 Which two statements best describe your reason(s) for being dissatisfied with the service you receive? **RECORD MAIN RESPONSE (A) AND SECOND REASON (B). SINGLE CODE FOR A AND B. THEN GO TO Q17**

ROTATE

	(a) Main	(b) 2nd
Have experienced problems with water supply	2	2
Drinking water supplies are not reliable and there are too many interruptions	3	3
Tap water is unpleasant to drink	4	4
Impacts on the water environment (rivers, lakes) are not well-managed	5	5
It is poor value for money	1	1

Your water company does not deal with customer queries and complaints effectively	6	6
Don't know	7	7
Other [RECORD VERBATIM]	8	8

Q17	Thinking about the services provided by your water company, which, if any, of the following have you experienced in <u>the last 5 years</u> ?		
	If you experienced any of the following, which (if any) did you contact your water company about? Please select all that apply.		
	IF YES (Q17A) ASK IF THE RESPONDENT CONTACTED SOUTH STAFFS WATER ABOUT THE PROBLEM (Q17B).		
ROTATE		Q17A Experience in last 5 years	Q17B. Contacted South Staffs Water
A	The taste and smell of tap water that is less than ideal	1	2
B	An interruptions to your water supply	1	2
C	Restrictions on your water use during periods of drought (e.g. hosepipe bans)	1	2
D	Hard tap water (e.g. scaling of kettles and other appliances)	1	2
E	Noise, disruption and inconvenience from water company repairs (e.g. traffic, dust, etc.)	1	2
F	Discoloured or cloudy appearance of tap water	1	2
G	The provision of information on water efficiency	1	2
H	A leaking water main	1	2
I	Sharing your water supply pipe with your neighbour	1	2
J	Low river water levels	1	2
K	Low water pressure at your tap	1	2
L	Flooding inside your property due to water company operations (i.e. a burst pipe under the road)	1	2
O	Other	1	2

SECTION D: Business Plan and Acceptability

The bills that are charged to households and businesses by water companies in England and Wales are set every five years. These are based on an agreement between each water company and Ofwat (the Government regulator for the water industry).

Your water company is currently consulting with its customers about what service levels and water bills should be over the period 2015 - 2020. Once this consultation is complete Ofwat will set customers' bills and services levels for the period between 2015 and 2020.

SHOWCARD C

In setting future water bills your water company and Ofwat aim to take into account the interests of customers and also ensure that legally required standards for water services are met. This includes:

- Ensuring tap water meets the required health standards and is safe to drink
- Ensuring a safe working place for water company employees
- Meeting the environmental standards
- Paying taxes and business rates

NEXT PAGE

As part of the process for setting bills for the period 2015 - 2020, all water companies are developing 'business plans' that set out investments that are needed to maintain and improve water and sewerage services. These investments will be delivered from 2015 onwards.

The next part of the survey focuses on the investments, service levels and changes to customer bills that your water company is currently considering for its business plan. You will be asked to give your views on both the plan overall and the individual aspects of the plan.

The next screen explains the overall change in your bill due to these investments.

Acceptability of Proposed Plan

Current Bill Tab

SEE SHOWCARD D1 / D2 / D3

If answered Q5a: D1 (display current bill amount given in Q5a)

If answered Q5b: D2 (display mid-point of selected band given in Q5b)

If don't know to Q5a/b: D3 (display average bill amount for the company based on location and whether metered or not - as shown in Q5)

Summary Tab

SEE SHOWCARD E

Plan summary

Your current bill	DISPLAY CURRENT BILL £
Fair customer bills & enhanced customer service	+/-£X
Excellent Water quality	+/-£X
Secure and reliable supplies	+/-£X
Environmentally responsible operation	+/-£X
Your Future Bill	+/-£X

ALL RESPONDENTS CAN MOVE FORWARD AND BACKWARDS BETWEEN Q18-Q21.

NEXT PAGE

Fair customer bills & customer service Tab (SHOWCARD F)

Q18 Your water company wants to provide an acceptable balance between the services to customers and the bills that they pay.

Your water company manages this by looking for better and less expensive ways to undertake a number of its activities. Overall your water company is able to pass on efficiency savings to customers.

Please Click on the 'What is this' links to learn about the proposed changes before making your decisions.

SINGLE CODE FOR EACH LINE

		Impact on water bill	Agree with proposed change AND impact on bills is acceptable	Agree with proposed change BUT impact on bills is NOT acceptable	Do not agree proposed change is needed	Don't know
A	Fair customer bills and enhanced customer service (what is this?)	-£X	1	2	3	4

LINK TO 'WHAT IS THIS' DESCRIPTIONS

Excellent water quality Tab(SHOWCARD G)

Q19 Your water company is considering the following changes to water services. This includes ensuring that tap water is high quality and meets public standard requirements. This involves investing in water treatment works.

Please indicate whether you agree with the proposed change and whether the impact on bills is acceptable or not.

Please Click on the 'What is this' links to learn about the proposed changes before making your decisions

SINGLE CODE FOR EACH LINE

		Impact on water bill	Agree with proposed change AND impact on bills is acceptable	Agree with proposed change BUT impact on bills is NOT acceptable	Do not agree proposed change is needed	Don't know
A	Meeting water quality standards (what is this?)	-£X	1	2	3	4

LINK TO 'WHAT IS THIS' DESCRIPTIONS

Secure and reliable supplies Tab([SHOWCARD H](#))

Q20 Your water company is considering a number of initiatives to provide secure and reliable water supplies for the future

Please indicate whether you agree that the proposed measure is needed and whether the impact on bills is acceptable or not.

Please Click on the 'What is this' links to learn about the proposed changes before making your decisions

SINGLE CODE FOR EACH LINE

		Impact on water bill	Agree with proposed change AND impact on bills is acceptable	Agree with proposed change BUT impact on bills is NOT acceptable	Do not agree proposed change is needed	Don't know
A	Providing sufficient supplies (what is this?)	-£X	1	2	3	4
B	Interruptions to supply - reliable supplies (what is this?)	-£X	1	2	3	4

[LINK TO 'WHAT IS THIS' DESCRIPTIONS](#)**Environmentally responsible operations Tab**([SHOWCARD I](#))

Q21 Your water company is considering a number of initiatives to reduce the environmental impact of their operations.

Please indicate whether you agree with the proposed change and whether the impact on bills is acceptable or not.

Please Click on the 'What is this' links to learn about the proposed changes before making your decisions

SINGLE CODE FOR EACH LINE

		Impact on water bill	Agree with proposed change AND impact on bills is acceptable	Agree with proposed change BUT impact on bills is NOT acceptable	Do not agree proposed change is needed	Don't know
A	Enhanced metering (what is this?)	-£X	1	2	3	4
B	Improving rivers and the environment (what is this?)	-£X	1	2	3	4

[LINK TO 'WHAT IS THIS' DESCRIPTIONS](#)**NEXT PAGE**

In the next questions you will be asked about your views on your water company's plan and the overall change in your bill.

If you would like to, you can change your answers to the individual aspects of the plan before answering the next question. Please use the 'back' arrow to display the previous screens.

ALLOW RESPONDENTS TO AMEND ANSWERS TO Q18-Q21. DISPLAY INFORMATION BOX STATING THAT "YOU WILL NOT BE ABLE TO CHANGE YOUR ANSWERS ONCE YOU HAVE CLICKED NEXT".

Q22a	Given the information you have been provided, overall how acceptable do you now consider the proposed plan to be? SINGLE CODE. DISPLAY PLAN SUMMARY - SHOWCARD J1		
	Very acceptable	1	ASK Q24
	Acceptable	2	ASK Q24
	Unacceptable	3	ASK Q25
	Completely unacceptable	4	ASK Q25
	Don't know / can't say	5	ASK Q26

Q23b	The summary of the plan is shown again below with the impact of inflation. Overall, how acceptable do you now consider the proposed plan to be? SINGLE CODE. DISPLAY PLAN SUMMARY - SHOWCARD J2		
	Very acceptable	1	ASK Q24
	Acceptable	2	ASK Q24
	Unacceptable	3	ASK Q25
	Completely unacceptable	4	ASK Q25
	Don't know / can't say	5	ASK Q26

Q24	What is the main reason why you think the proposed plan is acceptable? What is your second reason for thinking that the proposed plan is acceptable? RECORD MAIN RESPONSE (Q24A) AND REPEAT QUESTION FOR SECOND RESPONSE (Q24B) AND THEN GO TO Q27. SINGLE CODE FOR Q24A AND Q24B. ROTATE		
		(a) Main reason	(b) 2 nd reason
	The proposed improvements are needed	1	1
	The proposed improvements are worth the money	2	2
	My household will benefit from the proposed improvements	5	5
	All customers will benefit from the improvements	6	6
	It will improve the environment in the region	9	9
	The proposed improvements will benefit future generations	10	10
	The proposed improvements represent good value for money	3	3
	I am happy to pay the proposed bill amount	4	4
	The proposed bill amount is affordable	7	7
	I will have to pay the bill anyway	8	8
	Don't know	11	11
	Other [RECORD VERBATIM]		

Q25 What is the main reason why you think the proposed plan is unacceptable?
What is your second reason for thinking that the proposed plan is unacceptable?
RECORD MAIN RESPONSE (Q25A) AND REPEAT QUESTION FOR SECOND RESPONSE (Q25B) AND THEN GO TO Q27. SINGLE CODE FOR Q25A AND Q25B.

ROTATE	(a) Main reason	(b) 2 nd reason
The proposed improvements are not needed	1	1
Current service levels are good enough already	2	2
Improvements in one or two service areas are needed but not all of them	3	3
My household will not benefit from the proposed improvements	4	4
The proposed improvements are not worth the money	5	5
My current bill is already expensive enough	6	6
I would like the proposed improvements but I cannot afford to pay	7	7
The improvements should be made without increasing customer bills	8	8
I cannot afford to pay the proposed bill amount	9	9
I do not believe the proposed improvements will be made	10	10
Water companies make enough profit as it is	11	11
The water company is inefficient	12	12
The Government or council should pay	13	13
The water company should pay	14	14
I object to paying higher water bills	15	15
I object to water companies being privatised	16	16
Doesn't offer enough for the environment	17	17
Don't know	18	18
Other [RECORD VERBATIM]	19	19

Q26 Why you were not able to say whether the proposed plan is acceptable or not? **SINGLE CODE**

ROTATE	
Not enough information was provided on the proposed plan overall	1
I would like to know more about this before making a decision	2
I have not thought enough about water and sewerage services to answer the question	3
This is not important to me	4
I did not understand the information provided	5
There was too much information and it was not clear enough to be able to make a decision	6
Water companies and the Government should decide - customer should not be asked about this	7
Not enough information was provided on the aspects of the plan I am interested in	8
Don't know	9
Other [RECORD VERBATIM]	10

Q27	How do you rate the value for money of the proposed plan? SINGLE CODE	
	Very good value for money	1
	Good value money	2
	Poor value for money	3
	Very poor value for money	4
	Don't know	5

Further proposals

You have reviewed the plan that your water company thinks is the plan that meet its customer needs.

There are some additional improvements that could also be included in the plan if customers think that they are sufficiently important and value for money.

The next few questions outline these further improvements.

Q28	<p>By merging earlier this year South Staffs and Cambridge Water has been able to make cost savings. In the proposed plan that you have just reviewed these savings were already included and offset future bills from 2015 by £x. UPDATED BASED ON BILL CALCULATOR</p> <p>These savings could be used to help customers.</p> <p>Please indicate whether you think either of the following additional measures should be included in the plan.</p> <p>Please Click on the 'What is this' links to learn about the option before making your decisions.</p> <p>SINGLE CODE FOR EACH COLUMN</p>			
		Impact on water bill	First Choice	Second Choice
A	No change to the proposed plan - the efficiency savings are passed onto customers as lower bills	No change to plan	1	1
B	Use money to help customers in poverty according to their need (what is this?)	+£X	2	2
C	Use money to repair the water supply pipes customers own (what is this?)	+£X	3	3
D	Other reasons, please specify_____			
E	Don't know		4	4

Q29	If the savings from the merger were invested in services, rather than used to lower bills, how would you rate the overall acceptability now? i.e .does this change your view on whether the plan is acceptable or not.		
	Very acceptable	1	
	Acceptable	2	
	Unacceptable	3	
	Completely unacceptable	4	
	Don't know	5	

Q30	<p>Your water company is considering offering a lower tariff (known as a social tariff) to help those who are less able and struggle to pay their water bills. A lower tariff would only be implemented following public consultation on a specific scheme indicating the eligibility criteria and the amount of the tariff.</p> <p>Please review each proposed change and indicate whether you think the additional measure should be included in the plan.</p> <p>Please Click on the 'What is this' links to learn about the proposed changes before making your decisions</p> <p>SINGLE CODE FOR EACH LINE</p>					
		Impact on water bill	Agree with proposed change AND impact on bills is acceptable	Agree with proposed change BUT impact on bills is NOT acceptable	Do not agree proposed change is needed	Don't know
	Include a social "lower" tariff (<i>what is this?</i>)	+£X	1	2	3	4

Q31	If your water company introduced a social tariff to help customers struggling with their bills how would you rate the overall acceptability now? i.e .does this changes your view on whether the plan is acceptable or not.		
	Very acceptable	1	
	Acceptable	2	
	Unacceptable	3	
	Completely unacceptable	4	
	Don't know	5	

Q32 Are there any other aspects of the plan proposed which you would like to change?

For each service area please indicate whether you think there should be more investment, less investment, or if it should stay as proposed.

SINGLE CODE FOR EACH LINE

		Happy with proposed level	More investment	Less investment	
A	Fair customer bills and enhanced customer service (what is this?)	1	2	3	
B	Meeting water quality standards (what is this?)	1	2	3	
C	Providing sufficient supplies (what is this?)	1	2	3	
D	Providing reliable supplies (what is this?)	1	2	3	
E	Enhanced metering (what is this?)	1	2	3	
F	Improving rivers and the environment (what is this?)	1	2	3	

Q33 The future water bill amount that you were shown is the amount that you will pay over the period 2015-20, assuming each year the bill is the same, except for increases due to inflation.

It is possible that the outcome of this consultation and planning process means that your water bill will increase. If this occurs your water company has a choice about how to introduce these changes over the 5 year period. There are 3 options to choose from. In each option the increase would be adjusted so the total amount paid over the 5 year period is the same.

Which of the following options would you prefer?"

- The full bill increase to happen straight away in 2015 and then stay the same over the period 2016-2020.** This means that there is an increase in bills and then bills rise by 3% or inflation each year from 2015.
- Bills increase steadily each year between 2015 and 2020.** This means that bills will rise by slightly more than 3% inflation each year.
- Bills change each year according to how much investment is needed.** This could mean that bills may increase one year and decrease the next year, then increase again.

Which option do you prefer?

Option 1 - Bills increase in 2015 and then stay the same	1
Option 2 - bill increase steadily each year	2
Option 3 - bills change each year according to how much investment is needed	3
Don't know / Can't say	4

Impact of Sewerage Bill

The choices you have seen so far only affect the bill you pay for water supply services. The bill you pay for sewerage services could also increase in the 2015-20 period because of some extra improvements by your provider of sewerage services to the collection and treatment of your waste water.

Sewerage companies invest to maintain the system of sewers and sewerage treatment works, reduce flooding of properties from sewers, and to prevent pollution to rivers from sewers and treatment works.

Your sewerage provider is also developing a business plan for the period from 2015 to 2020. As a result they may choose to increase their sewerage bills by 2020. The exact amount is not yet determined.

Q34 If the yearly bill for sewerage services is changed by £XX excluding inflation in the same 2015-20 period. [SELECT VALUE FOR £XX RANDOMLY FROM -£5, -£3, £3, £5] how would you now view your water company's Business Plan:

SINGLE CODE

Very acceptable	1
Acceptable	2
Unacceptable	3
Completely unacceptable	4
Don't know	5

SECTION E - SOCIO-ECONOMIC QUESTIONS

To finish the survey, please could you provide a little more information about yourself and your household. This information will be treated as confidential and help check that we have surveyed a wide range of customers across the South Staffs Water and Cambridge Water regions.

Q35 If Q2 = Staffordshire: How long have you lived in the South Staffs Water region?
If Q2 = Cambridge: How long have you lived in the Cambridge Water region?
PROVIDE LINK TO MAP OF THE REGION

Less than 1 year	1
1 - 2 years	2
2 - 5 years	3
5 - 10 years	4
10 - 20 years	5
20- 30 years	6
More than 30 years	7
Prefer not to say	9999

Q36 Thinking about all the people in your household, including yourself, please indicate how many people there in each of the following age group						
Age	Number of people (circle number)					
Up to 5 years (less than 5 years)	0	1	2	3	4	5+
5 to 15 years	0	1	2	3	4	5+
16 to 64 years	0	1	2	3	4	5+
65+	0	1	2	3	4	5+

Q37 Which of these statements best describes <u>your</u> current employment status? SINGLE CODE	
Self-employed	1
Employed full-time (30+ hrs)	2
Employed part-time (up to 30 hrs)	3
Student	4
Unemployed - seeking work	5
Unemployed - other	6
Looking after the home/children full-time	7
Retired	8
Unable to work due to sickness or disability	9
Other (please specify)	10
.....	
Prefer not to say	9999

Q38 At what level did you complete your education? If you are still studying, which level best describes the highest level of education you have obtained until now. SINGLE CODE	
O levels / CSEs / GCSEs (any grades)	1
A levels / AS level / higher school certificate	2
NVQ (Level 1 and 2). Foundation / Intermediate / Advanced GNVQ / HNC / HND	3
Other qualifications (e.g. City and Guilds, RSA/OCR, BTEC/Edexcel))	4
First degree (e.g. BA, BSc)	5
Higher degree (e.g. MA, PhD, PGCE, post graduate certificates and diplomas)	6
Professional qualifications (teacher, doctor, dentist, architect, engineer, lawyer, etc.)	7
No qualifications	8
Prefer not to say	9999

Q39 Which band best describes your total household income before tax and other deductions?

Please note this information will be used to check that we have surveyed a range of customers. It will be not be possible to identify any particular individual or address in the results.

SINGLE CODE

	PER MONTH	PER YEAR	
A	Up to £539	Up to £6,499	1
B	£540 - £789	£6,500 - £9,499	2
C	£790 - £1289	£9,500 - £15,499	3
D	£1290 - £2079	£15,500 - £24,999	4
E	£2080 - £3329	£25,000 - £39,999	5
F	£3330 - £4999	£40,000 - £59,999	6
G	£5000 - £7499	£60,000 - £89,999	7
H	£7500 and over	£90,000 and over	8
	Don't know		99
	Prefer not to say		9999

Q40 Which of the following best describes your ethnic group? **SINGLE CODE**

	White		
A	English / Welsh / Scottish / Northern Irish / British	1	
B	Irish	2	
C	Any other White background (please specify)	3	
	Mixed / Multiple ethnic groups		
D	White and Black Caribbean	4	
E	White and Black African	5	
F	White and Asian	6	
G	Any other Mixed / Multiple ethnic background (please specify)	7	
	Asian / Asian British		
H	Indian	8	
I	Pakistani	9	
J	Bangladeshi	10	
K	Chinese	15	
L	Any other Asian background (please specify)	11	
	Black / African / Caribbean / Black British		
M	Caribbean	12	
N	African	13	
O	Any other Black / African / Caribbean background (please specify)	14	
P	Other	16	
Q	Prefer not say	17	

Q41 Finally, did you think this survey was:

A	Interesting	1	0
B	Too long	1	0

C	Difficult to understand	1	0
D	Educational	1	0
E	Unrealistic/not credible	1	0
F	Other (please specify)		
G	None of these	1	0

That's the end of the survey. Thank you for your time and help, it is very much appreciated.

Annex 2: Business Questionnaire

SECTION A: INTRODUCTION

Good morning/afternoon/evening. My name is..... Please could I speak to whoever is responsible for paying your organisation's water and sewerage bills?

[WHEN SPEAKING TO APPROPRIATE CONTACT CONTINUE WITH EXPLANATION]

We are carrying out a customer survey on behalf of your water company.

South Staffs Water merged with Cambridge Water earlier this year, and the combined company provides water to 1.5 million people in Staffordshire and Cambridge.

Your views will help us to understand what matters to the customers in both of the regions and will determine priorities in the coming years.

The survey will take around 20 minutes to complete. Any answer you give will be treated in confidence in accordance with the Code of Conduct of the Market Research Society. We would like to assure you that all the information we collect will be used for research purposes only. It will not be possible to identify any particular individual or address in the results.

Recruitment and Screening

QA.	Which company provides your organisation's water and sewerage services? SINGLE CODE		
	South Staffs Water	1	Go TO QD
	Cambridge Water	2	Go TO QD
	Other company - SPECIFY -	2	THANK & CLOSE
	Not connected to mains water (a possibility in rural areas)	3	THANK & CLOSE
	Don't know	4	THANK & CLOSE

QB.	Please could you confirm the main activity of your organisation? DO NOT READ OUT; CODE AS APPLICABLE		
A	Agriculture, Forestry and Fishing	1	
B	Mining and Quarrying	2	
C	Manufacturing	3	
D	Electricity, gas, steam and air	4	
E	Water supply, sewerage, waste management and remediation activities	5	
F	Construction	6	
G	Wholesale and retail trade; repair of motor vehicles and motorcycles	7	
H	Transport and storage	8	
I	Accommodation and food service activities	9	
J	Information and Communication	10	
K	Finance and insurance activities	11	
L	Real estate activities	12	
M	Professional, scientific and technical activities	13	
N	Administrative and support service activities	14	
O	Public administration and defence; compulsory social security	15	
P	Education	16	
Q	Human health and social work activities	17	
R	Arts, entertainment and recreation	18	

S	Other service activities	19
T	Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	20
U	Activities of extraterritorial organizations and bodies	21
X	Other (please specify)	22

QC. How many people does your organisation employ?

0 - 4	1
5 - 9	2
10 - 19	3
20 - 49	4
50 - 99	5
100 - 249	6
250 - 499	7
500 - 999	8
1,000 +	9
Don't know/not stated	10

QD. Could you please tell us your postcode?

Exact postcode
OR	
Prefer not to answer	1

The postcode is used simply to help us classify different areas. We don't need your identifying information. You will not receive any marketing materials, calls or junk mail as a result of supplying this information.

Continue with Web Link

<IF SCREENED OUT> Thank you very much for your time. That's all the questions that we have for you today. < CLOSE SURVEY>

Section B: Customer Bills and Uninformed Acceptability

Thank you for agreeing to take part in the survey. Please answer the questions on behalf of your organisation rather than from your personal point of view.

If your organisation has more than one site, please answer on behalf of the site where you are based, or the sites that you are responsible for.

To start please can you provide some background details on your organisation.

South Staffs Water merged with Cambridge Water earlier this year, and the combined company provides water to 1.5 million people in Staffordshire and Cambridge.

South Staffs Water and Cambridge Water would like to understand customers' views and priorities so they are taken into account in developing plans for future services. This survey will ask for your views on a range of issues related to the water supply services in Staffordshire and Cambridge.

Q1 Please indicate in which region you are based:
[Insert MAP/S]

Staffordshire	1	GO TO Q2
Cambridge	2	GO TO Q2

NEXT PAGE

The next few questions are about your current bill.

Q2 A proportion of your bill that your organisation pays to your water company is paid to the provider of your sewerage services. In the Staffordshire region this is Severn Trent Water and in the Cambridge region this is Anglian Water.

The company providing your sewerage service is responsible for taking your waste water away, treating it and returning it to the environment. South Staffs Water and Cambridge Water are only responsible for providing clean water at you tap. Were you aware of this?

SINGLE CODE

Yes	1
No	2

Q3 What is the total amount your organisation pays for both water and sewerage services?

Q3A. Exact amount per year (£)

.....

OR

Q3B:

Less than £500 per year	1
£500 to £999 per year	2
£1,000 to £4,999 per year	3
£5,000 to £9,999 per year	4
£10,000 to £24,999 per year	5
£25,000 to £49,999 per year	6
£50,000 to £99,999 per year	7
£100,000 to £249,999 per year	8
£250,000 to £499,000 per year	9
More than £500,000 per year	10

Q4 This question asks about water bills only. A prompt is given - which is a % split water/waste. This is customised depending on the region the respondent has said they are based in.

What is the total amount your organisation pays for water supply services?

If Q1 =1 (i.e. Business is in South Staffordshire region) then

On average the water services part of the bill is 50% of the total water and sewerage bill.*

If Q1 =2 (i.e. Business is in Cambridge region) then

On average the water services part of the bill is 35%, whereas the sewerage services part of the bill is 65%.*

**This may not be the case if you use very large water volumes or have specific waste water disposal requirements (like trade effluent).*

INCLUDE A BILL PROMPT USING THE PERCENTAGE INFORMATION ABOVE AND THE ANSWER TO Q3. Based on your previous answers the water supply part of your water bill is approximately £XX

Q4A. Exact amount per year (£)
OR	
Q4B:	
Less than £250 per year	1
£250 to £499 per year	2
£500 to £1,000 per year	3
£1,000 to £4,999 per year	4
£5,000 to £9,999 per year	5
£10,000 to £24,999 per year	6
£25,000 to £49,999 per year	7
£50,000 to £99,999 per year	8
£100,000 to £249,999 per year	9
£250,000 to £499,000 per year	10
More than £500,000 per year	11

Q5 To confirm, you stated that your organisation's current water bill is [INSERT RESPONSE FROM Q4] per year. How sure/certain are you that this is the amount you currently pay? **SINGLE CODE**

Very certain	1
Fairly certain	2
Not very certain	3
Very uncertain	4

Q6 How do you feel about the amount that your organisation pays for the water services that it receives? Is it.....**SINGLE CODE**

Too little	1
About right	2
Slightly too much	3
Far too much	4

Q7 We are interested in your preferences for water bills and the services your organisation receives.

Water bills change by the rate of inflation each year. After inflation has been taken into account, which of the following options would you prefer to happen to your organisation's bill from 2015 - 2020:

SINGLE CODE

Bills increase by a small amount and services improve	1
Bills remain the same and service levels unchanged	2
Bills decrease by a small amount and services deteriorate	3

Q8a The proposed change in your organisation's bill and service levels will be explained later in the survey. Before seeing this information, please answer the following question:

Overall, how acceptable do you consider the proposed plan to be?

SINGLE CODE. DISPLAY PLAN SUMMARY - SHOWCARD A1

Very acceptable	1	
Acceptable	2	
Unacceptable	3	
Completely unacceptable	4	
Don't know	5	

Q8b Your bill will also increase by the impact of inflation each year. Inflation is the general rise in prices and wages over time. We can not predict accurately what inflation will be in the future but current forecasts suggest this will be 3% each year.

The plan is shown below with this impact. Overall, how acceptable do you consider the proposed plan to be?

SINGLE CODE. DISPLAY PLAN SUMMARY - SHOWCARD A2

Very acceptable	1	GO TO Q13
Acceptable	2	GO TO Q13
Unacceptable	3	GO TO Q13
Completely unacceptable	4	GO TO Q13
Don't know	5	GO TO Q12

Q9	Why were you not able to say whether the proposed plan is acceptable or not? SINGLE CODE ROTATE	
	I need more information before I can make a decision	1
	Water companies and the Government should decide - customer should not be asked about this	2
	This is not important to me	3
	I have not thought enough about water and sewerage services to answer the question	4
	Don't know	3
	Other [Please specify]	4

Section C: Current Levels of Service

NEXT PAGE

This list shows the activities that your water company is responsible for. It also shows what activities your water company is not responsible for. **[SHOWCARD B1]**

NEXT PAGE

A summary of your water company's performance is shown below.

[Showcard B2]

Q10	How important does your organisation think each of the activities are? SINGLE CODE FOR EACH LINE				
ROTATE	Not important at all	Fairly unimportant	Fairly important	Very important	Don't know
Providing drinking water that is safe and pleasant to drink	1	2	4	5	6
Providing a reliable and continuous supply of water from the tap	1	2	4	5	6
Maintaining the system of water pipes and water treatment works	1	2	4	5	6
Managing and protecting the water environment - including rivers and lakes - by taking water for drinking supplies in a responsible way	1	2	4	5	6

Q11	Overall how satisfied is your organisation with the service you receive from your water company ? SINGLE CODE		
	Very satisfied	1	GO TO Q15
	Fairly satisfied	2	GO TO Q15
	Fairly dissatisfied	3	GO TO Q16
	Very dissatisfied	4	GO TO Q16
	Don't know	5	GO TO Q17

Q12	Which two statements best describe your reason(s) for being satisfied with the water supply service your organisation receives? RECORD MAIN RESPONSE (A) AND SECOND REASON (B). SINGLE CODE FOR A AND B; SKIP Q16 AND GO TO Q17		
ROTATE		(a) Main reason	(b) 2nd reason
	Not experienced any problems with water services	2	2
	Drinking water supplies are reliable with very few interruptions	3	3
	Tap water is good quality and pleasant to drink	4	4
	Impacts on the water environment (rivers and lakes) are well-managed	5	5
	It is good value for money	1	1
	Your water company deals with customer queries or complaints efficiently	6	6
	Don't know	7	7
	Other [Please Specify]	8	8

Q13	Which two statements best describe your reason(s) for being dissatisfied with the service your organisation receives? RECORD MAIN RESPONSE (A) AND SECOND REASON (B). SINGLE CODE FOR A AND B. THEN GO TO Q17		
ROTATE		(a) Main	(b) 2nd
	Have experienced problems with water supply	2	2
	Drinking water supplies are not reliable and there are too many interruptions	3	3
	Tap water is unpleasant to drink	4	4
	Impacts on the water environment (rivers, lakes) are not well-managed	5	5
	It is poor value for money	1	1
	Your water company does not deal with customer queries and complaints effectively	6	6
	Don't know	7	7
	Other [Please specify]	8	8

Q14	Thinking about the services provided by your water company, which, if any, of the following has your organisation experienced in <u>the last 5 years</u> ?		
	Which of the following (if any) did you contact your water company about? Please select all that apply.		
	IF YES (Q17A) ASK IF THE RESPONDENT CONTACTED SOUTH STAFFS WATER ABOUT THE PROBLEM (Q17B).		
ROTATE		Q17A Experience in last 5 years	Q17B. Contacted South Staffs Water
A	The taste and smell of tap water that is less than ideal	1	2
B	An interruptions to your water supply	1	2
C	Restrictions on your water use during periods of drought (e.g. hosepipe bans)	1	2
D	Hard tap water (e.g. scaling of kettles and other appliances)	1	2
E	Noise, disruption and inconvenience from water company repairs (e.g. traffic, dust, etc.)	1	2
F	Discoloured or cloudy appearance of tap water	1	2
G	The provision of information on water efficiency	1	2
H	A leaking water main	1	2
I	Sharing your water supply pipe with your neighbour	1	2
J	Low river water levels	1	2
K	Low water pressure at your tap	1	2
L	Flooding inside your property due to water company operations (i.e. a burst pipe under the road)	1	2
O	Other	1	2

SECTION D: Business Plan and Acceptability

The bills that are charged to households and businesses by water companies in England and Wales are set every five years. These are based on an agreement between each water company and Ofwat (the Government regulator for the water industry).

Your water company is currently consulting with its customers about what service levels and water bills should be over the period 2015 - 2020. Once this consultation is complete Ofwat will set customers' bills and services levels for the period between 2015 and 2020.

SHOWCARD C

In setting future water bills your water company and Ofwat aim to take into account the interests of customers and also ensure that legally required standards for water services are met. This includes:

- Ensuring tap water meets the required health standards and is safe to drink

- Ensuring a safe working place for water company employees
- Meeting the environmental standards
- Paying taxes and business rates

NEXT PAGE

As part of the process for setting bills for the period 2015 - 2020, all water companies are developing 'business plans' that set out investments that are needed to maintain and improve water and sewerage services. These investments will be delivered from 2015 onwards.

The next part of the survey focuses on the investments, service levels and changes to customer bills that your water company is currently considering for its business plan. You will be asked to give your views on both the plan overall and the individual aspects of the plan.

The next screen explains the overall change in your bill due to these investments.

Acceptability of Proposed Plan

Current Bill Tab

SEE SHOWCARD D1 / D2

If answered Q4a: D1 (display current bill amount given in Q4a)

If answered Q4b: D2 (display mid-point of selected band given in Q4b)

Summary Tab

SEE SHOWCARD E

Plan summary

Your current bill	DISPLAY CURRENT BILL £
Fair customer bills & enhanced customer service	+/-£X
Excellent Water quality	+/-£X
Secure and reliable supplies	+/-£X
Environmentally responsible operation	+/-£X
Your Future Bill	+/-£X

ALL RESPONDENTS CAN MOVE FORWARD AND BACKWARDS BETWEEN Q18-Q21.

NEXT PAGE

Fair customer bills & customer service Tab (SHOWCARD F)

Q15 Your water company wants to provide an acceptable balance between the services to customers and the bills that they pay.

Your water company manages this by looking for better and less expensive ways to undertake a number of its activities. Overall your water company is able to pass on efficiency savings to customers.

Please Click on the 'What is this' links to learn about the proposed changes before making your decisions.

SINGLE CODE FOR EACH LINE

		Impact on water bill	Agree with proposed change AND impact on bills is acceptable	Agree with proposed change BUT impact on bills is NOT acceptable	Do not agree proposed change is needed	Don't know
A	Fair customer bills and enhanced customer service (what is this?)	-£X	1	2	3	4

[LINK TO 'WHAT IS THIS' DESCRIPTIONS](#)

Excellent water quality Tab (SHOWCARD G)

Q16 Your water company is considering the following changes to water services. This includes ensuring that tap water is high quality and meets public standard requirements. This involves investing in water treatment works.

Please indicate whether you agree with the proposed change and whether the impact on bills is acceptable or not.

Please Click on the 'What is this' links to learn about the proposed changes before making your decisions

SINGLE CODE FOR EACH LINE

		Impact on water bill	Agree with proposed change AND impact on bills is acceptable	Agree with proposed change BUT impact on bills is NOT acceptable	Do not agree proposed change is needed	Don't know
A	Meeting water quality standards (what is this?)	-£X	1	2	3	4

[LINK TO 'WHAT IS THIS' DESCRIPTIONS](#)

Secure and reliable supplies Tab (SHOWCARD H)

Q17 Your water company is considering a number of initiatives to provide secure and reliable water supplies for the future

Please indicate whether you agree that the proposed measure is needed and whether the impact on bills is acceptable or not.

Please Click on the 'What is this' links to learn about the proposed changes before making your decisions

SINGLE CODE FOR EACH LINE

		Impact on water bill	Agree with proposed change AND impact on bills is acceptable	Agree with proposed change BUT impact on bills is NOT acceptable	Do not agree proposed change is needed	Don't know
A	Providing sufficient supplies (what is this?)	-£X	1	2	3	4
B	Interruptions to supply - reliable supplies (what is this?)	-£X	1	2	3	4

LINK TO 'WHAT IS THIS' DESCRIPTIONS

Environmentally responsible operations Tab (SHOWCARD I)

Q18 Your water company is considering a number of initiatives to reduce the environmental impact of their operations.

Please indicate whether you agree with the proposed change and whether the impact on bills is acceptable or not.

Please Click on the 'What is this' links to learn about the proposed changes before making your decisions

SINGLE CODE FOR EACH LINE

		Impact on water bill	Agree with proposed change AND impact on bills is acceptable	Agree with proposed change BUT impact on bills is NOT acceptable	Do not agree proposed change is needed	Don't know
A	Enhanced metering (what is this?)	-£X	1	2	3	4
B	Improving rivers and the environment (what is this?)	-£X	1	2	3	4

LINK TO 'WHAT IS THIS' DESCRIPTIONS

NEXT PAGE

In the next questions you will be asked about your views on your water company's plan and the overall change in your bill.

If you would like to, you can change your answers to the individual aspects of the plan before answering the next question. Please use the 'back' arrow to display the previous screens.

ALLOW RESPONDENTS TO AMEND ANSWERS TO Q18-Q21. DISPLAY INFORMATION BOX STATING THAT "YOU WILL NOT BE ABLE TO CHANGE YOUR ANSWERS ONCE YOU HAVE CLICKED NEXT".

Q19a	Given the information you have been provided, overall how acceptable do you now consider the proposed plan to be? SINGLE CODE. DISPLAY PLAN SUMMARY - SHOWCARD J1		
	Very acceptable	1	
	Acceptable	2	
	Unacceptable	3	
	Completely unacceptable	4	
	Don't know / can't say	5	

Q19b	The summary of the plan is shown again below with the impact of inflation. Overall, how acceptable do you now consider the proposed plan to be? SINGLE CODE. DISPLAY PLAN SUMMARY - SHOWCARD J2		
	Very acceptable	1	ASK Q24
	Acceptable	2	ASK Q24
	Unacceptable	3	ASK Q25
	Completely unacceptable	4	ASK Q25
	Don't know / can't say	5	ASK Q26

Q20	What is the main reason why you think the proposed plan is acceptable? What is your second reason for thinking that the proposed plan is acceptable? RECORD MAIN RESPONSE (Q24A) AND REPEAT QUESTION FOR SECOND RESPONSE (Q24B) AND THEN GO TO Q27. SINGLE CODE FOR Q24A AND Q24B. ROTATE		
		(a) Main reason	(b) 2 nd reason
	The proposed improvements are needed	1	1
	The proposed improvements are worth the money	2	2
	My organisation will benefit from the proposed improvements	5	5
	All customers will benefit from the improvements	6	6
	It will improve the environment in the region	9	9
	The proposed improvements will benefit future generations	10	10
	The proposed improvements represent good value for money	3	3
	I am happy to pay the proposed bill amount	4	4
	The proposed bill amount is affordable	7	7
	I will have to pay the bill anyway	8	8
	Don't know	11	11
	Other [Please specify]		

Q21 What is the main reason why you think the proposed plan is unacceptable?
What is your second reason for thinking that the proposed plan is unacceptable?

**RECORD MAIN RESPONSE (Q25A) AND REPEAT QUESTION FOR SECOND RESPONSE (Q25B)
AND THEN GO TO Q27. SINGLE CODE FOR Q25A AND Q25B.
ROTATE**

	(a) Main reason	(b) 2 nd reason
The proposed improvements are not needed	1	1
Current service levels are good enough already	2	2
Improvements in one or two service areas are needed but not all of them	3	3
My organisation will not benefit from the proposed improvements	4	4
The proposed improvements are not worth the money	5	5
My current bill is already expensive enough	6	6
I would like the proposed improvements but my organisation cannot afford to pay	7	7
The improvements should be made without increasing customer bills	8	8
My organisation cannot afford to pay the proposed bill amount	9	9
I do not believe the proposed improvements will be made	10	10
Water companies make enough profit as it is	11	11
The water company is inefficient	12	12
The Government or council should pay	13	13
The water company should pay	14	14
I object to paying higher water bills	15	15
I object to water companies being privatised	16	16
Doesn't offer enough for the environment	17	17
Don't know	18	18
Other [Please specify]	19	19

Q22 Why you were not able to say whether the proposed plan is acceptable or not? **SINGLE CODE ROTATE**

Not enough information was provided on the proposed plan overall	1
I would like to know more about this before making a decision	2
I have not thought enough about water and sewerage services to answer the question	3
This is not important to me	4
I did not understand the information provided	5
There was too much information and it was not clear enough to be able to make a decision	6
Water companies and the Government should decide - customer should not be asked about this	7
Not enough information was provided on the aspects of the plan I am interested in	8

Don't know	9
Other [Please specify]	10

Q42 How do you rate the value for money of the proposed plan?

SINGLE CODE

Very good value for money	1
Good value money	2
Poor value for money	3
Very poor value for money	4
Don't know	5

Further proposals

You have reviewed the plan that your water company thinks is the plan that meet its customer needs.

There are some additional improvements that could also be included in the plan if customers think that they are sufficiently important and value for money.

The next few questions outline these further improvements.

Q24	<p>By merging earlier this year South Staffs and Cambridge Water has been able to make cost savings. In the proposed plan that you have just reviewed these savings were already included and offset future bills from 2015 by £x. UPDATED BASED ON BILL CALCULATOR</p> <p>These savings could be used to help customers.</p> <p>Please indicate whether you think either of the following additional measures should be included in the plan.</p> <p>Please Click on the 'What is this' links to learn about the option before making your decisions.</p> <p>SINGLE CODE FOR EACH COLUMN</p>			
		Impact on water bill	First Choice	Second Choice
A	No change to the proposed plan - the efficiency savings are passed onto customers as lower bills	No change to plan	1	1
B	Use money to help customers in poverty according to their need (what is this?)	+£X	2	2
C	Use money to repair the water supply pipes customers own (what is this?)	+£X	3	3
D	Other reasons, please specify_____			
E	Don't know		4	4

Q25	If the savings from the merger were invested in services, rather than used to lower bills, how would you rate the overall acceptability now? i.e .does this change your view on whether the plan is acceptable or not.		
	Very acceptable	1	
	Acceptable	2	
	Unacceptable	3	
	Completely unacceptable	4	
	Don't know	5	

Q26	<p>Your water company is considering offering a lower tariff (known as a social tariff) to help those who are less able and struggle to pay their water bills. A lower tariff would only be implemented following public consultation on a specific scheme indicating the eligibility criteria and the amount of the tariff.</p> <p>Please review each proposed change and indicate whether you think the additional measure should be included in the plan.</p> <p>Please Click on the 'What is this' links to learn about the proposed changes before making your decisions</p> <p>SINGLE CODE FOR EACH LINE</p>					
		Impact on water bill	Agree with proposed change AND impact on bills is acceptable	Agree with proposed change BUT impact on bills is NOT acceptable	Do not agree proposed change is needed	Don't know
	Include a social "lower" tariff (<i>what is this?</i>)	+£X	1	2	3	4

Q27	If your water company introduced a social tariff to help customers struggling with their bills how would you rate the overall acceptability now? i.e .does this changes your view on whether the plan is acceptable or not.		
	Very acceptable	1	
	Acceptable	2	
	Unacceptable	3	
	Completely unacceptable	4	
	Don't know	5	

Q28 Are there any other aspects of the plan proposed which you would like to change?

For each service area please indicate whether you think there should be more investment, less investment, or if it should stay as proposed.

SINGLE CODE FOR EACH LINE

		Happy with proposed level	More investment	Less investment	
A	Fair customer bills and enhanced customer service (what is this?)	1	2	3	
B	Meeting water quality standards (what is this?)	1	2	3	
C	Providing sufficient supplies (what is this?)	1	2	3	
D	Providing reliable supplies (what is this?)	1	2	3	
E	Enhanced metering (what is this?)	1	2	3	
F	Improving rivers and the environment (what is this?)	1	2	3	

Q29 The future water bill amount that you were shown is the amount that you will pay over the period 2015-20, assuming each year the bill is the same, except for increases due to inflation.

It is possible that the outcome of this consultation and planning process means that your water bill will increase. If this occurs your water company has a choice about how to introduce these changes over the 5 year period. There are 3 options to choose from. **In each option the increase would be adjusted so the total amount paid over the 5 year period is the same.**

Which of the following options would you prefer?"

- The full bill increase to happen straight away in 2015 and then stay the same over the period 2016-2020.** This means that there is an increase in bills and then bills rise by 3% or inflation each year from 2015.
- Bills increase steadily each year between 2015 and 2020.** This means that bills will rise by slightly more than 3% inflation each year.
- Bills change each year according to how much investment is needed.** This could mean that bills may increase one year and decrease the next year, then increase again.

Which option do you prefer?

Option 1 - Bills increase in 2015 and then stay the same	1
Option 2 - bill increase steadily each year	2
Option 3 - bills change each year according to how much investment is needed	3
Don't know / Can't say	4

Impact of Sewerage Bill

The choices you have seen so far only affect the bill you pay for water supply services. The bill you pay for sewerage services could also increase in the 2015-20 period because of some extra improvements by your provider of sewerage services to the collection and treatment of your waste water.

Sewerage companies invest to maintain the system of sewers and sewerage treatment works, reduce flooding of properties from sewers, and to prevent pollution to rivers from sewers and treatment works.

Your sewerage provider is also developing a business plan for the period from 2015 to 2020. As a result they may choose to increase their sewerage bills by 2020. The exact amount is not yet determined.

Q30 If the yearly bill for sewerage services is changed by **XX%** excluding inflation in the same 2015-20 period. **[SELECT VALUE FOR £XX RANDOMLY FROM -4%, -2%, 2%, 4%]** how would you now view your water company's Business Plan:

SINGLE CODE

Very acceptable	1
Acceptable	2
Unacceptable	3
Completely unacceptable	4
Don't know	5

Q32 Finally, did you think this survey was:

A	Interesting	1	0
B	Too long	1	0
C	Difficult to understand	1	0
D	Educational	1	0
E	Unrealistic/not credible	1	0
F	Other (please specify)		
G	None of these	1	0

That's the end of the survey. Thank you for your time and help, it is very much appreciated.

Annex 3: Showcards

Showcard A1

The proposed change in your bill and service levels will be explained later in the survey. Before seeing this information, please answer the following question:

Overall, how acceptable do you consider the proposed plan to be?

- ☐ Very acceptable
- ☐ Acceptable
- ☐ Unacceptable
- ☐ Completely unacceptable
- ☐ Don't know

Your water bill today	£140.00
Your water bill by 2015	£139.16
Proposed changes :	
Fair customer bills & enhanced customer service	+ £0.66
Excellent Water quality	+ £0.74
Secure and reliable supplies	+ £0.43
Environmentally responsible operation	+ £0.50
Your future water bill 2015-2020	£141.49
<small>This excludes the impact of inflation (What is this?)</small>	

Please bear in mind that the proposed bill is for water services only, and does not include changes to your sewerage bill

Other household utility bills and wages may also change over this period

Showcard A2

Your bill will also increase by the impact of inflation each year. Inflation is the general rise in prices and wages over time. We can not accurately predict what inflation will be in the future but current forecasts suggest this will be 3% each year.

The plan is shown below with this impact. Overall, how acceptable do you consider the proposed plan to be?

- ☐ Very acceptable
- ☐ Acceptable
- ☐ Unacceptable
- ☐ Completely unacceptable
- ☐ Don't know

Your water bill today	£140.00
Your water bill by 2015	£139.16
Proposed changes :	
Fair customer bills & enhanced customer service	+ £0.66
Excellent Water quality	+ £0.74
Secure and reliable supplies	+ £0.43
Environmentally responsible operation	+ £0.50
Your future water bill 2015-2020	£141.49
<small>This excludes the impact of inflation (What is this?)</small>	
Your water bill by 2020, if inflation is 3% per year	£163.84

Please bear in mind that the proposed bill is for water services only, and does not include changes to your sewerage bill

Other household utility bills and wages may also change over this period

Showcard B1

Your water company is responsible for the following:

- ✓ Providing drinking water that is safe and pleasant to drink
- ✓ Providing a reliable and continuous supply of water from the tap
- ✓ Maintaining the system of water pipes and water treatment works
- ✓ Managing and protecting the water environment - including rivers and lakes - by taking water for drinking supplies in a sustainable way

Your water company is NOT responsible for :

- ✗ Removing and treating sewerage from properties
- ✗ Maintaining the system of sewers and sewerage treatment works
- ✗ Preventing pollution to rivers and flooding of properties from sewers
- ✗ Removing litter from rivers and canals
- ✗ Drainage of rainfall from roads and other surface areas

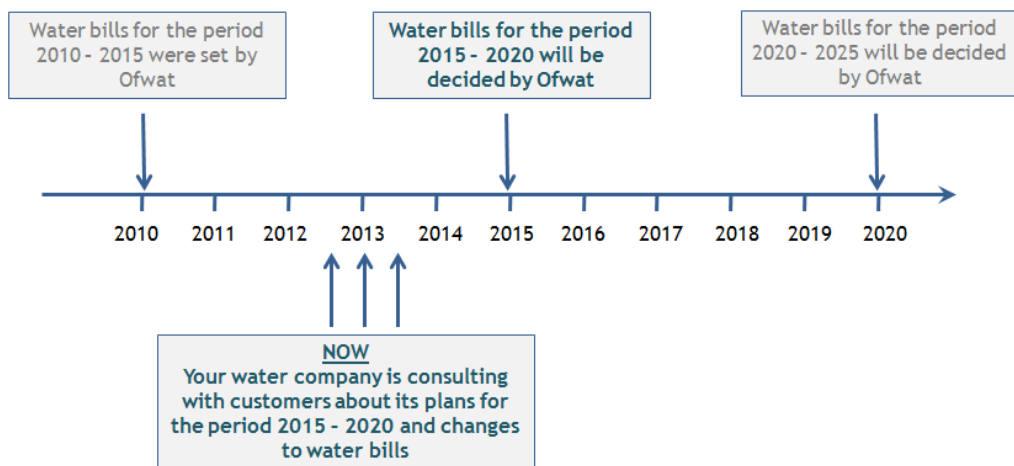
Showcard B2

	South Staffs region	Cambridge region
Average household water bill in 2013/14	£144 (3 rd lowest in the country)	£130 (2 nd lowest in the country)
Households with a water meter	30%	68%
Turnover	£100m	£21m
Number of connected properties	550,000	130,000
Length of water mains	3,700 miles	1,400 miles
Ofwat ranking for customer service	1st	Equal 2 nd

Ofwat is the Government regulator for the water industry
Rank is out of 21 water suppliers in England and Wales

Showcard C

TIMELINE FOR SETTING FUTURE BILLS



Showcard D1



South Staffs Water

CAMBRIDGE
WATER
COMPANY

Current Bill

You have indicated that your water bill is £140.

Summary

Your water company has already committed to reducing your bill next year, and by 2015 this is estimated to be:

£139.16

Fair customer bills



Excellent water quality

Secure and reliable supplies



Environmentally responsible operations

The change in your water bill between 2015 and 2020 is explained in more detail on the next few screens.

Showcard D2

		
South Staffs Water		
Current Bill	You have indicated that your water bill is in the range £130 - £150 per year. We have set this as the middle of this range: £140.	
Summary	Your water company has already committed to reducing your water bill next year, and by 2015 this is estimated to be:	
Fair customer bills	<div>£139.16</div>	
Excellent water quality	The change in your water bill between 2015 and 2020 is explained in more detail on the next few screens.	
Secure and reliable supplies		
Environmentally responsible operations		

Showcard D3

		
South Staffs Water		
Current Bill	Your current water bill is estimated to be £140. This is the current average water bill for the South Staffs Water region.	
Summary	Your water company has already committed to reducing your water bill next year, and by 2015 this is estimated to be:	
Fair customer bills	<div>£139.16</div>	
Excellent water quality	The change in your water bill between 2015 and 2020 is explained in more detail on the next few screens.	
Secure and reliable supplies		
Environmentally responsible operations		

Showcard E



South Staffs Water

**CAMBRIDGE
WATER
COMPANY**

Current Bill	In the next set of questions, please provide your views on these investments and bill changes. You will be able to use the tabs on the left to switch between screens so you can review the full range of investments and bill changes before giving your final answers.												
Summary	<p>Plan summary:</p> <table border="1"> <tr> <td>Your water bill today</td> <td>£140.00</td> </tr> <tr> <td>Your water bill by 2015</td> <td>£139.16</td> </tr> </table> <p>Proposed changes :</p> <table border="1"> <tr> <td>Fair customer bills & enhanced customer service</td> <td>+ £0.66</td> </tr> <tr> <td>Excellent Water quality</td> <td>+ £0.74</td> </tr> <tr> <td>Secure and reliable supplies</td> <td>+ £0.43</td> </tr> <tr> <td>Environmentally responsible operation</td> <td>+ £0.50</td> </tr> </table> <p>Your future water bill 2015-2020 £141.49 <small>This excludes the impact of inflation (What is this?)</small></p>	Your water bill today	£140.00	Your water bill by 2015	£139.16	Fair customer bills & enhanced customer service	+ £0.66	Excellent Water quality	+ £0.74	Secure and reliable supplies	+ £0.43	Environmentally responsible operation	+ £0.50
Your water bill today	£140.00												
Your water bill by 2015	£139.16												
Fair customer bills & enhanced customer service	+ £0.66												
Excellent Water quality	+ £0.74												
Secure and reliable supplies	+ £0.43												
Environmentally responsible operation	+ £0.50												
Fair customer bills & enhanced customer service													
Excellent water quality													
Secure and reliable supplies													
Environmentally responsible operations													

Showcard F



South Staffs Water

**CAMBRIDGE
WATER
COMPANY**

Current Bill	<p>Your water company wants to provide an acceptable balance between the services to customers and the bills that they pay.</p> <p>Your water company manages this by looking for better and less expensive ways to undertake a number of its activities. Overall your water company is able to pass on efficiency savings to customers.</p> <p>Please Click on the 'What is this' links to learn about the proposed changes before making your decisions.</p>
Summary	
Fair customer bills & enhanced customer service	
Excellent water quality	
Secure and reliable supplies	
Environmentally responsible operations	

	Agree with proposed change AND impact on bills is acceptable	Agree with proposed change BUT impact on bills is NOT acceptable - i.e., for efficiency this is not enough	Do not agree with proposed change - i.e. for efficiency this should be reinvested in the assets	Don't know
Fair customer bills and enhanced customer service (what is this?)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

+ £0.66

Showcard G



South Staffs Water

CAMBRIDGE
WATER
COMPANY

Current Bill	Your water company is considering the following changes to water services. This includes supplying ensuring that tap water is high quality and meets public standard requirements. This involves investing in water treatment works.				
Summary	Please indicate whether you agree with the proposed change and whether the impact on bills is acceptable or not.				
Fair customer bills & enhanced customer service	Please Click on the 'What is this' links to learn about the proposed changes before making your decisions.				
Excellent water quality	<div style="display: flex; justify-content: space-around;"> <div>Agree with proposed change AND impact on bills is acceptable</div> <div>Agree with proposed change BUT impact on bills is NOT acceptable</div> <div>Do not agree with proposed change</div> <div>Don't know</div> </div>				
Secure and reliable supplies	Meeting water quality standards (what is this?)	+£0.74	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Environmentally responsible operations					

Showcard H



South Staffs Water

CAMBRIDGE
WATER
COMPANY

Current Bill	Your water company is considering a number of initiatives to provide secure and reliable water supplies for the future.				
Summary	Please indicate whether you agree that the proposed measure is needed and whether the impact on bills is acceptable or not.				
Fair customer bills & enhanced customer service	Please Click on the 'What is this' links to learn about the proposed changes before making your decisions.				
Excellent water quality	<div style="display: flex; justify-content: space-around;"> <div>Agree with proposed change AND impact on bills is acceptable</div> <div>Agree with proposed change BUT impact on bills is NOT acceptable</div> <div>Do not agree with proposed change</div> <div>Don't know</div> </div>				
Secure and reliable supplies	Providing sufficient supplies (what is this?)	+ £0.17	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Environmentally responsible operations	Interruptions to supply - reliable supplies (what is this?)	+ £0.26	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Showcard I



South Staffs Water

CAMBRIDGE
WATER
COMPANY

Current Bill

Your water company is considering a number of initiatives to reduce the environmental impact of their operations.

Summary

Please indicate whether you agree with the proposed change and whether the impact on bills is acceptable or not.

Please Click on the 'What is this' links to learn about the proposed changes before making your decisions.

Fair customer bills & enhanced customer service

Excellent water quality

Secure and reliable supplies

Environmentally responsible operations

		Agree with proposed change AND impact on bills is acceptable	Agree with proposed change BUT impact on bills is NOT acceptable	Do not agree with proposed change	Don't know
Enhanced metering (what is this?)	+ £0.15	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Improving rivers and the environment (what is this?)	+ £0.35	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Showcard J1

Given the information you have been provided, overall how acceptable do you now consider the proposed plan to be?

- ☐ Very acceptable
- ☐ Acceptable
- ☐ Unacceptable
- ☐ Completely unacceptable
- ☐ Don't know

Your water bill today	£140.00
Your water bill by 2015	£139.16
Proposed changes :	
Fair customer bills & enhanced customer service	+ £0.66
Excellent Water quality	+ £0.74
Secure and reliable supplies	+ £0.43
Environmentally responsible operation	+ £0.50
Your future water bill 2015-2020	£141.49
This excludes the impact of inflation (What is this?)	

Please bear in mind that the proposed bill is for water services only, and does not include changes to your sewerage bill

Other household utility bills and wages may also change over this period

Showcard J2

The summary of the plan is shown again below with the impact of inflation. Overall, how acceptable do you now consider the proposed plan to be?

- ☐ Very acceptable
- ☐ Acceptable
- ☐ Unacceptable
- ☐ Completely unacceptable
- ☐ Don't know

Your water bill today	£140.00
Your water bill by 2015	£139.16
Proposed changes :	
Fair customer bills & enhanced customer service	+ £0.66
Excellent Water quality	+ £0.74
Secure and reliable supplies	+ £0.43
Environmentally responsible operation	+ £0.50
Your future water bill 2015-2020	£141.49
This excludes the impact of inflation (<i>What is this?</i>)	
Your water bill by 2020, if inflation is 3% per year	£163.84

Please bear in mind that the proposed bill is for water services only, and does not include changes to your sewerage bill

Other household utility bills and wages may also change over this period

"What is this" Definitions

Plan summary - "What is this" Definitions

Inflation

Inflation is the general rise in prices and wages over time.

The proposed prices shown in this questionnaire are shown with and without the impact of general inflation. This allows the customer to understand how water bills will change in the future relative to other goods and services you may purchase both today and in the future.

This plan proposes that bills increase by 2% plus general inflation over the five years from 2015.

Where inflation is shown we have assumed a general inflation rate of 3% per annum in line with forecasts.

**Forecasts for the UK economy are provided by the HM Treasury*

Fair customer bills & enhanced customer service – "What is this" Definitions

Fair customer bills & enhanced customer service



- Your water company aims to keep bills low with excellent service to customers. Some of the costs of operating the water company are to some degree outside their control, this includes taxation, rates, power and regulatory costs.
- Customers have indicated that they do not support either decrease to water services or a large increase in their bill.
- At the same time customers expectations of service are increasing. Many other companies such as banks, mobile phone operators use other technologies so customers can contact them easily.

Proposed Investment option:

This proposal means bills will increase less steeply and will be 3% lower than otherwise due to your water company becoming more efficient. The savings proposed balance reducing costs against the impact on service.

The plan will also allow customers to contact your water company at their convenience and access the services they provide 24 hours a day.

Excellent Water Quality – “What is this” Definitions

Meeting Water Quality Standards at Customers Taps



- The quality of water is checked by the Drinking Water Inspectorate to ensure that your water company provides water that is safe to drink.
- Currently your water company meets the drinking water safety standards set out in UK and European law. However, the water is taken from rivers and under the ground and some of the water sources are becoming affected by chemicals used in fertilisers (known as nitrates).

Proposed investment option:

The plan will ensure that your water company can continue to meet drinking water standards. In particular it will reduce the level of nitrates by improving treatment processes at three key sites.

Your water company will also work with other parties, such as farmers and sewerage companies to reduce their impact on water sources and improve the water quality.

Other changes involve improvements to underground water pipes, where there is a risk that pollution may enter the water system.

Excellent Water Quality – “What is this” Definitions

Meeting Water Quality Standards at Customers Taps



- The quality of water is checked by the Drinking Water Inspectorate to ensure that your water company provides water that is safe to drink.
- Currently your water company meets the drinking water safety standards set out in UK and European law. However, the water is taken from rivers and under the ground and some of the water sources are becoming affected by chemicals used in fertilisers (known as nitrates).

Proposed investment option:

The plan will ensure that your water company can continue to meet drinking water standards. In particular it will reduce the level of nitrates by improving treatment processes at three key sites.

Your water company will also work with other parties, such as farmers and sewerage companies to reduce their impact on water sources and improve the water quality.

Other changes involve improvements to underground water pipes, where there is a risk that pollution may enter the water system.

Secure and reliable supplies – “What is this” Definitions

Interruptions to supply - reliable supplies



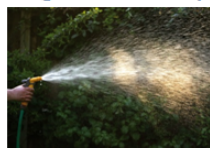
- A number of customers experience relatively short periods where they go without water.
- Typically this is because a section of underground pipes bursts and it takes time to repair it.
- Further, some customers may experience their properties being flooded as a result of a burst.

Proposed Investment option:

Your water company looks after approximately 5,000 miles of underground water supply pipes and serves over 700,000 domestic and commercial properties.

The proposed investment will reduce the impact on customers of bursts on some key water mains by ensuring that the system of underground water supply pipes is developed so that there is an alternative way of supplying water to customers at all times.

Providing sufficient supplies



- Your water company takes water from a number of different sources before it treats and delivers it to customers. This includes taking the water from rivers, collecting it in reservoirs and taking it from deep under the ground where it has collected over a number of years.
- To ensure there is enough water for future customers your water company needs to balance several issues. These are:
 - the amount of water available from the environment and the impact of removing it
 - the impact of climate change on the way customers use water, and
 - increases in the future number of customers because of new housing developments and population growth.

Proposed Investment option:

In recent years changes to weather patterns mean that your water company needs to adjust the mix of how water is taken from different sources.

The proposed plan will ensure that there is secure and reliable water supplies now and for the future. This includes developing treatment processes for underground sources.

Environmentally responsible operations – “What is this” Definitions

Enhanced metering



- ‘Metering’ is where people are charged for the water they use, rather than a flat fee based on the value of their home. Meters discourage water wastage and saves water.
- Metering can be viewed as a fair way to charge customers but can have a significant financial impact on large families with low incomes.
- Legally all new homes must have a water meter installed and any customer can ask for a meter to be installed free of charge.

Proposed Investment option:

Currently 37% of customers have a meter. This varies for different areas with customers in Cambridge more likely to have a meter.

The proposed change will ensure that all new homes are fitted with meters in line with legislation. It will also ensure that when ownership of a home is changed (i.e., when people move house) in the South Staffordshire region a meter is installed. This will increase metering to 50%.

Improving rivers and the environment



- All rivers are required to meet environmental standards set out in UK and European law.
- The removal of water for drinking water supply can cause low water levels and flow in rivers and streams.
- Low flows may impact of the ecology of rivers and the habitats, plants and wildlife that they support, and reduce the visual amenity and recreational use provided.

Proposed Investment option:

The plan will look at the effects of taking water from the environment in 4 specific areas and proposes to put water back by pumping water underground.

It will investigate options to improve river passages for eels and migrating fish to swim past water works in rivers.

The water quality in the rivers will be improved where your water company takes water out. Changes to benefit wildlife will be included in these schemes and water company land where possible.

Options– “What is this” Definitions

Social “lower” tariff



- Some people find it difficult to pay their water bills. Income levels are falling and other living costs are rising.
- Your water company offers flexible payment options, operates a Charitable Trust, in the South Staff region. And other agencies offer assistance. Despite this the number of people in this situation has increased in the last 5 years. This number is expected to increase in the future.
- Over time unpaid bills will increase the bill that all customers pay. A social (lower) tariff will allow customers who meet certain criteria to register for a discount to their water bill.

Proposed Investment option:

The proposed change will allow your water company to introduce a social tariff which will be applied according to genuine need.

Investing in a social tariff could help to reduce increases to debt. If a social tariff is introduced people are more likely to pay their bill and this could reduce future bills for all customers.

Repairing customer supply pipes



- Customer water supply pipes are the external pipes that run from the edge of the customers land to the edge of the house or building.
- Your water company does not own these pipes. The customer responsible for looking after these pipes and repairing them when they are old.
- These pipes cause 35% of all leaks. Leakage is treated water that is lost from the water system. It includes water lost from the companies' distribution networks and supply pipe losses from consumers' pipes.

Proposed Investment option:

The proposed investment will repair 1% of customer supply pipes, by repairing pipes or replacing old pipes with modern plastic pipes.

Some of these pipes may be made from lead. If this is the case then a new pipe can lead to health benefits.

Options– “What is this” Definitions

Helping customers in poverty



- Some people find it difficult to pay their water bills. Income levels are falling and other living costs are rising.
- Your water company offers flexible payment options, operates a Charitable Trust in the South Staffordshire region and other agencies offer assistance. Despite this the number of people in this situation has increased in the last 5 years.
- The Charitable Trust is a registered charity that operates independently to your water company. The trust aims to assist those customers who are in need or who are suffering hardship. This includes chronically ill customers, those in receipt of benefits or others who are on very low income.

Proposed Investment option:

The proposed change will provide the Charitable Trust with funds to assist customers and extend the Trust to cover the Cambridge region.

The objective of the Charitable Trust is to apply its income towards relieving those customers who are having difficulty making payments for the supply of water to their home but make regular payments for an amount they can afford.

Annex 4: Household Results

Annex 4.1: QA. Connected to marketing or water industry

	Cambridge		South Staffs	
	CAPI	Online	CAPI	Online
Yes	0	0	0	0
No	210	109	300	222
Total	210	109	300	222

	Cambridge	South Staffs	Total sample
Yes	0	0	0
No	319	522	841
Total	319	522	841

Annex 4.2: QB. Responsibility for bill

	Cambridge		South Staffs	
	CAPI	Online	CAPI	Online
Jointly responsible	116	46	109	91
Person most responsible	94	63	191	131
Total	210	109	300	222

	Cambridge	South Staffs	Total sample
Jointly responsible	162	200	362
Person most responsible	157	322	479
Total	319	522	841

Annex 4.3: QC. Supplier

	Cambridge		South Staffs	
	CAPI	Online	CAPI	Online
Correct supplier	210	109	300	222
Out of area	0	0	0	0
Total	210	109	300	222

	Cambridge	South Staffs	Total sample
Correct supplier	319	522	841
Out of area	0	0	0
Total	319	522	841

Annex 4.4: QD. Gender

	Cambridge			South Staffs		
	CAPI	Online	Quota	CAPI	Online	Quota
Male	47%	46%	49%	48%	44%	54%
Female	53%	54%	51%	52%	56%	46%
Total	100%	100%	100%	100%	100%	100%

N=210,109,300,222

	Cambridge	South Staffs	Total sample
Male	47%	47%	47%
Female	53%	53%	53%
Total	100%	100%	100%

N=319, 522, 841

Annex 4.5: QE. Age

	Cambridge			South Staffs		
	CAPI	Online	Quota	CAPI	Online	Quota
18-29	23%	21%	24%	18%	30%	21%
30-44	32%	38%	27%	27%	31%	26%
45-64	28%	34%	30%	35%	22%	32%
65+	18%	7%	19%	20%	17%	21%
Refused	0%	0%	N/A	0%	0%	N/A
Total	100%	100%	100%	100%	100%	100%

N=210,109,300,222

	Cambridge	South Staffs	Total sample
18-29	22%	23%	23%
30-44	34%	29%	31%
45-64	30%	29%	29%
65+	14%	19%	17%
Refused	0%	0%	0%
Total	100%	100%	100%

N=319, 522, 841

Annex 4.6: QG. Main Income earner

	Cambridge		South Staffs	
	CAPI	Online	CAPI	Online
No	25%	39%	20%	37%
No income earners	10%	4%	12%	4%
Yes	65%	57%	69%	59%
Total	100%	100%	100%	100%

N=210,109,300,222

	Cambridge	South Staffs	Total sample
No	30%	27%	28%
No income earners	8%	8%	8%
Yes	62%	64%	63%
Total	100%	100%	100%

N=319, 522, 841

Annex 4.7: QH. Occupation

	Cambridge		South Staffs	
	CAPI	Online	CAPI	Online
Casual worker, pensioner or dependant on state welfare	17%	8%	23%	11%
Higher managerial, administrative or professional	13%	20%	10%	8%
Intermediate managerial, administrative or professional	23%	33%	15%	18%
Semi or unskilled manual worker	6%	7%	11%	16%
Skilled manual worker	18%	6%	20%	18%
Supervisory or clerical and junior managerial, administrative or professional	24%	25%	21%	30%
Total	100%	100%	100%	100%

N=210,109,300,222

	Cambridge	South Staffs	Total sample
Casual worker, pensioner or dependant on state welfare	14%	18%	16%
Higher managerial, administrative or professional	16%	9%	12%
Intermediate managerial, administrative or professional	26%	16%	20%
Semi or unskilled manual worker	6%	13%	11%
Skilled manual worker	14%	19%	17%
Supervisory or clerical and junior managerial, administrative or professional	24%	25%	25%
Total	100%	100%	100%

N=319, 522, 841

Annex 4.8: Socio Economic Grouping

	Cambridge			South Staffs		
	CAPI	Online	Quota	CAPI	Online	Quota
AB	36%	53%	38%	25%	26%	18%
C1	24%	25%	29%	21%	30%	29%
C2	18%	6%	17%	20%	18%	23%
DE	22%	16%	16%	34%	27%	30%
Total	100%	100%	100%	100%	100%	100%

N=210,109,300,222

	Cambridge	South Staffs	Total sample
AB	42%	25%	32%
C1	24%	25%	25%
C2	14%	19%	17%
DE	20%	31%	27%
Total	100%	100%	100%

N=319, 522, 841

Annex 4.9: Q1. Long term illness

	Cambridge		South Staffs	
	CAPI	Online	CAPI	Online
Yes (self)	10%	14%	9%	9%
Yes (Other)	1%	2%	3%	7%
No	84%	83%	88%	82%
Don't know/refused	1%	1%	1%	2%
Total	100%	100%	100%	100%

N=210,109,300,222

	Cambridge	South Staffs	Total sample
Yes (self)	12%	9%	10%
Yes (Other)	3%	5%	4%
No	84%	85%	85%
Don't know/refused	1%	1%	1%
Total	100%	100%	100%

N=319, 522, 841

Annex 4.10: Q1. Metered households

	Cambridge		South Staffs	
	CAPI	Online	CAPI	Online
Yes	137	66	83	81
No	70	34	203	133
Don't know	3	9	14	8
Total	210	109	300	222

	Cambridge	South Staffs	Total sample
Yes	203	164	367
No	104	336	440
Don't know	12	22	34
Total	319	522	841

Annex 4.11: Q3. Understand water and wastewater split

	Cambridge		South Staffs	
	CAPI	Online	CAPI	Online
Yes	113	82	144	128
No	97	27	156	94
Total	210	109	300	222

	Cambridge	South Staffs	Total sample
Yes	124	250	374
No	195	272	467
Total	319	522	841

Annex 4.12: Q4. Water and sewerage services bill

	Cambridge		South Staffs	
	CAPI	Online	CAPI	Online
Less than £13 per month (Less than £150 per year)	11	6	9	9
£13 - £16 per month (£151 - £200 per year)	8	12	20	28
£17 - £20 per month (£201 - £250 per year)	17	13	34	16
£21 - £24 per month (£251 - £300 per year)	37	5	44	32
£25 - £28 per month (£301 - £350 per year)	24	10	47	34
£29 - £32 per month (£351 - £400 per year)	29	4	45	18
£33 - £37 per month (£401 - £450 per year)	12	12	38	24
£38 - £41 per month (£451 - £500 per year)	16	9	16	10
£42 - £45 per month (£501 - £550 per year)	11	9	13	10
£46 - £50 per month (£551 - £600 per year)	6	5	8	7
Over £50 per month (Over £600 per year)	8	5	6	7
Don't know	31	19	20	27
Total	210	109	300	222

	Cambridge	South Staffs	Total sample
Less than £13 per month (Less than £150 per year)	17	18	35
£13 - £16 per month (£151 - £200 per year)	20	48	68
£17 - £20 per month (£201 - £250 per year)	30	50	80
£21 - £24 per month (£251 - £300 per year)	42	76	118
£25 - £28 per month (£301 - £350 per year)	34	81	115
£29 - £32 per month (£351 - £400 per year)	33	63	96
£33 - £37 per month (£401 - £450 per year)	24	62	86
£38 - £41 per month (£451 - £500 per year)	25	26	51
£42 - £45 per month (£501 - £550 per year)	20	23	43
£46 - £50 per month (£551 - £600 per year)	11	15	26
Over £50 per month (Over £600 per year)	13	13	26
Don't know	50	47	97
Total	319	522	841

Annex 4.13: Q5. Water only bill

	Cambridge		South Staffs	
	CAPI	Online	CAPI	Online
Less than £8 per month (Less than £100 per year)	17	14	7	10
£8 - £13 per month (£100 - £150 per year)	34	11	45	30
£13 - £16 per month (£151 - £200 per year)	9	12	78	35
£17 - £20 per month (£201 - £250 per year)	6	11	47	17
£21 - £24 per month (£251 - £300 per year)	9	5	19	16
£25 - £28 per month (£301 - £350 per year)	3	6	6	15
£29 - £32 per month (£351 - £400 per year)	2	0	7	7
£33 - £37 per month (£401 - £450 per year)	1	5	2	3
£38 - £41 per month (£451 - £500 per year)	1	3	2	3
£42 - £45 per month (£501 - £550 per year)	0	1	0	5
£46 - £50 per month (£551 - £600 per year)	0	1	0	2
Over £50 per month (Over £600 per year)	1	0	0	3
Don't know	127	40	87	76
Total	210	109	300	222

	Cambridge	South Staffs	Total sample
Less than £8 per month (Less than £100 per year)	31	17	48
£8 - £13 per month (£100 - £150 per year)	45	75	120
£13 - £16 per month (£151 - £200 per year)	21	113	134
£17 - £20 per month (£201 - £250 per year)	17	64	81
£21 - £24 per month (£251 - £300 per year)	14	35	49
£25 - £28 per month (£301 - £350 per year)	9	21	30
£29 - £32 per month (£351 - £400 per year)	2	14	16
£33 - £37 per month (£401 - £450 per year)	6	5	11
£38 - £41 per month (£451 - £500 per year)	4	5	9
£42 - £45 per month (£501 - £550 per year)	1	5	6
£46 - £50 per month (£551 - £600 per year)	1	2	3
Over £50 per month (Over £600 per year)	1	3	4
Don't know	167	163	330
Total	319	522	841

Annex 4.14: Q.6 Bill certainty

	Cambridge		South Staffs	
	CAPI	Online	CAPI	Online
Very certain	40	17	40	44
Fairly certain	37	37	131	77
Not very certain	5	14	39	22
Very uncertain	1	1	3	3
Not asked	127	40	87	76
Total	210	109	300	222

	Cambridge	South Staffs	Total sample
Very certain	57	84	141
Fairly certain	74	208	282
Not very certain	19	61	80
Very uncertain	2	6	8
Not asked	167	163	330
Total	319	522	841

Annex 4.15: Q.7 View of current bill and service

	Cambridge		South Staffs	
	CAPI	Online	CAPI	Online
Too little	2	0	0	1
About right	166	63	165	117
Slightly too much	39	33	96	69
Far too much	3	13	39	35
Total	210	109	300	222

	Cambridge	South Staffs	Total sample
Too little	2	1	3
About right	229	282	511
Slightly too much	72	165	237
Far too much	16	74	90
Total	319	522	841

Annex 4.16: Q.8 View of current bill and service

	Cambridge		South Staffs	
	CAPI	Online	CAPI	Online
I do not have any problem paying my bill	188	95	213	177
It is difficult to pay my bill and I sometimes pay it late	20	14	73	41
It is difficult to pay my bill and I never pay it on time	2	0	14	4
Total	210	109	300	222

	Cambridge	South Staffs	Total sample
I do not have any problem paying my bill	283	390	673
It is difficult to pay my bill and I sometimes pay it late	34	114	148
It is difficult to pay my bill and I never pay it on time	2	18	20
Total	319	522	841

Annex 4.17: Q.9 Preferred bill profile

	Cambridge		South Staffs	
	CAPI	Online	CAPI	Online
Bills decrease by a small amount and services deteriorate	1	3	8	11
Bills remain the same and service levels unchanged	133	72	234	150
Bills increase by a small amount and services improve	76	34	58	61
Total	210	109	300	222

	Cambridge	South Staffs	Total sample
Bills decrease by a small amount and services deteriorate	4	19	23
Bills remain the same and service levels unchanged	205	384	589
Bills increase by a small amount and services improve	110	119	229
Total	319	522	841

Annex 4.18: Q.10a Uninformed acceptability today's prices

	Cambridge		South Staffs	
	CAPI	Online	CAPI	Online
Very acceptable	58	24	44	42
Acceptable	143	63	192	137
Unacceptable	3	16	56	23
Completely unacceptable	3	2	5	8
Don't know	3	4	3	12
Total	210	109	300	222

	Cambridge	South Staffs	Total sample
Very acceptable	206	329	535
Acceptable	5	13	18
Unacceptable	7	15	22
Completely unacceptable	19	79	98
Don't know	82	86	168
Total	319	522	841

Annex 4.19: Q.10b Uninformed acceptability future prices

	Cambridge		South Staffs	
	CAPI	Online	CAPI	Online
Very acceptable	29	10	17	16
Acceptable	151	51	149	105
Unacceptable	21	30	103	66
Completely unacceptable	4	12	26	25
Don't know	5	6	5	10
Total	210	109	300	222

	Cambridge	South Staffs	Total sample
Very acceptable	202	254	456
Acceptable	16	51	67
Unacceptable	11	15	26
Completely unacceptable	51	169	220
Don't know	39	33	72
Total	319	522	841

Annex 4.20: Q.11 Reason unable to decide acceptability

	Cambridge		South Staffs	
	CAPI	Online	CAPI	Online
Don't know	0	2	0	2
I have not thought enough about water and sewerage services to answer the question	3	3	1	4
I need more information before I can make a decision	0	1	4	2
Other	2	0	0	1
This is not important to me	0	0	0	1
Total	5	6	5	10

	Cambridge	South Staffs	Total sample
Don't know	2	2	4
I have not thought enough about water and sewerage services to answer the question	6	5	11
I need more information before I can make a decision	1	6	7
Other	2	1	3
This is not important to me	0	1	1
Total	11	15	26

Annex 4.21: Q.12a Providing drinking water that is safe and pleasant to drink

	Cambridge		South Staffs	
	CAPI	Online	CAPI	Online
Very important	195	98	281	191
Fairly important	12	4	15	17
Neither important / unimportant	1	1	2	7
Not important at all	1	5	1	3
Don't know	1	1	1	4
Total	210	109	300	222

	Cambridge	South Staffs	Total sample
Very important	293	472	765
Fairly important	16	32	48
Neither important / unimportant	2	9	11
Not important at all	6	4	10
Don't know	2	5	7
Total	319	522	841

Annex 4.22: Q.12b Providing a reliable and continuous supply of water from the tap

	Cambridge		South Staffs	
	CAPI	Online	CAPI	Online
Very important	195	91	278	185
Fairly important	11	10	15	24
Neither important / unimportant	3	7	4	5
Fairly unimportant	0	0	2	1
Not important at all	1	0	0	3
Don't know	0	1	1	4
Total	210	109	300	222

	Cambridge	South Staffs	Total sample
Very important	286	463	749
Fairly important	21	39	60
Neither important / unimportant	10	9	19
Fairly unimportant	0	3	3
Not important at all	1	3	4
Don't know	1	5	6
Total	319	522	841

Annex 4.23: Q.12c Maintaining the system of water pipes and water treatment works

	Cambridge		South Staffs	
	CAPI	Online	CAPI	Online
Very important	195	91	278	185
Fairly important	11	10	15	24
Neither important / unimportant	3	7	4	5
Fairly unimportant	0	0	2	1
Not important at all	1	0	0	3
Don't know	0	1	1	4
Total	210	109	300	222

	Cambridge	South Staffs	Total sample
Very important	286	463	749
Fairly important	21	39	60
Neither important / unimportant	10	9	19
Fairly unimportant	0	3	3
Not important at all	1	3	4
Don't know	1	5	6
Total	319	522	841

**Annex 4.24: Q.12d Managing and protecting the water environment - including rivers and lakes
- by taking water for drinking supplies in a responsible way**

	Cambridge		South Staffs	
	CAPI	Online	CAPI	Online
Very important	177	71	212	138
Fairly important	26	29	57	64
Neither important / unimportant	5	7	26	12
Fairly unimportant	1	1	3	2
Not important at all	1	1	0	3
Don't know	0	0	2	3
Total	210	109	300	222

	Cambridge	South Staffs	Total sample
Very important	248	350	598
Fairly important	55	121	176
Neither important / unimportant	12	38	50
Fairly unimportant	2	5	7
Not important at all	2	3	5
Don't know	0	5	5
Total	319	522	841

Annex 4.25: Q.13 Overall satisfaction

	Cambridge		South Staffs	
	CAPI	Online	CAPI	Online
Very satisfied	121	40	105	82
Fairly satisfied	85	63	178	133
Fairly dissatisfied	2	4	15	2
Very dissatisfied	1	2	1	4
Don't know	1	0	1	1
Total	210	109	300	222

	Cambridge	South Staffs	Total sample
Very satisfied	161	187	348
Fairly satisfied	148	311	459
Fairly dissatisfied	6	17	23
Very dissatisfied	3	5	8
Don't know	1	2	3
Total	319	522	841

Annex 4.26: Q.14 Two reasons for satisfaction

	Cambridge		South Staffs	
	CAPI	Online	CAPI	Online
Drinking water supplies are reliable with very few interruptions	96	52	136	103
Impacts on the water environment (rivers, lakes, and coastal waters) are well-managed	13	8	17	15
It is good value for money	46	23	33	49
Not experienced any problems with water services	138	70	203	128
Other (please specify)	2	0	2	1
Tap water is good quality and pleasant to drink	94	46	155	109
Your water company deals with customer queries or complaints efficiently	19	5	13	19
Don't know	4	2	7	6
Total	412	206	566	430

	Cambridge	South Staffs	Total sample
Drinking water supplies are reliable with very few interruptions	148	239	387
Impacts on the water environment (rivers, lakes, and coastal waters) are well-managed	21	32	53
It is good value for money	69	82	151
Not experienced any problems with water services	208	331	539
Other (please specify)	2	3	5
Tap water is good quality and pleasant to drink	140	264	404
Your water company deals with customer queries or complaints efficiently	24	32	56
Don't know	6	13	19
Total	618	996	1614

Annex 4.27: Q.15 Two reasons for dissatisfaction

	Cambridge		South Staffs	
	CAPI	Online	CAPI	Online
Drinking water supplies are not reliable and there are too many interruptions	0	0	2	0
Have experienced problems with water supply	2	1	1	1
Impacts on the water environment (rivers, lakes) are not well-managed	0	0	0	0
It is poor value for money	0	1	6	1
Tap water is unpleasant to drink	0	2	5	1
Your water company does not deal with customer queries and complaints effectively	0	0	0	1
Other (please specify)	1	2	2	2
Don't know	0	0	0	0
Total	3	6	16	6

Annex 4.28: Q.16a Experienced in the last 5 years

	Cambridge	South Staffs	Total sample
The taste and smell of tap water that is less than ideal	27	45	72
An interruptions to your water supply	27	63	90
Restrictions on your water use during periods of drought (e.g. hosepipe bans)	39	61	100
Hard tap water (e.g. scaling of kettles and other appliances)	135	176	311
Noise, disruption and inconvenience from water company repairs (e.g. traffic, dust, etc.)	15	21	36
Discoloured or cloudy appearance of tap water	26	107	133
The provision of information on water efficiency	18	9	27
A leaking water main	10	48	58
Sharing your water supply pipe with your neighbour	6	15	21
Low river water levels	19	21	40
Low water pressure at your tap	40	88	128
Flooding inside your property due to water company operations (i.e. a burst pipe under the road)	3	10	13
Other	5	7	12

Annex 4.29: Q.16b Contacted supplier

	Cambridge	South Staffs	Total sample
The taste and smell of tap water that is less than ideal	3	10	13
An interruptions to your water supply	11	15	26
Restrictions on your water use during periods of drought (e.g. hosepipe bans)	4	4	8
Hard tap water (e.g. scaling of kettles and other appliances)	2	10	12
Noise, disruption and inconvenience from water company repairs (e.g. traffic, dust, etc.)	3	4	7
Discoloured or cloudy appearance of tap water	4	15	19
The provision of information on water efficiency	1	2	3
A leaking water main	6	17	23
Sharing your water supply pipe with your neighbour	3	2	5
Low river water levels	1	4	5
Low water pressure at your tap	6	12	18
Flooding inside your property due to water company operations (i.e. a burst pipe under the road)	0	3	3
Other	3	3	6

Annex 4.30: Q.17 Fair customer bills and enhanced customer service

	Agree with proposed change AND impact on bills is acceptable	Agree with proposed change BUT impact on bills is NOT acceptable	Do not agree with proposed change	Don't know	Grand Total
All CAPI	280	162	53	15	510
Cambridge Water (CAPI)	158	35	12	5	210
South Staffs Water (CAPI)	122	127	41	10	300
All Online	150	111	39	31	331
Cambridge Water (Online)	49	37	15	8	109
South Staffs Water (Online)	101	74	24	23	222
Grand Total	430	273	92	46	841

Annex 4.31: Q.18 Meeting water quality standards

	Agree with proposed change AND impact on bills is acceptable	Agree with proposed change BUT impact on bills is NOT acceptable	Do not agree with proposed change	Don't know	Grand Total
All CAPI	294	155	49	12	510
Cambridge Water (CAPI)	165	32	9	4	210
South Staffs Water (CAPI)	129	123	40	8	300
All Online	173	111	22	25	331
Cambridge Water (Online)	60	34	9	6	109
South Staffs Water (Online)	113	77	13	19	222
Grand Total	467	266	71	37	841

Annex 4.32: Q.19a Providing sufficient supplies

	Agree with proposed change AND impact on bills is acceptable	Agree with proposed change BUT impact on bills is NOT acceptable	Do not agree with proposed change	Don't know	Grand Total
All CAPI	329	122	47	12	510
Cambridge Water (CAPI)	172	28	8	2	210
South Staffs Water (CAPI)	157	94	39	10	300
All Online	189	96	20	26	331
Cambridge Water (Online)	65	31	7	6	109
South Staffs Water (Online)	124	65	13	20	222
Grand Total	518	218	67	38	841

Annex 4.33: Q.19b Interruptions to supply - reliable supplies

	Agree with proposed change AND impact on bills is acceptable	Agree with proposed change BUT impact on bills is NOT acceptable	Do not agree with proposed change	Don't know	Grand Total
All CAPI	311	140	47	12	510
Cambridge Water (CAPI)	167	31	10	2	210
South Staffs Water (CAPI)	144	109	37	10	300
All Online	165	111	27	28	331
Cambridge Water (Online)	58	37	9	5	109
South Staffs Water (Online)	107	74	18	23	222
Grand Total	476	251	74	40	841

Annex 4.34: Q.20a Enhanced metering

	Agree with proposed change AND impact on bills is acceptable	Agree with proposed change BUT impact on bills is NOT acceptable	Do not agree with proposed change	Don't know	Grand Total
All CAPI	271	110	103	26	510
Cambridge Water (CAPI)	157	32	14	7	210
South Staffs Water (CAPI)	114	78	89	19	300
All Online	148	101	54	28	331
Cambridge Water (Online)	53	31	18	7	109
South Staffs Water (Online)	95	70	36	21	222
Grand Total	419	211	157	54	841

Annex 4.35: Q.20b Improving rivers and the environment

	Agree with proposed change AND impact on bills is acceptable	Agree with proposed change BUT impact on bills is NOT acceptable	Do not agree with proposed change	Don't know	Grand Total
All CAPI	307	138	45	20	510
Cambridge Water (CAPI)	168	28	8	6	210
South Staffs Water (CAPI)	139	110	37	14	300
All Online	180	98	26	27	331
Cambridge Water (Online)	65	27	9	8	109
South Staffs Water (Online)	115	71	17	19	222
Grand Total	487	236	71	47	841

Annex 4.36: Q.21a Informed acceptability today's prices

	Very acceptable	Acceptable	Unacceptable	Completely unacceptable	Don't know	Grand Total
All CAPI	81	360	59	6	4	510
Cambridge Water (CAPI)	41	154	11	2	2	210
South Staffs Water (CAPI)	40	206	48	4	2	300
All Online	52	218	37	11	13	331
Cambridge Water (Online)	24	64	17	1	3	109
South Staffs Water (Online)	28	154	20	10	10	222
Grand Total	133	578	96	17	17	841

Annex 4.37: Q.21b Informed acceptability future prices

	Very acceptable	Acceptable	Unacceptable	Completely unacceptable	Don't know	Grand Total
All CAPI	44	307	104	42	13	510
Cambridge Water (CAPI)	25	156	17	7	5	210
South Staffs Water (CAPI)	19	151	87	35	8	300
All Online	31	160	94	31	15	331
Cambridge Water (Online)	13	52	31	9	4	109
South Staffs Water (Online)	18	108	63	22	11	222
Grand Total	75	467	198	73	28	841

Annex 4.38: Q.22a main reason why you think the proposed plan is acceptable

	Cambridge Water			South Staffs Water			Grand Total
	CAPI	Online	HH Total	CAPI	Online	HH Total	
All customers will benefit from the improvements	19	9	28	15	12	27	55
I am happy to pay the proposed bill amount	19	1	20	14	5	19	39
I will have to pay the bill anyway	41	12	53	37	28	65	118
It will improve the environment in the region	10	2	12	10	7	17	29
My household will benefit from the proposed improvements	12	0	12	23	6	29	41
The proposed bill amount is affordable	20	7	27	13	19	32	59
The proposed improvements are needed	20	8	28	13	17	30	58
The proposed improvements are worth the money	16	8	24	12	6	18	42
The proposed improvements represent good value for money	11	7	18	15	14	29	47
The proposed improvements will benefit future generations	13	11	24	17	11	28	52
Other (please specify)	0	0	0	1	1	2	2
Grand Total	181	65	246	170	126	296	542

Annex 4.39: Q.22a second reason why you think the proposed plan is acceptable

	Cambridge Water			South Staffs Water			Grand Total
	CAPI	Online	HH Total	CAPI	Online	HH Total	
All customers will benefit from the improvements	22	9	31	21	15	36	67
I am happy to pay the proposed bill amount	20	2	22	9	9	18	40
I will have to pay the bill anyway	30	8	38	31	22	53	91
It will improve the environment in the region	18	9	27	9	10	19	46
My household will benefit from the proposed improvements	11	0	11	22	8	30	41
The proposed bill amount is affordable	18	11	29	19	15	34	63
The proposed improvements are needed	9	8	17	7	12	19	36
The proposed improvements are worth the money	11	9	20	14	7	21	41
The proposed improvements represent good value for money	14	2	16	14	8	22	38
The proposed improvements will benefit future generations	23	6	29	20	18	38	67
Other (please specify)	0	0	0	1	1	2	2
Don't know	5	1	6	3	1	4	10
Grand Total	181	65	246	170	126	296	542

Annex 4.40: Q.23a second reason why you think the proposed plan is not acceptable

	Cambridge Water			South Staffs Water			Grand Total
	CAPI	Online	HH Total	CAPI	Online	HH Total	
Current service levels are good enough already	0	3	3	5	4	9	12
Doesn't offer enough for the environment	0	0	0	0	1	1	1
I cannot afford to pay the proposed bill amount	3	0	3	12	3	15	18
I do not believe the proposed improvements will be made	1	2	3	5	1	6	9
I object to paying higher water bills	3	3	6	17	5	22	28
I object to water companies being privatised	1	3	4	1	7	8	12
I would like the proposed improvements but I cannot afford to pay	2	3	5	3	7	10	15
I would like the proposed improvements but my organisation cannot afford to pay	0	0	0	0	0	0	0
Improvements in one or two service areas are needed but not all of them	1	2	3	4	3	7	10
My current bill is already expensive enough	4	8	12	27	20	47	59
My household will not benefit from the proposed improvements	1		1	3	1	4	5
My organisation cannot afford to pay the proposed bill amount		0	0	0	0	0	0
My organisation will not benefit from the proposed improvements	0	0	0	0	0	0	0
Other (please specify)	1	1	2	3	4	7	9
The Government or council should pay	2	0	2	7	2	9	11
The improvements should be made without increasing customer bills	1	6	7	9	9	18	25
The proposed improvements are not needed	1	0	1	2	2	4	5
The proposed improvements are not worth the money	0	0	0	1	3	4	4
The water company is inefficient	0	1	1	1	0	1	2
The water company should pay	1	1	2	13	4	17	19
Water companies make enough profit as it is	2	7	9	9	9	18	27
Grand Total	24	40	64	122	85	207	271

Annex 4.41: Q.23b second reason why you think the proposed plan is not acceptable

	Cambridge Water			South Staffs Water			Grand Total
	CAPI	Online	HH Total	CAPI	Online	HH Total	
Current service levels are good enough already	2	5	7	4	6	10	17
Doesn't offer enough for the environment	1	0	1	0	0	0	1
I cannot afford to pay the proposed bill amount	2	1	3	14	4	18	21
I do not believe the proposed improvements will be made	1		1	8	7	15	16
I object to paying higher water bills	2	4	6	18	4	22	28
I object to water companies being privatised		3	3	2	2	4	7
I would like the proposed improvements but I cannot afford to pay	2	2	4	2	4	6	10
I would like the proposed improvements but my organisation cannot afford to pay	0	0	0	0	0	0	0
Improvements in one or two service areas are needed but not all of them	1	2	3	2	3	5	8
My current bill is already expensive enough	5	5	10	15	13	28	38
My household will not benefit from the proposed improvements	1	2	3	6	3	9	12
My organisation cannot afford to pay the proposed bill amount	0	0	0	0	0	0	0
My organisation will not benefit from the proposed improvements	0	0	0	0	0	0	0
Other (please specify)	0	0	0	2	0	2	2
The Government or council should pay	0	2	2	8	6	14	16
The improvements should be made without increasing customer bills	0	5	5	8	9	17	22
The proposed improvements are not needed	0	2	2		1	1	3
The proposed improvements are not worth the money	2	2	4	1	2	3	7
The water company is inefficient	1	2	3	1		1	4
The water company should pay			0	9	3	12	12
Water companies make enough profit as it is	2	3	5	21	18	39	44
Don't know	2	0	2	1	0	1	3
Grand Total	24	40	64	122	85	207	271

Annex 4.42: Q.24 Why respondents could not decide on acceptability

	Cambridge		South Staffs	
	CAPI	Online	CAPI	Online
Don't know	1	1	0	2
I have not thought enough about water services to answer the question	1	1	4	2
I would like to know more about this before making a decision	0	1	4	2
Not enough information was provided on the aspects of the plan I am interested in	1	0	0	1
Other (please specify)	1	0	0	1
There was too much information and it was not clear enough to be able to make a decision	1	1	0	2
This is not important to me	0	0		1
Total	5	4	8	11

	Cambridge	South Staffs	Total sample
Don't know	2	2	4
I have not thought enough about water services to answer the question	2	6	8
I would like to know more about this before making a decision	1	6	7
Not enough information was provided on the aspects of the plan I am interested in	1	1	2
Other (please specify)	1	1	2
There was too much information and it was not clear enough to be able to make a decision	2	2	4
This is not important to me	0	1	1
Total	9	18	27

Annex 4.43: Q.24 Value for money

	Cambridge		South Staffs	
	CAPI	Online	CAPI	Online
Very good value for money	34	9	10	22
Good value for money	148	64	169	117
Poor value for money	12	21	94	44
Very poor value for money	4	4	7	11
Don't know	12	11	20	28
Total	210	109	300	222

	Cambridge	South Staffs	Total sample
Very good value for money	43	32	75
Good value for money	212	286	498
Poor value for money	33	138	171
Very poor value for money	8	18	26
Don't know	23	48	71
Total	319	522	841

Annex 4.44: Q.26a Merger

	Help customers in poverty	Repair the water supply pipes customers own	Savings are passed onto customers	Don't know	Other	Grand Total
All CAPI	100	107	302	0	1	510
Cambridge Water (CAPI)	54	54	102	0	0	210
South Staffs Water (CAPI)	46	53	200	0	1	300
All Online	54	65	206	4	2	331
Cambridge Water (Online)	13	23	71	1	1	109
South Staffs Water (Online)	41	42	135	3	1	222
Grand Total	154	172	508	4	3	841

Annex 4.45: Q.26b Merger

	Help customers in poverty	Repair the water supply pipes customers own	Savings passed onto customers	Don't know	Other	Grand Total
All CAPI	139	218	89	63	1	510
Cambridge Water (CAPI)	64	87	32	26	1	210
South Staffs Water (CAPI)	75	131	57	37	0	300
All Online	93	140	60	30	8	331
Cambridge Water (Online)	28	46	16	17	2	109
South Staffs Water (Online)	65	94	44	13	6	222
Grand Total	232	358	149	93	9	841

Annex 4.46: Q.27 Acceptability - Merger savings invested

	Cambridge		South Staffs	
	CAPI	Online	CAPI	Online
Very acceptable	22	15	18	20
Acceptable	161	56	195	140
Unacceptable	18	19	65	36
Completely unacceptable	4	4	5	8
Don't know	5	15	17	18
Total	210	109	300	222

	Cambridge	South Staffs	Total sample
Very acceptable	37	38	75
Acceptable	217	335	552
Unacceptable	37	101	138
Completely unacceptable	8	13	21
Don't know	20	35	55
Total	319	522	841

Annex 4.47: Q.28 Include social tariff

	Cambridge		South Staffs	
	CAPI	Online	CAPI	Online
Agree with proposed change AND impact on bills is acceptable	95	19	58	48
Agree with proposed change BUT impact on bills is NOT acceptable	52	52	110	86
Do not agree proposed change is needed	44	30	110	63
Don't know	19	8	22	25
Total	210	109	300	222

	Cambridge	South Staffs	Total sample
Agree with proposed change AND impact on bills is acceptable	114	106	220
Agree with proposed change BUT impact on bills is NOT acceptable	104	196	300
Do not agree proposed change is needed	74	173	247
Don't know	27	47	74
Total	319	522	841

Annex 4.48: Q.29 Acceptability with social tariff

	Cambridge		South Staffs	
	CAPI	Online	CAPI	Online
Very acceptable	10	7	12	19
Acceptable	127	36	138	88
Unacceptable	46	41	93	66
Completely unacceptable	16	11	30	22
Don't know	11	14	27	27
Total	210	109	300	222

	Cambridge	South Staffs	Total sample
Very acceptable	17	31	48
Acceptable	163	226	389
Unacceptable	87	159	246
Completely unacceptable	27	52	79
Don't know	25	54	79
Total	319	522	841

Annex 4.49: Q.30a Improvements to plan: Fair bills and enhanced customer service

	Happy with proposed level	Less investment	More investment	Grand Total
All CAPI	427	36	47	510
Cambridge Water (CAPI)	183	10	17	210
South Staffs Water (CAPI)	244	26	30	300
All Online	245	33	53	331
Cambridge Water (Online)	82	12	15	109
South Staffs Water (Online)	163	21	38	222
Grand Total	672	69	100	841

Annex 4.50: Q.30b Improvements to plan: Meeting water quality standards

	Happy with proposed level	Less investment	More investment	Grand Total
All CAPI	402	31	77	510
Cambridge Water (CAPI)	171	6	33	210
South Staffs Water (CAPI)	231	25	44	300
All Online	239	15	77	331
Cambridge Water (Online)	83	4	22	109
South Staffs Water (Online)	156	11	55	222
Grand Total	641	46	154	841

Annex 4.51: Q.30c Improvements to plan: Providing sufficient supplies

	Happy with proposed level	Less investment	More investment	Grand Total
All CAPI	423	32	55	510
Cambridge Water (CAPI)	180	7	23	210
South Staffs Water (CAPI)	243	25	32	300
All Online	243	18	70	331
Cambridge Water (Online)	82	4	23	109
South Staffs Water (Online)	161	14	47	222
Grand Total	666	50	125	841

Annex 4.52: Q.30d Improvements to plan: Interruptions to supply - reliable supplies

	Happy with proposed level	Less investment	More investment	Grand Total
All CAPI	419	32	59	510
Cambridge Water (CAPI)	183	5	22	210
South Staffs Water (CAPI)	236	27	37	300
All Online	240	21	70	331
Cambridge Water (Online)	79	6	24	109
South Staffs Water (Online)	161	15	46	222
Grand Total	659	53	129	841

Annex 4.53: Q.30e Improvements to plan: Enhanced metering

	Happy with proposed level	Less investment	More investment	Grand Total
All CAPI	364	95	51	510
Cambridge Water (CAPI)	162	21	27	210
South Staffs Water (CAPI)	202	74	24	300
All Online	185	85	61	331
Cambridge Water (Online)	56	27	26	109
South Staffs Water (Online)	129	58	35	222
Grand Total	549	180	112	841

Annex 4.54: Q.30f Improvements to plan: Improving rivers and the environment

	Happy with proposed level	Less investment	More investment	Grand Total
All CAPI	376	42	92	510
Cambridge Water (CAPI)	160	4	46	210
South Staffs Water (CAPI)	216	38	46	300
All Online	194	38	99	331
Cambridge Water (Online)	67	10	32	109
South Staffs Water (Online)	127	28	67	222
Grand Total	570	80	191	841

Annex 4.55: Q.31 Bill profile

	Option 1 - Bills increase in 2015 and then stay the same	Option 2 - bill increase steadily each year	Option 3 - bills change each year according to how much investment is needed	Don't know / Can't say	Grand Total
All CAPI	156	222	95	37	510
Cambridge Water (CAPI)	36	130	32	12	210
South Staffs Water (CAPI)	120	92	63	25	300
All Online	86	124	86	35	331
Cambridge Water (Online)	28	47	27	7	109
South Staffs Water (Online)	58	77	59	28	222
Grand Total	242	346	181	72	841

Annex 4.56: Q.32 Acceptability with sewerage bill changes (-£3 to +£3)

	Cambridge		South Staffs	
	CAPI	Online	CAPI	Online
Very acceptable	16	8	13	12
Acceptable	144	58	186	132
Unacceptable	31	24	75	38
Completely unacceptable	7	3	10	14
Don't know	12	16	16	26
Total	210	109	300	222

	Cambridge	South Staffs	Total sample
Very acceptable	24	25	49
Acceptable	202	318	520
Unacceptable	55	113	168
Completely unacceptable	10	24	34
Don't know	28	42	70
Total	319	522	841

Annex 4.57: Q.34 Time in area

	Cambridge		South Staffs	
	CAPI	Online	CAPI	Online
Less than 1 year	16	4	2	3
1 - 2 years	11	11	7	18
3 - 5 years	19	19	15	25
6 - 10 years	24	17	51	27
11 - 20 years	30	20	38	37
21 - 30 years	34	17	66	38
More than 30 years	76	21	119	70
Prefer not to say	0	0	2	4
Total	210	109	300	222

	Cambridge	South Staffs	Total sample
Less than 1 year	20	5	25
1 - 2 years	22	25	47
3 - 5 years	38	40	78
6 - 10 years	41	78	119
11 - 20 years	50	75	125
21 - 30 years	51	104	155
More than 30 years	97	189	286
Prefer not to say	0	6	6
Total	319	522	841

Annex 4.58: Q.35a Number of households with 0-5 year olds

Nr of 0-5 year olds at home	Cambridge		South Staffs	
	CAPI	Online	CAPI	Online
0	168	85	232	175
1	33	17	43	37
2	8	4	23	7
3	1	3	1	2
4	0	0	1	1
5+	0	0	0	0
Total	210	109	300	222

	Cambridge	South Staffs	Total sample
0	253	407	660
1	50	80	130
2	12	30	42
3	4	3	7
4	0	2	2
5+	0	0	0
Total	319	522	841

Annex 4.59: Q.35b Number of households with 5-15 year olds

Nr of 5-15 year olds at home	Cambridge		South Staffs	
	CAPI	Online	CAPI	Online
0	155	86	211	164
1	27	14	63	22
2	21	7	21	24
3	5	1	3	6
4	2	1	2	4
5+	0	0	0	2
Total	210	109	300	222

	Cambridge	South Staffs	Total sample
0	241	375	616
1	41	85	126
2	28	45	73
3	6	9	15
4	3	6	9
5+	0	2	2
Total	319	522	841

Annex 4.60: Q.35c Number of households with 16-64 year olds

Nr of 16-64 year olds at home	Cambridge		South Staffs	
	CAPI	Online	CAPI	Online
0	30	4	51	29
1	41	18	59	41
2	100	69	151	110
3	22	9	25	27
4	13	7	12	10
5+	4	2	2	5
Total	210	109	300	222

	Cambridge	South Staffs	Total sample
0	34	80	114
1	59	100	159
2	169	261	430
3	31	52	83
4	20	22	42
5+	6	7	13
Total	319	522	841

Annex 4.61: Q.35d Number of households with 65+ year olds

Nr of 65+ year olds at home	Cambridge		South Staffs	
	CAPI	Online	CAPI	Online
0	166	96	233	168
1	28	7	35	20
2	16	4	31	31
3	0	0	1	1
4	0	2	0	2
5+	0	0	0	0
Total	210	109	300	222

	Cambridge	South Staffs	Total sample
0	262	401	663
1	35	55	90
2	20	62	82
3	0	2	2
4	2	2	4
5+	0	0	0
Total	319	522	841

Annex 4.62: Q.36 Employment

	Cambridge		South Staffs	
	CAPI	Online	CAPI	Online
Employed full-time (30+ hrs)	92	53	140	95
Employed part-time (up to 30 hrs)	19	14	36	38
Looking after the home / children full-time	15	10	14	13
Retired	44	15	55	41
Self-employed	16	7	16	4
Student	7	4	2	10
Unable to work due to sickness or disability	6	4	13	8
Unemployed - other	2	0	2	2
Unemployed - seeking work	8	0	17	8
Other (please specify)	1	2	2	2
Prefer not to say	0	0	3	1
Total	210	109	300	222

	Cambridge	South Staffs	Total sample
Employed full-time (30+ hrs)	145	235	380
Employed part-time (up to 30 hrs)	33	74	107
Looking after the home / children full-time	25	27	52
Retired	59	96	155
Self-employed	23	20	43
Student	11	12	23
Unable to work due to sickness or disability	10	21	31
Unemployed - other	2	4	6
Unemployed - seeking work	8	25	33
Other (please specify)	3	4	7
Prefer not to say	0	4	4
Total	319	522	841

Annex 4.63: Q.37 Education

	Cambridge		South Staffs	
	CAPI	Online	CAPI	Online
Professional qualifications (teacher, doctor, dentist, architect, engineer, lawyer, etc.)	17	11	5	22
Higher degree (e.g. MA, PhD, PGCE, post graduate certificates and diplomas)	25	20	10	13
First degree (e.g. BA, BSc)	32	28	9	39
A levels / AS level / higher school certificate	15	19	28	33
NVQ (Level 1 and 2). Foundation / Intermediate / Advanced GNVQ / HNC / HND	20	13	44	39
O levels / CSEs / GCSEs (any grades)	33	6	75	48
Other qualifications (e.g. City and Guilds, RSA/OCR, BTEC/Edexcel)	24	8	33	21
No qualifications	37	2	61	6
Prefer not to say	7	2	35	1
Total	210	109	300	222

	Cambridge	South Staffs	Total sample
Professional qualifications (teacher, doctor, dentist, architect, engineer, lawyer, etc.)	28	27	55
Higher degree (e.g. MA, PhD, PGCE, post graduate certificates and diplomas)	45	23	68
First degree (e.g. BA, BSc)	60	48	108
A levels / AS level / higher school certificate	34	61	95
NVQ (Level 1 and 2). Foundation / Intermediate / Advanced GNVQ / HNC / HND	33	83	116
O levels / CSEs / GCSEs (any grades)	39	123	162
Other qualifications (e.g. City and Guilds, RSA/OCR, BTEC/Edexcel)	32	54	86
No qualifications	39	67	106
Prefer not to say	9	36	45
Total	319	522	841

Annex 4.64: Q.38 Income

	Cambridge		South Staffs	
	CAPI	Online	CAPI	Online
Up to £539 per month (Up to £6,499 per year)	5	1	11	8
£540 - £789 per month (£6,500 - £9,499 per year)	10	6	28	10
£790 - £1289 per month (£9,500 - £15,499 per year)	12	9	30	35
£1290 - £2079 per month (£15,500 - £24,999 per year)	14	16	31	59
£2080 - £3329 per month (£25,000 - £39,999 per year)	29	22	41	55
£3330 - £4999 per month (£40,000 - £59,999 per year)	30	21	13	21
£5000 - £7499 per month (£60,000 - £89,999 per year)	14	17	6	4
£7500 and over per month (£90,000 and over per year)	5	5	2	2
Don't know	15	3	34	2
Prefer not to say	76	9	104	26
Total	210	109	300	222

	Cambridge	South Staffs	Total sample
Up to £539 per month (Up to £6,499 per year)	6	19	25
£540 - £789 per month (£6,500 - £9,499 per year)	16	38	54
£790 - £1289 per month (£9,500 - £15,499 per year)	21	65	86
£1290 - £2079 per month (£15,500 - £24,999 per year)	30	90	120
£2080 - £3329 per month (£25,000 - £39,999 per year)	51	96	147
£3330 - £4999 per month (£40,000 - £59,999 per year)	51	34	85
£5000 - £7499 per month (£60,000 - £89,999 per year)	31	10	41
£7500 and over per month (£90,000 and over per year)	10	4	14
Don't know	18	36	54
Prefer not to say	85	130	215
Total	319	522	841

Annex 4.65: Q.39 Ethnicity

	Cambridge		South Staffs	
	CAPI	Online	CAPI	Online
African	1	0	2	2
Any other Asian background (please specify)	1	0	0	0
Any other Black / African / Caribbean background (please specify)	0	0	0	0
Any other Mixed / Multiple ethnic background (please specify)	0	0	0	0
Any other White background (please specify)	13	9	2	5
Bangladeshi	0	0	1	3
Caribbean	1	0	1	2
English / Welsh / Scottish / Northern Irish / British	184	90	273	186
Chinese	1	3	0	0
Indian	3	1	1	8
Irish	1	1	2	1
Other	1	0	0	0
Pakistani	1	0	8	6
Prefer not to say	2	2	3	6
White and Asian	1	1	1	1
White and Black African	0	0	0	1
White and Black Caribbean	0	2	6	1
Total	210	109	300	222

	Cambridge	South Staffs	Total sample
African	1	4	5
Any other Asian background (please specify)	1	0	1
Any other Black / African / Caribbean background (please specify)	0	0	0
Any other Mixed / Multiple ethnic background (please specify)	0	0	0
Any other White background (please specify)	22	7	29
Bangladeshi	0	4	4
Caribbean	1	3	4
English / Welsh / Scottish / Northern Irish / British	274	459	733
Chinese	4	0	4
Indian	4	9	13
Irish	2	3	5
Other	1	0	1
Pakistani	1	14	15
Prefer not to say	4	9	13
White and Asian	2	2	4

White and Black African	0	1	1
White and Black Caribbean	2	7	9
Total	319	522	841

Annex 4.66: Q.40 View of survey

	Cambridge		South Staffs	
	CAPI	Online	CAPI	Online
Interesting	121	57	111	138
Too long	18	24	96	33
Difficult to understand	21	10	40	23
Educational	45	24	48	55
Unrealistic/not credible	9	3	3	4
Other	5	6	13	9
None of these	14	9	32	12

	Cambridge	South Staffs	Total sample
Interesting	178	249	427
Too long	42	129	171
Difficult to understand	31	63	94
Educational	69	103	172
Unrealistic/not credible	12	7	19
Other	11	22	33
None of these	23	44	67

Annex 4.67: WaterSure customer

	Cambridge		South Staffs	
	CAPI	Online	CAPI	Online
Don't know	65	46	88	77
No	126	56	201	131
Yes	19	7	11	14
Total	210	109	300	222

	Cambridge	South Staffs	Total sample
Don't know	111	165	276
No	182	332	514
Yes	26	25	51
Total	319	522	841

Annex 5: Business Results

Annex 5.1: QA. Supplier

	Cambridge	South Staffs	Total sample
Correct supplier	100	103	203
Out of area	0	0	0
Total	100	103	203

Annex 5.2: QB. Organisation

	Cambridge	South Staffs	Total sample
Accommodation and food service activities	4	4	8
Activities of extraterritorial organizations and bodies	1		1
Administrative and support service activities	3		3
Agriculture, Forestry and Fishing	15	4	19
Arts, entertainment and recreation	12	5	17
Construction		2	2
Education	5	9	14
Electricity, gas, steam and air		1	1
Finance and insurance activities	2	3	5
Human health and social work activities	2	1	3
Information and Communication		1	1
Manufacturing	7	17	24
Other (please specify)	14	18	32
Other service activities	11	8	19
Professional, scientific and technical activities	1		1
Public administration and defence; compulsory social security	4	1	5
Real estate activities	4	2	6
Transport and storage		3	3
Water supply, sewerage, waste management and remediation activities		2	2
Wholesale and retail trade; repair of motor vehicles and motorcycles	15	22	37
Grand Total	100	103	203

Annex 5.3: QC. Number of employees

	Cambridge	South Staffs	Total sample
0 - 4	53	37	90
5 - 9	15	16	31
10 - 19	14	11	25
20 - 49	10	15	25
50 - 99	2	13	15
100 - 249	1	2	3
250 - 499	1	3	4
500 - 999	2		2
1,000 +	2	5	7
Don't know / not stated		1	1
Total	100	103	203

Annex 5.4: Q1. Region

	Cambridge	South Staffs	Total sample
Correct supplier	100	103	203
Out of area	0	0	0
Total	100	103	203

Annex 5.5: Q2. Understand water and wastewater split

	Cambridge	South Staffs	Total sample
No	23	32	55
Yes	77	71	148
Total	100	103	203

Annex 5.6: Q3. Total Water and Sewerage bill

	Cambridge	South Staffs	Total sample
Less than £500 per year	53	45	98
£500 to £999 per year	24	21	45
£1,000 to £4,999 per year	14	22	36
£5,000 to £9,999 per year	4	3	7
£10,000 to £24,999 per year	3	4	7
£25,000 to £49,999 per year	0	2	2
£50,000 to £99,999 per year	1	4	5
£100,000 to £249,999 per year	0	0	0
£250,000 to £499,000 per year	0	0	0
More than £500,000 per year	1	2	3
Total	100	103	203

Annex 5.7: Q4. Total Water bill

	Cambridge	South Staffs	Total sample
Less than £250 per year	52	39	91
£250 to £499 per year	24	25	49
£500 to £999 per year	7	6	13
£1,000 to £4,999 per year	10	21	31
£5,000 to £9,999 per year	5	1	6
£10,000 to £24,999 per year	0	5	5
£25,000 to £49,999 per year	1	3	4
£50,000 to £99,999 per year	0	1	1
£100,000 to £249,999 per year	1	2	3
£250,000 to £499,000 per year	0	0	0
More than £500,000 per year	0	0	0
Total	100	103	203

Annex 5.8: Q5. Bill certainty

	Cambridge	South Staffs	Total sample
Very certain	46	39	85
Fairly certain	47	52	99
Not very certain	6	9	15
Very uncertain	1	3	4
Total	100	103	203

Annex 5.9: Q6. Views on current bill

	Cambridge	South Staffs	Total sample
Too little	2	1	3
About right	79	60	139
Slightly too much	17	25	42
Far too much	2	17	19
Total	100	103	203

Annex 5.10: Q7. Views on future bills and service

	Cambridge	South Staffs	Total sample
Bills decrease by a small amount and services deteriorate	2	4	6
Bills remain the same and service levels unchanged	65	72	137
Bills increase by a small amount and services improve	33	27	60
Total	100	103	203

Annex 5.11: Q8a. Uninformed Acceptability today's prices

	Cambridge	South Staffs	Total sample
Very acceptable	18	15	33
Acceptable	73	58	131
Unacceptable	5	17	22
Completely unacceptable	0	3	3
Don't know	4	10	14
Total	100	103	203

Annex 5.12: Q8b. Uninformed Acceptability future prices

	Cambridge	South Staffs	Total sample
Very acceptable	10	7	17
Acceptable	66	51	117
Unacceptable	19	32	51
Completely unacceptable	0	8	8
Don't know	5	5	10
Total	100	103	203

Annex 5.13: Q9. Reason unable to decide acceptability

	Cambridge	South Staffs	Total sample
I need more information before I can make a decision	2	0	2
Water companies and the Government should decide - customer should not be asked about this	1	1	2
This is not important to me	0	0	0
I have not thought enough about water and sewerage services to answer the question	2	3	5
Don't know	0	1	1
Total	5	5	10

Annex 5.14: Q.10a Providing drinking water that is safe and pleasant to drink

	Cambridge	South Staffs	Total sample
Very important	87	95	182
Fairly important	9	5	14
Neither important / unimportant	2	0	2
Fairly unimportant	1	0	1
Not important at all	1	2	3
Total	100	103	203

Annex 5.15: Q.10b Providing a reliable and continuous supply of water from the tap

	Cambridge	South Staffs	Total sample
Very important	88	88	176
Fairly important	9	11	20
Neither important / unimportant	1	1	2
Fairly unimportant	1	0	1
Not important at all	1	2	3
Don't know	0	1	1
Total	100	103	203

Annex 5.16: Q.10c Maintaining the system of water pipes and water treatment works

	Cambridge	South Staffs	Total sample
Very important	78	80	158
Fairly important	18	17	35
Neither important / unimportant	2	1	3
Fairly unimportant	1	1	2
Not important at all	1	2	3
Don't know	0	2	2
Total	100	103	203

Annex 5.17: Q.10d Managing and protecting the water environment - including rivers and lakes - by taking water for drinking supplies in a responsible way

	Cambridge	South Staffs	Total sample
Very important	75	71	146
Fairly important	17	23	40
Neither important / unimportant	7	5	12
Fairly unimportant	0	1	1
Not important at all	1	1	2
Don't know	0	2	2
Total	100	103	203

Annex 5.18: Q.11 Overall satisfaction

	Cambridge	South Staffs	Total sample
Very satisfied	52	39	91
Fairly satisfied	46	54	100
Fairly dissatisfied	0	6	6
Very dissatisfied	0	2	2
Don't know	2	2	4
Total	100	103	203

Annex 5.19: Q.12 Reasons for satisfaction - reason 1

	Cambridge	South Staffs	Total sample
Drinking water supplies are reliable with very few interruptions	28	18	46
Impacts on the water environment (rivers, lakes, and coastal waters) are well-managed	3	4	7
It is good value for money	3	3	6
Not experienced any problems with water services	44	45	89
Other (please specify)		2	2
Tap water is good quality and pleasant to drink	11	15	26
Your water company deals with customer queries or complaints efficiently	9	4	13
Don't know		2	2
Total	98	93	191

Annex 5.20: Q.12 Reasons for satisfaction - reason 2

	Cambridge	South Staffs	Total sample
Drinking water supplies are reliable with very few interruptions	26	33	59
Impacts on the water environment (rivers, lakes, and coastal waters) are well-managed	9	6	15
It is good value for money	9	9	18
Not experienced any problems with water services	22	18	40
Other (please specify)	0	0	0
Tap water is good quality and pleasant to drink	21	16	37
Your water company deals with customer queries or complaints efficiently	9	9	18
Don't know	2	2	4
Total	98	93	191

Annex 5.21: Q.13 Reasons for dissatisfaction - reason 1

	Cambridge	South Staffs	Total sample
Have experienced problems with water supply	0	0	0
Drinking water supplies are not reliable and there are too many interruptions	0	0	0
Tap water is unpleasant to drink	0	0	0
Impacts on the water environment (rivers, lakes) are not well-managed	0	0	0
It is poor value for money	0	1	1
Your water company does not deal with customer queries and complaints effectively	0	3	3
Don't know	0	0	0
Other	0	4	4
Total	0	8	8

Annex 5.22: Q.13 Reasons for dissatisfaction - reason 2

	Cambridge	South Staffs	Total sample
Have experienced problems with water supply	0	0	0
Drinking water supplies are not reliable and there are too many interruptions	0	0	0
Tap water is unpleasant to drink	0	1	1
Impacts on the water environment (rivers, lakes) are not well-managed	0	0	0
It is poor value for money	0	3	3
Your water company does not deal with customer queries and complaints effectively	0	0	0
Don't know	0	3	3
Other	0	1	1
Total	0	8	8

Annex 5.23: Q.14a Experienced in the last 5 years

	Cambridge	South Staffs	Total sample
The taste and smell of tap water that is less than ideal	12	15	27
An interruptions to your water supply	16	17	33
Restrictions on your water use during periods of drought (e.g. hosepipe bans)	16	3	19
Hard tap water (e.g. scaling of kettles and other appliances)	55	32	87
Noise, disruption and inconvenience	5	11	16

from water company repairs (e.g. traffic, dust, etc.)			
Discoloured or cloudy appearance of tap water	14	21	35
The provision of information on water efficiency	12	5	17
A leaking water main	16	14	30
Sharing your water supply pipe with your neighbour	4	3	7
Low river water levels	6	4	10
Low water pressure at your tap	11	10	21
Flooding inside your property due to water company operations (i.e. a burst pipe under the road)	0	4	4
Other	2	4	6

Annex 5.24: Q.14b Contacted supplier

	Cambridge	South Staffs	Total sample
The taste and smell of tap water that is less than ideal	1	4	6
An interruptions to your water supply	10	4	14
Restrictions on your water use during periods of drought (e.g. hosepipe bans)	1	0	1
Hard tap water (e.g. scaling of kettles and other appliances)	1	2	3
Noise, disruption and inconvenience from water company repairs (e.g. traffic, dust, etc.)	2	3	5
Discoloured or cloudy appearance of tap water	14	21	35
The provision of information on water efficiency	2	0	2
A leaking water main	12	7	19
Sharing your water supply pipe with your neighbour	1	2	3
Low river water levels	0	0	0
Low water pressure at your tap	2	1	3
Flooding inside your property due to water company operations (i.e. a burst pipe under the road)	0	4	4
Other	1	4	5

Annex 5.25: Q.15 Fair customer bills and enhanced customer service

	Cambridge	South Staffs	Total sample
Agree with proposed change AND impact on bills is acceptable	55	45	100
Agree with proposed change BUT impact on bills is NOT acceptable	31	40	71
Do not agree with proposed change	8	8	16
Don't know	6	10	16
Total	100	103	203

Annex 5.26: Q.16 Meeting water quality standards

	Cambridge	South Staffs	Total sample
Agree with proposed change AND impact on bills is acceptable	63	42	105
Agree with proposed change BUT impact on bills is NOT acceptable	25	44	69
Do not agree with proposed change	5	8	13
Don't know	7	9	16
Total	100	103	203

Annex 5.27: Q.17a Providing sufficient supplies

	Cambridge	South Staffs	Total sample
Agree with proposed change AND impact on bills is acceptable	76	46	122
Agree with proposed change BUT impact on bills is NOT acceptable	14	40	54
Do not agree with proposed change	4	7	11
Don't know	6	10	16
Total	100	103	203

Annex 5.28: Q.17b Interruptions to supply - reliable supplies

	Cambridge	South Staffs	Total sample
Agree with proposed change AND impact on bills is acceptable	64	39	103
Agree with proposed change BUT impact on bills is NOT acceptable	24	46	70
Do not agree with proposed change	3	7	10
Don't know	9	11	20
Total	100	103	203

Annex 5.29: Q.18a Enhanced metering

	Cambridge	South Staffs	Total sample
Agree with proposed change AND impact on bills is acceptable	58	34	92
Agree with proposed change BUT impact on bills is NOT acceptable	21	42	63
Do not agree with proposed change	14	14	28
Don't know	7	13	20
Total	100	103	203

Annex 5.30: Q.20b Improving rivers and the environment

	Cambridge	South Staffs	Total sample
Agree with proposed change AND impact on bills is acceptable	65	47	112
Agree with proposed change BUT impact on bills is NOT acceptable	21	33	54
Do not agree with proposed change	5	9	14
Don't know	9	14	23
Total	100	103	203

Annex 5.31: Q.19a Informed acceptability today's prices

	Cambridge	South Staffs	Total sample
Very acceptable	20	10	30
Acceptable	67	65	132
Unacceptable	9	18	27
Completely unacceptable	0	2	2
Don't know	4	8	12
Total	100	103	203

Annex 5.32: Q.19b Informed acceptability future prices

	Cambridge	South Staffs	Total sample
Very acceptable	14	6	20
Acceptable	63	47	110
Unacceptable	16	37	53
Completely unacceptable	1	6	7
Don't know	6	7	13
Total	100	103	203

Annex 5.33: Q.20a main reason why you think the proposed plan is acceptable

	Cambridge	South Staffs	Total sample
All customers will benefit from the improvements	9	2	11
I am happy to pay the proposed bill amount	4	5	9
I will have to pay the bill anyway	7	9	16
It will improve the environment in the region	7	4	11
My organisation will benefit from the proposed improvements	1	2	3
Other (please specify)	0	1	1
The proposed bill amount is affordable	8	10	18
The proposed improvements are needed	11	9	20
The proposed improvements are worth the money	12	5	17
The proposed improvements represent good value for money	8	3	11
The proposed improvements will benefit future generations	10	3	13
Don't know	0	0	0
Total	77	53	130

Annex 5.34: Q.20b second reason why you think the proposed plan is acceptable

	Cambridge	South Staffs	Total sample
All customers will benefit from the improvements	16	6	22
I am happy to pay the proposed bill amount	6	2	8
I will have to pay the bill anyway	13	7	20
It will improve the environment in the region	6	7	13
My organisation will benefit from the proposed improvements	2	0	2
Other (please specify)	0	0	
The proposed bill amount is affordable	6	4	10
The proposed improvements are needed	9	6	15
The proposed improvements are worth the money	3	7	10
The proposed improvements represent good value for money	6	1	7
The proposed improvements will benefit future generations	8	13	21
Don't know	2	0	2
Total	77	53	130

Annex 5.35: Q.21a main reason why you think the proposed plan is not acceptable

	Cambridge	South Staffs	Total sample
Current service levels are good enough already	2	3	5
I do not believe the proposed improvements will be made	0	1	1
I object to paying higher water bills	2	5	7
I object to water companies being privatised	0	1	1
I would like the proposed improvements but my organisation cannot afford to pay	1	2	3
Improvements in one or two service areas are needed but not all of them	1	3	4
My current bill is already expensive enough	3	6	9
My organisation cannot afford to pay the proposed bill amount	1	0	1
My organisation will not benefit from the proposed improvements	2	2	4
Other (please specify)	0	1	1
The Government or council should pay	0	0	0
The improvements should be made without increasing customer bills	0	9	9
The proposed improvements are not worth the money	1	1	2
The water company is inefficient	0	0	0
The water company should pay	3	3	6
Water companies make enough profit as it is	1	6	7
Total	17	43	60

Annex 5.36: Q.21b second reason why you think the proposed plan is acceptable

	Cambridge	South Staffs	Total sample
Current service levels are good enough already	1	3	4
I do not believe the proposed improvements will be made	0	5	5
I object to paying higher water bills	1	1	2
I object to water companies being privatised	0	0	0
I would like the proposed improvements but my organisation cannot afford to pay	1	0	1
Improvements in one or two service areas are needed but not all of them	0	1	1
My current bill is already expensive enough	3	7	10

My organisation cannot afford to pay the proposed bill amount	2	3	5
My organisation will not benefit from the proposed improvements	1	5	6
Other (please specify)	2	0	2
The Government or council should pay	0	1	1
The improvements should be made without increasing customer bills	3	5	8
The proposed improvements are not worth the money	0	0	0
The water company is inefficient	2	1	3
The water company should pay	0	5	5
Water companies make enough profit as it is	1	6	7
Total	17	43	60

Annex 5.37: Q.22 Why respondents could not decide on acceptability

	Cambridge	South Staffs	Total sample
I have not thought enough about water services to answer the question	2	1	3
I would like to know more about this before making a decision	1	3	4
Not enough information was provided on the proposed plan overall	2	0	2
Water companies and the Government should decide - customer should not be asked about this	1	0	1
Don't know	0	3	3
Total	6	7	13

Annex 5.38: Q.23 Value for money

	Cambridge	South Staffs	Total sample
Very good value for money	6	6	12
Good value for money	74	54	128
Poor value for money	9	20	29
Very poor value for money		5	5
Don't know	11	18	29
Total	100	103	203

Annex 5.39: Q.24 Investing the merger savings - 1st choice

	Cambridge	South Staffs	Total sample
Use money to help customers in poverty according to their need	12	9	21
Use money to repair the water supply pipes customers own	20	24	44
No change to the proposed plan - the efficiency savings are passed onto customers as lower bills	66	66	132
Don't know	1	2	3
Other reasons	1	2	3
Total	100	103	203

Annex 5.40: Q.24 Investing the merger savings - 2nd choice

	Cambridge	South Staffs	Total sample
Use money to help customers in poverty according to their need	24	28	52
Use money to repair the water supply pipes customers own	48	42	90
No change to the proposed plan - the efficiency savings are passed onto customers as lower bills	11	20	31
Don't know	16	12	28
Other reasons	1	1	2
Total	100	103	203

Annex 5.41: Q.25 Acceptability - Merger savings invested

	Cambridge	South Staffs	Total sample
Very acceptable	10	4	14
Acceptable	75	59	134
Unacceptable	9	26	35
Completely unacceptable		3	3
Don't know	6	11	17
Total	100	103	203

Annex 5.42: Q.26 Include a social tariff

	Cambridge	South Staffs	Total sample
Agree with proposed change AND impact on bills is acceptable	21	15	36
Agree with proposed change BUT impact on bills is NOT acceptable	33	41	74
Do not agree proposed change is needed	41	36	77
Don't know	5	11	16
Total	100	103	203

Annex 5.43: Q.27 Acceptability with social tariff

	Cambridge	South Staffs	Total sample
Very acceptable	3	3	6
Acceptable	51	34	85
Unacceptable	33	44	77
Completely unacceptable	8	12	20
Don't know	5	10	15
Total	100	103	203

Annex 5.44: Q.28a Improvements to plan: Fair bills and enhanced customer service

	Cambridge	South Staffs	Total sample
Happy with proposed level	86	82	168
Less investment	6	7	13
More investment	8	14	22
Total	100	103	203

Annex 5.45: Q.28b Improvements to plan: Meeting water quality standards

	Cambridge	South Staffs	Total sample
Happy with proposed level	72	76	148
Less investment	3	1	4
More investment	25	26	51
Total	100	103	203

Annex 5.46: Q.28c Improvements to plan: Providing sufficient supplies

	Cambridge	South Staffs	Total sample
Happy with proposed level	81	79	160
Less investment	3	5	8
More investment	16	19	35
Total	100	103	203

Annex 5.47: Q.28d Improvements to plan: Interruptions to supply - reliable supplies

	Cambridge	South Staffs	Total sample
Happy with proposed level	80	82	162
Less investment	2	3	5
More investment	18	18	36
Total	100	103	203

Annex 5.48: Q.28e Improvements to plan: Interruptions to supply - enhanced metering

	Cambridge	South Staffs	Total sample
Happy with proposed level	70	66	136
Less investment	17	19	36
More investment	13	18	31
Total	100	103	203

Annex 5.49: Q.28f Improvements to plan: Improving rivers and the environment

	Cambridge	South Staffs	Total sample
Happy with proposed level	60	66	126
Less investment	9	5	14
More investment	31	32	63
Total	100	103	203

Annex 5.50: Q.30 Bill profile

	Cambridge	South Staffs	Total sample
Option 1 - Bills increase in 2015 and then stay the same	13	18	31
Option 2 - bill increase steadily each year	58	49	107
Option 3 - bills change each year according to how much investment is needed	18	16	34
Don't know / Can't say	11	20	31
Total	100	103	203

Annex 5.51: Q.30 Acceptability with sewerage bill changes (-£3 to +£3)

	Cambridge	South Staffs	Total sample
Very acceptable	5	1	6
Acceptable	58	56	114
Unacceptable	22	27	49
Completely unacceptable	5	7	12
Don't know	10	12	22
Total	100	103	203

Annex 5.52: Q.31 View of survey

	Cambridge	South Staffs	Total sample
Interesting	31	38	69
Too long	35	40	75
Difficult to understand	11	11	22
Educational	15	8	23
Unrealistic/not credible	8	9	17
Other	13	11	24
None of these	3	3	6

Annex 6: The Treatment of Inflation in Customer Research

A6.1 Introduction

The note sets out ICS Consulting's view on the appropriate provision of information about inflation in Willingness to Pay (WTP) and Customer Acceptability Testing research.

When it comes to money, people typically think in nominal terms rather than real terms. By nominal we mean "pounds, schilling and pence" and this includes the impact of rising money prices (i.e. inflation). By real we mean the goods and services that money can buy: its purchasing power.

Providing information about inflation to respondents and how it may influence the level of future bills we believe is good practice. However, our experience on recent research projects has lead us to conclude that care is needed with how information on inflation is presented and used when framing choice questions.

Some information on inflation - particularly on future inflation - can help to contextualise the choices made by respondents and provide budget reminders. However overly focusing on inflationary pressures on future water bills can misinform respondents and distort the choices they make. This is, nominal changes in price (due to inflation) can influence choices about the level of service preferred by customers even if real prices have remained constant or even reduced.

A6.2 Industry experience and guidance

In this section we present the various views on the framing of money values in choice contexts as nominal or real in customer research.

Whilst most of the comments have been expressed in direct relation to customer willingness to pay studies, a common approach in all customer surveys is recommended and thus the comments are applicable to all forms of customer research.

A6.2.1 Stakeholder views

We are aware of some stakeholder views that bill information presented to respondents in water WTP or acceptability surveys should be explicit on the inclusion of inflationary increases. The clearest example is the CC Water paper entitled "*CCWater's expectations on water companies' testing of customer views on acceptability of their Business Plan for the 2014 Price Review*"; a view that has been echoed by the Customer Challenge Groups (CCG).

In other words, (some) money values should be expressed in nominal terms. The reason for this is clear - not all incomes have kept pace with inflation in recent years and thus inflationary rises may constitute real rises for some customers.

However, as we explain in the rest of this note, this nominal framing of money values is at odds with other industry guidance, and can have serious implications for the choices made by customers / respondents.

A6.2.2 UKWIR (2011)

The UKWIR (2011) guidance "Carrying out Willingness to Pay Surveys" includes reference to how inflation is described to respondents:

“The presentation of the bill attribute and levels should be clear about inflation and other reasons why bills might increase and to what extent, and should be clear about the long-term implications for bills of service choices for the current period”;

“A clear statement is needed on what will happen at the end of the 5-year period. This includes clarifying to respondents that the change in the annual bill will apply in future years, i.e., it will not drop back to the level it was prior to the service improvement, that future bills will also be higher because of inflation and may further increase for other reasons (e.g., to meet cost increases necessary to achieve statutory improvements not examined in the survey).”

“Respondents should be reminded of all potential financial constraints they could have on their budget throughout the period covered by the evaluation. Some practitioners advocate the use of a ‘Cheap Talk’ script; this needs to set out clearly all the financial considerations surrounding the water company proposals:

Remembering all the other things you may want to spend your money on...

The explanation could cover effects such as inflationary impacts and bill change to maintain any status quo.”

The guidance in UKWIR (2011) emphasising inflationary impacts as part of the ‘cheap talk script’ to respondents is uncontroversial and used by all industry practitioners (to our knowledge). It is less clear if the guidance was intended to be interpreted as defining bill amounts used in choice exercises as inclusive of inflation (nominal) or exclusive (real). Our understanding is that willingness to pay studies have generally been implemented using real prices, including the appropriate references to inflation.

A6.2.3 Academic peer reviews

A key part of PR14 customer research is the role of the academic peer reviewer. These are experts that comment and advise on issues of design methodology. We are aware that some peer reviewers have addressed how the issue of inflation in bills should be presented.

Expert peer reviews seen by ICS have sought to reject the presentation of bill amounts and bill changes in nominal money terms. The key reasons are twofold:

First, official H.M Treasury guidance for assessing the value of investment benefits rejects the use of nominal values. This is on the basis that inflation affects the prices of all goods and services in the economy and nominal values will not reflect the real opportunity / economic costs associated with competing uses of scarce resources. One peer reviewer commented that the researcher has two choices:

- Adhere to the H.M. Treasury guidelines and use real values; or
- Develop an approach which is superior to HM Treasury guidelines. This would be necessarily complex as it would include information about likely future changes in water bills, all other goods which respondents purchase, and wages/pensions.

Second, psychological factors such as anchoring means that presenting nominal changes for only some money values (e.g. water bills) and not all (other utility bills and household expenditures, incomes/wages/pensions, etc), means that demand for water services can be affected even if water prices relative to other expenses and incomes have not changed.

These arguments would argue for presenting money values in real rather than nominal terms in water customer research.

We note that peer reviews are predominantly in relation to WTP studies rather than acceptability studies but the underlying principles apply to all choices that involve trading off the value of investment against its impact on bills.

A6.2.4 Ofwat PR09

In PR09 Ofwat undertook an acceptability study on all the water companies draft plans. In presenting a summary of the plans to customers Ofwat took the approach of presenting values in real terms, but advising respondents that the bill effects did not include inflation. This note about inflation was repeated multiple times.

The wording included messages such as: *“Please bear in mind that all utility bills change over time due to inflation, and the costs shown here do not include inflation”*, and advice to interviewers that *“respondents may need to be reminded that all household bills will be subject to increases due to inflation, and in this research all price increases to bills exclude inflation.”*

Hence the approach in PR09 was a balanced approach with regular reminders and examples of inflation, but with bill impacts shown in real terms.

A6.3 The issue of money illusion and choice behaviour

A substantial body of economic and psychological literature supports the idea of a bias towards nominal terms thinking when making economic decisions. It is this bias, for example, that explains why a majority of people are more likely to regard a 2% nominal pay cut when price inflation is zero as worse than a 2% nominal pay increase with 4% price inflation. In real or purchasing power terms these situations are identical (Shafir et al 1997¹).

This bias towards nominal monetary values is termed ‘money illusion’. Evidence also provided in Shafir et al (1997) supports the idea that people can make economic choices and decisions in either *real* or *nominal* terms. The issue arises when there is a mix of real and monetary representations of value, which creates money illusion and a bias towards evaluating purchasing decisions in nominal terms.

In other words, how a choice or decision is framed can influence the choice or decision that is made.

We illustrate this below in an example.

A6.3.1 Example

To make this idea of nominal price bias through money illusion more concrete consider the following stylised and simplified “acceptability” choice for a water customer.

¹Shafir, E., P. Diamond and A. Tversky (1997), Money Illusion. The Quarterly Journal of Economics, 112 (2): 341-37

Choice Context

A water company is offering to improve its current service by 10% by the end of the next five year period. At today's prices this improvement can be offered at a cost of £50 by the end of the five year period. The 10% improvement in service is not guaranteed, but some level of improvement is. Inflation of 10% is also expected over this period and this will increase the actual money price paid. The increase due to inflation is not certain but is expected to be in the range 5% to 15%.

Choice framed in real terms

The customer is presented today with the following two options:

Option A: *You can accept this plan today for a fixed price of £50. This is the price you would pay excluding inflation. Your level of satisfaction at the end of the period with the service will depend on whether the company delivers more or less improvement than planned.*

Option B: *You can accept an improvement and its price at the end of the 5 year period. If more is delivered the price will be £60 excluding inflation, if less is delivered the price will be £40 excluding inflation.*

Based on findings in Shafir et al (1997), a majority of risk-averse customers would opt for Option B. This is the option that is riskless in real terms. You pay a certain real price for a certain real service improvement.

Choice framed in nominal terms

The customer is presented today with the following two options:

Option C: *You agree to accept this plan for a fixed price in the future of £55 (£50 adjusted for expected inflation). You will pay this price irrespective of the improvement delivered and the actual level of inflation by the end of the period.*

Option D: *You can accept an improvement and its price at the end of the 5 year period. If more is delivered the price will be £66, more than this if inflation exceeds 10% and less if inflation is less than 10%. If the service improvement is less than promised the price will be £44, and more than this if inflation exceeds 10% and less if inflation is less than 10%.*

Again based on findings from Shafir et al (1997), Option C is now more likely to be chosen by risk-averse customers. This reflects the tendency to choose the nominally riskless option, which is Option C. By framing in nominal terms, customers actually choose to accept real risks (paying a certain nominal price for an uncertain real improvement).

In this example the choice to customers has not changed, but simply how this has been presented can lead to a change in the choice made.

These examples serve only to illustrate that choice behavior is not invariant to the presentation of monetary values in real or nominal terms. Therefore how the choices are presented needs to be informative without being misleading and resulting in bias.

Willingness to pay and acceptability research are attempts to determine the economic value to customers of real changes to the services they receive. Evaluation of the trade-offs faced by customers ideally requires costs (the prices paid) and benefits (the services received) to be

compared in real terms. Underlying this is the idea of money interpreted in terms of purchasing power.

Evidence, also suggests, however that customers are more familiar and comfortable with values and prices expressed in terms of nominal units (i.e. actual pounds and pence rather than the benefits money can buy). Recognising that nominal presentations of money values can result in 'money illusion' and encourage customers to make choices inconsistent with real benefits and risks means that caution is required when framing options and choices in nominal terms.

A6.4 Conclusions and recommendations

The above considerations reinforce the following conclusions:

- When the purpose of research is to understand the money value or benefit to customers of alternative or competing options for real service levels (whether as a package or for individual areas of service), then water bills ought to be presented and framed in real not nominal terms. If there are some money values that are changing in real terms (maybe in general wages are rising by less than inflation) then explicit reminders of such information is useful.
- It is recognised that it can be easier for some customers to interpret money values in nominal rather than real terms. Given money illusion can occur, care is needed to understand how the framing of options on bills and service can influence the choices observed. The use of nominal or real values is appropriate, but mixing nominal and real values together can be misleading.
- It is appropriate to include reference to inflationary impacts and inflation rates as part of providing respondents with reminders about their current and future budgets. This may include examples, such as how much a given bill may be expected to rise in the future with forecast inflation rates. However it needs to be clear that inflation is a forecast only and that other money values (other bills and incomes) are also forecast to change over time.

Annex 7: Prospects of real growth in household incomes

A7.1 Introduction

In this Annex we document evidence on real household income growth - both historical and forecast. This is relevant to our findings in Section 3.7 on overall acceptability and specifically the interpretation of our findings on acceptability of real terms bill increases versus acceptability nominal terms bill increases.

A7.2 Recent and historical evidence on real household incomes

In section 3.7 we suggested that recent experience is more likely to shape customer perceptions about their budgetary constraints over the next few years. Moreover, evidence and experience of economic recovery will carry more weight than Government forecasts. Respondent expectations about future income prospects may therefore be more weighted towards recent economic circumstances rather than current future projections.

To test these views we have examined recent data published by the Office of National Statistics (July, 2013)².

The ONS data shows that many people across the income distributions have experienced a decline in real disposable income since the beginning of the recession. Although this data does not contain the last couple of years the ONS have also stated that real household disposable incomes have on average been flat since the end of 2009.³ If respondents based their answers on their experience in recent years then we would expect to see changes from across the income distribution.

The ONS data (July 2013) divides households into groups of 20% from the poorest 20% to the richest 20%. The data shows that over the long run trends in growth of real disposable income are positive across all household groups. Excluding periods of recession the only decline in real disposable income is for the 20% lowest income households between 2003 and 2007. More detailed analysis by The Poverty Site⁴ that shows that over the decade preceding 2009 only the poorest 10% of the population have seen falls in real household disposable income:

“Over the last decade, the poorest tenth of the population have, on average, seen a fall in their 'real' incomes after deducting housing costs. In other words, after adjusting for inflation, their incomes are, on average, slightly lower than a decade ago. This is in sharp contrast with the rest of the income distribution, which, on average, has seen substantial rises in their real incomes.

The richest tenth of the population have seen much bigger proportional rises in their incomes than any other group.

²<http://www.ons.gov.uk/ons/rel/household-income/the-effects-of-taxes-and-benefits-on-household-income/2011-2012/etb-stats-bulletin-2011-12.html#tab-Longer-term-trends-in-household-income>

³<http://www.ons.gov.uk/ons/rel/elmr/economic-review/november-2013/art-novemberer.html>

⁴ <http://www.poverty.org.uk/09/index.shtml#g1>

Except for those in the top and bottom tenths of the income distribution, households with below-average incomes have, on average, enjoyed bigger proportional increases over the last decade than households with above-average incomes.”

Based on this we can conclude that historically the majority of households do not differ from the average but the bottom 10% tend to deviate from the average. Relating this to the survey 18 respondents (2.1% of the total sample) that switched fall into this category (incomes < £10k) and 48 respondents (5.7% of the total sample) that switched fall into the socio-economic group DE (a proxy for low income). These percentages could be deducted from the 82% result to understand a more rounded picture of acceptability.

A7.3 Forecasts for real household incomes

We have referred to recent future forecasts that have been published by the Government. The H.M Treasury October 2013 edition of ‘Forecasts for the UK economy: a comparison of independent forecasts’ provides 19 and 17 independent estimates of real disposable income for 2013 and 2014. The median (most common) forecasts for real household disposable income are 0.3% in 2013 and 1.4% in 2014. This means we can expect that on average real incomes will increase from 2014.⁵

A challenge from the Customer Challenge Group has been that this data is based on the average real incomes and does not cover the period from 2015-2020.

At the time of writing this report the Office of Budget responsibility are predicting a return to long run trends by 2015. The ONS in their November 2013 economic review have also stated that the relationship between real household disposable income and economic growth (in terms of GDP) since 2009 is broadly similar to previous recessions and recoveries.

These forecasts take account of more recent economic conditions than previous work undertaken on household income prospects up to 2020. For example, the table below presents forecasts prepared for the Commission on Living Standards and reported in 2012.⁶

These forecasts are limited to the non-pensioner population and under the central case scenario suggested constant or growing real income growth for middle and high earners. Low income earners were forecast to experience real income reductions (implying below inflation wage increases). These forecasts were heavily dependent on assumptions about labour market conditions and took account of planned Government changes to benefits.

⁵ These assessments are likely to be based on estimates of inflation relevant to the specific group of society reflecting that inflation varies across the population.

⁶ The Commission on Living Standards was an independent and wide ranging investigation into the pressures facing those on low to middle incomes. The Commission ran from February 2011 to October 2012 and brought together a range of leading employers, trade unionists, economists and the heads of parent networks. The Commission’s work was hosted by the Resolution Foundation - a think tank working to improve the lives of low to middle income households.

Table 53: UK estimates for average annual % growth in real household incomes to 2020

	Scenario		
	Pessimistic	Central Case	Optimistic
Income Band	Wage growth skewed to higher earners		Broad based wage growth
Low (15th percentile)	-1.3	-1	-0.8
Middle (50th percentile)	-0.25	0	0.3
High (85th percentile)	0.7	0.55	0.3

Notes: Average annual real growth in net household income among non-pensioner population in the UK between 2011-12 and 2020-21 under baseline scenario and rising and falling wage inequality, real terms (2008-09 prices).

Source: http://www.resolutionfoundation.org/media/media/downloads/Gaining_from_growth_-_The_final_report_of_the_Commission_on_Living_Standards.pdf

Document Control

Version History

Version	Date	Comments
1.0	14/10/2013	Draft issued to South Staffs Water
2.0	29/10/13	Amended report issued
3.0	25/11/13	Updated following final CCG Meeting

Distribution

Version	Owner	Proof read by	Issued to
1.0	Amanda Borrmann	Lisa Gahan	Barbara Julye
2.0	Amanda Borrmann	-	Barbara Julye
3.0	Amanda Borrmann	Lisa Gahan	Barbara Julye