

# PR24 Longitudinal Engagement

---

Prepared for Welsh Water

April 2023



# Agenda

1. Research approach and key insights
2. Reconnecting with our customers
3. Proposed plan – service enhancements
4. Proposed plan – performance commitments
5. Bill impact, affordability and phasing
6. Least cost must do plan
7. Supporting vulnerable customers
8. Conclusions



# Longitudinal engagement to ensure DCWW maintains a customer perspective at the heart of PR24 planning

- Building PR24 business plans outward from a customer perspective
- Providing ongoing context to PR24 during challenging socio-economic times
- Maintaining open dialogue with customers throughout PR24 cycle
- Reviewing assumptions, hypotheses and asking the key questions as they arise
- Collating a more informed customer viewpoint to deliver better insight

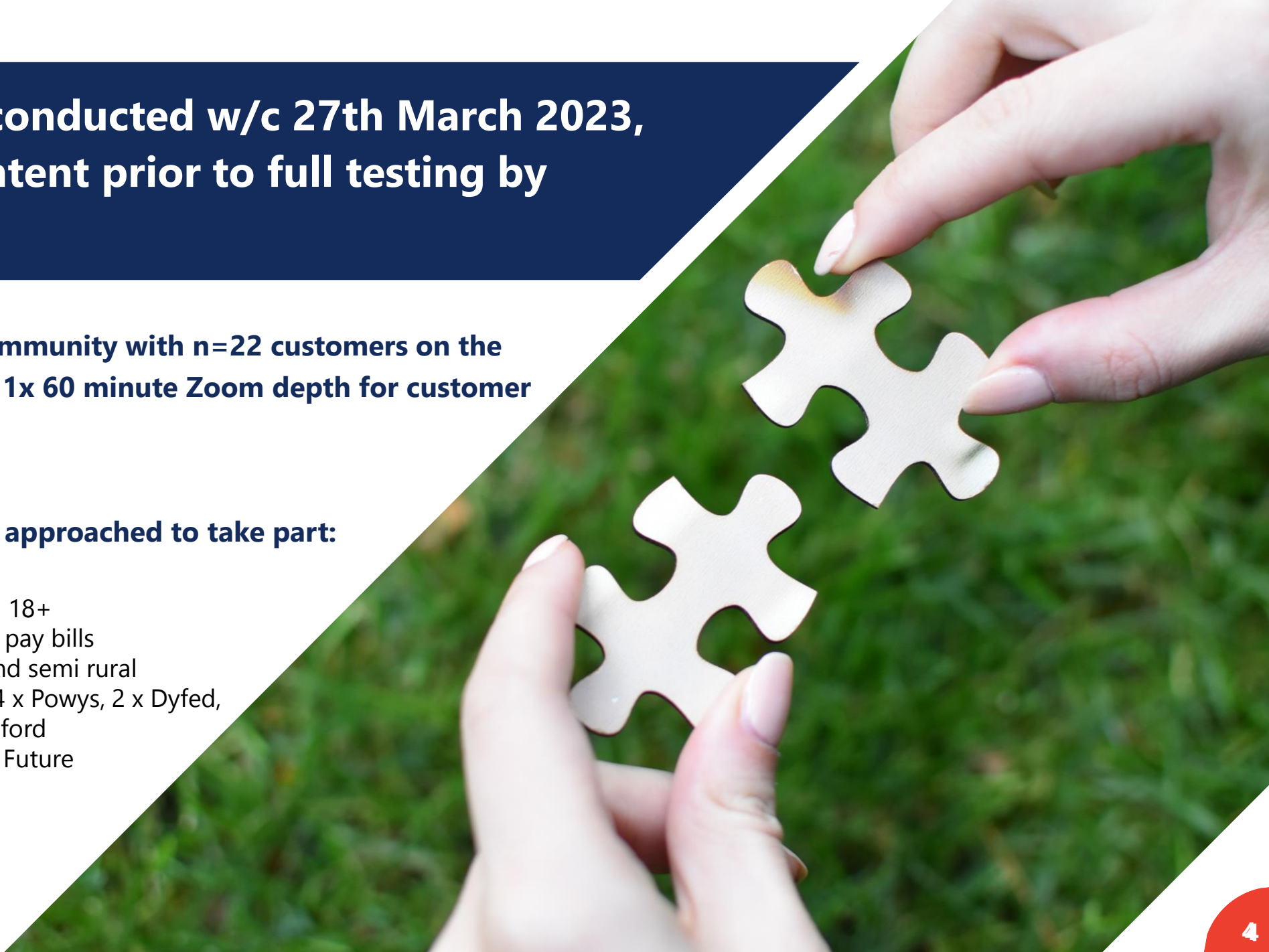


# Online community conducted w/c 27th March 2023, exploring A&AT content prior to full testing by Accent

**120 minute 7-day online community with n=22 customers on the Incling research platform + 1x 60 minute Zoom depth for customer with processing difficulties**

**n=22 completes from n=26 approached to take part:**

- Mix of gender and life stage, all 18+
- Included some who struggle to pay bills
- Mix of urban, suburban, rural and semi rural
- Location: 3 x Clwyd/Gwynedd, 4 x Powys, 2 x Dyfed, 6 x Glamorgan/Gwent, 4 x Hereford
- Also included n=3 alumni from Future Generations, Wales



# Key insights emerging

1

There is clear **overall support for the Proposed Plan** from this small group of informed customers. It feels comprehensive and well rounded in it's coverage and **addresses the core issues that these customers have consistently highlighted as their priorities** and areas of concern – such as leakage, infrastructure improvements, climate change, CSOs.

2

**Most of these informed customers feel that the Proposed Plan is affordable**, sometimes more so than expected considering it's coverage. However, there are **some with genuine affordability concerns stemming from the cost of living crisis**, and we must work hard to ensure they are aware of support available.

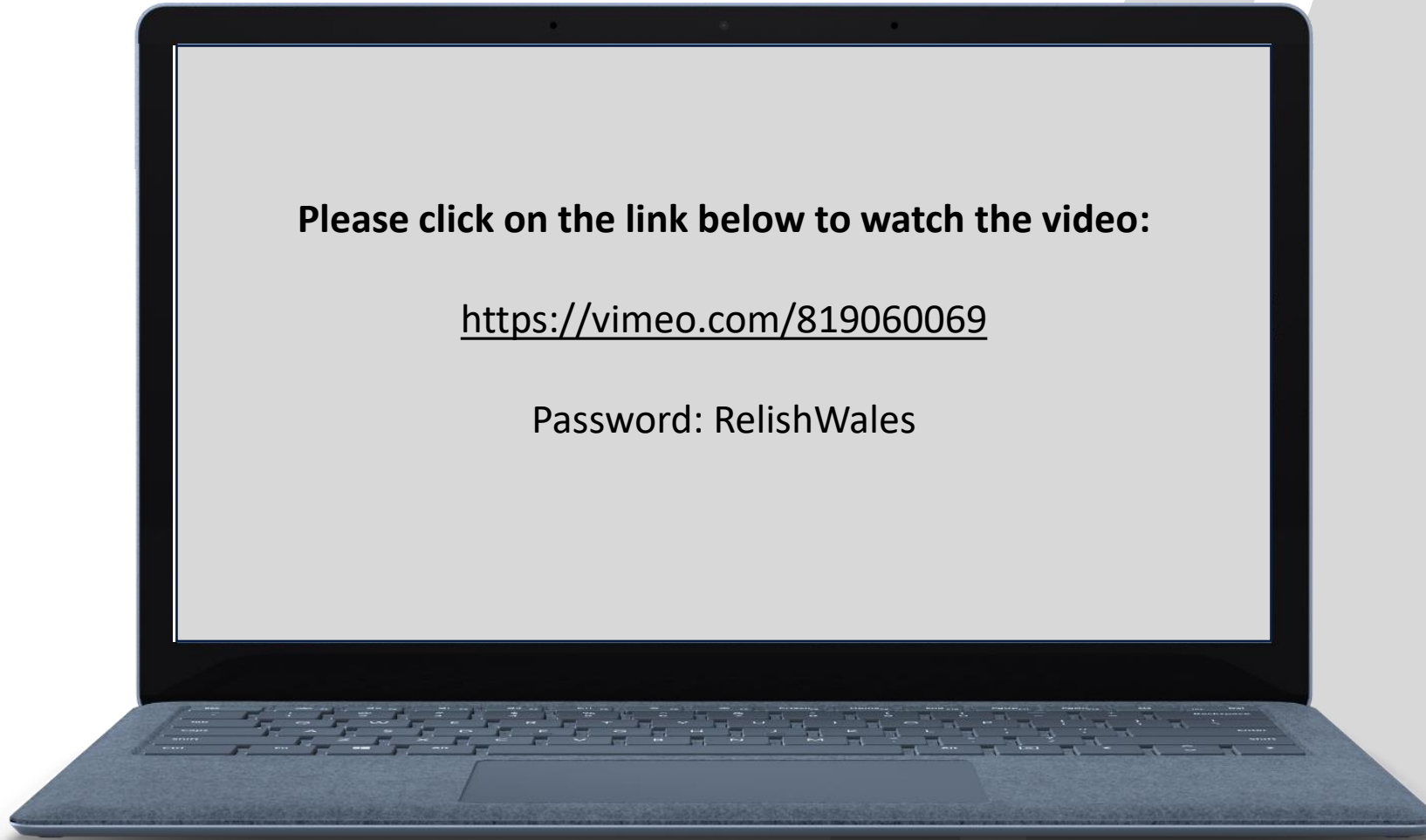
3

The consensus is that the **level of ambition in the Proposed Plan is broadly right**, although customers do think we could **go further on reducing pollution incidents sooner**, and could **dial back lead pipe replacement work** that they see as householders' own responsibility.

4

The **Proposed Plan is preferred to the Least Cost Plan** by all but those most impacted by bill increases. The trade-off does not work – too little bill reduction for a too big a reduction in necessary work. These informed customers also **reject phasing for water quality** on the basis that it is unfair to future generations.

## In our customers' own words:

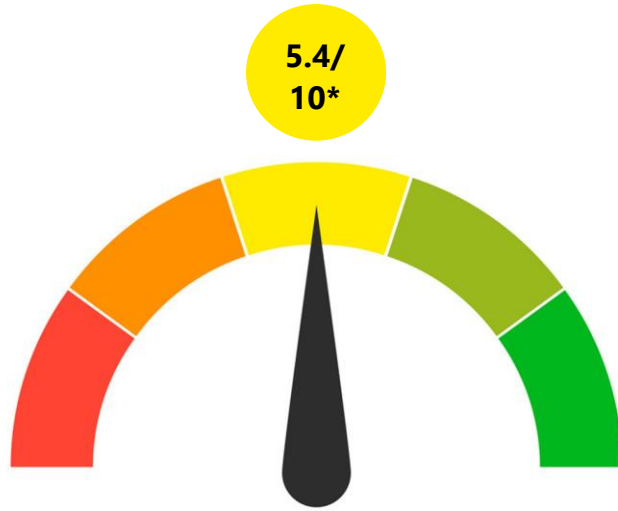






**RECONNECTING WITH OUR CUSTOMERS**

# Fairly neutral feelings towards Welsh Water amongst these customers, with many feeling neither particularly positive nor negative



*I am indifferent, I don't really get exposed to what Welsh Water does. I have had limited dealings with them, I set up a direct debit with them for a new house.*

*I never have any issues with Welsh Water, I occasionally receive notifications about work in the area but nothing that has affected our home.*

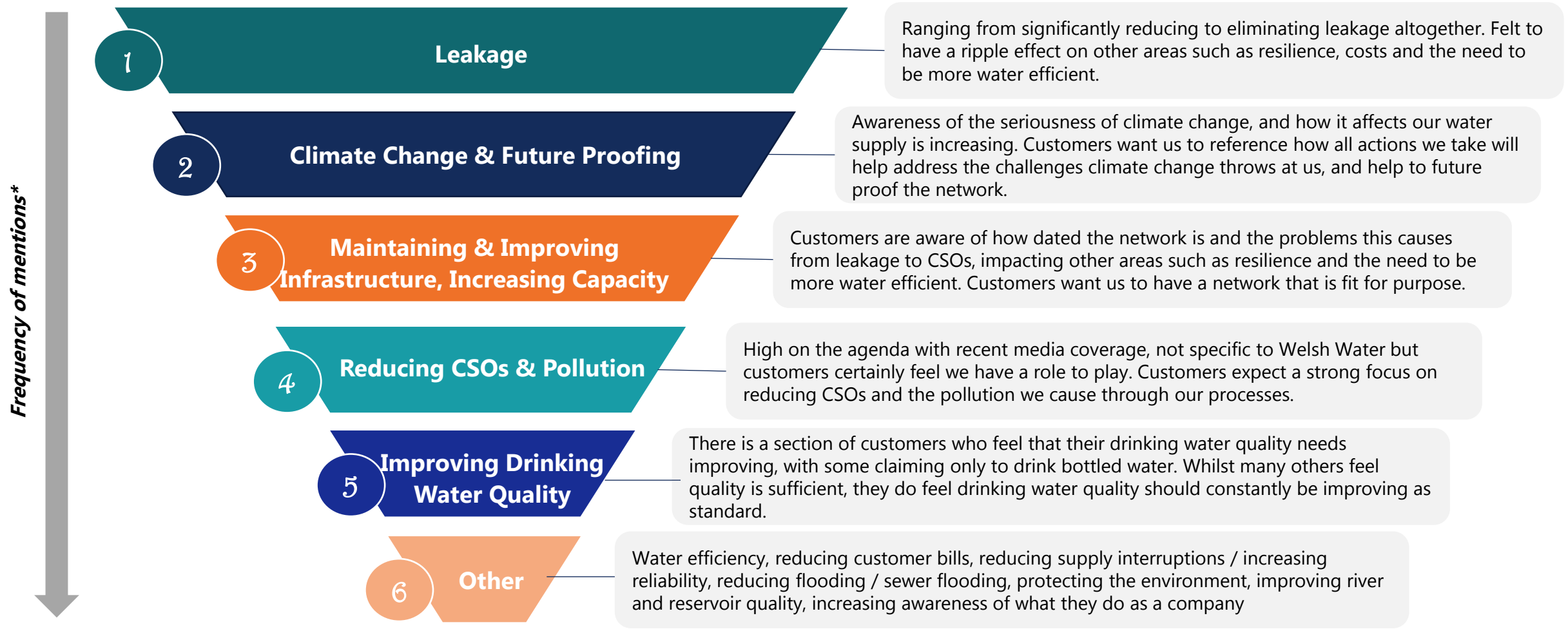
*We have found Welsh Water to be very responsive and helpful. They have always kept us informed about any damaged pipes or spills. They're non profit, so we can't really complain much.*

*I have been dismayed at the Industry and Welsh Water being a big culprit in dumping waste and untreated poo in our rivers and Coast waters. I watch a T.V programme on this very issue recently they were exposed along with a number of other large companies.*

- Many have had very little recent interaction with Welsh Water and as such feel relatively neutral
- ✓ Those who are more aware of the 'not for profit' status feel more positively, finding it harder to justify complaining or feeling negative, especially when compared to the negativity they see and hear about other water companies
- ✓ Those who have experienced work taking place in their local area and as such have received updates from Welsh Water also feel more positive, seeing them as a proactive company that keeps its customers up to date
- ! Some do feel negative stemming from recent media coverage around CSO's and pollution, however, this feeling is not specific to Welsh Water alone



# As as a focus for improvements and investment, addressing leakage and adapting to climate change continue to be high on our customers' agenda



*\*Number of mentions and order of core areas based on qualitative sample of 22 only and not robust quantitative measurement*

# Customers are increasingly concerned about their finances, but still see water bills as relatively good value for money

- Since the previous wave of research, our customers are feeling that their financial circumstances are worsening
  - Increased sense of stress/worry, with some assessing their budgets on a weekly basis
  - This is a situation many are pessimistic about, seeing it only getting worse in the short term, not better
  - When it comes to their water bill, this is lower down the list of concerns, with many feeling it is 'cheap' in comparison to other bills
  - An awareness that Welsh Water is a 'not for profit' company can enhance this perception, reassuring customers that bill amounts are justified
- ! However, in the context of all other outgoings increasing, any bill increases from Welsh Water may be difficult to take, despite this perception of value

*Everything has gone up, I feel it with the price of food the most at the moment, but this month we are due to get all of the increased household bills it makes me quite anxious worrying about if we will be able to afford the cost of living increases.*

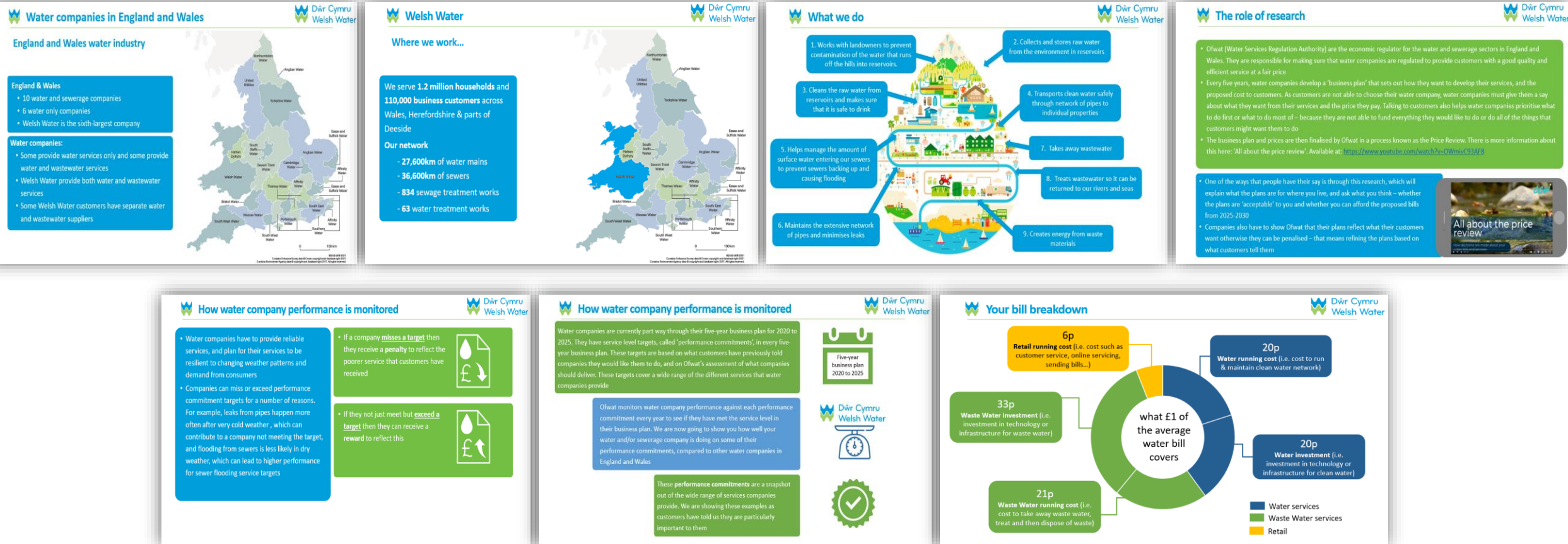
*I think that for the next 5 years I will have to continuously reconsider my living expenses as prices change monthly, and even weekly. The world is more unstable and the strains on family finances will only increase over the next 5 years.*

*I still feel, especially when you see massive profits from energy suppliers, that the water bill is great value for money. Now knowing what the money goes towards and all the ways the money is used I think it's proportionate.*

*I feel that Welsh Water do a pretty good job at providing services in the current financial and social climate, and the fact they are Non Profit shows they are looking after the interests of the customers above profit margins.*

# Stimulus shown:

Background to Welsh Water and the PR24 business planning process:



# Customers see a lot of positives from the pre-read info, including on ODIs, how their bill breaks down and some of DCWW's work with landowners

## NEW LEARNINGS:

- **ODIs and monitoring provides reassurance:** Customers feel that this will keep Welsh Water on the right path and working in the best interests of customers and the planet.
- **Bill breakdown increases a sense of VFM:** Increases appreciation of all the work that Welsh Water does and how they contribute as customers, shows customers money is being used wisely...
- ... although greater clarification is needed as to why wastewater takes up such a large proportion.
- **Understanding area of coverage reinforces the challenge:** Although assumes Welsh Water would cover all/most of Wales, learning about the size vs. other water companies further brings customers on side to the scale of challenges faced and need for investment.
- **However, learning how services are split out can raise concern over investment:** Some worry over how willing single service customers will be to have bill increases, will dual service pick up the tab?
- **Working with landowners feels well rounded:** Showing broader work positions Welsh Water as future thinking, showing we understand the full picture.

*I think that the idea that if they miss a target then they receive a penalty to reflect the poorer service. I'm pleased that there is oversight, I didn't realise that every 5 years companies have to produce a business plan. Increases my faith in the system.*

*Good to see the break down of what £1 of your bill is. It surprises me a little that more money is put into the wastewater than the clean water. I know all the wastewater has to go through processes but I didn't expect the cost to be quite as high*

*I didn't realise that Welsh Water doesn't provide all the services for all customers in Wales, and that you cover parts of England as well.*

*I was quite surprised that Welsh Water is the sixth largest company in UK and provide both waste water and water services, however that not all customers receive both services. Some may not want to invest as much overall, as they won't be directly benefitting from future benefits.*

*I think from a climate angle seeing you work with landowners to prevent contamination of the water that runs off the hills into reservoirs is great and how all the steps interact to ensure safe, clean water. surprised to see that this is monitored on a yearly basis with both penalties and rewards.*



# Longer term plan is welcomed for it's ambition and rounded focus, though customers acknowledge factors beyond DCWW control

Long Term Picture	
Four key long-term challenges	A selection of long-term ambitions to 2050
1. Growing risk of increased contaminants in water supplies, such as pharmaceuticals, microplastics, or chemicals (harmless) that cause discoloured tap water	1. Welsh Water will be one of the top 4 water companies for tap water quality and maintain compliance levels
2. More frequent drought conditions expected, causing problems in maintaining supplies to all customers	2. Welsh Water will replace lead supply pipes for 100,000 households, for free (these pipes are on customers property and usually customers have to pay for replacement of these as they own them)
3. Heavy rainstorms expected to become more severe and more frequent, creating capacity problems in sewer network (which also carries rainwater). Need to upgrade sewer network	3. Welsh Water will reduce leakage by 57%
4. Growing threats to critical infrastructure, such as cyberattacks, creating a need to provide more resilience (such as backup supplies)	4. Welsh Water will reduce household water use by 25%
	5. Welsh Water will eliminate all significant environmental harm caused by use of Combined Storm Overflows
	6. Welsh Water will improve ecological status of more than 1,500km of rivers
	7. Welsh Water will reduce total water supply interruptions from an average of 5 minutes per household (in 2025) to 2 minutes per household by 2050

Welsh Water estimates that bills are likely to need to go up gradually over the long-term (around 3-5% a year) to pay for the investment needed to meet these (and other) challenges and deliver these outcomes.

- ✓ The challenges outlined chime well with the concerns that our customers have and as such, feels well rounded
- ✓ Actions and targets are felt to address these challenges well and again address a number of our customers key concerns
- ✓ Given the 25 year timescale, targets feel ambitious but achievable overall

! Where this differs is when success depends upon:

- ! The direction climate change takes
  - ! Changing customer behavior around water usage
- } Out of DCWW control

! More information is desired around being one of the top 4 companies for water quality – how will this be achieved? How important is this?

*I love the environmental focus, and like that its improving reliability for the customer, and focusing on building more resilient infrastructure.*

*I agree with the long-term challenge of pharmaceuticals and chemicals in the water. With society becoming increasingly reliant on using different lotions and potions, chemicals to grow plants and fertilise etc its inevitable that more chemicals will sneak into the water.*

*I think Welsh Water setting weather based goals and objectives, even in a longer time period is very ambitious as we cannot control the weather and have no idea what drastic changes could happen within the next 5/10 years.*

*I think these goals are just right as they are pretty realistic to do in the next 25 years. Even though that feels so far away its understandable that these things take time especially when more challenges come up.*

# Looking at the longer term plan through different lenses helps customers understand wider considerations, but also heightens bill impact concerns

## SOCIETY

*National and local government, organisations and interest groups and environment*

Pleased that Welsh Water are considering broader society and the environment.

However, there are worries around how **achievable targets are in the context of climate change**. Long term sustainability becomes more of a focus.

## CITIZEN

*People who live in an area served by Welsh Water*

As a citizen, our customers have the impression of Welsh Water as a proactive company that is constantly looking to improve its services and the country.

However, citizens would like to see **more considerations for businesses/industrial water users**.

## SERVICE USER

*People who use Welsh Water services*

As a service user, the focus shifts more to areas high on customers' agenda, such as leakage and pipework.

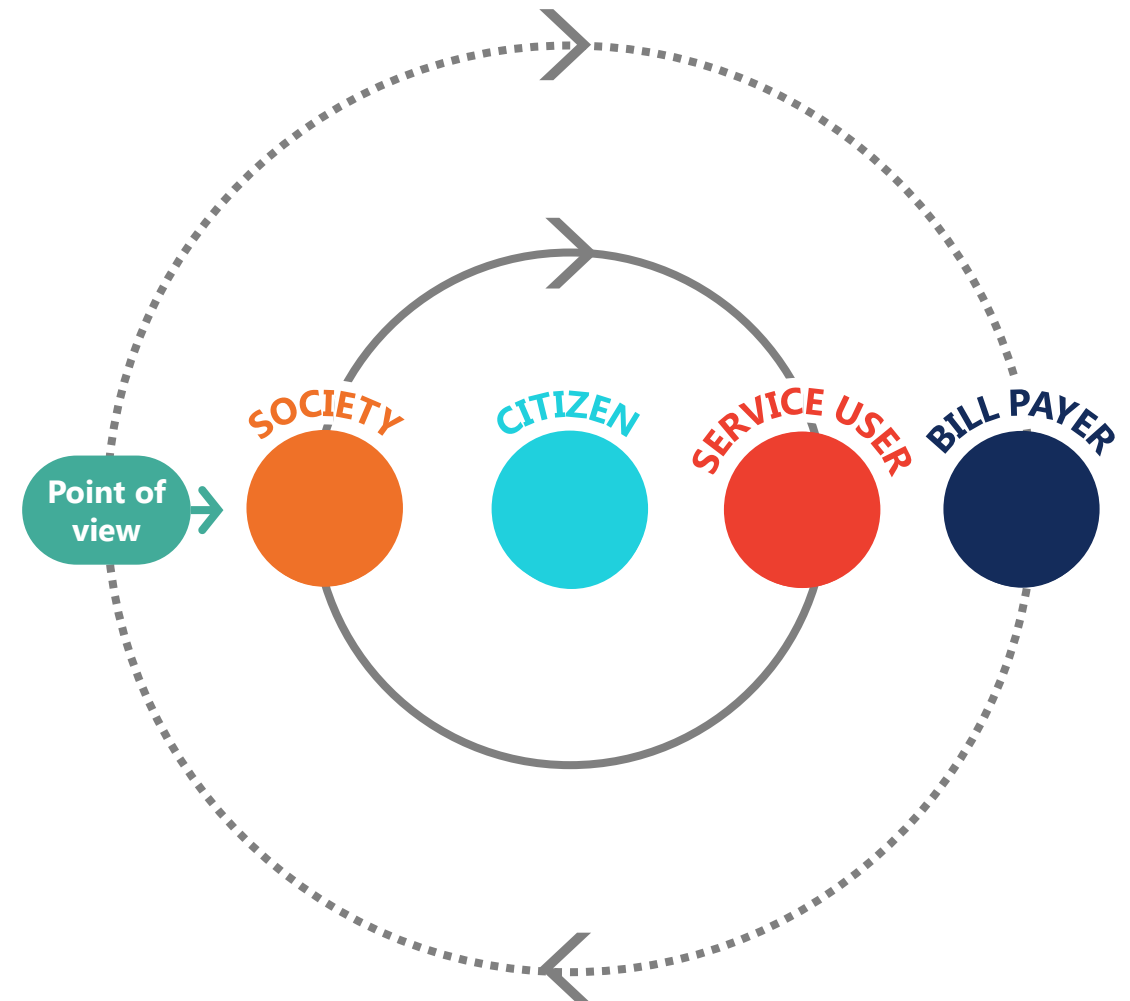
Customers are pleased to see a target of 57% reduction, and feel this is **essential if they are also being asked to be more water efficient**.

## BILL PAYER

*People who pay a bill to Welsh Water*

As a bill payer there is an understanding that we need to invest and soon, however, there are concerns over how much bills will be impacted.

Customers want **more information on bill impacts to understand if targets are being too ambitious / going too far**.



# Summary of how are customers are feeling as we reconnect with them to engage them on the DCWW PR24 proposed business plan:

Customers often come from a point of neutrality, or even indifference, towards DCWW. However, as we increase their knowledge around how we operate and the challenges we face, this impression improves and customers begin to see some of the value in what we deliver.

But our customers continue to be concerned about the impact of significant investment and improvement on their bills. Thus, it is important that our plans are inclusive of areas customers prioritise (leakage, CSOs etc.) and that targets feel realistic in order that bill increases are justified.

Overall, these informed customers are supportive of the long term DCWW plan, seeing it as well rounded, ambitious but deliverable.







## **PROPOSED PLAN – SERVICE ENHANCMENTS**



# Stimulus shown:

Background reading before looking at service enhancements:





- A lot of what is covered in the Business Plan is prescribed to comply with environmental laws in Wales, as well as Welsh Government policy
- They have to meet standards and requirements set out by Natural Resources Wales in a five-yearly National Environment Plan
- This results in a programme of obligatory investment that is paid for by customers
- It is not Welsh Water's choice whether to make these investments.

Welsh Water have a programme of work to meet these laws that covers:

Reducing impact on seas and rivers from Combined Storm Overflows.


Treating water and wastewater to a standard that does not harm the natural environment.


Drainage and Wastewater Management Plans which are set over at least 25 years.

The plans consider how things like climate change and population growth affect current and future capacity of sewage and rainwater drainage networks.

The plans require a lot of collaboration between sewerage companies and other organisations which work around flood risk, and river management.

Then reviewed in turn (order rotated):






**Protecting and improving the environment**  
Bill impact 2025-30

Why?

- To improve river water quality

How?

- Increasing capacity in wastewater network to adapt to climate change and reduce use of CSO (a mix of excess stormwater and untreated wastewater discharges)
- Reducing phosphorous entering rivers and causing poor water quality

**£36.00**  
per year


**Wider environmental work**  
Bill impact 2025-30

Why?

- Reducing greenhouse gas emissions

How?

- Reducing energy use
- Reducing greenhouse gas emissions from water and wastewater treatment processes

**£1.70**  
per year


**Safety and quality of drinking water**  
Bill impact 2025-30

Why?

- To improve tap water quality

How?

- Managing quality of water entering reservoirs
- Replacing old pipe materials
- Improving water treatment processes to remove chemicals affecting tap water quality

**£9.40**  
per year


**Reliable water supply**  
Bill impact 2025-30

Why?

- To ensure a long-term reliable water supply

How?

- Upgrading dams to meet new safety standards
- Ensuring water supply meets long-term demand

**£6.00**  
per year


**Reducing risks to water supply**  
Bill impact 2025-30

Why?

- Climate change = growing threats to the water supply

How?

- Building extra storage for treated water, connecting different water supply zones to enable moving water around easily.
- Flood protection for critical wastewater treatment works

**£2.60**  
per year


**Lead pipe replacement:**  
Bill impact 2025-30

Why?

- Lead pipes are sometimes harmful to health

How?

- Replacing customer-owned lead pipes for free.
- Plan to replace 7000 pipes in 2025-2030 and 100,000 by 2050

**£0.60**  
per year

17

# Customers are supportive of improving river quality, though bill impact feels very high without more information on how it will be achieved



## Positives

- ✓ Protecting the environment feels important and necessary
- ✓ Increasing capacity in the network is something customers are aware is needed and helps create buy in



## Concerns

- ! The 'why' of improving river quality can lack impact - *the language used in the 'how' is what resonates e.g. CSOs and phosphorous*
- ! Customers want to see more information on how much capacity will be increased, by how much CSO usage will be reduced etc. Otherwise this risks feeling like a wish list rather than something credibly achievable



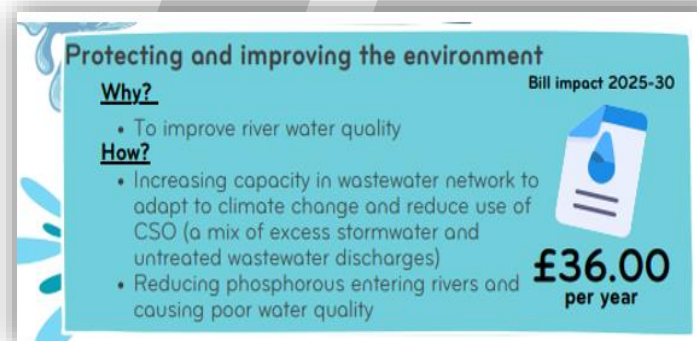
## Bill impact

- ! Initial shock at the significant increase for just one element of the plan
- ! Whilst this needs to happen there is a high level of concern over how this combined with other enhancement increases will be affordable
- ! Whilst customers feel more accepting when seeing this is from 2025, we need to be careful not to undermine support



## Level of support

- ✓ Customers are supportive of this enhancement
- ! However, some do claim to be on the fence without further information as to what the increases/reductions will be for their £36 a year



*I really like it's focus on improving for the future. With ever increasing severe weather events due to climate change, and the effects it has on rivers, sea and wildlife, this plan should make a huge difference to the water in our rivers.*

*I am not an environmentalist of any sort and I don't think that river quality issues will really affect my generation or my daughter's generation too much.*

*I understand that with climate change steps need to be taken but that's such an increase, especially when things are already getting crazy expensive. I really worry about how many families would survive. I think Welsh Water should also pay towards it too.*

*I support the cause completely, and I would be willing to pay towards this, but I don't know if such a big increase is justified, but an increase is justifiable. All I can see at the moment is who will be able to afford it. And need to remind myself it's for 2025*

**It is crucial that we justify the bill increase amount through showing by how much capacity will be increased and by how much CSO usage will be reduced**

# Customers are supportive of reducing emissions, but want more reassurance that this will be sufficient investment to make a difference



## Positives

- ✓ Reducing greenhouse gases feels familiar, customers are aware of Net Zero targets and would expect this area to be included
- ✓ Reducing energy usage also has the additional benefit of reducing costs – will this be passed on to the customer?



## Concerns

- ! 'Wider environmental work' feels quite vague, and an assumption that this should be more BAU
- ! This feeling is enhanced by the lack of figures shown to demonstrate any form of target
- ! Customers want to understand how their money is going to be spent otherwise we risk this feeling like lip service to Net Zero goals



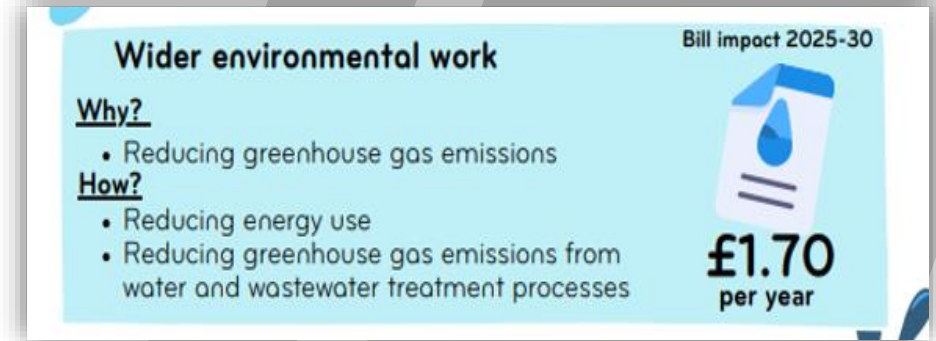
## Bill impact

- ✓ Feels like a surprisingly small increase vs. the assumed scale of the challenge



## Level of support

- ✓ Customers support this enhancement, especially when combined with what is seen as a minimal bill increase ... if this increase will be enough



*I am conscious of our need, as individuals, organisations and a nation, to reduce greenhouse gas emissions and in doing so our contribution to climate change. This seems a very modest sum to help contribute towards this and I would support it.*

*Is this not something that is already being done?*

*This seems a very modest cost per year. With the cost of energy so high, I would also assume it would be cost-effective to invest in reducing the energy requirements of water and waste water treatment.*

*I wouldn't really know what this involves. HOW would you reduce this? What are the things that this cost would be spent on? With it not being something that they feel that they would see a benefit from, it may be harder to get everyone on board with.*

**We need to clarify how this enhancement goes above and beyond what is already being done i.e. why it is an 'enhancement', give targets and reassure that the £1.70 increase is sufficient**

# Safety and quality of drinking water feels like a core part of what DCWW should be doing; whilst customers support this, it feels more BAU



## Positives

- ✓ For those who have experienced water quality issues, this feels like a must do enhancement
- ✓ Replacing old pipes (in the network, not on properties) and continuing to update feels essential



## Concerns

- ! Many feel they experience good water quality, so this enhancement can feel more BAU
- ! Also risks raising concerns that otherwise did not exist – is my water not as safe as I thought it was?



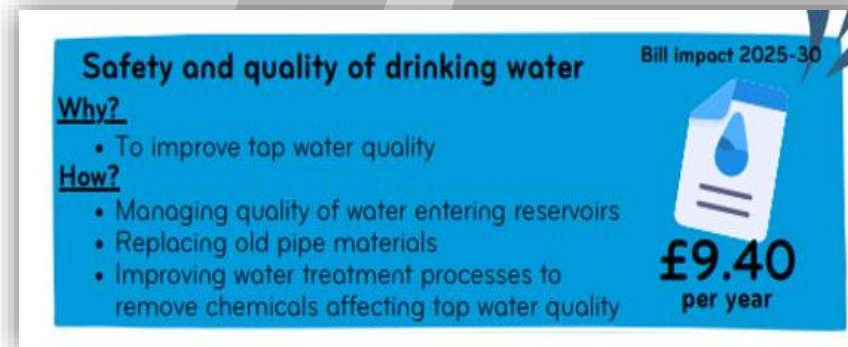
## Bill impact

- ✓ Whilst felt to be a significant amount, many see the value when looking at the extent of the work this enhancement covers



## Level of support

- ✓ Customers are supportive – this is seen as a core part of what a water company should do
- ! BUT, many feel this should be BAU and not a funded enhancement



*This increase includes replacing old pipes and improving water treatment so actually covers a lot of areas. In turn, these improvements could help with other factors too. It would be interesting to see a break down of what money will be spent on which areas.*

*I think it is good that it covers several things and improves more areas than one might think. The increase over the year isn't too drastic as it will work out at a minimum monthly increase.*

*I think the quality of the tap water is not an issue at present but if investment has been lacking previously and we need to replace old pipes etc it comes down to essential maintenance. This remains a 'bottom-line' I feel in terms of what we would expect water companies to provide.*

*This is very important and at the crux of what service users are paying for - safe, clean water that is of high quality. What is wrong with the quality now? We seemingly have the softest water in the country. Or so I am told.*

**We need to further demonstrate how this goes above and beyond and that current water quality is good and safe**



# Customers understand that a reliable water supply is crucial in the face of the challenges posed by climate change and population growth



## Positives

- ✓ Challenges the assumption that water is infinite and raises awareness that this needs protecting
- ✓ Thinking ahead to ensure future generations have reliable water is praised and shows long term planning
- ✓ Upgrading to meet increasing safety standards feels necessary



## Concerns

- ! No major concerns, however, some scepticism from a minority that there is a need to do anything further to ensure a long-term reliable water supply – a feeling that water is already reliable



## Bill impact

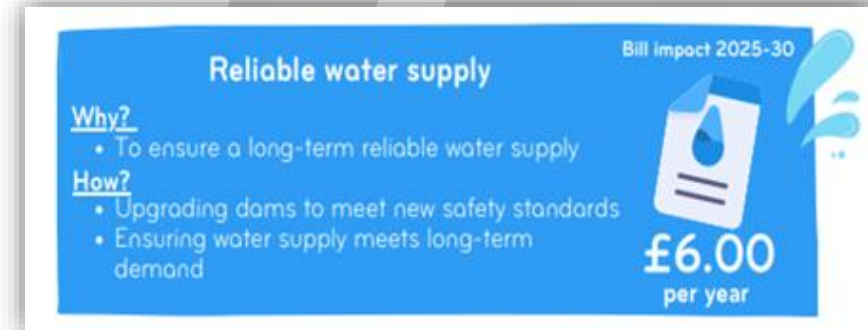
- ✓ Bill impact in isolation feels fair when spread over a year
- ✓ Justified when looking at meeting long-term demand and future proofing
- ! Less so when meeting new dam safety standards, this could be more BAU



## Level of support

- ✓ Customers support this enhancement as it feels future thinking and proactive

Some of these informed customers require more explanation around why this enhancement is needed and what the future challenges we face are; thus likely to be even more necessary amongst a less informed base



*Keeping Dams to a high level of safety is important otherwise it could cause flooding. Water will always be needed so making sure it is there in the long term is extremely important.*

*With the growing population, adequate water supply is needed to meet long term demands. I like that it focuses on the population on a personal level and also on a national level in regards to safety.*

*I support making sure the future is equipped for changes and making sure that the changes happen now and not as part of an emergency repair which would lead to loss of supply in some areas.*

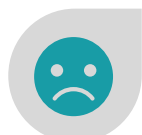
*I support it because, in future, it would be better for our families to not have to worry about running out of water. I feel as though £6 a year is a fair price to pay for the plans they have included.*

# Reducing risks to the water supply is an emotive topic, as such customers support action in this area



## Positives

- ✓ Water restrictions and flooding feel very emotive and tangible for our customers, seeing this addressed is a positive
- ✓ These informed customers understand the role climate change plays, so this feels like a credible enhancement to include



## Concerns

- ! No major concerns, rather a desire for further information around the ability to move water more easily - sounds positive, but this isn't fully understood
- ! Customers want to know more about why this is a benefit and worth increasing bills to achieve



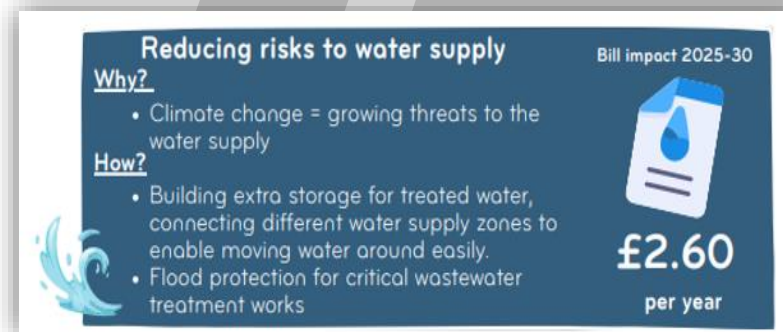
## Bill impact

- ✓ When broken down to a monthly amount, £2.60 per year feels acceptable for what will be achieved
- ! However, some feel that this should be something that Welsh Water pay for rather than gaining funding from customer bills, as adapting for climate change feels like something all companies need to do



## Level of support

- ✓ Customers are supportive of this enhancement and can relate to the tangible and emotional benefits



*It should ensure that no one goes with out water in times of low rainfall or drought, and the treatment works are protected against damage and possible failure of the machinery in times of floods.*

*Flooding is awful when it happens and to be able to try and prevent any additional issues with water supply is only a good thing. £2.60 a year is very reasonable and paid monthly equates to around 22p a month.*

*I would need to know more about the water storage, is it vital that this water moves around more freely? What would happen if it doesn't?*

*I think that this is important. And I do support this but I'm unsure if it should be at the consumer's expense.*

Can we provide further information around the benefits of these actions, specifically why we need to move water more easily?

# Whilst replacing lead pipes for free seems admirable, customers often feel funds could be better used elsewhere



## Positives

- ✓ Felt to be an admirable and generous thing to do for customers
- ✓ Customers are aware of the health risks of lead piping and so do feel this is an issue that needs dealing with
- ✓ Good to see statistics used so that the scale of the problem can be understood



## Concerns

- ! However, there is a sense that this should be the homeowner's responsibility and not something valuable funds should be used for
- ! A feeling that it isn't 'for free' as all customers are paying for it through a bill increase, even if only 60p a year



## Bill impact

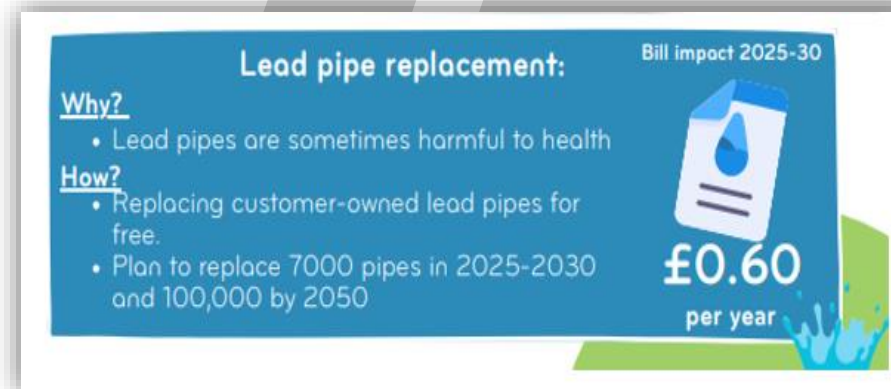
- ✓ For the work to be carried out, the bill increase feels minimal and hardly noticeable, so in principle this feels acceptable
- ! However, customers who do not have lead piping often do not want to cover the cost to do this for 'free'



## Level of support

- ✓ While supportive of lead pipes being replaced, and it being admirable Welsh Water is doing this for free
- ! There is a low level of support as it is felt there are bigger fish to fry and money should be better used elsewhere

Communicating the wider benefits to customers without lead piping (if they exist) e.g. less leaks, pressure on the system, can help increase support



*It's commendable that the company want to do this for their customers and I suppose only adding 60p a year to the bills is quite affordable.*

*I am a little bitter about that! As the cost is now put on everyone else, and I've already had to pay for a house to have all the lead pipes replaced. We had to get the whole house redone, the cost was terrible. It's great that others wouldn't have to do that, but I don't really agree with having to cover that cost.*

*I'm not a huge supporter of this, I don't think it's that impactful or wide-spread and isn't causing issues with quality or risk to those who have it. It's good for the people who do have these issues but I did feel it should be the owner's responsibility.*

*This one I'm less supportive of. I feel funds could be used better than replacing pipes for customers. I still think this should be a charge to the customer, and only in the small number of cases free.*



## Customers feel the service enhancements are stretching but achievable, though hard to assess without more facts and figures

- ✓ With the exception of replacing lead piping, all service enhancements feel worthwhile and there is overall support
- ✓ Level of ambition feels about right ...
- ! ... However, customers feel uncertain in their thinking, without facts and figures explaining the extent of actions and changes it is difficult to understand how stretching these areas are
- ! Currently can feel more like a wish list
- ! There is concern over the cumulative bill impact to the customer

**Providing facts and figures over actions to be taken could help reassure**

*I feel like these are all very ambitious as well as realistic goals for the time frames set. I am very excited for these to be in place.*

*I think it is very difficult to really assess how ambitious these targets are as they aren't easily quantifiable from the information provided... terms like increase/reduce/improve don't refer to the scale of improvement/reduction, etc, and so it could be said they are not ambitious.*

*I am somewhat reassured that, as a not-for-profit organization, whatever money is invested in each of these areas will at least be fully committed to making whatever improvements are possible, rather than this being balanced against the 'need' to return a profit.*

*£56.30 is actually a high increase, and although monthly its only just over £4.50 this is still an increase that won't be welcome. Everything has increased in cost by around £2 a month if not more (not including food and fuel which is more like double). Therefore to have an increase at over £4.50 I don't think is necessary.*





“

*I applaud the forward thinking ambition here and protecting our water supply for future generations. I think the project is ambitious and cost / benefit is acceptable, although I still disagree with the lead pipe replacement and think the bill increase could be invested more wisely elsewhere. Plus with the recent news highlighting water companies and wastewater going into our rivers, it's timely.*

”

# Customer perceptions of proposed DCWW service enhancements, in summary:

Customers are supportive of the proposed service enhancements, particularly those that address high profile, tangible or emotive areas such as CSOs and future water supply issues. Support is thinner when looking at areas such as replacing lead piping for free.

These informed customers find it hard to judge ambition from the level of detail provided and request more contextual facts and figures so they understand more about the need for and potential impact of some of the enhancements proposed. Providing this information along with where other funding contributions are coming from will help justify the bill increases and maximise chances of the wider customer base supporting our plans.







## PROPOSED PLAN – PERFORMANCE COMMITMENTS

# Context given to customers:

In this activity, we are going to be looking at the Performance Commitments that Welsh Water is putting forward in it's Proposed Business Plan.

These Performance Commitments show what Welsh Water is committing to deliver in 2025-30 off the back of recent performance data in several key areas. This is where we need to show you a little bit of data in graph format. But please don't be put off by this and don't hesitate to ask us any questions about anything that isn't clear to you.

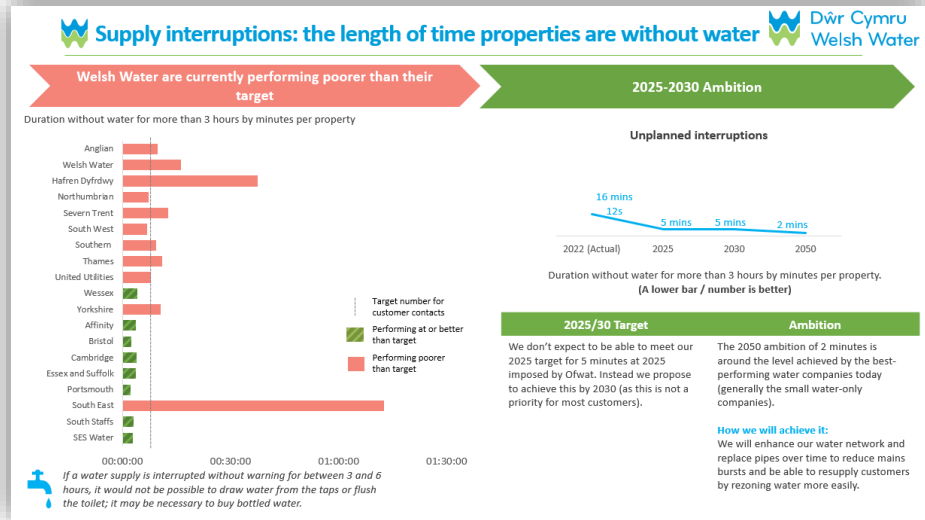
We are going to get you to look at Welsh Water's recent performance as well as targets for 2025-30 in 6 key areas that all water companies have to report on.

For each of the following 6 individual pages we ask you to look at, we just want to know how you feel about the target for 2025-30, and whether you think the target goes far enough/too far/just right, and why?

*Please note that you will find the target for 2025-30 on the right-hand side of the page in a little graph with a blue line. The information on the left-hand side of the page compares recent Welsh Water performance on this area to other water companies.*



# Not meeting the supply interruptions target by 2025 is disappointing for some, though those who haven't experienced an interruption sometimes question whether investment could be better spent on other priorities



- Comparative data helps customers **empathise with performance** – although missing target, this seems to be the case for many water providers, so must be a **broader problem**
- Targets feel **too ambitious based on current performance** – if we will not meet the 2025 target, how can we be on track for what looks like a big jump in performance?
- The sense is that this is a fairly **low priority area**, and customers are not wanting us to be too ambitious here at the expense of other areas – however, it should be noted that we have not had many customers with recent experience of a serious supply interruption in this sample
- As such, there is **desire to see less ambition** here (if at the expense of other areas)

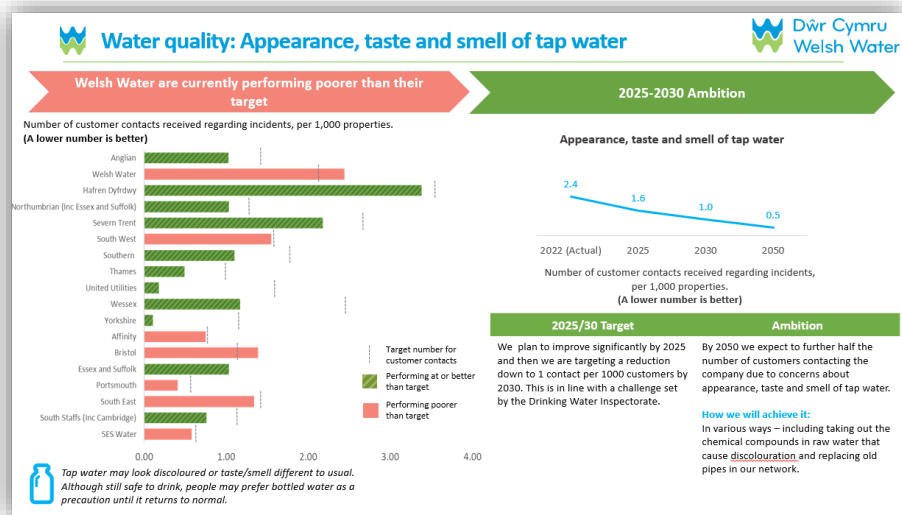
*It's concerning that if Welsh Water are not on track for 2025 then how will they be for 2050, on a positive note it seems more company's struggle with this, this may be a telling factor that the goals that Welsh Water are setting might be too ambitious.*

*I think this is very ambitious - especially with an end result of 2 minutes. This comes purely down to staffing and if they can get out to many properties at once and prioritizing who's issues needs taking care of first. I don't feel that this is a priority as there are more pressing issues.*

*It feels a big ask to expect that sort of jump so quickly. I feel the ambition for 2050 is too far, if it can be achieved to reduce this time from 16 mins to 5 mins in 8 years, then 20 years is not needed to reduce further to 2 mins.*

*I think these goals might be a bit too ambitious if you're struggling at the moment to meet even half of the current targets. I wouldn't want resources to be taken from other areas to improve this area.*

# As an area perceived to be less impacted by external factors, water quality targets feel realistic and achievable



- A **tangible** performance commitment that customers understand and can relate to
- Current performance, although not meeting target, doesn't feel too bad to customers
- This combined with a **steadily declining target feels responsible and realistic** – much preferred to seeing a big initial jump
- Explanation given around how this will be achieved makes customers feel this is a target that is **very much within DCWW control** to achieve
- As such, the target feels like it is **stretching enough** whilst also being realistic
- Customers are **pleased to see the target stops at 0.5 rather than 0**, as this would impact credibility

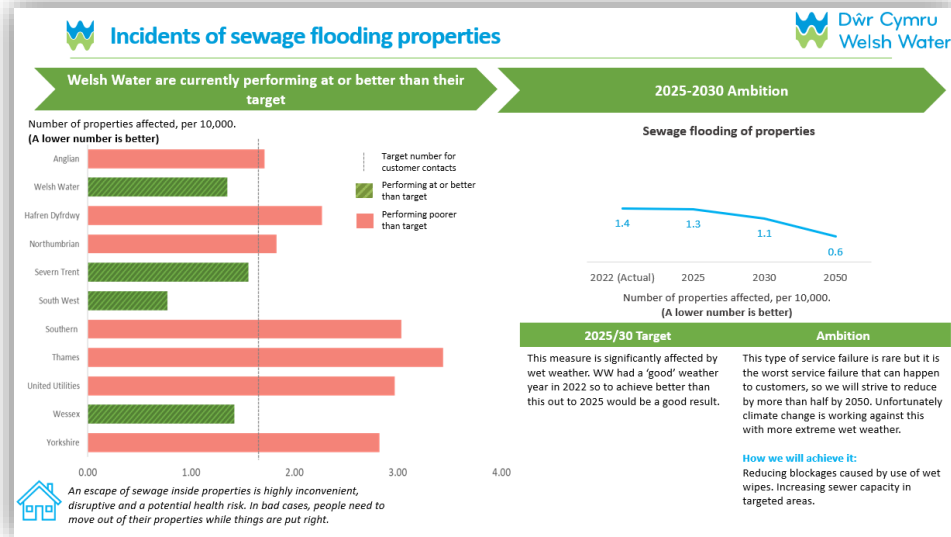
*I think this is achievable. This is something that is not environmental, and therefore the weather doesn't have as big of impact. The target is set by the inspectorate and I think this is adequate and ambitious enough in the near term to 2030.*

*This would seem to be a good, steady improvement (which seems necessary as WW is falling short of it's target), with the biggest gains (by a narrow margin) in the shorter term. As such I think it seems realistic.*

*I think this target goes far enough as aiming for 1 contact in a thousand by 2030 is a great figure to aim for. Guaranteeing zero by 2050 would be ideal but probably not actually feasible - 0.5 appears great.*

*It's the first thing people think of when thinking of a water company, this target should be moved and achieved earlier.*

# Customers feel the level of ambition and trajectory on internal sewer flooding is about right, given the impact of external factors on this measure



- Customers **appreciate the challenge here**, and the devastation internal sewer flooding can cause – thus they feel that this **should be a priority**
- Positive performance is praised, however, there are concerns that this is **heavily dependent upon the weather and customer behaviour**, somewhat out of DCWW control
- As such, customers feel **that being too ambitious here would be the wrong thing** to do, and would rather see **gradual and consistent improvement**
- The **trajectory of ambition feels appropriate**, a steady and consistent improvement with acknowledgement that the weather will have an impact
- Customers feel these **targets are ambitious enough**

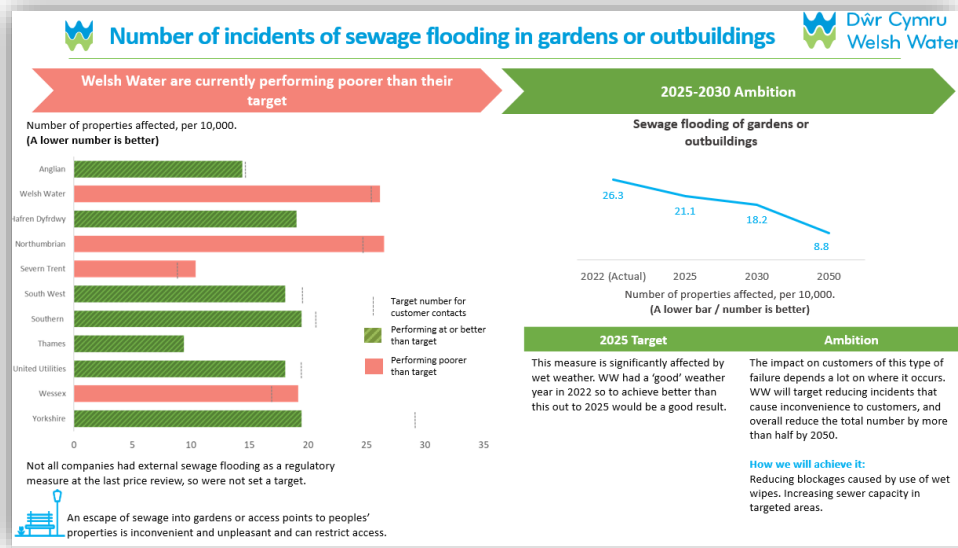
*I feel this is a hard one to achieve. Mainly as the weather is the huge factor here so if we have a terrible wet year you will already be up against it. Wet wipes should be banned! People who cause blockage from wet wipes really should be fined, it is crazy that people put them down the toilet.*

*A 50% reduction by 2050 is a ambitious target, especially as it states it can be affected by extreme weather events which are on the increase. Anything can change, especially with the rising water levels. I think that having ambitions is great, but being prepared to not meet this goal should be a consideration.*

*Just right - as mentioned above I can see that measures between 2022-2030 is very small but we have seen lots of flooding and wet weather the past few years. I think that focusing on this later gives the space to focus on key issues impacting customers.*

*The decline is pretty stagnant, but I think this target goes far enough, especially as the causes may be out of the companies control, it may be too ambitious, it all depends on behaviour and the weather.*

# External sewer flooding is also felt to be important, but the steeper target trajectory can feel too ambitious (esp. given missed target)



- Again, customers **appreciate the challenge** and that causes are somewhat **out of DCWW control**
- Felt to be a devastating event and so important that this is addressed
- Whilst performance is not drastically **missing target**, this does impact perceptions of ambition
- Although **positive to see such strong ambition** here with a steep decline from 2030 onwards, customers feel that **this may not be achievable in these timescales**
- There is concern that **improvements feel too optimistic**, especially when all the external contributing factors are taken into account
- Customers would **rather see a more steady and realistic trajectory**

*I think that this target is a good number of reductions in sewage floodings in gardens and outbuildings but would be impacted by both severe weather events and the public cooperation in reducing the amount of wipes and other things they put down their toilets.*

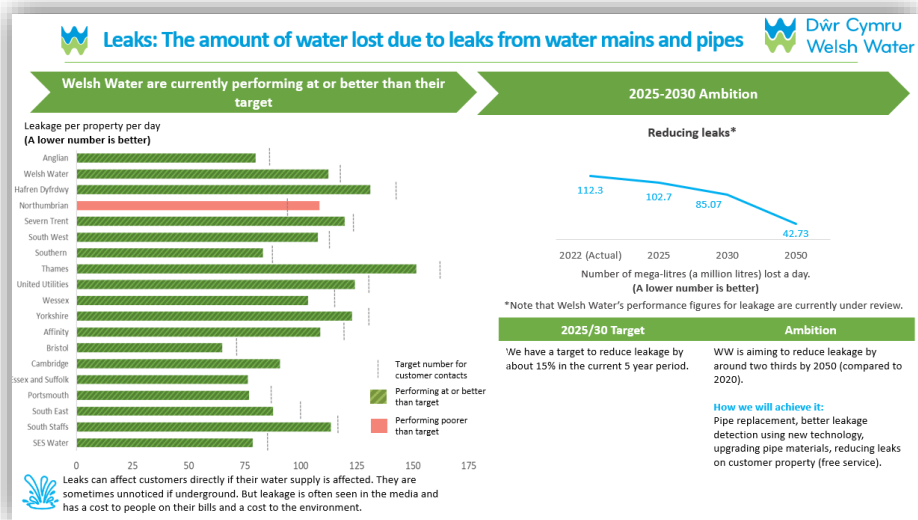
*I think this is very important, in particular focusing on spaces where it inconveniences customers. It's a bit disappointing to see that we are below average compared to a lot of other areas. However, sewage is a big thing and can't be controlled - Welsh Water also can't perform miracles.*

*This is probably quite ambitious considering we are already under target. Reducing it by more than half may be a bit of a stretch too far in that time frame. A huge reduction would obviously be very well received by customers but I think by half is maybe a little too far in a short period of time.*

*I would be a little concerned at the seemingly-optimistic improvements targeted post-2030, where the slowing rate of improvement again accelerates. Is this realistic?*



# Leakage feels like a high priority area, and the introduction of new technology makes this target feel sufficiently ambitious and achievable



- Leakage is **high on our customers' agenda** and well publicised in the media, thus feels like a positive area of focus
- Customers are **pleasantly surprised we are doing better than our target**, compared to what they see in the media
- The **goal and targets feel needed and realistic**, especially building in the impact the weather can have on progress
- The **sharper decline we see from 2030 onwards feels more realistic and acceptable** than when looking at other areas, due to the reference of **new technology** becoming available which is assumed will speed up progress
- Customers feel this **target and the trajectory are sufficiently ambitious**

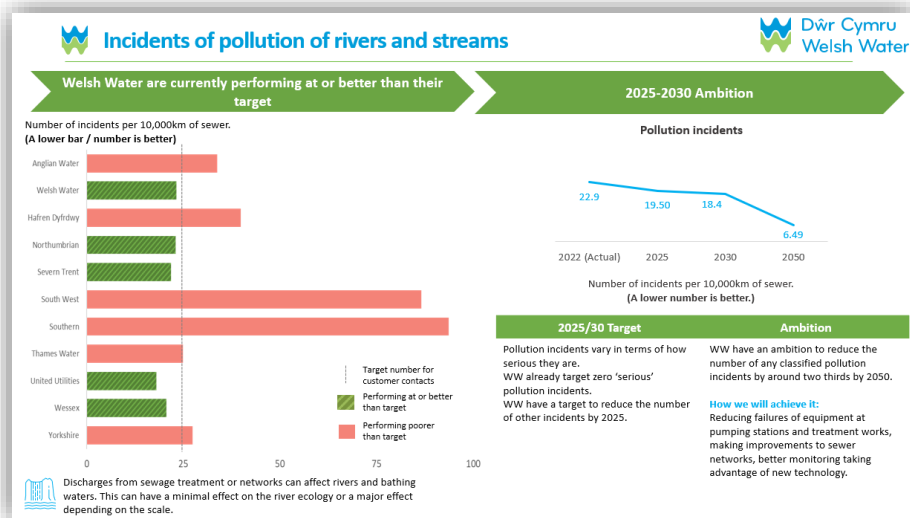
*We are on target which is great considering leakage is a big thing and can be impacted from anything such as bad weather. The fact they are wanting to gradually reduce leakages is great.*

*Pleasing that leaks don't happen often. 15% is an achievable goal. New technology to detect will minimise this happening. I like how they are going to achieve this. Reducing leaks for free on customers' properties is great.*

*I think the ambition of reducing leaks by two thirds by 2050 is a good target to aim for as that would make a huge difference to lost water.*

*I think this target goes far enough because a reduction of 70 mega litres a day would help improve supply significantly to customers. I am weighing this up by basing it on the data on the left which is clearly showing that targets are being met. I can't think of any reasons why this wouldn't be achievable.*

# Pollution incidents are a high priority and customers want to see more work happening sooner – a more aggressive pace of progress



- Again a highly emotive issue that customers want to see a focus on
- Current **performance is a pleasant surprise**, and creates a sense of positivity around achieving future targets
- The 2050 **target feels ambitious given the geography of the area** – challenging to achieve but possible
- The **sharper trajectory post 2030 again feels more acceptable** as it is assumed this is when **new technology** would come into play
- However, as this feels like such a **pressing issue** for customers, there is a **desire to see more action sooner** – a more steady trajectory
- Whilst customers feel this **target does go far enough**, they **want to see more achieved sooner**

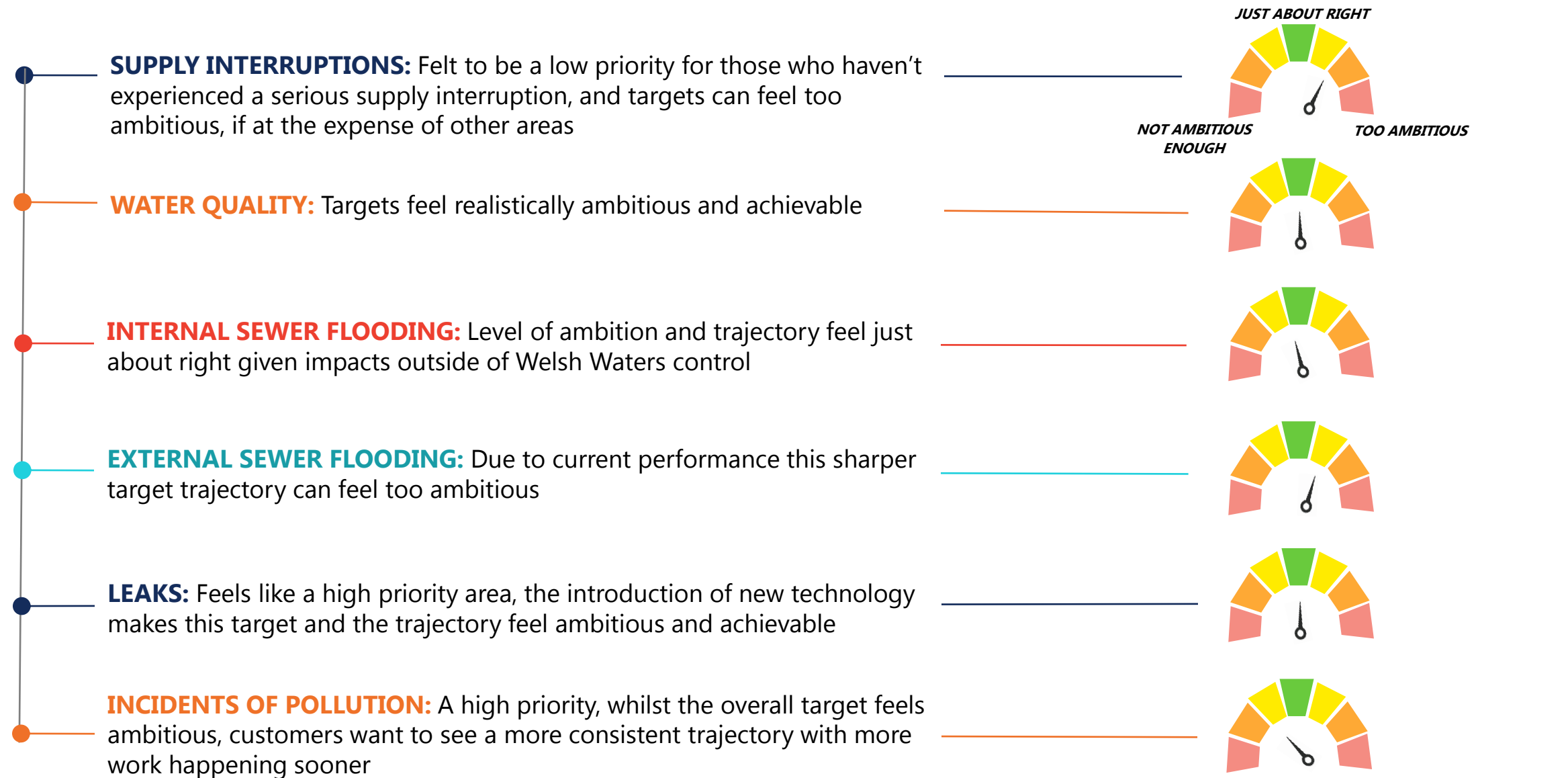
*It would appear that they are doing well already. Makes me feel positive, ambition in the short term is just about right to keep Welsh Water on track with a larger improvement later. A reduction of two thirds of pollution incidents by 2050 is a good target to aim for.*

*I feel that it is a positive target especially as Welsh Water provides a service to a really agricultural and rural area. It's positive that we have zero 'serious' incidents. Reducing it by 2/3 may be a big ask. It requires a lot of reliability on the stations and machinery/technology.*

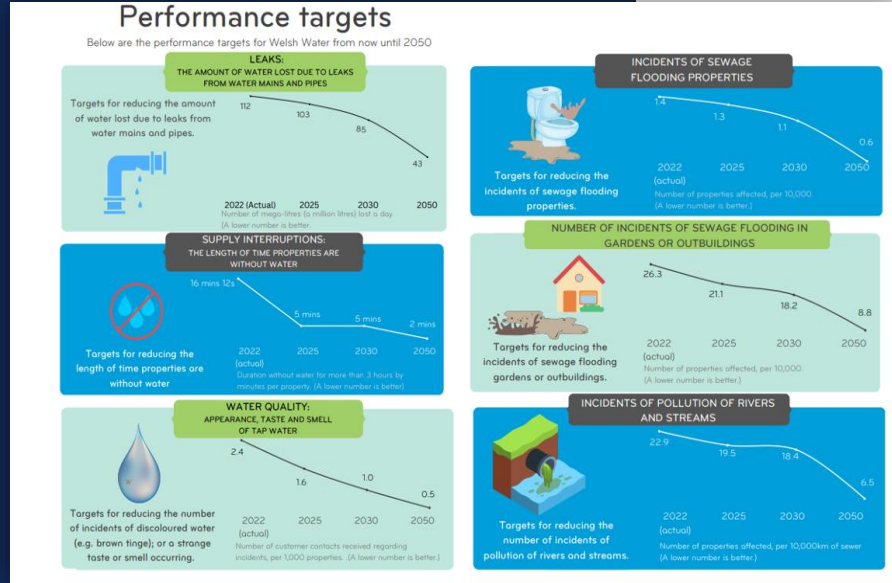
*Not quite far enough! Although overall (from now to 2050) the reduction targeted is very promising, the slowing progress throughout the 2025 to 2030 period is a little disappointing, bearing in mind how poor the current state of Herefordshire's rivers are.*

*Despite WW performing better than their target, this is an area where I would ideally like them to be more ambitious. In particular, I would hope they could bring forward some of the impressive improvements targeted post- 2030 to the period 2025-2030, where only very modest improvements are predicted.*

# There are no commitments that feel way off the mark on ambition, but customers would like to see us go further on pollution in particular



# Customers feel positive towards the direction of travel, but also want a sense of urgency in AMP8 to mitigate impact of climate change



- ✓ Areas covered and overall targets by 2050 feel **positive and realistically ambitious**, on the whole
- ! However, it is the **trajectory** of these targets in some areas which raise concern
- ! Customers understand the role of technology and that in some instances we need to wait for this to come online; however, there are concerns as to what **extent the situation will worsen in the meantime** (especially on high profile areas or those where we are currently missing targets)
- ! **Climate change** plays a major part in this thinking, with customers feeling the weather and the impact of this is too unpredictable not to act sooner

*I think overall the objectives are ambitious, and the time line given indicates what you are prioritising well.*

*Some of the long term targets are seemingly very optimistic comparing the short to medium term targets. I would hope some of these 'gains' might be brought forward to a more relevant timescale, even if overall ambition, by 2050, is reduced a little.*

*Some are more ambitious than others, and will depend on the worsening of climate change, which may be slightly unrealistic - if the year is awful with the weather then those targets just simply won't be achieved and may be a bit out of reach.*

*The plan must reflect the need to be bolder and put more resources into much more and quicker solutions. The delay over the next five years will make it much more costly and never mind the damage to the environment. I feel the lack of urgent progress in separating rain water from sewage waste is frankly criminal.*



# Level of ambition across DCWW PR24 proposed performance commitments, in summary:

Customers are generally positive towards the plan, with a level of ambition that feels about right for most performance commitments proposed.

However, customers feel we could go further on reducing pollution incidents. Although they understand we may need to wait for new technology to come online, they also want to see some more urgency in AMP8. There are concerns as to what extent the situation will worsen in the meantime, especially with the impact of climate change.

Conversely, there is a perception that ambition on supply interruptions may be too much given that targets for 2025 are likely to be missed.





## BILL IMPACT, AFFORDABILITY AND PHASING



## On affordability of the proposed plan, opinion is mixed amongst a customer base struggling through a cost of living crisis

There are a number of responses and considerations to keep in mind:

01

There are some who feel **increases are affordable with some rebudgeting**, but are **less confident about the future**

02

There are those who feel **increases are affordable**, but only when looked at **in isolation and not in the context of all other outgoings** increasing / cost of living crisis

03

There are those for whom these **increases cause genuine distress and worry**, feeling this will be **completely unaffordable**

04

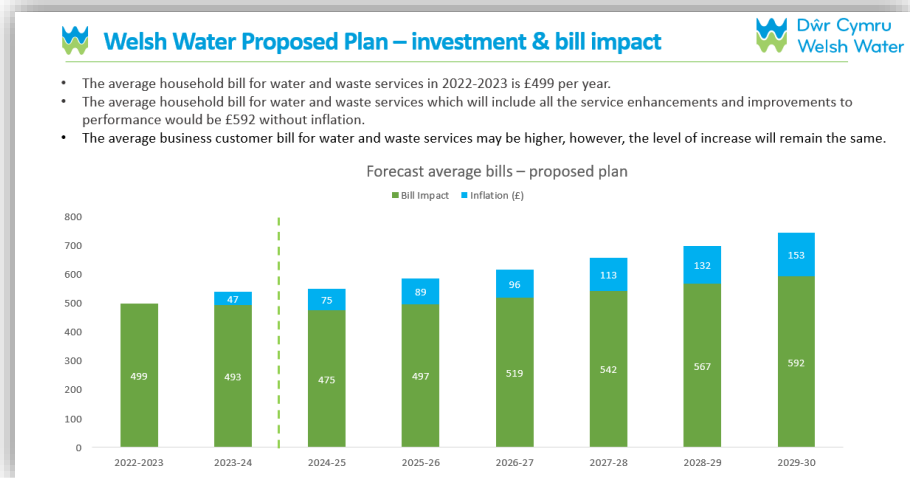
Customers tend to **leap to the final figure in 2030**, thus we need to separate out the year on year increases / look at these in isolation

05

Talking about increases while reminding of the improvements these cover i.e. **what they get for their money**, can help soften opinion



# For some, the proposed increases seem affordable now, but with the context of all other bills increasing there is concern for future affordability



- ✓ Considering all the improvements mentioned across performance commitments, some expected the bill increases to be higher than shown
- ✓ As such, these figures can feel pleasantly surprising and although they may have to re-budget, increases can seem affordable
- ✓ Welsh Water being a not for profit company helps bring these customers on side and feel more comfortable with contributing to the cost
- ! However, with an uncertain economic and climate future, customers feel this may not continue to be the case
- ! When looking at the bigger picture of all other bills and outgoings increasing, this is when affordability is brought into doubt

*I think this is decently affordable for my household. I think with Welsh Water being a not for profit company, it would be unrealistic for customers to expect the company to shoulder the burden of increasing costs.*

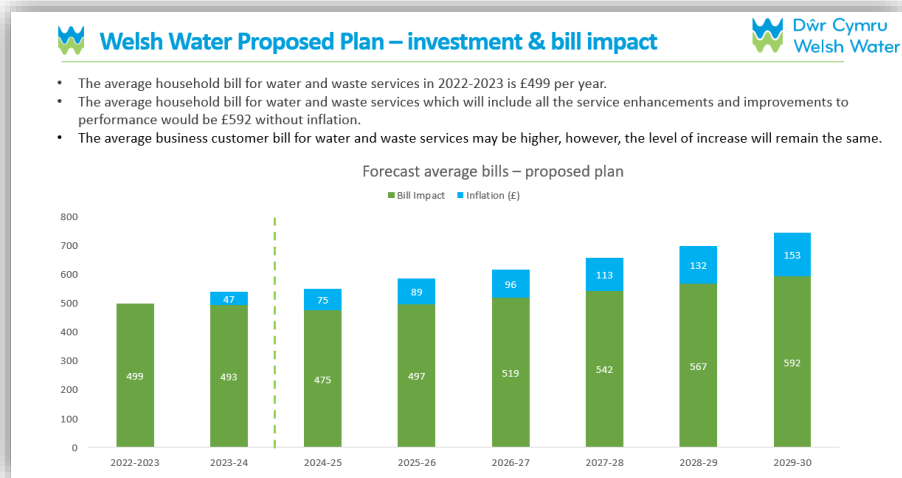
*For my household, this is affordable as the increase is not as high as what I would have expected. Obviously, increases such as these would require budgeting but this is something we could manage.*

*Obviously we can't tell how finances will be this far in the future right now we are all in worse situations. With inflation, everything is going up it's hard. This isn't the only bill to rise or the only consideration.*

*As we are both working I'm sure we would find a way to pay these high prices. However, we are nearing retirement age and already worrying how we will manage when we do retire or if we are able to retire. I am honestly not sure any of us will be able to manage in our old age.*



# We need to be aware that for some customers who are already struggling financially, these increases can cause genuine concerns



- ! These customers feel they have already cut back in any way they can, even taking on extra hours or an extra job and still struggle
- ! For them what is seen as a significant increase will be unmanageable
- ! Others worry that this in the context of all other outgoings increasing could put life plans on hold e.g. moving house, starting a family
- ! In the context of all other outgoings increasing, these customers feel that they are struggling and don't know how they will cope
- ! They understand the need for the improvements mentioned, but cannot afford it to come from their pockets

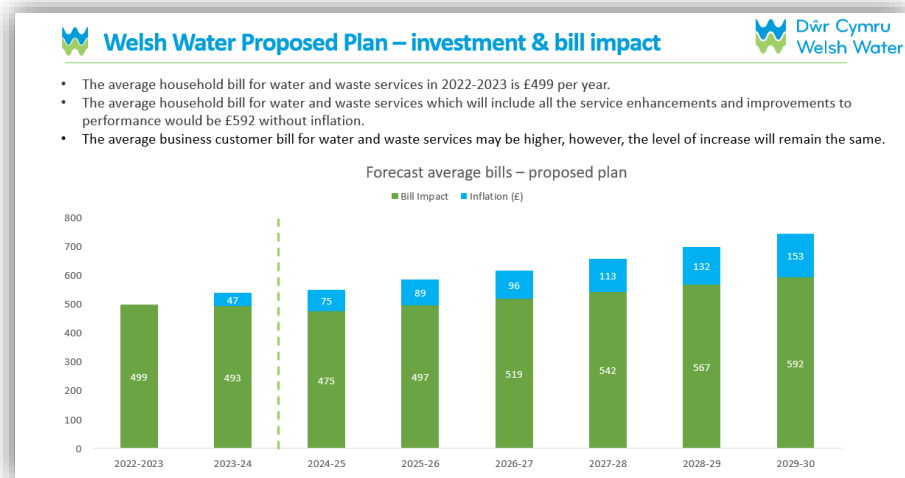
*This is not affordable for us. 18% increase is huge and that is without inflation. As of September I will already be increasing my work hours just to cover the costs. There is nothing more we can do to cut down on, we don't go on holiday and we don't go out anymore, there really isn't extra money left in the pot at the end of the month.*

*As we are looking at starting a family in the next couple of years I worry about how we will financially be able to do this with the massive increase in bills. Things are already tight at the moment and I work 3 jobs during the year to try and get extra money in.*

*Frankly these increases will be very difficult to afford, not particularly because of the size of the increase alone, but because any increase is one of dozens of increasing, and often unavoidable, expenses that rising at a rate that far outstrips any increase in our income.*

*If my water goes up by a large amount, I will have to choose between paying which bills, have cut everything to a minimum, I limit car use, I don't go for meals or socialise. So I hardly see anyone. I have cut back on as much as possible. And feel like I don't know how much more bill increases I can cope with.*

# Focussing customers on the year on year increases rather than the 2030 amount can help soften the response



- Customers understand the urgency and need for action, especially with recent heightened media coverage
- In order to make improvements now, there is some acceptance that part of the cost will need to come from customers
- When looked at year on year, rather than the total increase between now and 2030, figures feel slightly more palatable
- Whilst customers would rather water bills stay the same, they also want the improvements to be done properly – they don't want corners to be cut to make things cheaper
- But they want proof of how their money is being spent and the benefits it is bringing

*Having seen a number of media and tv programmes about the lack of investment historically made into this, I think this is really urgent and vitally important to start now.*

*I think all of us would like our bills to be less but the price increases have been justified.*

*As a lump sum its fairly off putting when put graphically. However if you consider living wage increases and aggregate this monthly its an affordable proposition.*

*With inflation, everything is going up. I know it's hard for some people, including me, paying more for water services. However, I don't want Welsh Water to cut corners as it may cost more to put things right in the future. So, I don't mind paying extra as long as it's spent with care.*

# Whilst all elements feel important, areas which impact less customers, or feel more ongoing / longer term, could be spread over a longer duration

- Customers who feel the plan is unaffordable often struggle to see what could be removed; instead, these customers think more about 'scaling back'
- Areas that feel like they will need a continued focus past 2030 feel logical to scale back and increase down the line once hopefully the cost of living crisis is over e.g. supply interruptions, areas with an environmental focus / impacted more by factors out of our control (such as protecting and improving the environment, and wider environmental work)
- However, there is one expectation – replacing lead piping for free feels like this could be removed – whilst there are clear benefits, this feels more of a nice to have / a good PR opportunity

*How can you take anything out?  
Everything is so important to improve.*

*I would suggest spending less money on customers' pipes as even though Welsh Water is doing this "for free" it is still coming out of the bills that we are paying.*

*This is very difficult, with no obviously 'disposable' element to the plan. if forced to cut back on some aspects of the plan I would rather tolerate a little greater risk of interruptions in supply than lose the other ambitions targeted.*

*If I was to say money had to be deducted from anything then in my opinion maybe there could be shave some off the environmental projects and perhaps spread the work over a longer period of time, as that was the biggest increase in cost at £36 to the customer.*

# When looking at the plan through different lenses, customers are still supportive but feel their priorities would flex

## SOCIETY

*National and local government, organisations and interest groups and environment*

As a member of society, customer still feel supportive but **want to see more proof of action** – where has the money been spent and what benefit has been the result? Updates on a regular basis.

## CITIZEN

*People who live in an area served by Welsh Water*

As a citizen there is strong support, a feeling of 'this needs doing so just get it done' across all elements.

**Especially for environmental areas of focus.**

## SERVICE USER

*People who use Welsh Water services*

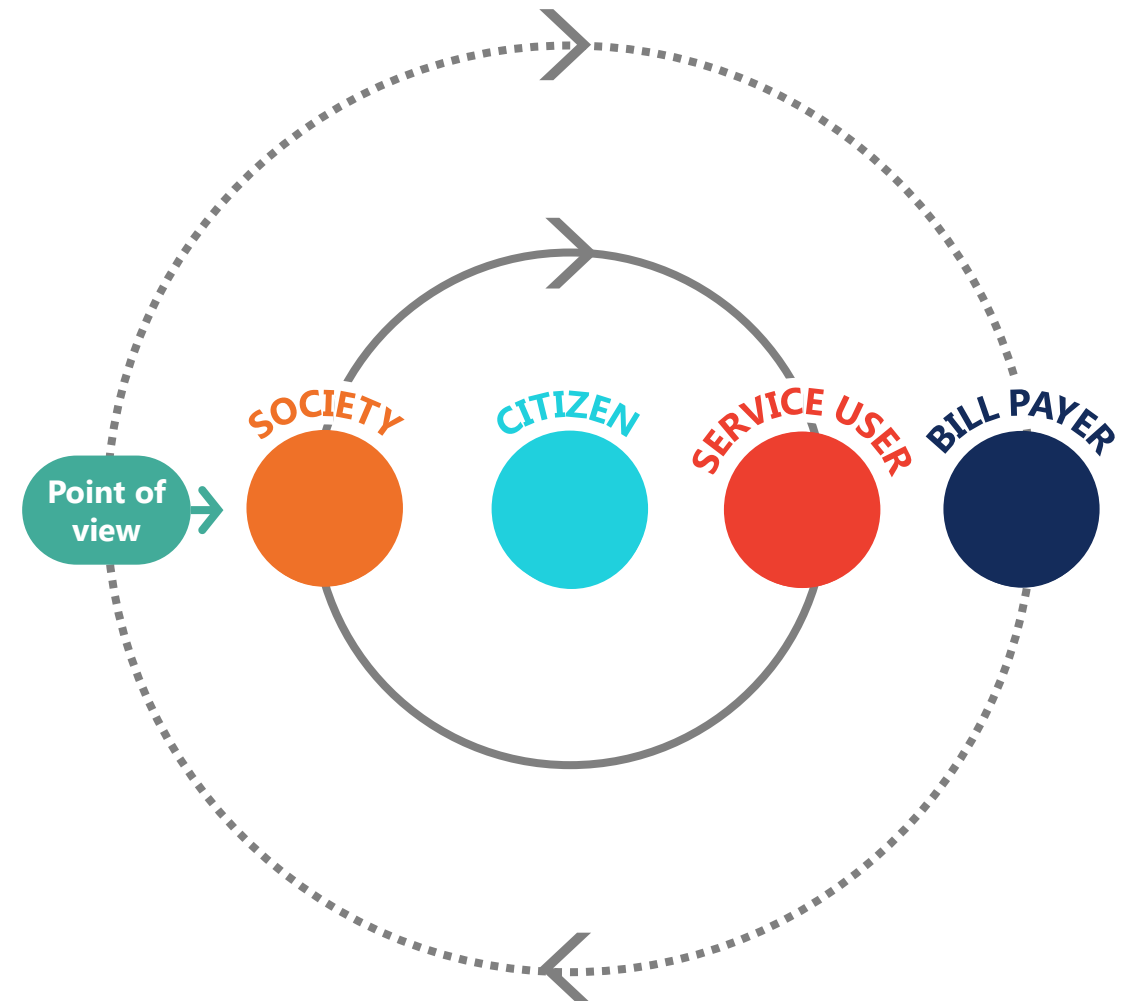
As a service user, customers want clean, drinkable and safe water. As such, have **more of a focus on water quality, reliability and resilience** but still feel supportive of the plan.

## BILL PAYER

*People who pay a bill to Welsh Water*

Customers still feel supportive as the work feels necessary but would like to see **lead pipe replacement removed** as it feels this money could be better used elsewhere.

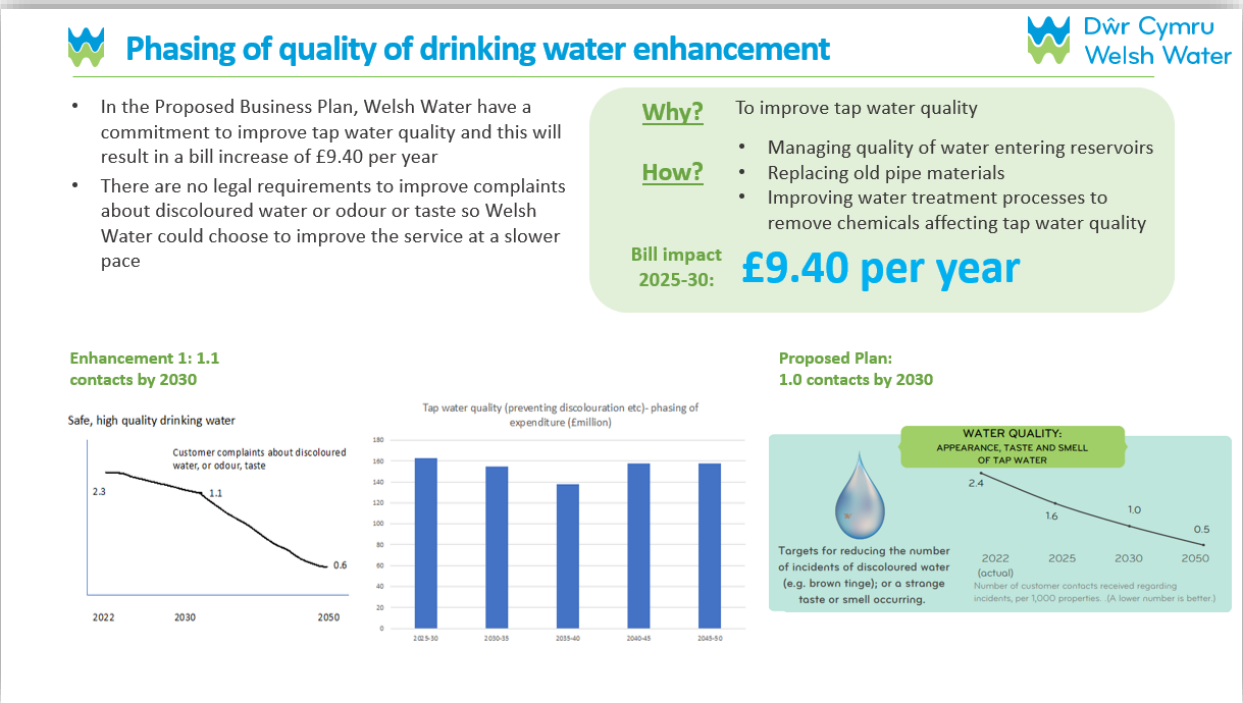
**Environmental** areas whilst still a concern, feel like **actions could be spread out** over a longer time period to keep costs down.



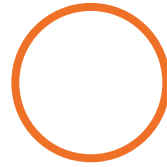


# Phasing stimulus shown:

Water companies can choose to improve performance or invest in service enhancements at different times depending on customer priorities and depending on their funding. We have been focusing most of our attention so far on the shorter-term Business Plan for 2025-2030. But we are interested to see whether there are things in there that you would say could be done later – this means that investment would not be made now but made between 2030-2050. Please now look at the attached information which shows the impact if Welsh Water decided to spread the investment in Quality of Drinking Water out over a longer period. Welsh Water could choose to make bill increases now for current bill payers, or bigger increases in the long-term for future bill payers.

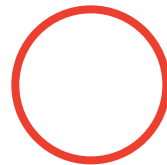


# Phasing for drinking water quality is largely rejected by these informed customers



Although they acknowledge water quality isn't a major problem area to address, customers are aware that when there is a water quality issue it is very noticeable, and impacts health and daily life. As such, they would rather improvements are made now and funding commences now.

*I feel that this should be solved sooner as although there maybe no set legal obligations, it's the first thing that people see and notice. I think that what we pay for with bill rises we should be able to benefit from, so if we will see the benefit then may as well start now.*



Overall, these informed customers would rather see gradual improvements / maintenance, with consistent and steady price increases so as to not over burden current or future generations, with everyone benefitting from the improvements.

*My preference would be that a price increase would happen gradually over that period of time. I don't think it makes sense to either charge us now for something that has not been serviced yet or to bill us later in life for a service.*



## Spreading the cost more consistently is also felt to be fairer to future generations

- Customers feel that it is not the problem of future generations to pay for issues of the past and that this cycle needs to be broken if we ever want to see continuous improvement
- As such, small and consistent increases starting now feel fair to customers of today, fair to customers of the future who won't be stuck with a higher bill and potentially a worse situation, and gives DCWW investment to get started with the work so that everyone who is paying sees the benefit
- It is also appreciated that the population is growing, and that if put off to the future the problem may be significantly worse, and so future generations will be over burdened

*I would prefer bill increases now because these are problems of our time. It is not the responsibility of future generations to pick up things from years before. If these can be rectified now, then they should be thereby enabling future generations better quality drinking water.*

*Small incremental amounts over time would be better as the consumer would not necessarily notice too much of an impact on their wallets and lives. I worry how future generations will fare with life if they don't have houses or money to inherit from family members.*

*I think we must try to avoid burdening future generations with elevated costs for such an essential service, especially as we can't be confident that the current reductions in living standards and real-terms income will actually be reversed in the medium to long term.*

*I think that with the world changing as much as it is there will be a larger population to spread the cost. But on the flip side there will be more work to be done because of urban build up, so it makes sense to start now.*

# Customer reactions to bill impact, affordability and phasing, in summary:

When water bills are looked at in isolation, many feel these increases are affordable. However, in the context of all other outgoings increasing and the cost of living crisis, there are those who would genuinely struggle and for whom this causes concern.

Customers do see areas where costs can be saved (removing 'replacing lead piping for free') and some feel longer term actions related to climate change could be spread out over a longer time period to reduce the cost.

Although drinking water quality isn't always their highest priority, customers still feel we need to act now and the idea of phasing is largely rejected on this commitment. Customers do not want to see future generations burdened with the cost and prefer small but consistent bill increases.



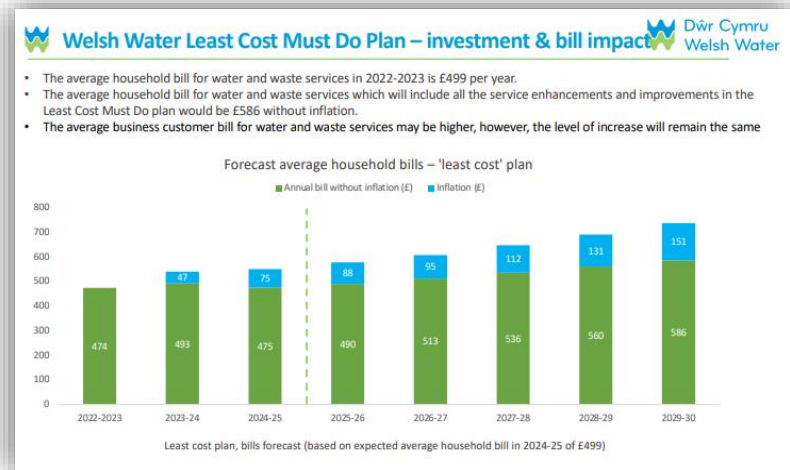
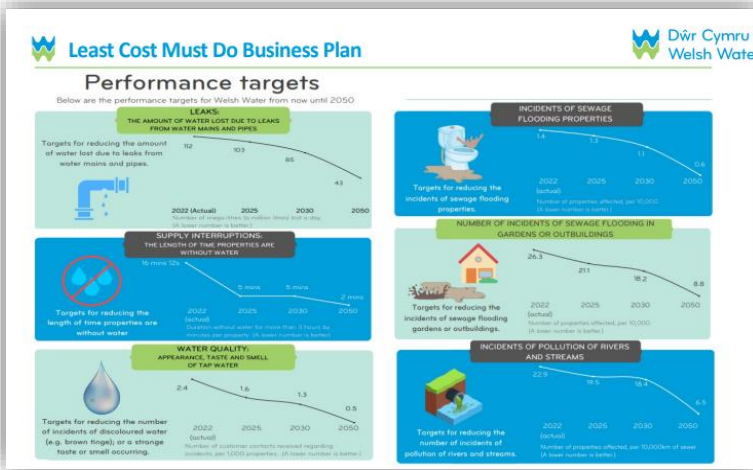
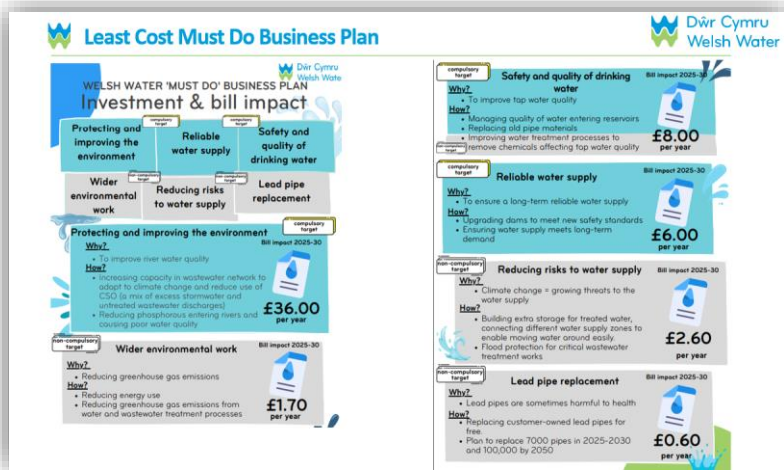




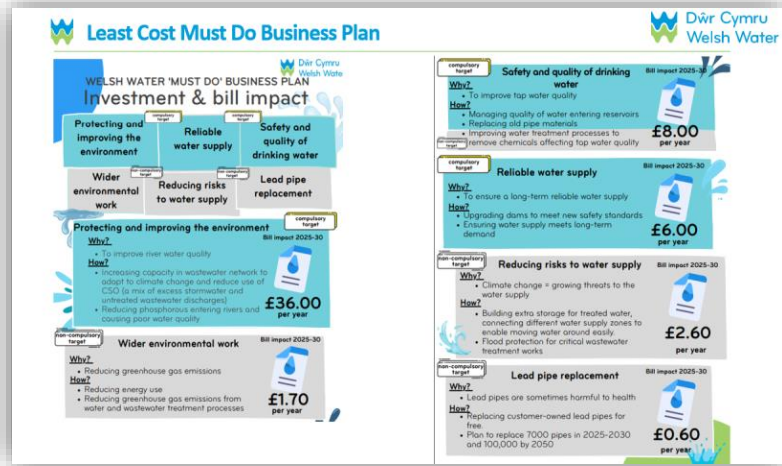
**LEAST COST MUST DO PLAN**

# Stimulus shown:

Welsh Water has put together another version of the plan from the Proposed Plan, which only focuses on certain areas that they are required to do and thus keeps costs to an absolute minimum. In the attached document, you will see that the first part of the Least Cost Must Do Plan has the same Performance Commitments that you saw previously. The difference in this plan to the Proposed Plan is that it would not include the areas shown in grey on the attached. So, the impact on your bills would be lower – again in the attached we are looking at the average bill for a customer, and the figures include some predictions for inflation.



# Customers feel that the Least Cost Must Do plan does not have sufficient coverage, thus is not worth the trade-off for the minimal cost savings



- ! Customers struggle to see how this plan is keeping costs to a minimum when the most expensive by far element is still included in full
- ! The cost saving made feels minimal, when compared against what is lost. To save this minimal amount it does not feel worth it
- ! Customers would rather see 'protecting and improving the environment' scaled back or spread over a longer time period to reduce the cost for this element, than lose other areas altogether
- ! Coverage of this plan feels incomplete, in particular 'reducing risks to water supply' feels like a crucial element if we don't want to cause ourselves more problems down the line
- ✓ However, customers are happy to see replacing lead piping being removed

*I don't think this correct and would only reduce bills slightly and the costs would increase much more in the future. These issues will get bigger and worse. This plan is not doing enough for environmental issues would result in very serious effects on future generations.*

*It's a very modest saving that would be made by selecting this plan. From £592 without inflation down to £586 without inflation. As all of the non-compulsory elements cut are still valuable I am not at all convinced that excluding these actions are worth such a modest saving.*

*I still think that the prices per year, especially on protecting and improving the environment, is ridiculously high. But from the sounds of it, you will be using the investment to try to combat climate change issues and extreme weather which could be a detrimental problem in years to come.*

*Improving river quality is still there but is so expensive, maybe there is a way that this could be reduced down slightly?*





“

*There is very little about this plan that I like. We scrap our environmental commitments and do the minimum for very little benefit to the customer. The change to cost is not worth the services that we are losing to over it.*

”



# Most of these informed customers are more supportive of the Proposed Plan, with the Least Cost Plan only preferred by a minority

## PROPOSED PLAN

Number who  
support\*

16/22\*

- A feeling of go big or go home, if we know these challenges exist then we need to address them and act now
- For the minimal cost savings the least cost plan offers vs. areas lost, it doesn't make sense to our customers to cut corners
- The proposed plan addresses our customers major concerns and feels future thinking
- Customers don't want to lose out on reducing risks to our water supply specifically
- Although feel replacing lead piping could be removed, but more from a better use of funds perspective, rather than cost cutting

*Due to the benefits of the Proposed Plan (in terms of the non-compulsory targets included), and with the very modest savings of the 'least cost' plan, I am not particularly supportive of the least cost, go with the proposed.*

## LEAST COST MUST DO PLAN

Number who  
support\*

6/22\*

- For some, despite the minimal cost saving there is a feeling of every little helps
- However, they still feel the areas omitted are important (with the exception of replacing lead piping)
- As such, they would still want these enhancements to happen, but rather be delayed till later down the line when the national global situation has improved
- An updated, interim plan would be expected down the line

*This plan would be more cost welcome, and would still cover the main elements that are in need. I think that although the other things are needing to be done, this is something that can be put off for a few more years and pushed to the next update of the plan.*

# Customer perceptions of the Least Cost Must Do Plan, in summary:

Customers appreciate that the Least Cost Must Do Plan is aiming to better meet customers' financial needs. However, the minimal cost savings vs. the areas lost do not feel worthwhile. Although losing elements such as replacing lead piping make sense, customers feel that reducing risks to our water supply is far too important to cut out.

Whilst protecting and improving the environment is essential, the cost is high and some customers would rather see this element scaled back or spread over a longer time period to reduce the biggest cost, than lose out on other areas.


Thus, preference is for the Proposed Plan, though the Least Cost Must Do Plan remains an option for those who are most fearful about bill impact – and customers are open to other ways of achieving value in AMP8.






**SUPPORTING VULNERABLE CUSTOMERS**

# Stimulus shown:




**Welsh Water will continue to support and offer the following services in 2025-2030**




Dŵr Cymru  
Welsh Water


Priority Services Register	Social Tariffs	Other Services
<p>You may be a parent with a baby, have an illness that requires water, have sight or hearing difficulties or are elderly or disabled.</p> <p>Our Priority Services Register means help with:</p> <p>Bottled water if your supply is interrupted</p> <p>Alternative ways of getting information e.g. Large Print or Braille bills</p> <p>Reassurance against bogus callers</p> <p><b>Over 127,000 customers currently signed up and this will increase in line with promotional activity and Welsh Water will continue to work with stakeholders to get people signed up</b></p>	<p>Welsh Water have a range of tariffs available to support customers who may have a low household income, large family or medical condition and are in receipt of certain benefits.</p> <p>These tariffs put a cap on the amount you have to pay for water.</p> <p>We also offer schemes to help people clear arrears and various payment plans</p> <p>Currently, over 120,000 customers receive financial assistance from Welsh Water and, with the cost-of-living crisis, that figure is projected to rise to approximately 165,000 in 2027 and then settle back to approximately 128,000 in 2030.</p>	<p>Dedicated support teams</p> <p>Working with other organisations: Our work ranges from data sharing arrangements with energy distributors in our area to training local housing officers to be able to sign up customers to our social tariffs</p>



**Welsh Water are also trialling a scheme to help those who aren't eligible for financial assistance**  
**They have introduced a new grant that will provide some short-term financial relief to working households who find themselves in a negative budget. This is when their expenditure is higher than their income.**



Dŵr Cymru  
Welsh Water



**Household Crisis Grant**  

Welsh Water have a range of tariffs available to support customers who may have a low household income, large family or medical condition and are in receipt of certain benefits. We also offer schemes to help people clear arrears and various payment plans.

We recognise that the current cost of living crisis is having an effect on so many more customers at the moment, especially those who aren't eligible for financial assistance, so we have introduced a new grant that will provide some short-term financial relief to working households who find themselves in a negative budget. This is when their expenditure is higher than their income.

**Who is eligible?**

The fund will be available to working households where household bills exceed their income as judged by a third-party income and expenditure assessment, completed by trusted organisations, such as Citizens Advice.


**What support can customers receive?**

Customers who qualify will benefit from a 3 month 'charge free' period, during which not only will ongoing charges be cancelled, but they also don't have to pay anything during that period. The amount does not have to be repaid and for most households this equates roughly to a discount of £100-£120 on the average bill. This will enable our customers to use those funds for other purposes to support them through the cost-of-living crisis.

**How do households access the Cymuned Fund?**

Customers will need to be referred to a trusted partner, such as Citizens Advice who will complete an income and expenditure assessment. During the pilot phase, which is due to go live on Monday the 5<sup>th</sup> of December, we will only accept applications from

**Rhondda Cynon Taff & Denbighshire Citizens Advice**



Customers **cannot** apply directly to Welsh Water to be accepted onto the "Cymuned" Fund.

Customers who meet the eligibility criteria for a social tariff or other affordability scheme, or who are already benefitting from being on a social tariff or debt scheme, will not be eligible for this fund.

Customers will only be eligible once every 3 years.

**How will the Cymuned Fund work?**

Once the customer has been accepted onto the Fund, on-going charges for the next 3 months are cancelled, and they are not expected to make any payments during this time. The charge free period will start from the date a customer is accepted onto the fund and will end after the 3-month period has expired.

As a condition of being accepted onto the Cymuned Fund, customers must enter an arrangement to pay their charges (payment plan) at the end of their payment free period. If a customer applying for the Fund already has a payment plan in place e.g., Direct Debit, the payment dates will be amended to take account of the payment free period.

**The Trial**

The trial will commence from 5 December 2022 for 6 months, across Rhondda Cynon Taff and Denbighshire Local Authorities.

It is unlikely that you will receive calls from customers requesting to apply for this grant but if you do and you are unsure how to respond please transfer them to the specialist support team.

56



# Both current and proposed initiatives appeal as commendable and relevant action by Welsh Water to help those in need

**Welsh Water will continue to support and offer the following services in 2025-2030**

Priority Services Register	Social Tariffs	Other Services
<p>You may be a parent with a baby, have an illness that requires water, have sight or hearing difficulties or are elderly or disabled.</p> <p>Our Priority Services Register means help with:</p> <ul style="list-style-type: none"><li>Bottled water if your supply is interrupted</li><li>Alternative ways of getting information e.g. Large Print or Braille bills</li><li>Reassurance against bogus callers</li></ul> <p>Over 127,000 customers currently signed up and this will increase in line with promotional activity and Welsh Water will continue to work with stakeholders to get people signed up</p>	<p>Welsh Water have a range of tariffs available to support customers who may have a low household income, large family or medical condition and are in receipt of certain benefits.</p> <p>These tariffs put a cap on the amount you have to pay for water.</p> <p>We also offer schemes to help people clear arrears and various payment plans</p> <p>Currently, over 120,000 customers receive financial assistance from Welsh Water and, with the cost-of-living crisis, that figure is projected to rise to approximately 165,000 in 2027 and then settle back to approximately 128,000 in 2030.</p>	<p>Dedicated support teams</p> <p>Working with other organisations: Our work ranges from data sharing arrangements with energy distributors in our area to training local housing officers to be able to sign up customers to our social tariffs</p>

**Welsh Water are also trialling a scheme to help those who aren't eligible for financial assistance**

**They have introduced a new grant that will provide some short-term financial relief to working households who find themselves in a negative budget. This is when their expenditure is higher than their income.**

**Household Crisis Grant**

Welsh Water have a range of tariffs available to support customers who may have a low household income, large family or medical condition and are in receipt of certain benefits. We also offer schemes to help people clear arrears and various payment plans.

We recognise that the current cost of living crisis is having an effect on our customers and we want to help those who are struggling to pay their bills. The Household Crisis Grant is a new grant that will provide some short-term financial relief to working households who find themselves in a negative budget. This is when their expenditure is higher than their income.

**Who is eligible?**

The Household Crisis Grant is available to working households who have been assessed as being in financial difficulty by a professional organisation, such as Citizens Advice.

**What support can you expect?**

Customers who qualify will benefit from a 3 month 'freeze' period, during which their bills will be frozen at the level they were at before the grant was introduced. This means that customers will not have to pay any more than they were before the grant was introduced. The grant will be available to customers who are in financial difficulty and who have been assessed as being in financial difficulty by a professional organisation, such as Citizens Advice.

**How to apply for the Household Crisis Grant**

Customers will need to be referred to a support partner, such as Citizens Advice, who will then refer them to the Household Crisis Grant. The grant will be available to customers who are in financial difficulty and who have been assessed as being in financial difficulty by a professional organisation, such as Citizens Advice.

**Customers cannot apply directly to Welsh Water to be accepted onto the Household Crisis Grant.**

Customers will need to be referred to a support partner, such as Citizens Advice, who will then refer them to the Household Crisis Grant. The grant will be available to customers who are in financial difficulty and who have been assessed as being in financial difficulty by a professional organisation, such as Citizens Advice.

**How will the Household Crisis Grant be used?**

Once the customer has been accepted onto the Household Crisis Grant, they will be able to apply for the grant. The grant will be available to customers who are in financial difficulty and who have been assessed as being in financial difficulty by a professional organisation, such as Citizens Advice.

**What happens if a customer does not use the grant?**

If a customer does not use the grant, they will be able to apply for the grant again. The grant will be available to customers who are in financial difficulty and who have been assessed as being in financial difficulty by a professional organisation, such as Citizens Advice.

**What happens if a customer does not use the grant?**

If a customer does not use the grant, they will be able to apply for the grant again. The grant will be available to customers who are in financial difficulty and who have been assessed as being in financial difficulty by a professional organisation, such as Citizens Advice.

- ✓ Generally viewed very positively; the cost of living crisis is top of mind, and the need for help is keenly understood. This feels timely and commendable, but also an appropriate reaction to the real (and often increasing) financial pressures felt by many
- ✓ Breadth of help and inclusivity appeals; social tariffs, cap on bills and the Household Crisis Grant in particular feel welcome, covering a range of circumstances
- ! Seen as new news to many, especially cap on bills, and the option for information in Braille/ large font - a sense that more should be done to increase awareness of these initiatives to best reach those in need
- ! Concerns are few and far between but some question how this will be financed (e.g. to what extent does this mean higher bills for others?), and the potential risk of the proposed Household Crisis Grant being abused. There is also an expectation this would be rolled out to other areas

*I think that the support you have in place is good, it supports the needs of many different people who are in different situations, and it shows that Welsh Water cares.*


*Overall, I think the schemes offered are great initiatives that recognise that real financial costs and barriers customers may experience. [...] I think these schemes highlight how you prioritise all customers, and are here to help.*

*These type of payment schemes work very well in the short term and can certainly take the pressure off. The 3 month deduction from the bill will be welcomed. The social scheme was not something that I was aware of and maybe this needs to be advertised to bring awareness.*


*I think both of these schemes are commendable, but how does Welsh Water absorb the lost income with the first scheme? Does it mean other customers pay higher charges?*

57

**Customers do not expect further investment beyond what has been proposed, though could go further to offer advice on water saving**



# Welsh Water will continue to support and offer the following services in 2025-2030




# Dŵr Cymru Welsh Water

Priority Services Register	Social Tariffs	Other Services
<p>You may be a parent with a baby, have an illness that requires water, have sight or hearing difficulties or are elderly or disabled.</p> <p>Our Priority Services Register means help with:</p> <ul style="list-style-type: none"> <li>Bottled water if your supply is interrupted</li> <li>Alternative ways of getting information e.g. Large Print or Braille bills</li> <li>Reassurance against bogus callers</li> </ul>	<p>Welsh Water have a range of tariffs available to support customers who may have a low household income, large family or medical condition and are in receipt of certain benefits.</p> <p>These tariffs put a cap on the amount you have to pay for water.</p> <p>We also offer schemes to help people clear arrears and various payment plans</p>	<p>Dedicated support teams</p> <p>Working with other organisations: Our work ranges from data sharing arrangements with energy distributors in our area to training local housing officers to be able to sign up customers to our social tariffs</p>


Over 127,000 customers currently signed up and this will increase in line with promotional activity and Welsh Water will continue to work with stakeholders to get people signed up

Currently over 120,000 customers receive financial assistance from Welsh Water and, with the cost-of-living crisis, that figure is projected to




## Welsh Water are also trialling a scheme to help those who aren't eligible for financial assistance

They have introduced a new grant that will provide some short-term financial relief to working households who find themselves in a negative budget. This is when their expenditure is higher than their income.



## Dŵr Cymru Welsh Water



### Household Crisis Grant

Welsh Water have a range of grants available to support customers who may have a low household income, large bills or medical condition and are in receipt of certain benefits. We also offer schemes to help people clear arrears and various payment plans.

The Household Crisis Grant is a new grant that will provide some short-term financial relief to working households who find themselves in a negative budget. This is when their expenditure is higher than their income.

The grant is available to customers who are currently in receipt of certain benefits and who are not eligible for financial assistance through other schemes.

**Who is eligible?**

The grant is available to working households who have been assessed for financial assistance in a negative budget and who are not eligible for financial assistance through other schemes.

**What grant can customers receive?**

Customers who are eligible for the grant can receive a grant of up to £1,000. The grant is available to customers who are currently in receipt of certain benefits and who are not eligible for financial assistance through other schemes.

**How to apply for the grant**

Customers who want to apply for the grant should contact their local Welsh Water office or visit the Welsh Water website. The grant is available to customers who are currently in receipt of certain benefits and who are not eligible for financial assistance through other schemes.

**Benefits cover 1st & 2nd mortgage interest**



### Benefits cover 1st & 2nd mortgage interest

Customers who are eligible for the grant can receive a grant of up to £1,000. The grant is available to customers who are currently in receipt of certain benefits and who are not eligible for financial assistance through other schemes.

**Who is eligible?**

The grant is available to working households who have been assessed for financial assistance in a negative budget and who are not eligible for financial assistance through other schemes.

**What grant can customers receive?**

Customers who are eligible for the grant can receive a grant of up to £1,000. The grant is available to customers who are currently in receipt of certain benefits and who are not eligible for financial assistance through other schemes.

**How to apply for the grant**

Customers who want to apply for the grant should contact their local Welsh Water office or visit the Welsh Water website. The grant is available to customers who are currently in receipt of certain benefits and who are not eligible for financial assistance through other schemes.

**Benefits cover 1st & 2nd mortgage interest**

- ✓ Generally, a sense that the current and proposed plans feel sufficient, and meet (or often exceed) expectations - for most, there is no desire to see other initiatives and further investment beyond this
- ! However – a perception that the success of each initiative depends on awareness, and that more should be done to promote the help on offer, through texts, leaflets etc.
- ! While capped costs, and temporary 'charge free' periods appeal – some suggest this should be balanced with wider tips and advice on how to save water and reduce costs at home; or that repayment plans could also be helpful here
- ! Some suggestion that the government should share responsibility for both the impact of rising bills, and advice (e.g. perhaps akin to the relief on energy bills)

*I think that Welsh Water offer lots of different approaches to helping people in their own situations, I personally think that you are doing enough with this category and no more money/bill increases should be invested into this.*

*Would it be possible to remind the customers who may be struggling with finances if their water bill is high, to give them tips and advice on how to reduce their bill?*

*I think that it is very important to educate people on all the ways that they can save money by doing small everyday things, like turning off the tap while brushing your teeth, having a shower not a bath etc.*

*I feel as though the government should partner with Welsh Water, so that if the prices do rise drastically then they offer a scheme to help the public pay the bills.*

# Perceptions on support for vulnerable customers, in summary:

The need for help is keenly felt. There is strong appreciation of steps taken to alleviate financial pressures on those who are most vulnerable, and both current and proposed plans feel commendable, and relevant.

However, there is a strong sense that more needs to be done to ensure those who could benefit from these services, are made aware of them – with a push to raise awareness of each initiative.

Going forward, the level of proposed help feels sufficient, often exceeding expectations – however customers also see a role for continued advice and tips on how to reduce bills within the home.

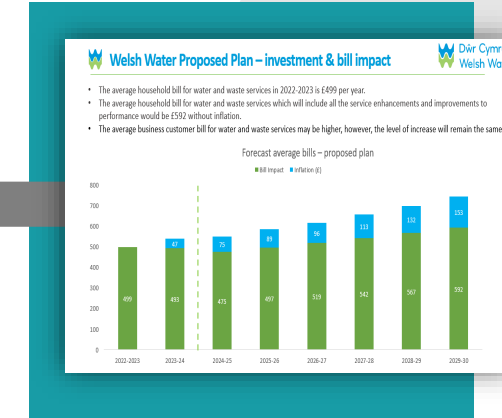
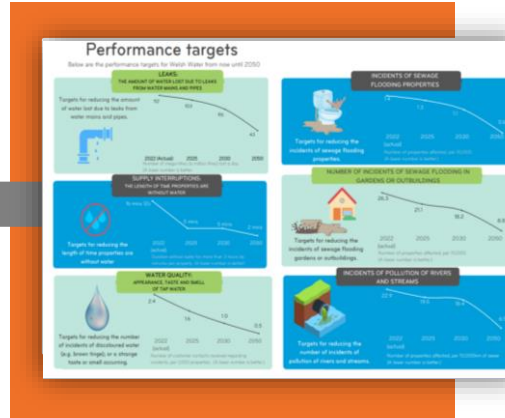
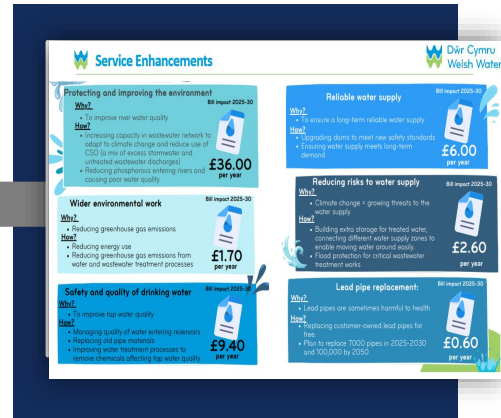




## CONCLUSIONS



# Conclusions on acceptability and affordability exploration with a small but informed customer sample



1. There is **clear overall support for the Proposed Plan from this small group of informed customers**. It feels comprehensive and well rounded in it's coverage and addresses the core issues that these customers have consistently highlighted as their priorities and areas of concern.
2. **Most of these informed customers feel that the Proposed Plan is affordable**, sometimes more so than expected considering it's coverage. However, there are some with genuine affordability concerns stemming from the cost of living crisis, and we must work hard to ensure they are aware of support available.
3. The consensus is that the **level of ambition in the Proposed Plan is broadly right**, although customers do think we could go further on reducing pollution incidents sooner, and could dial back lead pipe replacement work that they see as householders' own responsibility. Whilst supply interruptions targets are sometimes seen as too ambitious, it is important that we listen to a wider sample of customers (especially those with direct experience of supply loss) on this current and growing issue for DCWW – other research on this subject area is currently being undertaken by Relish.
4. The **Proposed Plan is preferred to the Least Cost Plan by all but those most impacted by bill increases**. The trade-off does not work – too little bill reduction for too big a reduction in necessary work. However, some of those with stronger concerns about bill impact suggest an alternative value plan in which some of the longer term environmental plans are phased differently if this can generate bigger reductions on their bill increases in AMP8. On water quality however, customers reject phasing on the basis that it is unfair to future generations and too important to health to not address.



**Gemma Baldwin, Insight Director**  
**[gemma@wearerelish.com](mailto:gemma@wearerelish.com)**

**Oliver Farr, Insight Director**  
**[oliver@wearerelish.com](mailto:oliver@wearerelish.com)**

3 Angel Walk  
Hammersmith  
London  
W6 9HX

T: 0208 994 2333



**[wearerelish.com](http://wearerelish.com)**



**[twitter.com/wearerelish](https://twitter.com/wearerelish)**



**[@weare\\_relish/](https://www.instagram.com/weare_relish/)**



**[relish-research](https://www.linkedin.com/company/relish-research)**