



Acceptability and Affordability Testing

Qualitative Research

Accent

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Agenda



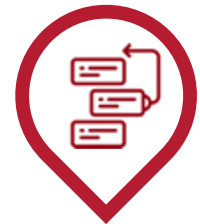
1. Research Background

Research Rationale
Methodology and Sample
Design of Materials



2. Contextual Issues

Awareness/Perceptions of Welsh Water
Household Finances and VFM
Priorities and Improvements
Long term direction
Intergenerational fairness



3. Response to Proposed Plan

Likes and dislikes
Acceptability and Affordability
Improvements



4. Response to Must Do Plan

Likes and dislikes
Acceptability and Affordability
Phasing and Intergenerational Fairness



5. Summary and Recommendations

Overall preferences
Changes for the Proposed Plan



Research Background

Background:

- All water and wastewater companies are required to test the acceptability and affordability of their Business Plans with their customers before submitting their plans for the upcoming Price Review (PR24) in October 2023
- To ensure a standardised approach is used across the industry, Ofwat and CCW have produced guidance on how this research should be undertaken
- This guidance has been designed to facilitate consistency and comparability between companies (eg question language, methodologies, approach taken to inflation, the degree to which participants are informed, clarity on least cost vs. proposed options, inclusion of vulnerabilities, different futures, single affordability scheme)



This is the first stage of Qualitative work to provide core insight across customer segments and inform what Business Plan goes forward to be 'acceptability and affordability' tested in the subsequent Quantitative stage

Research objectives:

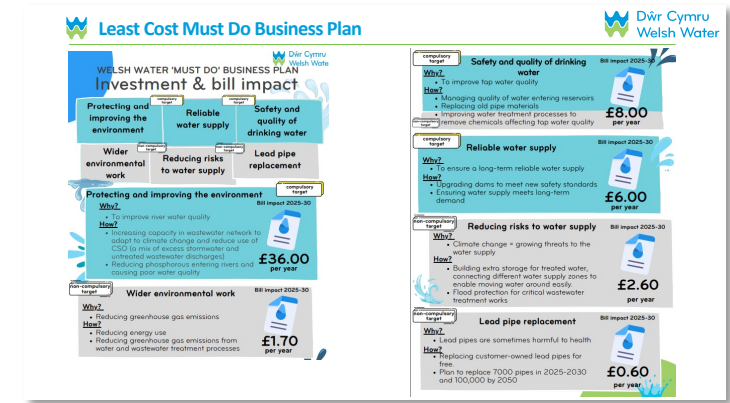
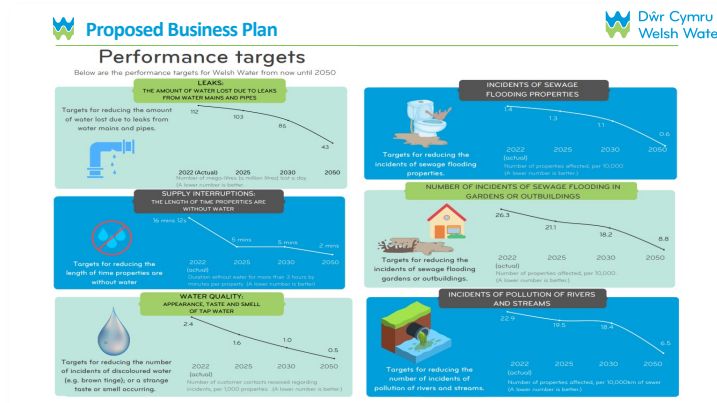
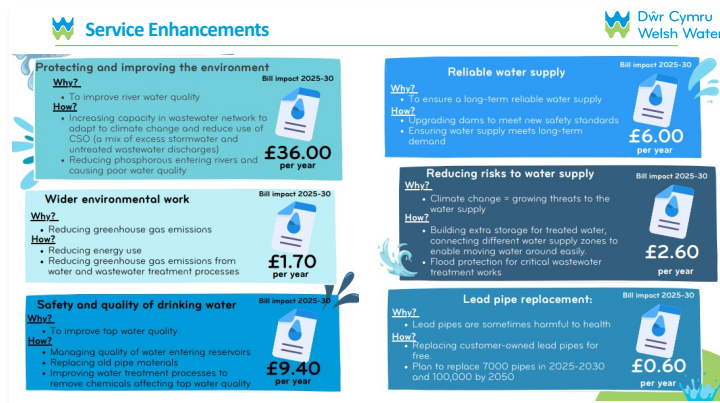
Welsh Water have produced two potential Business Plans for the 2025-2030 Price review period to be tested in line with the CC Water guidance

The plans do not include everything that Welsh Water propose to do but, in line with the CC Water guidance, they cover proposed targets against six key Performance Commitments and six Service Enhancements that represent the areas where there will be the most investment and where customers will have a POV

Plan One is 'The Proposed Plan' that includes Statutory and Discretionary Service Enhancements

Both plans include the targets for the six Performance Commitments

Plan Two is 'Least Cost Must Do Plan' that includes just the Statutory Service Enhancements



The research was commissioned to explore customer responses to the Proposed and Must Do Business plans and decide which plan (or adaptation) will go forward to be tested in the quantitative work

All research followed the guidelines imposed by OFWAT/CCWater and was overseen by the ICG
Areas where the research deviated from the guidance will be outlined in the Appendix to the report

Qualitative methodology: 4 Extended Deliberative Events of 4 ½ hours



Homework exercise
undertaken on bespoke
digital platform



Four Extended
Deliberative Events



Post Task exercise
undertaken on bespoke
digital platform

Affordability of Water Bill
Anything
new/interesting/surprising from
the homework
Overall impressions (Future)

Contextual Issues and Baseline
Views
Discussion of Proposed Plan
Discussion of Must Do Plan

Affordability/Acceptability of
Proposed Plan, Must Do Plan
Preferred Plan
Level of Trust to deliver

Qualitative sample specification: Household (inc. PSR/Eligible), Non Household, Future customers

	Bangor	Hereford	Tenby	Cardiff
HH	18	18	18	18
NHH	6	6	6	6
Future	6	6	6	6

6 people in each location were recruited to be on the PSR or PSR eligible



Sample representation across SEG in line with the guidance
This pack also includes insight from the CIVS depths which includes customer with mobility, health and some financial issues and the large NHH interviews

10 x large NHH customers

Businesses operated in the health (including dentistry), leisure (including food & drink and hospitality), waste management and architecture/civil engineering

Water was crucial for their businesses, either to meet legal requirements for office staff or for the nature of their business as NHS services, hotels, cafes and so on require water to operate

Covering businesses across Wales

Bridgend

Sandycroft

Cardiff

Hereford

Country wide

Acceptability

All participants preferred the Proposed plan
Acceptable as it meets their organisational priorities and was relatively inexpensive
Unsure as to why the least cost must do plan was offered at all given the minimal difference in the bill impact

Affordability

Water is good value compared to other utilities
Price increase feels affordable given what is being promised
Critical to invest
'Not for Profit' status helps here

10 x CIVS customers

Health vulnerabilities can overlap into financial issues:

Caring for disabled child = uses lots of water

Looking after unwell son = no longer able to work

Wheelchair user who wouldn't afford bottled water in an outage

But only a few were 'financially vulnerable'

Understand that there is a COL crisis but not directly affected

Water bill has halved since meter put in/capped on social tariff or just generally good value

Baseline perceptions are very positive

PSR status = looked after and greater relationship and connection with Welsh Water; responsive to questions and queries

Pride in 'Welsh Water' and sense that they are not responsible for everything

A company that's taken for granted because the service is good

Sense that PSR awareness needs to be raised as most 'stumbled upon it' via FB, word of mouth, small print of bill, google search

Some greater sensitivity needed around the application process – needing to prove complex medical condition

Support and services are sufficient and welcomed

Struggle to think up any real improvements

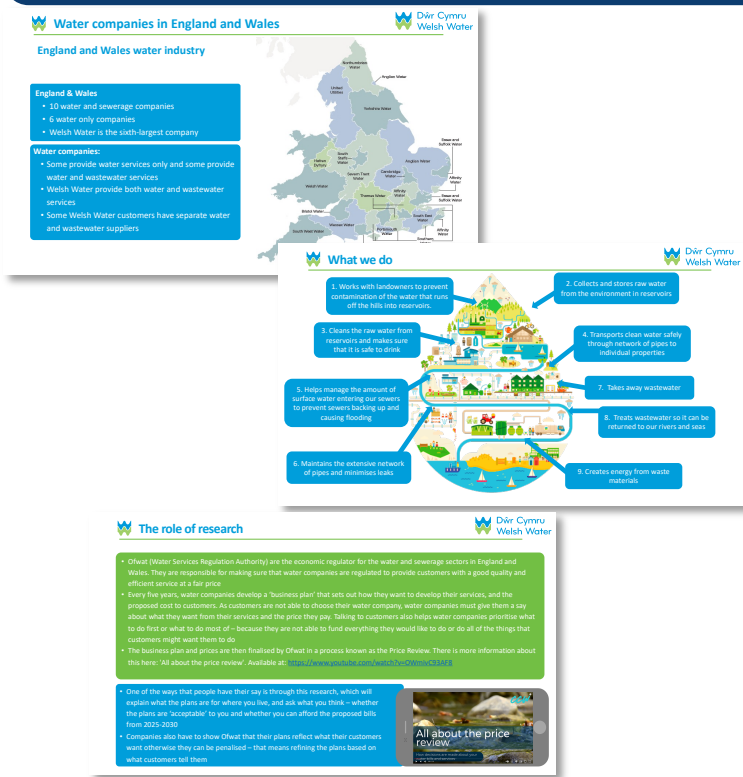
Proposed plan was universally accepted and welcome the focus on the environment

Most feel it's affordable for them and important for 'vital resource' in the long term but want to be sure that there is financial protection or capping if needed for them (and others)

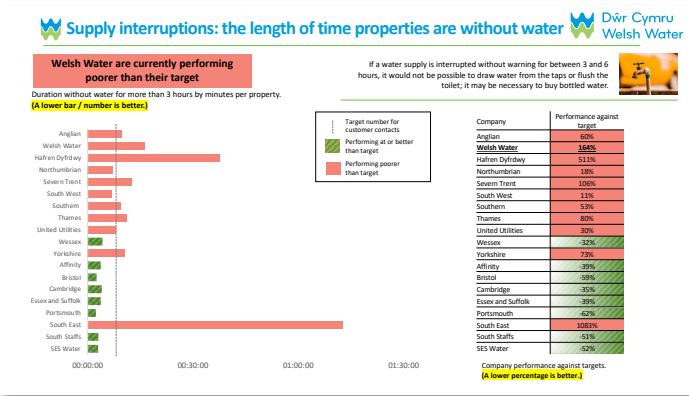
Qualitative materials:

Materials were developed in line with the guidance, COG tested with all customer groups and shown to the ICG

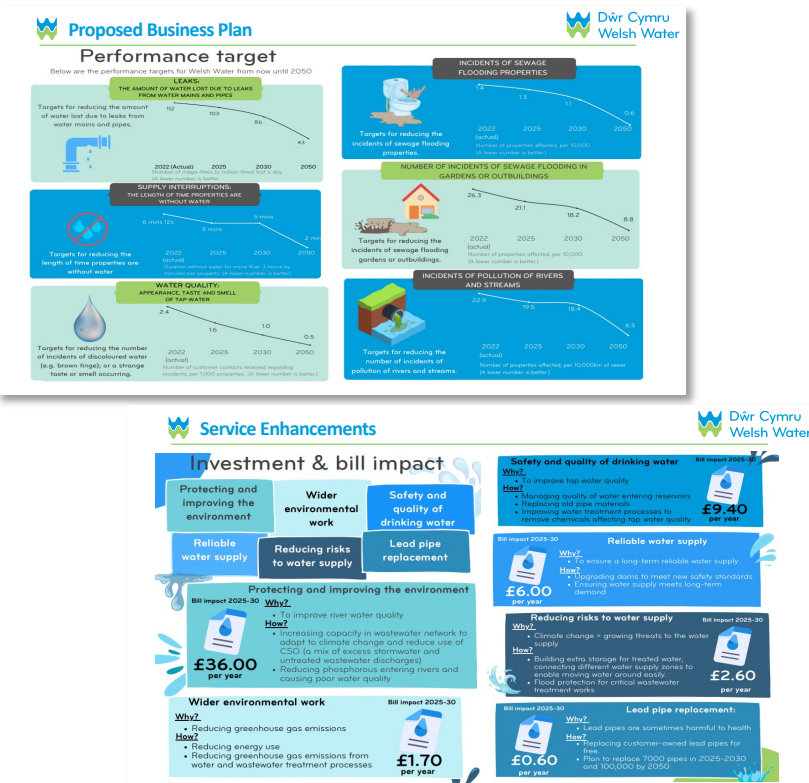
Background and Regulatory Information



Performance on 6 Key PCs



Proposed Business Plan



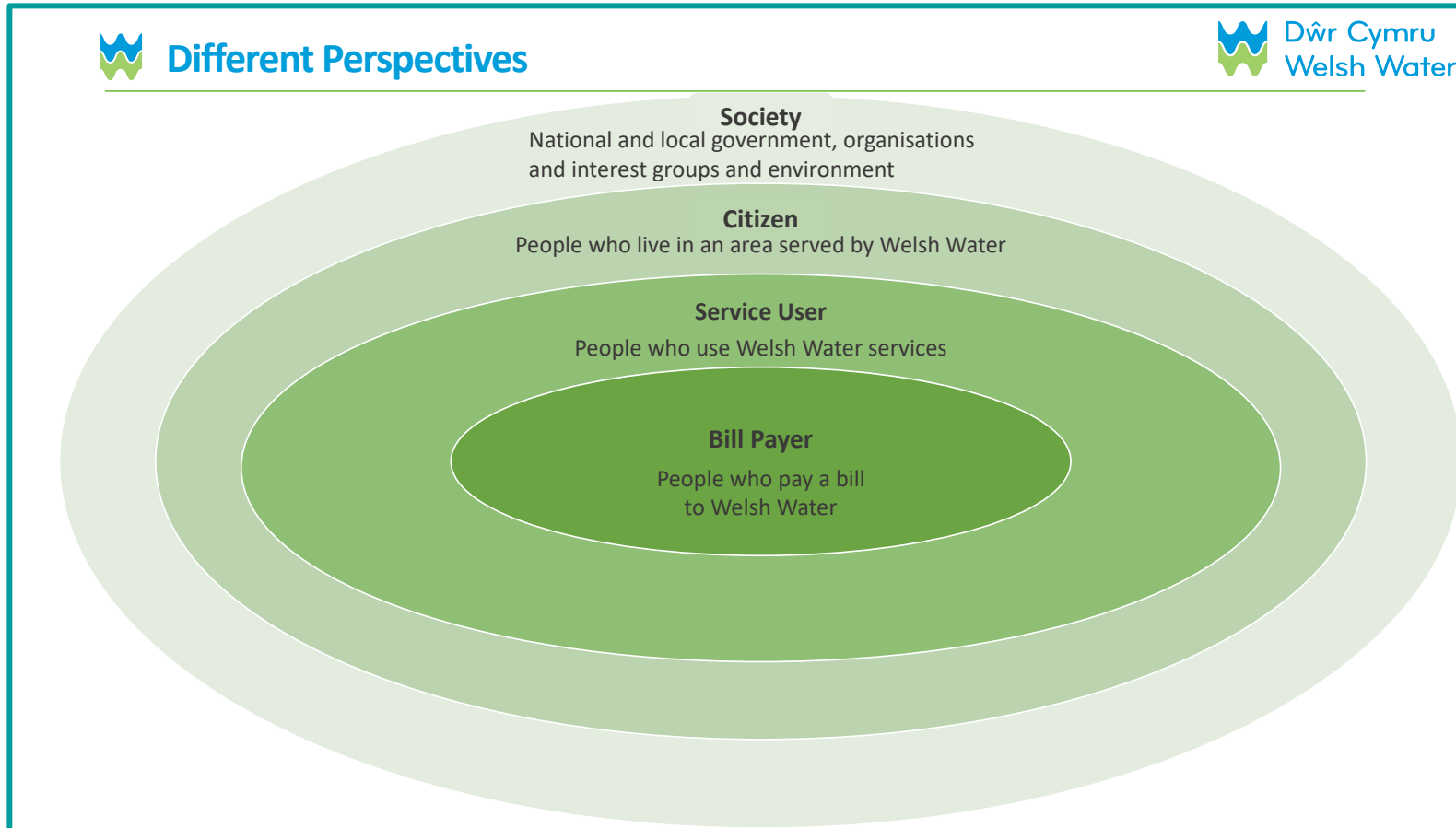
Materials were tailored for different audiences e.g. CIVS and larger NHH

A full set of materials will be in the final appendix

Qualitative structure: Event topics and deliberative break out discussions covered all mandated topics

- 4pm-4.15pm – Meet, Greet, Seat; Session Introduction
- 4.15pm-5.15pm – Break Out 1 (Warm-up, Recap, Long Term Context, Temperature Check)
- 5.15pm-5.45pm – Comfort/Tea/Coffee/Sandwiches
- 5.45pm-7.00pm – Break out 2 ('Proposed Plan')
- 7.00pm-7.15pm – Tea/coffee break
- 7.15pm-8.15pm – Break Out 3 ('Lower Cost Plan – Must Do')
- 8.15pm-8.30pm – Final plenary session (Post task)

Perspectives: Everyone was encouraged to think about the Business Plans from different perspectives



Perspective taking formed part of all discussions

Examples:

Citizen hats - Customers and Future customers talked about the impact of the plans on other members of society who might have trouble paying bills

Society hats – Customers and Future customers talked about the impact of the plan on the natural environment

This process was introduced in the first Break Out session when reviewing the Long Term direction
Customers naturally adopted 'different hats' to think about how the proposals would affect different people/interest groups



Contextual Issues

Fieldwork undertaken in March 2023.

Backdrop:, economic uncertainty (rising interest rates, soaring inflation, biggest drop of living standards on record, looming recession, etc), water sector under scrutiny in the news, CSOs and river pollution

EUROPE ECONOMY

UK inflation hits 41-year high of 11.1% as food and energy prices continue to soar

News > UK > UK Politics

UK inflation: Rate makes surprise leap as outlook for government finances ‘still grim’

Ofwat seeks new powers to force water companies to clean up rivers by blocking billions in investors payouts

EXCLUSIVE

The regulator is seeking powers to block the payment of dividends if water companies fail to tackle sewage and other issues requiring investment



Failures of regulators, water companies and Government leaving public and environment in the mire

22 March 2023



Under investment, insufficient government strategy, and inadequate co-ordination has resulted in a failure to “treat water with the care and importance it deserves”, warns committee.

Guardian

News Opinion Sport Culture Lifestyle More

Business > Economics > Banking > Money > Markets > Project Syndicate > RDS > Retail

Inflation

UK inflation rise complicates Bank of England's interest rate decision

Richard Partington
Economics correspondent

Negative interest rates make life more difficult, but economy is perilously close to recession

- Live coverage: Inflation jumps as cost of living crisis intensifies
- UK inflation rate to surprise rise to 11.1%
- Inflation calculations don't add: how much do prices really fall?

ROBECO

Our ESG framework identifies poor sustainability practices

FIND OUT MORE

Grocery price inflation hits a record 16.7% high leaving cash-strapped families facing an extra £788 on their annual food shopping bill

Food prices have leapt a 'staggering' 2.3 percentage points in just four weeks

WalesOnline

NEWS > RUGBY > FOOTBALL > IN YOUR AREA > WHAT'S ON > MORE

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High Court review to look at River Wye pollution


A large amount of organic manure has been spread over the land to facilitate the poultry industry's rapid growth near the River Wye, which as a result, has lead to a substantial increase in levels of phosphorus in the soil

NEWS By Branwen Jones Reporter

19:54, 15 MAR 2023

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Guardian

News Opinion Sport Culture Lifestyle More

Environment > Climate crisis > Wildlife > Energy > Pollution

Watchdog to block shareholder payouts if water companies in England and Wales miss targets

Official water price reviews will be used if Ofwat fails to act

Ofwat

Water price review: £8.50 per year

Baseline awareness/perceptions: Generally seen as a decent Water/Wastewater provider for Wales with NFP status

What did people know/think
about Welsh Water before
the Pre-Task exercise?



Future Customers Impressions = 6.3
Starting point = didn't know much
Service user experience = okay
Disappointed by performance

Primarily thought about Welsh Water from a bill payer/service user perspective

- HH/NHH Water and waste water provider
- Billed every month/quarter
- Decent customer service experience (contact for billing, minor interruptions)
- Water quality is very good
- Minimal/no supply interruptions
- Better/cheaper than the other utility providers

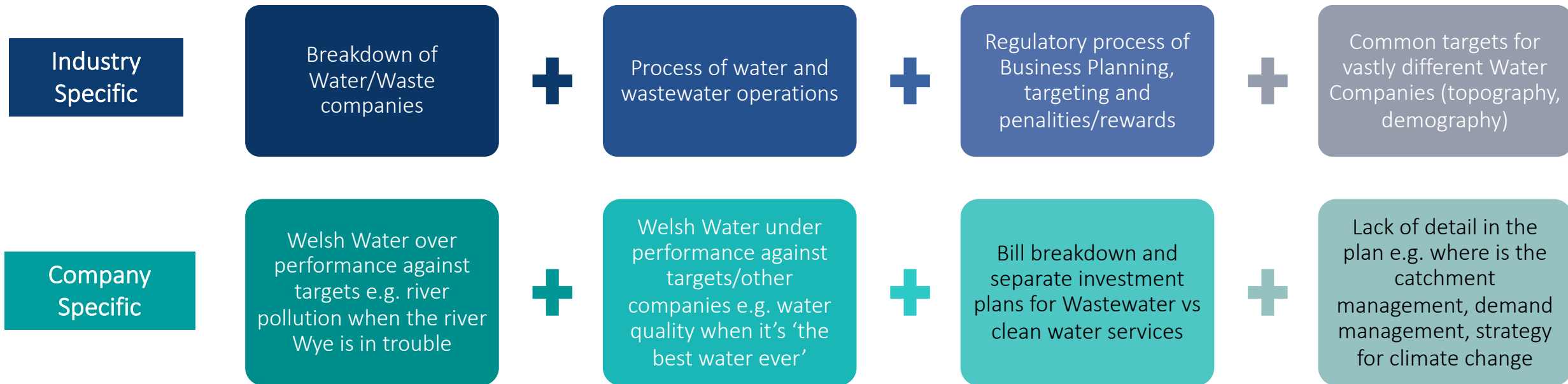
Limited thought given to Welsh Water as a company (citizen/society perspective)

- Aware of 'Not for Profit' status
- NFP status generally seen as positive (no shareholders)
- But narrative now needs to be moved along to understand how this is better for them as Welsh Water customers

Message of NFP is now known by all customers BUT they are not sure about how this benefits them OR the proportion of profit that goes into future resilience/supply planning

Pre-Task Themes:

8 key themes emerged from what HH/NHH/Future customers were 'surprised about' from the pre-task materials



Definite shift after viewing the pre-task performance materials – disappointed, less confident about Welsh Water
Judgement based on overall company performance VS personal service user experience which is generally okay
Disappointed about the current performance and puzzled by NFP status – why is there poor performance 'if all profits are reinvested'

Example of Pre-Task engagement and responses

That some companies do not provide BOTH water and waste services
Bangor, HH

It's journey and process that it goes through before it comes out of the tap
Hereford, HH.

How is performance targets set and by whom
Bangor, HH

Challenge of setting targets for very different environments - urban versus rural / coastal versus river.
Bangor, HH

The large number of water suppliers around the UK
Cardiff, HH

I didn't realise how much was involved within Welsh water outside of just providing water to homes
Cardiff, HH

It's new to me that I didn't realise the impact it would greatly be if Welsh Water didn't meet these targets
Cardiff, HH

Why is there not a continuous and long term plan to prevent water waste for example?
Tenby, HH

Surprised at Welsh Water's poor performance on some of the result tables. This is probably based on the excellent customer service and notifications I have received if there is a problem and wonder if some of this is harder to maintain due to the rural district under their jurisdiction?
Hereford, HH

Welsh Water performing poorly in most cases except for Water Leaks

Given the environmental aspect is something Welsh Water is already reaching it's target for I am surprised at the amount of extra funding being earmarked for this.
Tenby, HH

I find it odd that under not one category at all, do DCWW say "we can carry on doing this within existing budget".
Bangor, HH

I was surprised that Welsh Water was not performing better when compared to other water utility companies, particularly in very urban locations where I would have expected weaker infrastructure.
Tenby, HH

I was surprised that Welsh Water are not meeting targets in relation to providing clean drinking water.
Cardiff, HH

The high level of water leakages...are Welsh Water using dogs to search for underground leaks in the countryside?
Tenby, HH

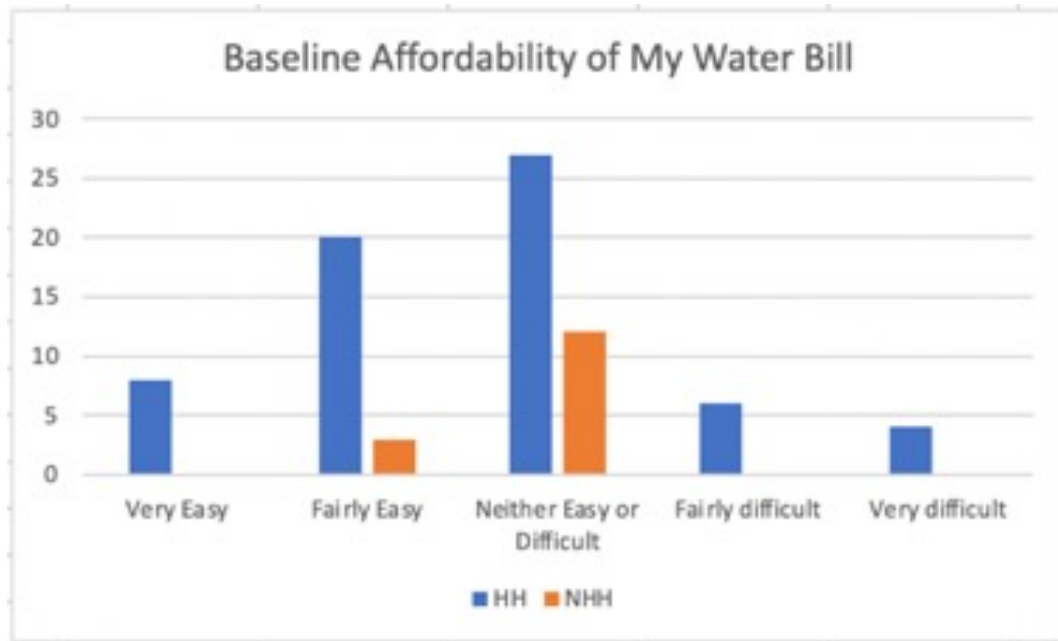
Amazing to see the illustration on how well spent the customer bill go to on each and every aspect in providing clean water to drink and maintaining waste water for the consumers.
Bangor, HH

I am surprised at the cost of treating sewage (33p in the pound?)
Hereford, HH

From the news it would seem that the effects of climate change are going to be very significant (more storms, more long dry spells, bigger variation in temperatures) - it is not obvious from the presentation to what extent Welsh Water is seeking to implement measures to mitigate these predicted changes and whether it is doing enough fast enough
Hereford, HH.

Baseline temperature check:

Customers understand that there is a cost of living crisis and many are conscious about household costs rising. The water bill is not felt to be the primary concern but a few HH customers found it difficult to pay



- Everyone is aware of the cost of living crisis and of rises in inflation outstripping wage increases
 - Very uncertain about the future
 - Impossible to predict what will happen to prices
 - Wages are not rising proportionately
- However, for most, water bills are not driving financial concerns
 - Historically flat
 - Lower than other bills
 - Less noticeable
- Some customers were struggling/just about managing and had reached out to Welsh Water for support
 - Feel that the water bill is fairly/very difficult to afford
 - Water meters to control/reduce £
 - Directed/on to support schemes

Unsurprisingly we see a correlation between those who find the bill difficult to pay now with those who find the Proposed Plan more unaffordable (from our LIC customers across the piece)

“ VFM is pretty good for my water bill – it’s pretty fair compared with other bills
Bangor, NHH ”

“ All bill are increasing but this one has stayed quite flat
Tenby, HH ”

“ I think its good VFM – it’s a big infrastructure to manage
Cardiff, NHH ”

“ It’s difficult to say whether it’s VFM or not because we don’t have a choice of provider so there is no competition
Bangor, HH ”

“ It’s hard to compare but I would say good VFM overall
Tenby, HH ”

“ I would say good but it’s probably the only bill that has stayed flat for so long. Gas and electric are through the roof
Cardiff, HH ”

“ I don’t think the water bill is that high – it’s our council tax that’s really high
Hereford, HH ”

“ We manage four kitchens so given the scale of water, it’s really goof VFM
Tenby, NHH ”

“ Everything is a bit difficult and I’ve just had a meter put in but there is no difference at the moment
Cardiff, HH ”

“ I have a real problem with mine and I’ve been in touch with Welsh Water about it
Hereford, HH ”

“ We aren’t dependent on water in the business but it’s one of my easiest ones to pay
Hereford, NHH ”

Baseline Priorities:

7 overarching areas felt to be important areas of responsibility



Environment

- Impact on supply/demand
- Protecting rivers /seas
- Reducing sewage/pollution (CSOs)



Infrastructure

- Improving sewer drains
- Addressing leakage
- Improving resilience
- Pipe replacement programme



Supply Side Solutions

- Improving storage
- Long term planning
- Dams for reservoirs



Innovation

- Dams for Hydro Power
- Technology e.g. smart meters, smart network



Protecting Vulnerable customers

- Fair water bills



Health Responsibility

- Pollution in rivers
- Lead pipework



Demand Management

- Reducing usage
- Improve education
- Greater interaction (NHH esp.)
- Better communications inc mainstream media e.g. TV

Sense of urgency around many issues - pushing for things to be addressed quickly especially in the light of climate change which most saw as a critical challenge

“ The environment is very important to me, and I am concerned about the state of the River Wye.
Hereford, HH ”

“ We had a terrible sewage flooding incident – it was dealt with really well but this needs to be addressed
Cardiff, HH ”

“ It’s about focusing on the environment and storing more water for the future
Tenby, NHH ”

“ There have been real issues with the pollution in Barry so that’s a priority
Cardiff, HH ”

“ I think the environmental aspects are really important esp. protecting the rivers but also like that lady said with the flooding in the villages
Hereford, NHH ”

“ They need to reduce those discharges into the sea – and urgently
Tenby, HH ”

“ It’s a big country and some of these big priorities also need support from the Environment people and Government organisations
Bangor, HH ”

“ We need to see some education for customers
Cardiff, HH ”

“ We need to look after people who need help – I feel strongly about that
Bangor, HH ”

“ They need to be putting some ads on TV to get people thinking about their water usage
Cardiff, NHH ”

Long term direction: Broad agreement with challenges and long term direction Some concerns that it's light on longer term supply side initiatives e.g. dams, reservoirs and missing sufficient urgency



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.

- Customers support the ambition areas that Welsh Water have chosen
- *Eliminating* environmental harm is positive and ambitious
- Leakage IS a key customer priority
- Striving to be top 4 is a good sentiment

What's Missing?

- Third party activities with Developers, Farmers, Councils, Industry, Government
- Rain Water harvesting, Grey Water flushing systems, Catchment Management
- Technologically led, innovative solutions
- Protection for the most vulnerable

- Concerns over distinction of 'significant' harm e.g. does this give them a get out
- Need to improve MORE THAN 1,500km of rivers
- 25% reduction in HH usage doesn't feel pioneering
- Need to do ALL THE Lead pipes OR means test this
- 'Average' supply interruption reduction feels minimal (5 minute to 2 minutes in 27 years)

27 years to 2050 - greater sense of greater urgency and ambition desire
Consistent 'Intergenerational fairness' feedback with majority feeling that short term focus is necessary. Older participants do not want to leave poor infrastructure legacy and, more selfishly, do not want to experience poor service in the near future

“It feels like something that was written in the Victorian times
Cardiff, HH”

“I feel like I’ve lost a bit of confidence now that I’ve seen that they have missed those other targets
Bangor, NHH”

“Some of this feels too wooly – will they still have these combined storm drains and still flush toilets with clean water
Tenby, HH”

“Not sure that 25% is ambitious enough with all the threats that come with climate change
Bangor, HH”

“What are the major landowners going to do – they need to be working in collaboration
Tenby, HH”

“I want to see more. More on grey water usage – not just reduce usage but educate
Hereford, NHH”

“Who gets selected for the lead pipes I wonder?
Should it be means tested
Cardiff, NHH”

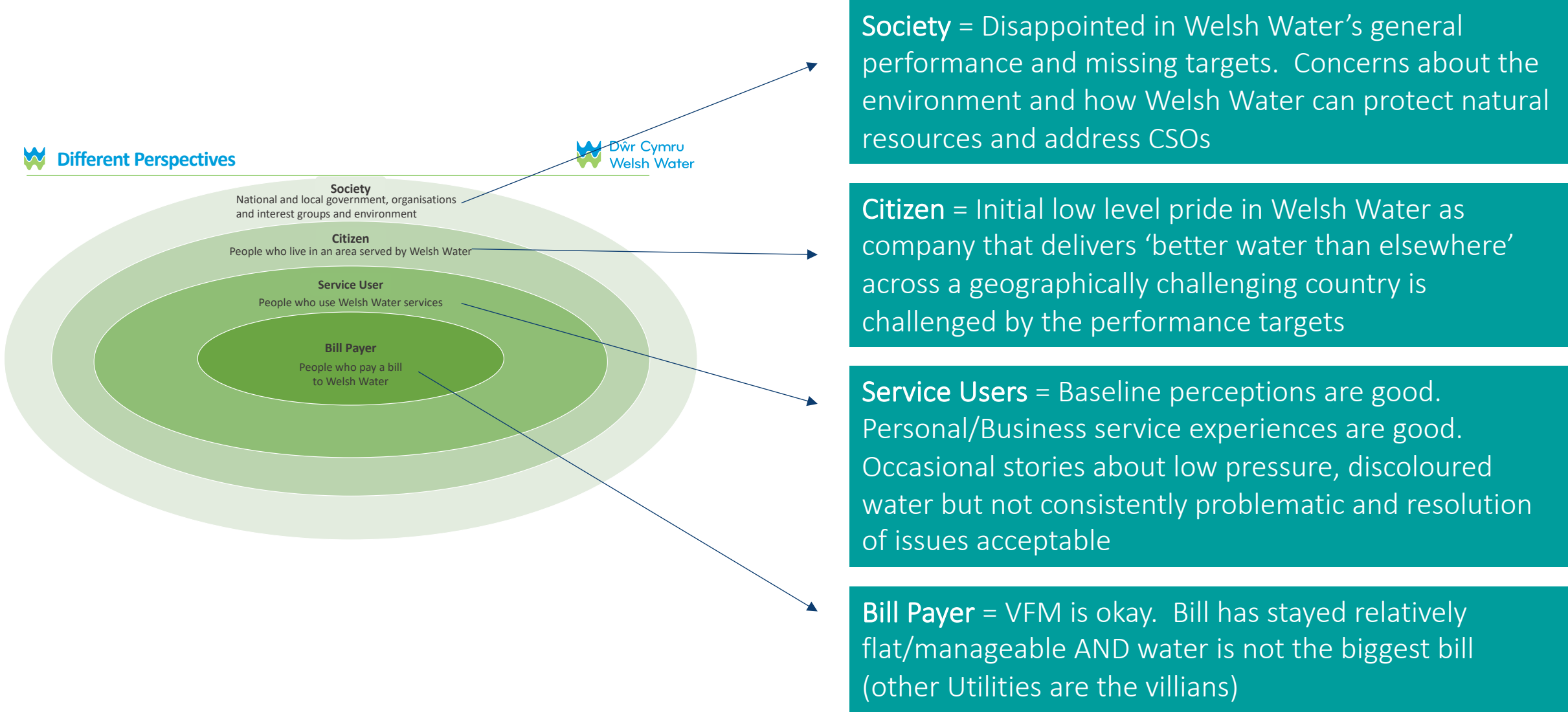
“I agree with the challenges but I don’t know how they are going to meet the leakage targets if they can’t their targets now
Hereford, HH”

“Some of the targets are good – 57% reduction in leakage is good but then again that’s only 2% a year
Bangor, HH”

“it seems to have got things in place to deal with upcoming issues and also from what I understand there’s a lot of water wasted through leakage everywhere so sounds like a really good target to reduce leakage by 57%.’
Large NHH”

“In theory I support all of them but it doesn’t go far enough for me. There needs to be a real cultural shift to change behaviours
Tenby, NHH”

Summary of Contextual Issues

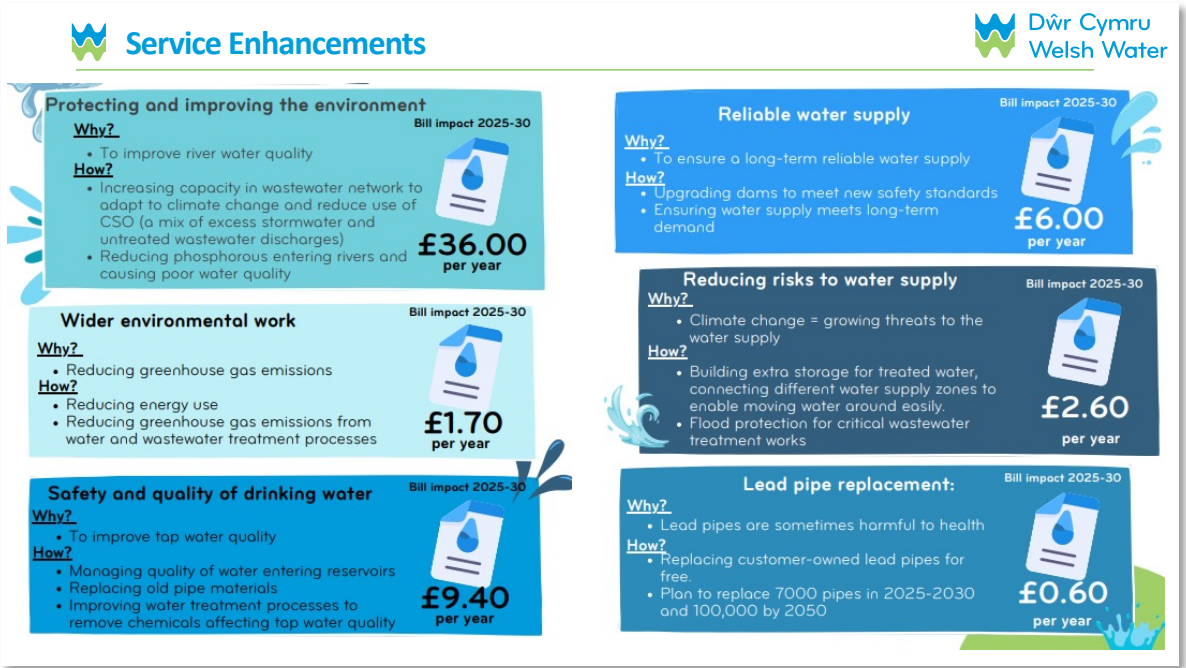
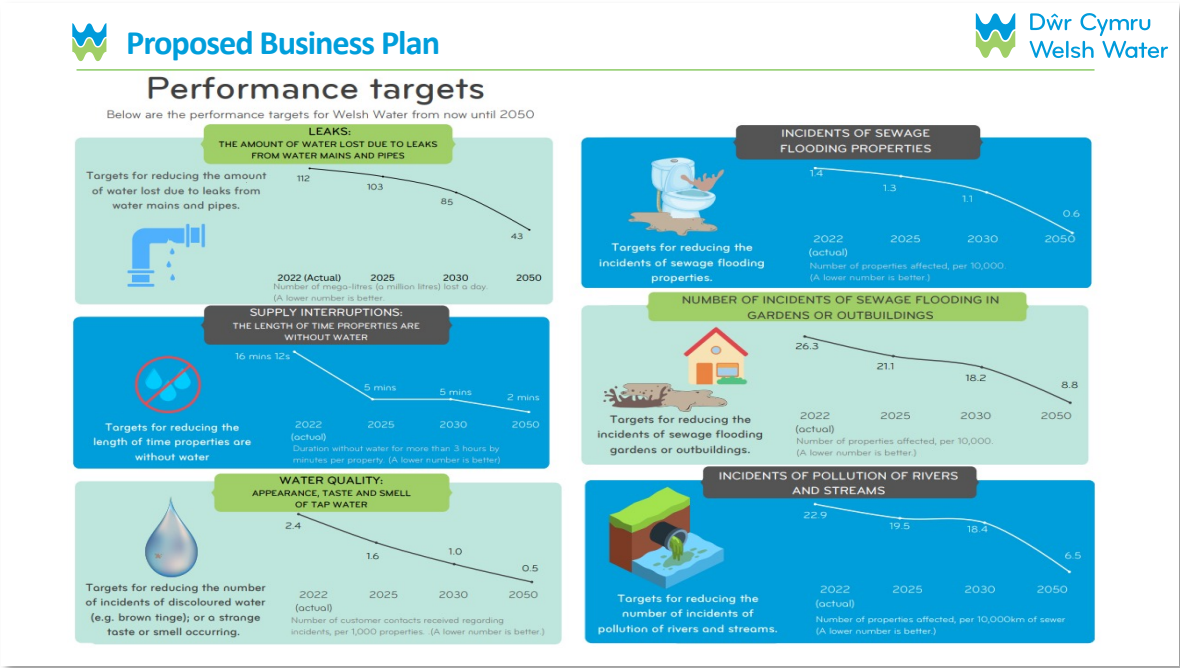


Research process and underlying concerns about the responsibility to protect the environment cause customers to view the Proposed Plans more critically



Response to Proposed Plan

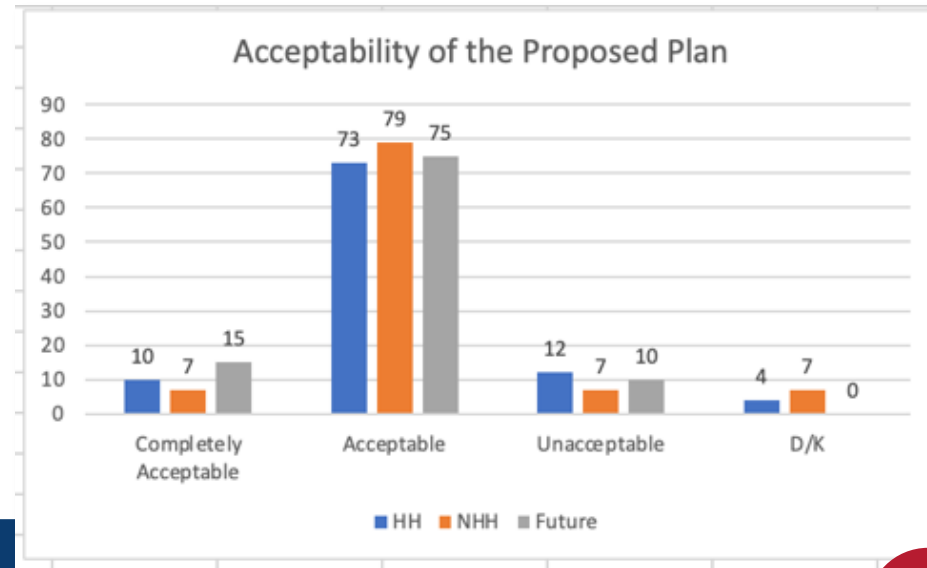
Proposed Plan: Proposed Plan was included in the Pre-Task for initial consideration and discussed in detail during the 2nd Breakout Deliberative Sessions



Some challenges to the process:

Providing some information to get customers thinking critically but not perfect information e.g. only six performance commitments, lack of historical spend data on service enhancements, targets on service enhancements

Proposed Plan: Majority (over 8 out of 10) across locations found the Proposed Plan acceptable



Top Five – Acceptability Reasons

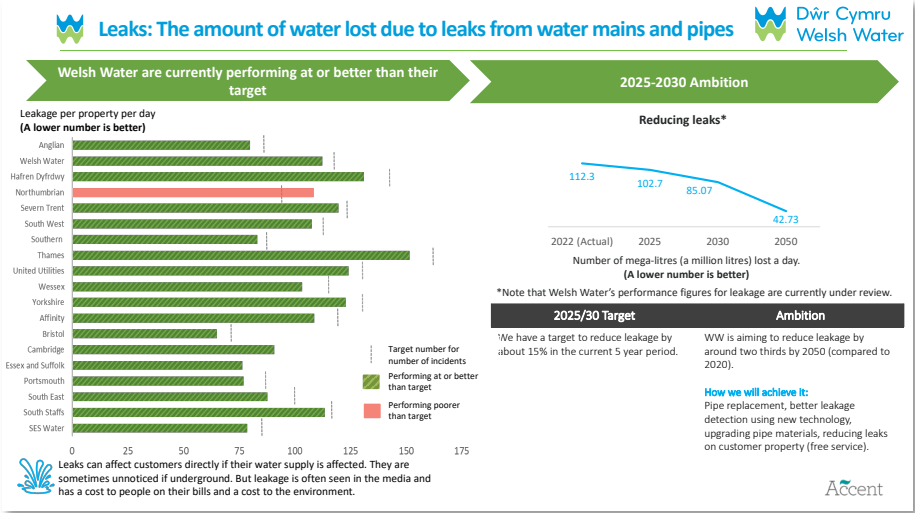
- 1) Good for Future generations
- 2) Environmentally friendly
- 3) Good VFM/Not too expensive
- 4) Focuses on the right things
- 5) Trust them to deliver

Top Five – Unacceptability Reasons

- 1) Water companies should pay out of profits
- 2) Lack of trust
- 3) Poor VFM/too expensive
- 4) Improvements are too small
- 5) Not good for Future generations

Deliberative sessions unpick the Performance targets and Service Enhancements and provide more explanation around the Proposed Plan and what would need to change to increase acceptability

Proposed Plan – Performance Targets: Concerned about the level of leakage and perceived historic under investment 2025-2030 target does not feel ambitious enough



Overall response to Leakage

Even though it doesn't have a service user impact, leakage was a spontaneous priority for customers

Concerned about seeing leaks that are not fixed quickly

Citizen/Environment perspective = 'Literally wasting water'

Even if water goes back into the ground and system – the cost of processing and treating water is felt to be inefficient and environmentally damaging

Performance against Target/Other Companies

Comparative performance is not reassuring

Leakage feels too high

Targets feel weak – 'It's scandalous if OFWAT set these'

2025-2030 Target and Long term ambition

Short term target does not go far enough (under 20%)

Leaves 85 million litres of leakage

Long term ambition (halving leakage) initially sounds good but works out at 2% per year

Leakage is highly visible for customers - addressing this feels like it will help with addressing supply/demand

The proposed 2025-2030 target jars with the longer term ambition of asking customers to reduce HH usage – what's the point if Welsh Water are going to carry on losing so much of their water

“This is scandalous – across the industry the targets must be too high
Tenby, HH”

‘They look really ambitious the targets so if they’re realistic then that looks really good, huge reduction in the amount of leaks which would a huge saving. Supply interruption reduces dramatically and that’s really the main issue that we’ve experienced here, reducing that inconvenience would be great.’
Large NHH

“This feels like the result of historic underinvestment – it needs doing now
Cardiff, HH”

“This isn’t going far enough and it feels controllable – I mean what % of water supplied is leaked
Bangor, NHH”

“It’s the right idea but needs to be higher
Bangor, HH”

“This is a priority – I mean what about the environmental impact of these leaks
Cardiff, HH”

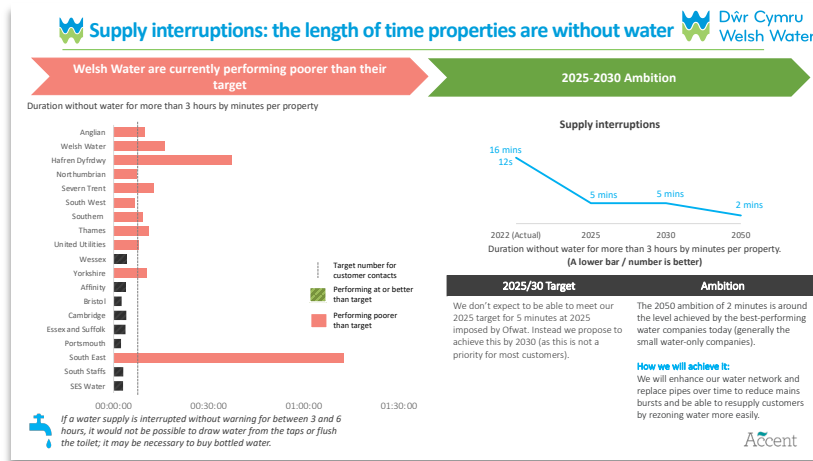
“Surely this needs to be more ambitious? We need meters and a number to call to report leaks
Hereford, HH”

“If I lost or wasted my core product, what my business is about then it would be unforgivable
Cardiff, NHH”

‘All of these things, if they are realistic then it’s really good, it sounds like they’re really going to invest in making sure they are more reliable and efficient and reducing problems people have.’
Large NHH

“It’s loads of money spent and lost – it’s criminal
Hereford, HH”

Proposed Plan – Performance Targets: Disappointed that Welsh Water are under performing Happy with 2025-2030 target of 5 minutes



Overall response to Supply Interruptions
Supply interruptions was not a spontaneous priority area for customers
Minimal personal or business experience of outages
Citizen perspective = need to minimize for others but not the worst concern

Performance against Target/Other Companies

Current performance is poor
3rd worst water company
Is the target fair vs. other water companies who have smaller patches
'Average' target is frustrating and takes time to understand
Prefer something that aims to reduce extreme supply interruptions and policy that supports those without water

2025-2030 Target and Long term ambition

Short term target of 5 minutes is acceptable
Long term target of 2 minutes not considered to be necessary - just leave it at 5 minutes
Idea of rezoning is important once understood
Other solutions by product of addressing leakage e.g. replacing pipework
Looking for innovative solutions here e.g. smart network, dog sniffers!

Supply interruptions are not a primary concern – projected target is ambitious enough
Prefer to see evidence that Welsh Water have strong customer experience strategy for those who are affected

It is a big drop from 16 mins to 5 mins – that’s good if they can meet it!
Tenby, HH

They need to show us how they support the people who have outages – the target of 5 minutes is fine
Hereford, HH

Good to know it’s achievable but its not that important to us
Bangor, NHH

This isn’t going far enough and it feels controllable – I mean what % of water supplied is leaked
Bangor, NHH

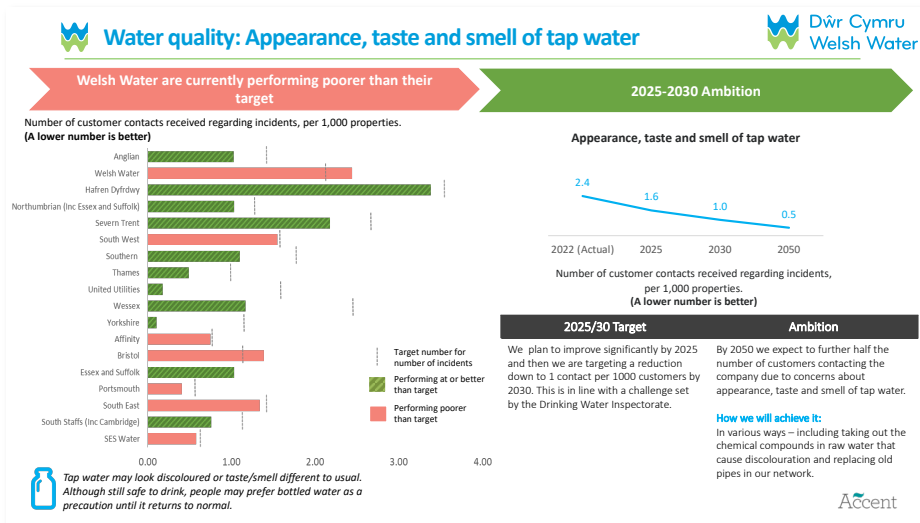
I think this is an issue for pubs and cafes if you were off supply but the 5 minute target is good IF they achieve it
Hereford, NHH

For me the target feels wrong and they should be measuring the experience of those who have outages
Tenby, HH

Once they get to 5 minutes in 2025 then I would leave it. You get to a point and then the investment outweighs the benefit
Cardiff, HH

They are the 3rd worst – this really surprised me but maybe it’s easier for places in London or the South East to get people back on supply than here
Cardiff, NHH

Proposed Plan – Performance Targets: Disappointed that Welsh Water are under performing although measure felt to be subjective **2025-2030 target of 1 contact per 1,000 customers is acceptable**



Overall response to Water Quality
Improving Water Quality was not a spontaneous priority area for customers
Water Quality generally seen to be good/not an issue
Citizen perspective = some people can be too fussy

Performance against Target/Other Companies
Current performance is good/acceptable
Is the target fair vs. other water companies who have smaller patches
Why are targets variable – impossible to believe that Thames Water is better than Welsh Water

2025-2030 Target and Long term ambition
Short term target of 1 contact per 1,000 is acceptable
Some sense that this might naturally be achieved through new pipework that would address leakage and supply interruptions
Long term target feels unnecessary – just work to maintain

Water quality is already good and additional improvements are questionable
Prefer to see investment to maintain vs improve

“ We are all happy with our water quality so this small improvement feels a bit silly
Tenby, HH ”

“ I’m not sure whether this is under represented or over represented – we have some discolouration but they contact us first so we wouldn’t contact them and wouldn’t be in these figures
Tenby, HH ”

“ I love the taste of Welsh Water – I guess is some people are experiencing poor quality then it should stay in but I’m definitely oklay
Cardiff, HH ”

“ Our water quality is good so this isn’t worth paying for – even with my Citizen hat on!
Bangor, NHH ”

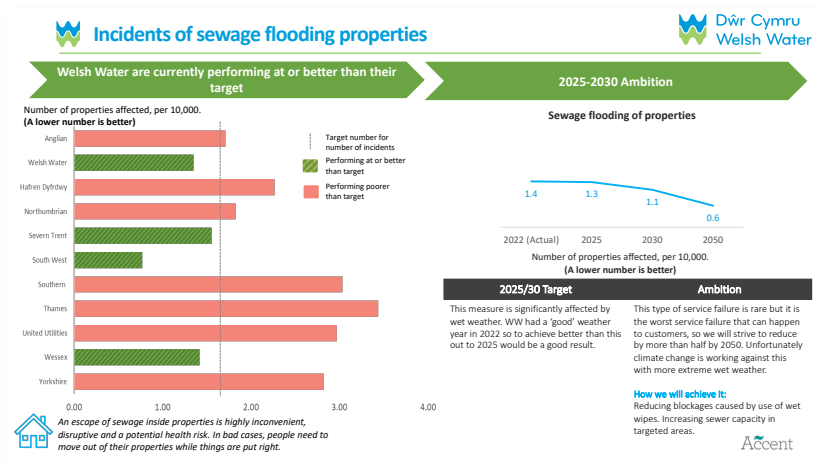
“ I haven’t had any bad experience but I agree that it’s off-outing to drink discoloured water
Cardiff, NHH ”

“ This isn’t an issue in. North Wales – our water is great. Who are the Drinking Water Inspectorate? Another bunch
Bangor, HH ”

“ I suppose any improvement is a good improvement and if they are replacing pipes then this will naturally improve
Hereford, HH ”

“ This is subjective – I mean some peoples water usage is better than others and some people complain more!
Hereford, HH ”

Proposed Plan – Performance Targets: Deeply concerned that anyone should have to experience internal sewer flooding 2025-2030 target does not feel ambitious enough



Overall response to Internal Sewer Flooding
Improving internal sewer flooding was not a spontaneous priority area for customers
Not something anyone had experienced personally
Citizen perspective = this is critical to ensure universal positive service

Performance against Target/Other Companies

- Current performance is better than target and other water companies – so that's good

2025-2030 Target and Long term ambition

Short term target of 1.1 per 10,000 seems good but feel that target should be zero

Good to see a reduction in the longer term but want this more quickly

Reducing blockages through wet wipes/sanitary products is good but is it just a case of improving customer education (Future Customers would never do this and seem well educated)

Would like to see industry involvement with 3rd parties

Need more long term and controllable plan embracing technology – increasing sewer capacity goes towards this

More aggressive reduction in the 2025-2030 plan is desired

Want to see improvements to separate rainwater going into sewers, greater sewer capacity

This isn't about climate change – this is about under investment in infrastructure
Tenby, HH

This should be at zero – I feel strongly about this. They need to be investing in technological solutions to deal with this and not use climate change as an excuse
Bangor, HH

Are they even able to reduce the amount of rainwater going into the drains? Not sure if this is in their control
Bangor, NHH

This is not OK or acceptable – they need to do something more drastic and partner with a wet wipe provider or something
Tenby, HH

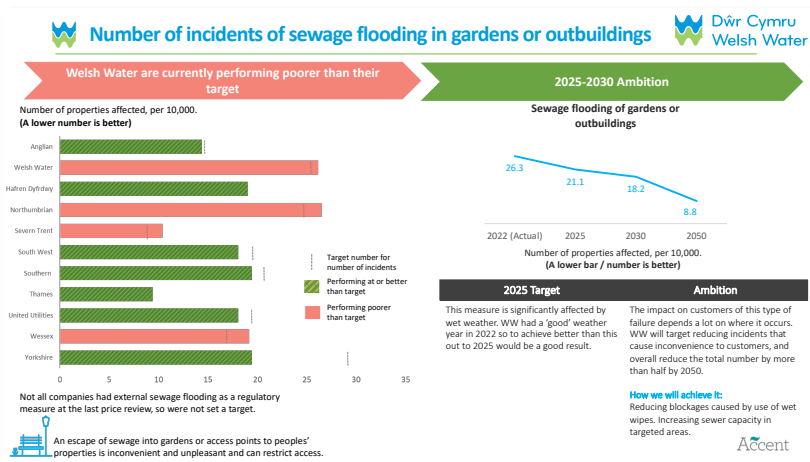
Not much of an issue for me or my business but it does need to be addressed
Hereford, NHH

This is the worst thing ever – we did have something in the garden but Welsh Water were fantastic and came and sorted this so quickly
Cardiff, HH

I love the taste of Welsh Water – I guess is some people are experiencing poor quality then it should stay in but I'm definitely okay
Cardiff, HH

This feels important and it's a positive target
Hereford, HH

Proposed Plan – Performance Targets: Under performance on this measure is not acceptable **2025-2030 target does not feel ambitious enough**



Overall response to External Sewer Flooding

- Improving external sewer flooding was not a spontaneous priority area for customers
- One person in Cardiff had experienced personally
- Citizen perspective = this is critical to ensure universal positive service

Performance against Target/Other Companies

- Current performance is poor and makes customers feel very concerned
- Undermines trust in Welsh Water when missing such an important target

2025-2030 Target and Long term ambition

Short term target of 18.2 per 10,000 is not enough

Frustrated that Welsh Water seem to be blaming Climate Change vs. year of under investment

Longer term target direction is positive

As with internal sewer flooding, more aggressive reduction in the 2025-2030 plan is desired
Similar solutions suggested

*I think this looks
achievable – I would
probably like it to be
more adventurous with
different solutions
Cardiff, NHH*

*Agree that it needs to be
sorted but not as bad as
internal flooding
Cardiff, HH*

*How much of this is in
their control I wonder – if
it's the leaves that go in
the drain then is it also a
council issue
Tenby, HH*

*It's not in the house so not
as much of a health hazard
but still needs to be dealt
with
Bangor, HH*

*I guess it's the storm
drains again that cause
this issue – it feels
important
Tenby, HH*

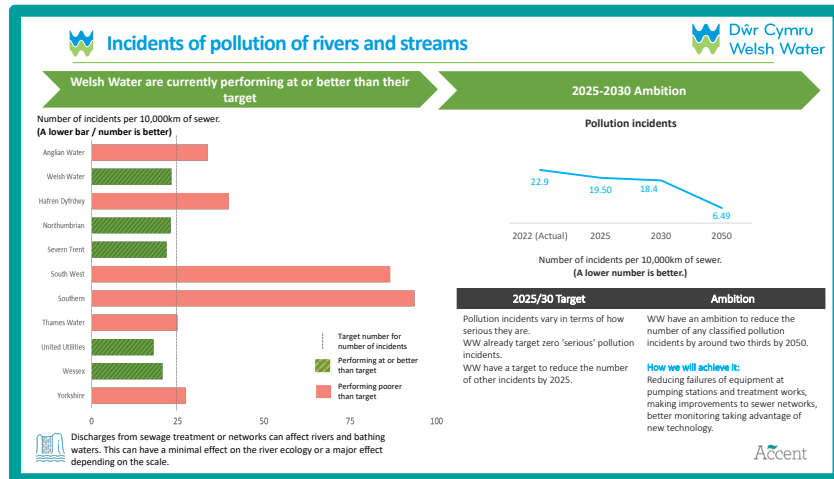
*It might put customers off
– the smell if it was in the
nearby gardens
Cardiff, NHH*

*Just the same for me as the
internal one – I know it's
not as bad having it
outside but it still needs to
be addressed
Hereford, HH*

Proposed Plan – Performance Targets:

Surprised that Welsh Water are performing better than the target (River Wye)

2025-2030 target does not feel ambitious enough



Overall response to River Pollution and Streams

- Improving river pollution incidents was a spontaneous priority area for customers
- River Wye felt to be in bad shape, Menai Strait overflows
- Ties in with issues around CSOs in Tenby, Cardiff
- Societal and Citizen perspective = important for the environment and for interest groups that use the beach/river for recreation/business

Performance against Target/Other Companies

- Current performance is better than the target
- Current performance is often better than other water companies
- Difficult to believe this vs. media stories
- Are the targets too low here?

2025-2030 Target and Long term ambition

Short term target of 19.5-18.4 is not good enough

Feel this is an area that Welsh Water should be collaborating with 3rd parties and Welsh government

Embracing new technology is positive

Critical area to address and keen to see more stringent targets

“
As a business that relies
on tourism, the sea is
more of an issue than
the river pollution but
it still needs sorting
Tenby, NHH”

“
They are not doing enough
now or in the longer term –
they need to catch up after
this historical non investment
Cardiff, HH”

“
I can't quite believe the
figures here – I want
them to be investing in
technology now so that
this doesn't happen in
the future
Tenby, HH”

“
It isn't that much of an
issue here
Bangor, NHH”

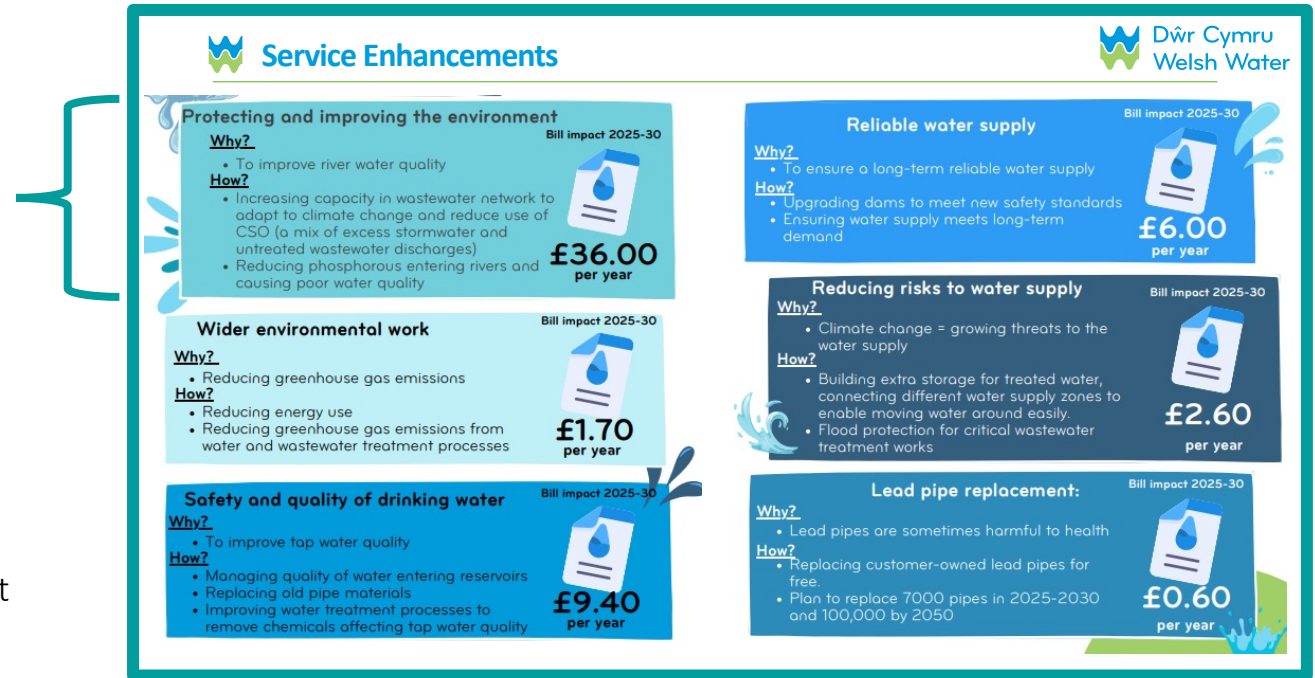
“
This looks like a PR target to
manage the crap in the
rivers – it's pathetic and
more needs to be done
Bangor, HH”

“
This is all too vague – and
why are they making
distinction between
serious and other. Surely
they need to address all of
these
Cardiff, NHH”

“
It feels like they are
pushing a lot into after
2030 and that's not good.
Any pollution is a serious
one
Hereford, HH”

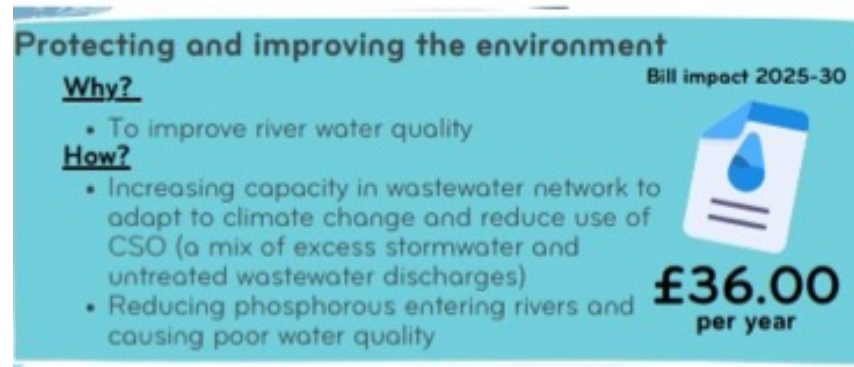
Proposed Plan – Service Enhancements: Support investment (largest amount) to protect and improve the environment

- The environment is a spontaneous concern that customers want Welsh Water to address urgently
- Societal perspective = want to protect rivers/beaches, countryside/wildlife
- Investment programme is understood to be a mandated area of investment imposed by outside agencies
- Investment is largely seen to be addressing the CSO issue – Welsh Water playing catch up after under investment in the network
- Proportion of spend £36.00 out of c.£60 increase on environment feels disproportionate but understood
- Some sceptical that the plan spend has been loaded to ‘environmental issues’ to popularize support
- Would like to understand how these costs are also shared with NRW or 3rd parties



In terms of intergenerational fairness, current customers do not want to delay this investment and future customers also feel this is a priority even though they are not paying

£36.00 feels high in comparison to other cost increases but £3 a month to deal with CSOs and future proof the network feels important investment



“ It is the biggest cost which feels a bit convenient – like they know we will approve it on that basis! Tenby, HH

Happy to pay providing they actually do it Bangor, NHH

Not sure how they actually reduce phosphorous but hopefully they will Tenby, HH

Really glad to see that CSO is due to be reduced, the environment is very important to me, and I am concerned about the state of the River Wye, Hereford, HH

It needs to be done – they have left it too long Cardiff NHH

There's no real historical context here on what they've spent so who knows Cardiff, HH

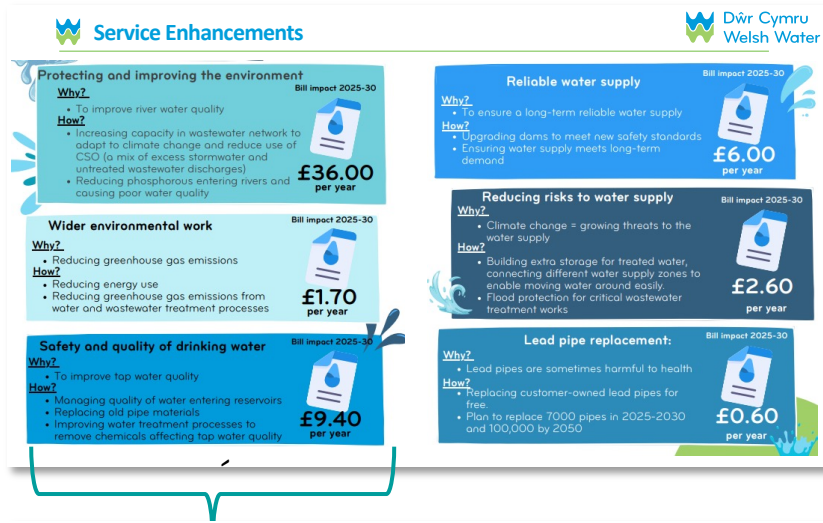
I can't help but feel that some of this is Natural Resources Wales responsibility? Bangor, HH

I get it but this is possibly the trickiest to achieve Hereford, HH



Proposed Plan – Service Enhancements:

Safety and Quality of Drinking Water does not feel like a critical investment area – happy to phase and lower investment in this area



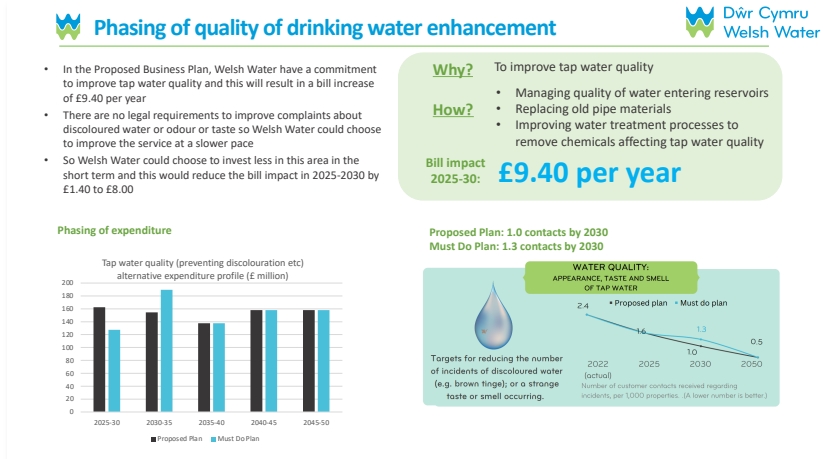
As service users, most customers and future customers do not see this as a critical area of investment

General consensus is that the current water quality is good enough

Maybe the investment is to maintain vs. improve the current quality – support this

Citizen perspective – maybe invest to guarantee good water for everyone

Low priority area so phasing is supported BUT reduction of £1.40 should be spent elsewhere vs reducing bill impact



In terms of intergenerational fairness, current customers happy to delay some investment in this area but this is not about reducing the 2025-2030 bill impact, it's to spend the £1.40 for more important projects e.g. lead pipes or securing water supply. Potential to test this change in the quantitative work


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

“ *Just don't see this as a big enough problem to represent a chunk of the spend Cardiff, HH*

You are telling me that we have to do most of this so I can't get too excited Cardiff, NHH

I would reduce the spend here if that was possible but I don't think its; about reducing the bill, it's more about using this elsewhere Tenby, HH

If this helps to maintain the current water quality then I guess I would support it but it's definitely not my biggest area of worry, it's not even my second biggest! Bangor, HH

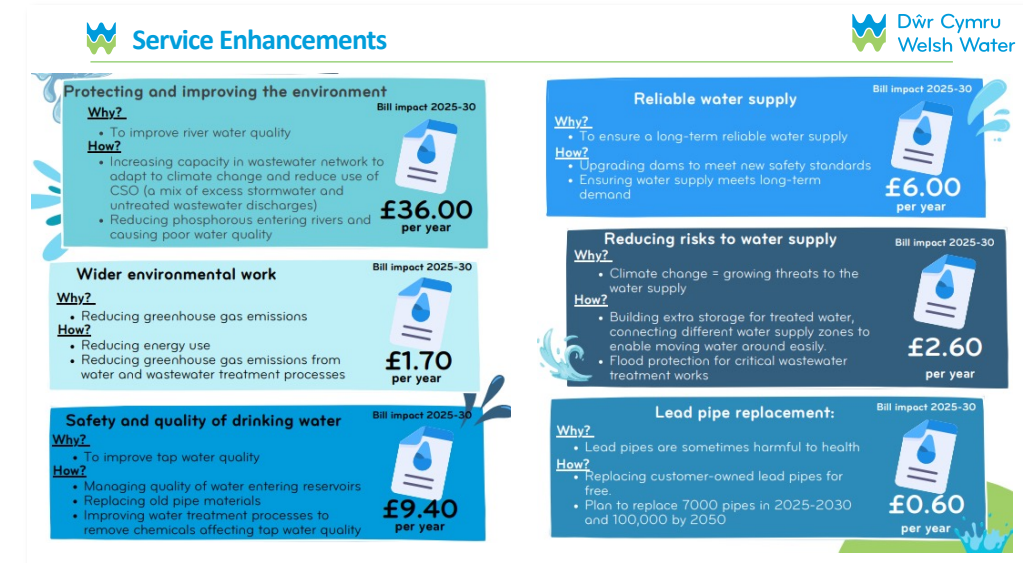
It doesn't feel a lot of money - £9.40 over that time but I just would rebalance this a bit and put the money on something like lead pipes or future supply Hereford, NHH

”

Proposed Plan – Service Enhancements:

Discretionary ‘wider environmental work’ does not feel like a critical investment area

- Generally seen as bland and generic
- All companies say reducing greenhouse gases but it’s vague and unmeasured
- Even though the majority of customers and future customers believed in supporting the environment from a societal perspective, the role of reducing greenhouse gases was challenged
- Practices should be embedded already in the business
- Looking for more specific and targeted environmental investment e.g. hydro power investment, catchment schemes to protect rivers, etc
- Minority feel that this is critical given the rising planet temperature



In terms of intergenerational fairness, customer support lowering the investment but pushing this to address a more meaningful priority, more urgently. Potential to test this change in the quantitative work


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

“ *Wider environment for £1.70 – drop it. It’s meaningless and vague Tenby, HH*

The UK emit less than 2% of all greenhouse gases and Wales a tiny amount – this feels over the top Cardiff, NHH

*Every company says this so I can’t get too excited but I think they should probably put the money into reliable water supply
Cardiff, NHH*

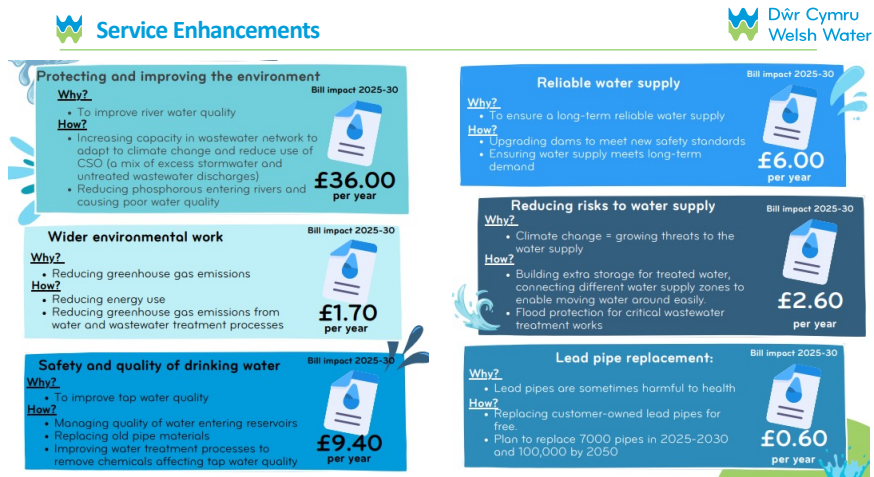
That you are wasting money on "climate change" when the real science is not as portrayed by the mass media. Indeed if their models were to prove to be correct, there would be more fresh water available in reservoirs not less, due to increased melting and evaporation of global, Tenby, HH

What really is the wider environment work – is this greenwashing Bangor, HH

Is there a wider social responsibility to do this Hereford, NHH

I think we don’t want things to warm up any more!! Hereford, HH”

Proposed Plan – Service Enhancements: Support investment in Lead pipe replacement programme (discretionary) seen as a really important area to address Reduce ‘harm to health’ and replacing old pipes for new would improve other areas



- Very important area to address
- Strong citizen perspective - emotional response to concerns over lead pipes and health impact of those that might be affected
- ‘Sometimes harmful to health’ – OMG
- Some feel this could be means tested OR worry about how the first 100k properties will be selected
- Small amount of .60p per year is negligible and preference to speed this up

In terms of intergenerational fairness, customers and future customers keen to get this done quicker. Increase from .60p seems possible to test in the quantitative work

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

“ *It’s a small amount and harmful to health – just do it quicker Bangor, HH*

I understand that they don’t need to do this but this feels important for a number of reasons including health NHH, Hereford

I wonder how they will decide who gets the pipes replaced? Hereford, HH

Well this is a bargain – speed it up!! Get it done as it will help with leakage and supply interruptions as well Cardiff, HH

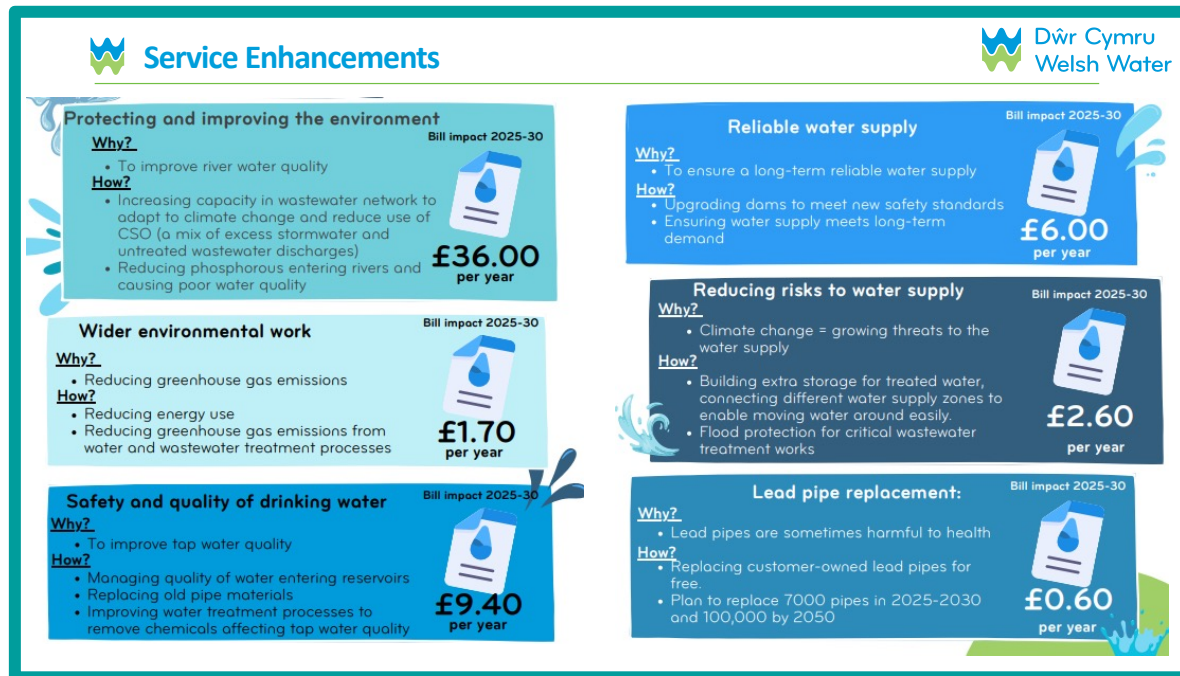
This feels like a tiny amount and a big impact on other things Tenby, HH

I would happily pay more for this – but I would be furious if it didn’t happen Bangor, NHH”

Proposed Plan – Service Enhancements:

Statutory investment to ensure a Reliable water supply and Discretionary investment to reduce the risk to water supply are seen to overlap

Support investment but more clarity and transparency over these investments



- These two measures overlap/feel the same
- Customers strongly support securing the water supply – experience of TUBs and awareness of population pressure
- Support the investment in infrastructure and rezoning of water across Wales from a service user and citizen perspective
- However, separating these out makes customers suspicious
- £6.00 feels fair but is this enough given the lack of infrastructure investment and population growth
- £2.60 feels too low given the impact of climate change

As with other areas, in terms of intergenerational fairness, customers and future customers keen to invest in the short term for longer term benefits. Potential to make this clearer for the quantitative work and provide additional examples of how this will be achieved or merge these and make the investment more substantial

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



“ I think there’s an overlap between these two as it’s about securing supply Tenby, HH

I want to see about reservoirs because I think this will stop the hosepipe bans – we had one in Pembrokeshire in the summer
Tenby, NHH

I know it sound ridiculous but I would happily pay more to guarantee good supply in the future. It worries me as a business and
as a homeowner Bangor, NHH

I think the network is old and we need to make sure we have enough supply going forward – these are all big challenges but we
have to support it. It’s like taxes Cardiff, NHH

It’s important to increase water storage – feels critical Hereford, HH

It makes me think what haven’t they been doing?! They should have been upgrading dams before this Cardiff, HH

Does this really seem enough money with the increasing droughts and climate Hereford, NHH



Proposed Plan – Affordability:

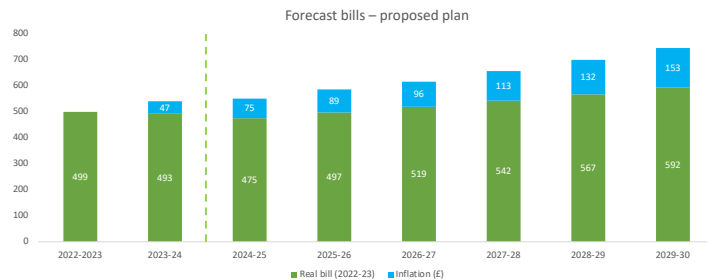
Customers were presented with the Proposed Bill impact based on average bills (deliberative discussion) and individual bills (post task)

(average HH bill increase of £499-£592 without inflation and £745 with inflation)

Welsh Water Proposed Plan – investment & bill impact



The average household bill for water and waste services in 2022-2023 is £499 per year.
The average household bill for water and waste services which will include all of the service enhancements and improvements to performance would be £592 without inflation.



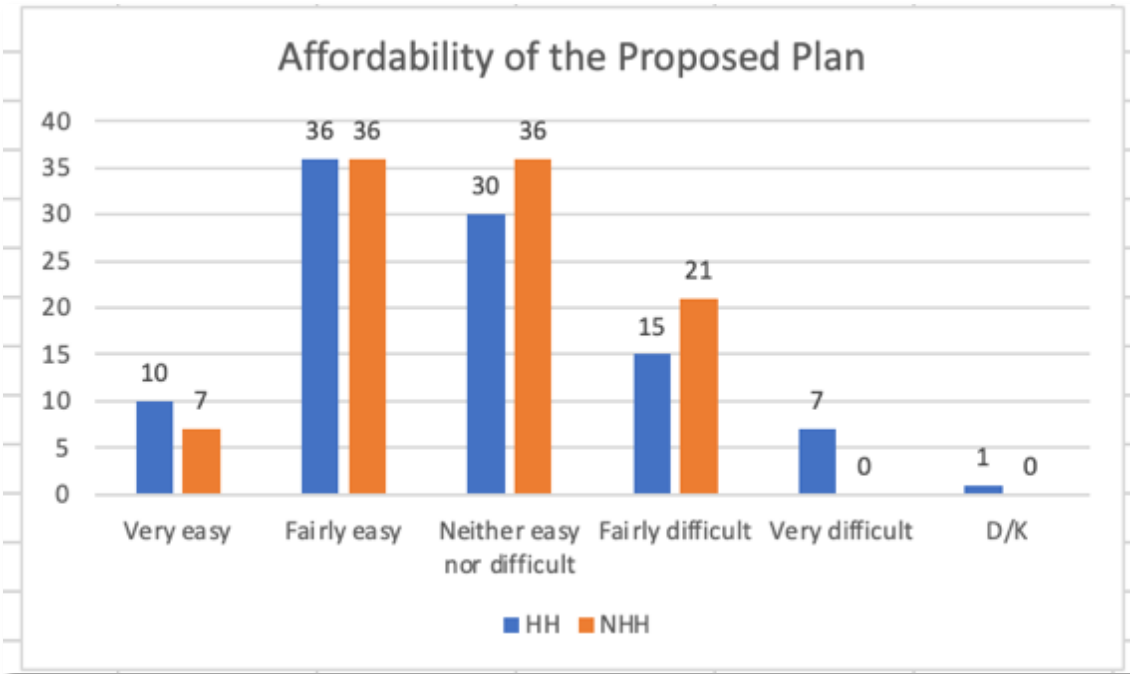
We are loading too much on to the future and we need to pay more now to ensure it's cheaper later and that the service is okay for the next generation
Bangor, HH



- Gradual increase softens overall response
- More manageable and less likely to notice
- Customers tended to focus on the overall investment (£93 is less than £100 over that time) increase over five years than smaller incremental increases
- Some desire to front load the investment and be more ambitious overall but others who are struggling prefer the more gentle spread
- Inflation response is mixed – don't believe the predictions, feel that wages will rise in line with inflation (or not), individual affordability response is more interesting

Proposed Plan – Affordability:

Customers were presented with the Proposed Bill impact based on their actual bills – under half say that the projected bill would be easy/fairly easy



- About 2 in 10 of HH and NHH felt that the Proposed plan would be difficult to afford
- This is higher for PSR customers who include those who are financially struggling (34%)
- A high proportion (one third) in the post task did not commit to it being affordable or unaffordable – this was reflected in the discussions
 - Wary that income will drop in the short term
 - Difficult to predict life in 5 years
 - Described as 'reluctantly affordable'
- Those who felt it was affordable feel that the water bill is manageable and that investment is needed but take a citizen perspective and want to ensure that bills are affordable for everyone (want evidence of Welsh Water support schemes)

*“ It is reluctantly
affordable! That’s the
endorsement!!
Tenby, HH ”*

*“ Not sure there is enough
investment – it feels like we
don’t value water
Hereford, NHH ”*

*“ I think the plan is acceptable
and we have to recognise that
this has to be paid for
Cardiff, HH ”*

*“ If we are to have the
infrastructure then we
have to pay for it
Hereford, HH ”*


*“ It’s affordable – it’s my
lowest cost bill and it seems
a reasonable cost to do
everything that we’ve talked
about
Cardiff, NHH ”*

*“ It’s affordable compared
to other bills and they are
not for profit so that
makes me more likely to
say afford
Bangor, NHH ”*

*“ No-one wants bills to go
up and for me, my wages
are not rising with
inflation
Cardiff, HH ”*


*“ I might say unaffordable
because everything else is
going up and on top of
inflation – it’s a worry
Tenby, HH ”*

Customers in vulnerable situations welcome the continued commitment to PSR, social tariff and crisis grant





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> <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>Over 127,000 customers currently signed up and this is projected to rise to X in 2030</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.

<div><h3>Household Crisis Grant</h3><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. We also offer schemes to help people clear arrears and various payment plans.</p><p>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.</p><p>Who is eligible?</p><p>The tariff is available to working households where household bills exceed their income as judged by a third party known and expenditure assessment, completed by trained operators, such as Citizens Advice.</p><p>What support can customers receive?</p><p>Customers who qualify will benefit from a 3-month 'charge-free' period, during which not only will ongoing charges be covered, 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 £300-£500 on the average bill. This will enable our customers to use their funds for other purposes to support them through the cost of living crisis.</p><p>How do households access the Crisis Grant?</p><p>Customers will need to be referred to a third party, 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 27th of December, we will only accept applications from:</p><p>Household Crisis Grant & Debt Advice Citizens Advice</p></div> <div><h3>Crisis Grant</h3><p>Customers (aged 16+) apply directly to Welsh Water to be accepted onto the "Crisis Grant".</p><p>Customers who meet the eligibility criteria for a social tariff or other affordability scheme, or who are already benefiting from being on a social tariff or debt scheme, will not be eligible for this Grant.</p><p>Customers will only be eligible once every 3 years.</p><p>How will the Crisis Grant work?</p><p>Once the customer has been accepted onto the Grant, on-going charges for the next 3 months are covered, 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 Grant and will end after the 3-month period has expired.</p><p>As a condition of being accepted onto the Crisis Grant, 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 Grant already has a payment plan in place e.g., Direct Debit, the payment dates will be extended to take account of the payment-free period.</p><p>The Trial</p><p>The trial will commence from 1 December 2022 for 6 months, across Rhondda Cynon Taff and Dergshire local authorities.</p><p>It is unlikely that you will receive calls from customers requesting to apply for the grant for 7 days and you can expect how to request please transfer them to the specialist support team.</p></div>

- CIVS respond to the Proposed Plan in line with wider households
- Those on the PSR are on for medical/disability reasons
 - Good service experience
 - Water bills capped
 - Reassured by service and know that they will be looked after in an emergency e.g. they call and text if water is going to go off and provide bottled water in emergency
 - Recommend this to other people with disabilities
 - Glad this commitment will continue
 - Keen to see the use of wider media to increase awareness
- Social tariff and crisis grants seen as critical
 - Current cost of living crisis
 - Some customers need additional support
 - Good to see inclusion of new initiatives like the Crisis Grants

Nothing additional needed for those on the PSR – happy with service and warm towards Welsh Water
Would like to see Welsh Water increasing awareness of all of these support schemes (financial and PSR)
Would like to see more collaboration with 3rd parties

Summary of Proposed Plan and Improvements

Acceptability is high with over 8 out of 10 feeling the plan was acceptable

Performance Commitments		
	2025-2030	Longer Term
Leakage	Less acceptable, more ambitious in the short term	
Supply Interruptions	Acceptable	Leave at 2030 levels
Water Quality	Acceptable	Leave at 2030 levels
Sewer Flooding in/Out	Less acceptable, more ambitious in the short term	
Pollution in Rivers	Less acceptable, more ambitious in the short term	

Service Enhancements		
	2025-2030	Spend
Environment	Critical	Support current investment
Water Quality	Not seen as critical	Reduce and move spend to securing supply
Wider environment	Not seen as critical	Reduce and move spend to securing supply
Reliable/Securing Future supply	Critical	Support current investment
Lead Pipes	Important	Increase

Affordability is more neutral but just under a half of HH and NHH can afford with some ease

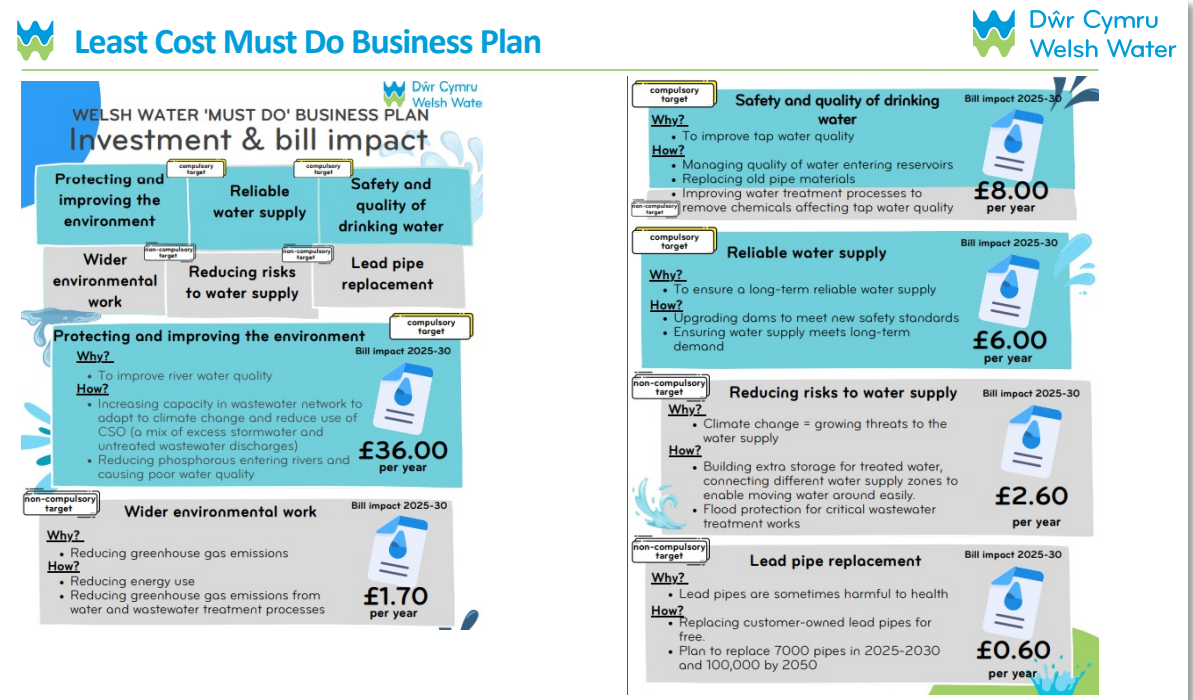
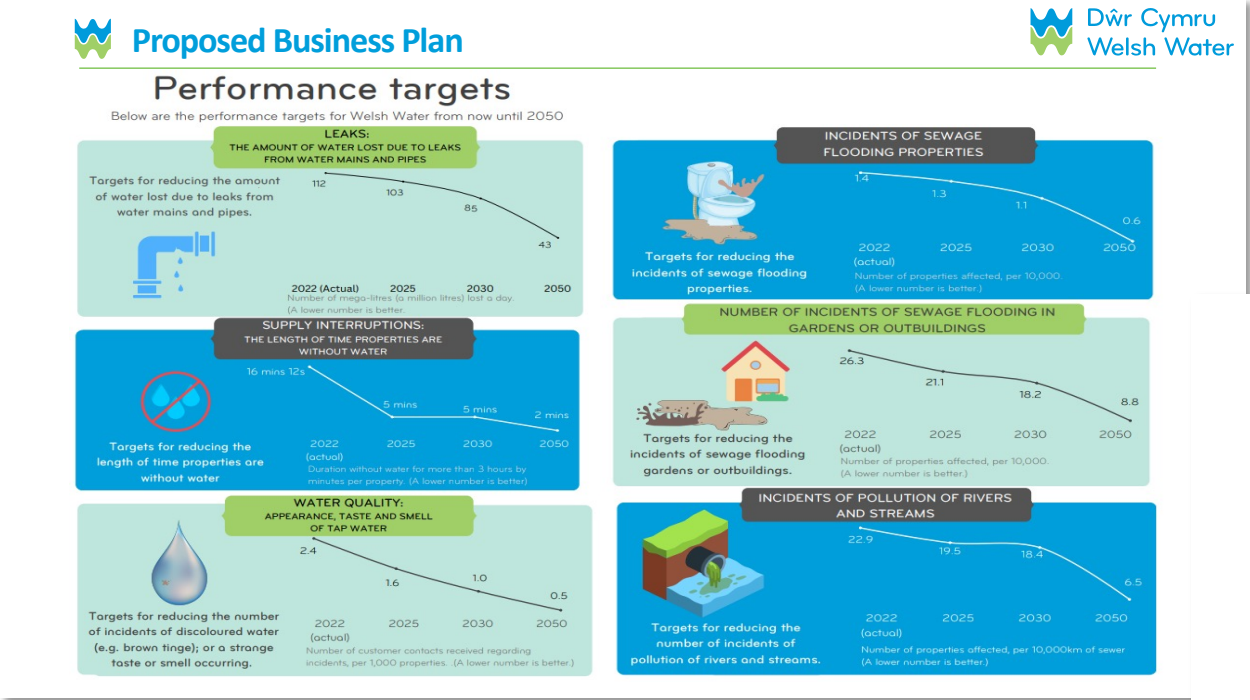
Potential in the quantitative work to include some of the wider initiatives around CSR that ensure customers have a broader understanding of the wider things that will be covered in the plan e.g. continuation of commitment to PSR



Response to Must Do Plan

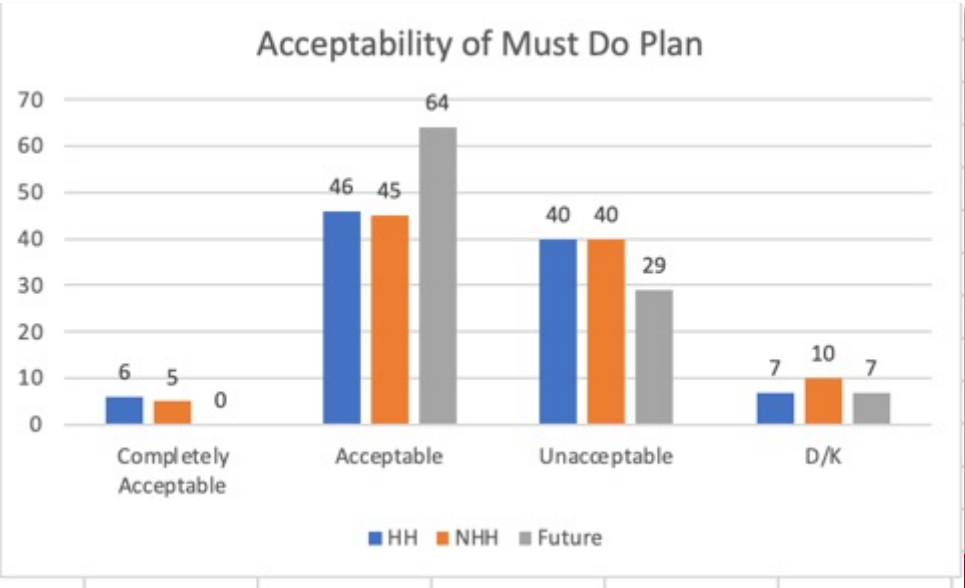
Must Do Plan:

Must Do Plan was discussed during the 3rd Breakout Deliberative Sessions and focused on the elements that were different/removed



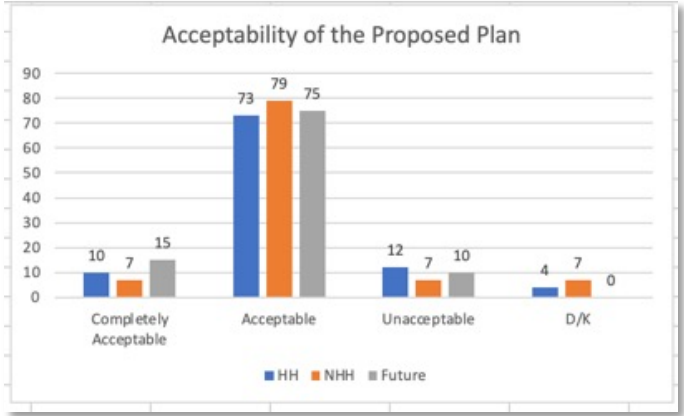
Must Do Plan:

Overall acceptability lower for the Must Do plan compared to Proposed Plan



Top Five – Acceptability Reasons

- 1) Good for Future generations
- 2) Focuses on the right things
- 3) Plan will make improvements
- 4) Good VFM
- 5) Affordable



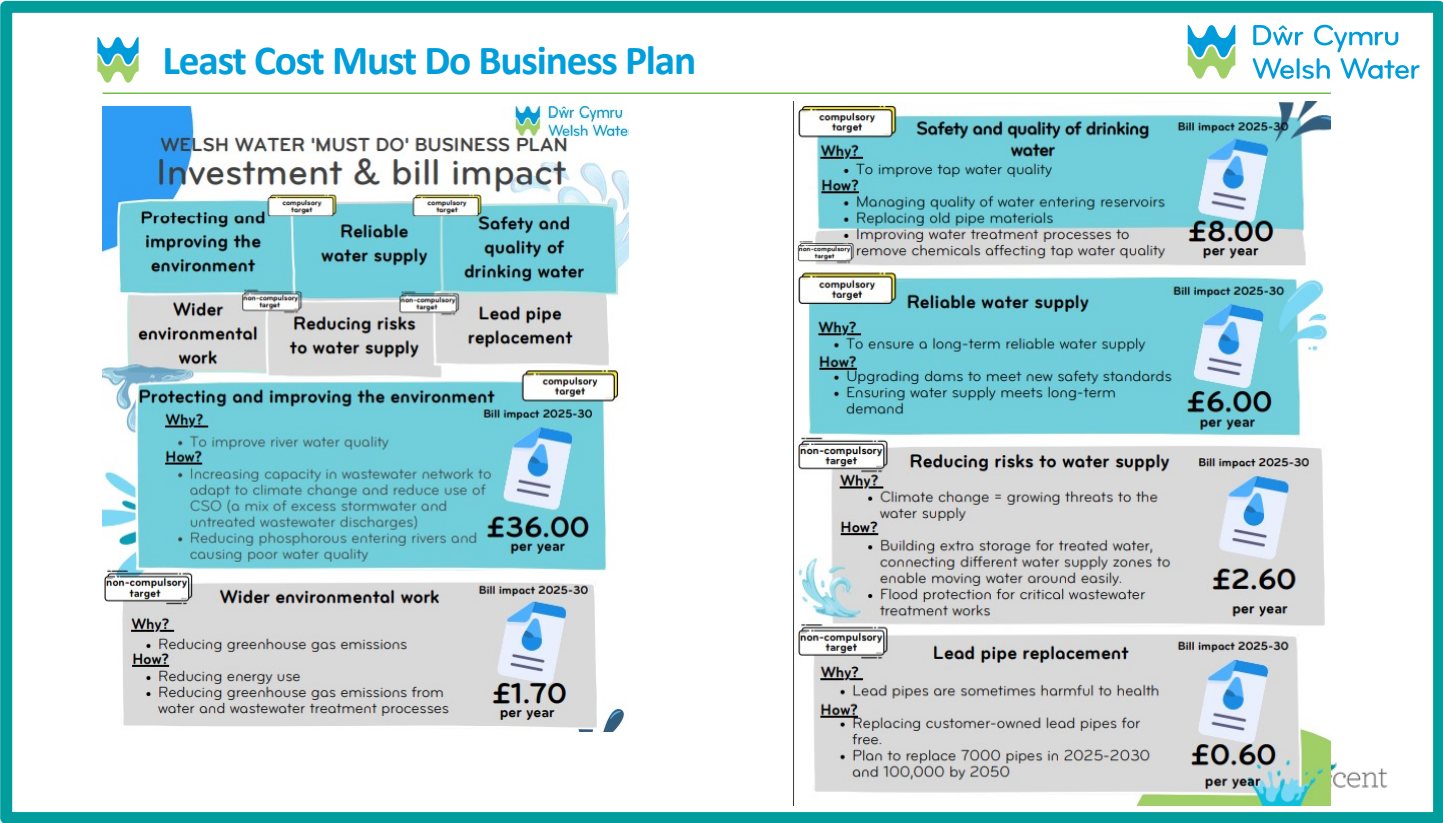
Top Five – Unacceptability Reasons

- 1) Won't improve things
- 2) Not good for Future generations
- 3) Water companies should pay from profits
- 4) Not environmentally friendly enough
- 5) Doesn't focus on the right things

Performance commitments are identical across the plans; lower acceptability driven by changes to the Service Enhancements

Must Do Plan – Service Enhancements Changes:

Three main reasons that they reject the Must Do Plan



Very uncomfortable with the removal of lead pipe programme

Unfair to delay investment for later and for future generations

Just feels less ambitious, lack lustre and irresponsible

*“If we take things out now,
it's just not good for the
longer term
Tenby, NHH”*

*“Not sure there is enough
investment – it feels like we
don't value water
Hereford, NHH”*

*“It's cheaper obviously but I
would rather just pay for it – I
would change things around
but I wouldn't vote for this one
Cardiff, HH”*

*“Because they are NFP it makes me
think they are socially responsible
and not a mean rotter and this
doesn't reflect that
Tenby, HH”*

*“There's not real
difference in the cost so
this conversation is mad
Tenby, HH”*

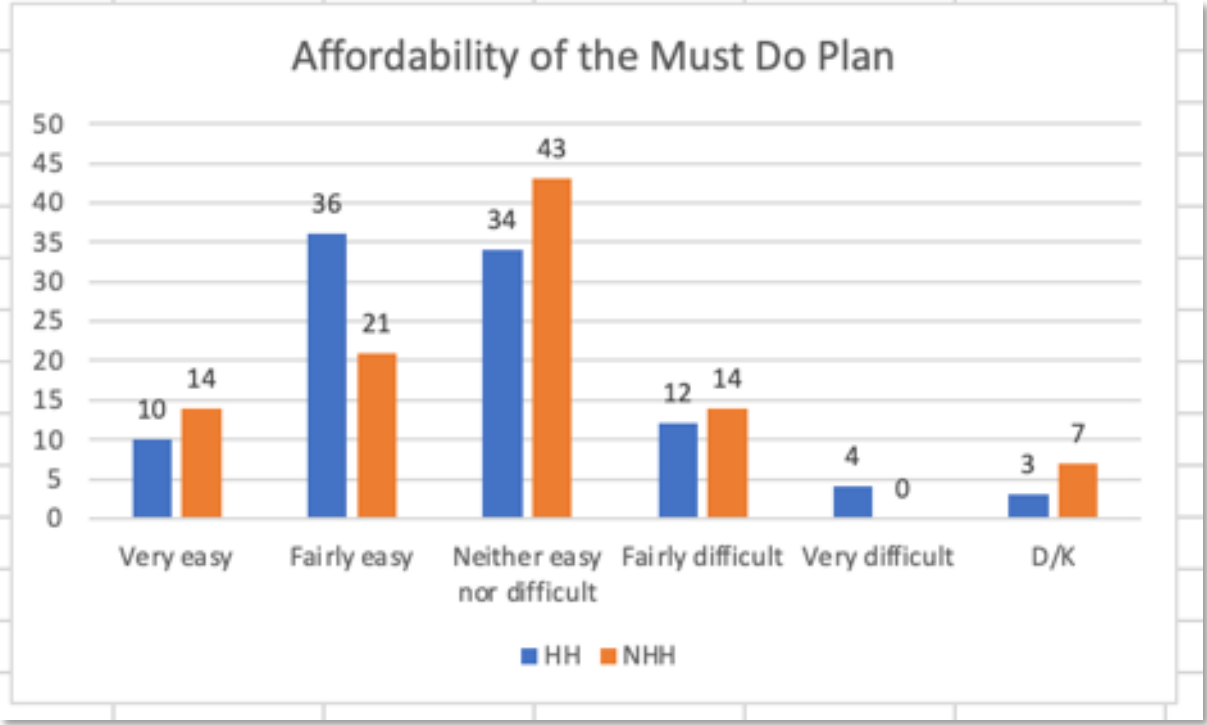
*“Its not really the most moral
choices – I mean to leave
out the lead pipes
Cardiff, NHH”*

*“It is going to cost more to
do these things later – we
should do them now
Bangor, NHH”*

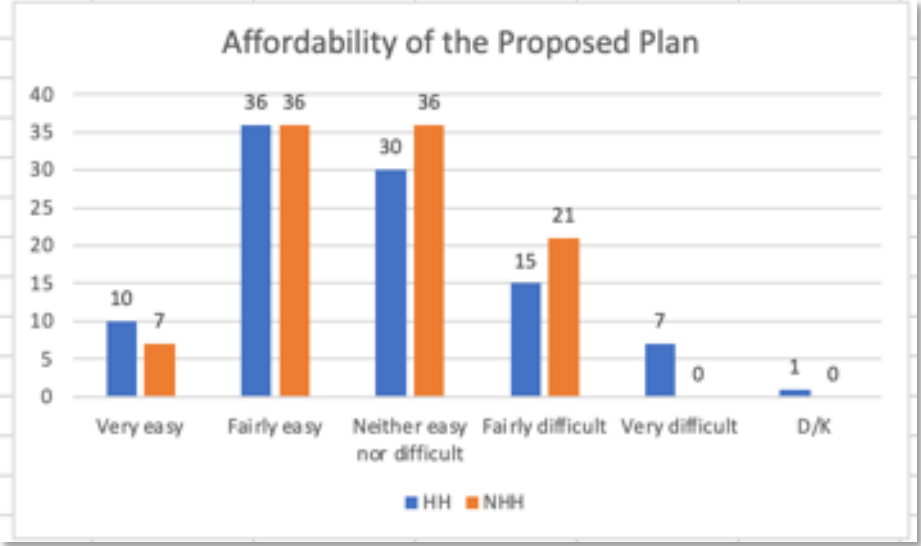
*“They are just putting things
off and prolonging issues
Hereford, HH”*

*“The Proposed plan feels affordable
for the additional benefits – it feels
like we are losing too much here
Bangor, HH”*

Proposed Plan – Affordability:
Small difference in amount between Proposed and Must Do plan (£8) – doesn't change affordability opinions



(average HH bill increase of £499-£586 without inflation and £737 with inflation)



(average HH bill increase of £499-£592 without inflation and £745 with inflation)

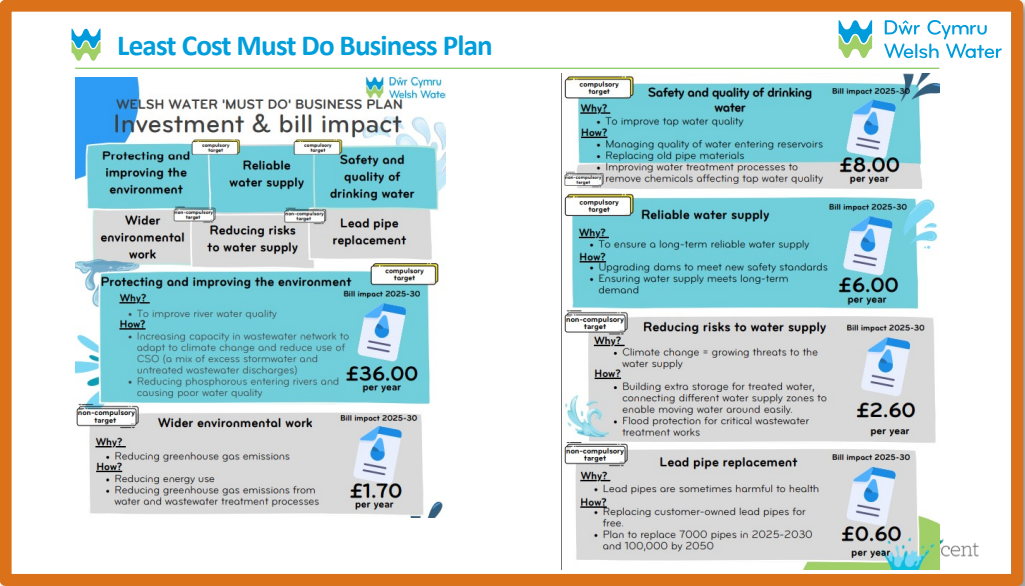
Customers found this exercise a bit frustrating. £ differences between the two plans are so minimal.

7/10 favour increasing bills sooner (all of Future customers) , 4% favour shifting this to Future generations and 19% don't know enough to answer

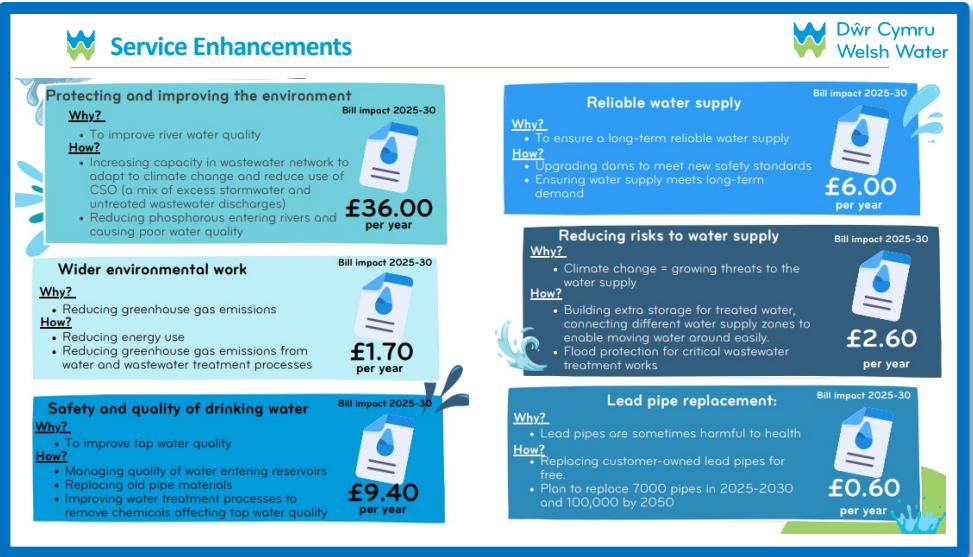
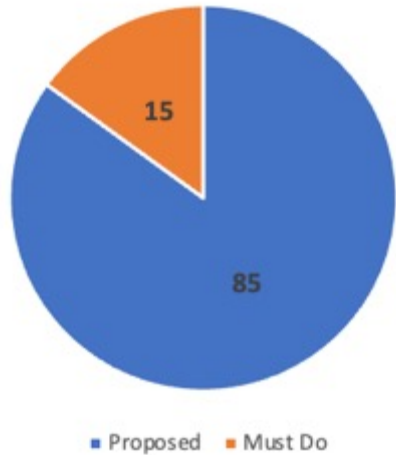


Summary

Overall Preference between the Proposed and Must Do Plan: Majority across HH, NHH and Future Customers prefer the Proposed Plan



Which Plan do you Prefer?



Recommendation is that the Proposed Plan is taken forward to the quantitative work but key changes should be considered

Summary of Proposed Plan and Improvements

Customer naturally view the plan from a service-user, bill payer, citizen and societal perspective
Acceptability is high with over 8 out of 10 feeling the plan was acceptable

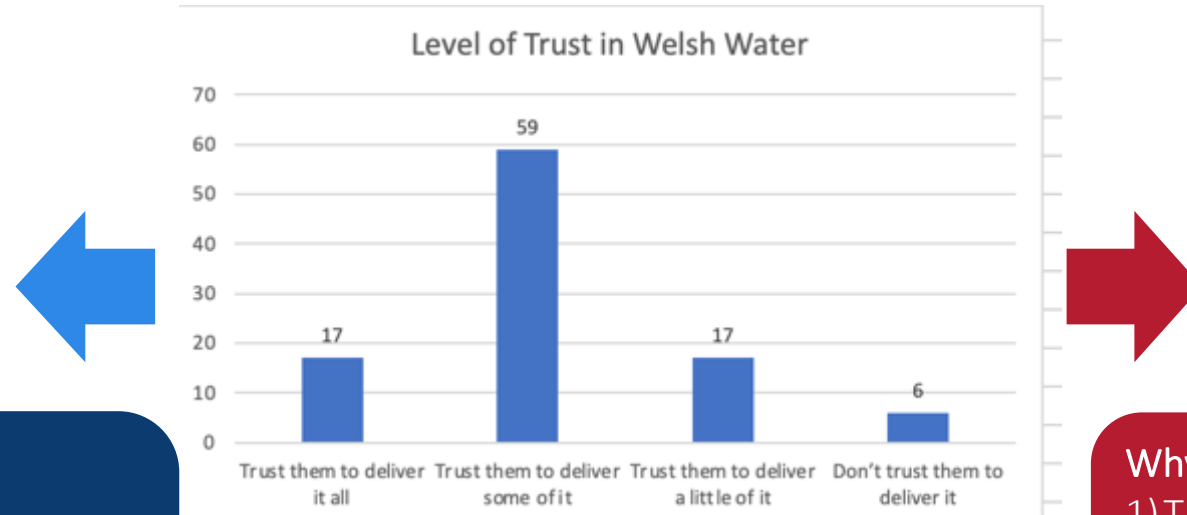
Performance Commitments		
	2025-2030	Longer Term
Leakage	Less acceptable, more ambitious in the short term	
Supply Interruptions	Acceptable	Leave at 2030 levels
Water Quality	Acceptable	Leave at 2030 levels
Sewer Flooding in/Out	Less acceptable, more ambitious in the short term	
Pollution in Rivers	Less acceptable, more ambitious in the short term	

Service Enhancements		
	2025-2030	Spend
Environment	Critical	Support current investment
Water Quality	Not seen as critical	Reduce and move spend to securing supply
Wider environment	Not seen as critical	Reduce and move spend to securing supply
Reliable/Securing Future supply	Critical	Support current investment
Lead Pipes	Important	Increase

Affordability is more neutral but just under a half of HH and NHH can afford with some ease

Potential in the quantitative work to include some of the wider initiatives around CSR that ensure customers have a broader understanding of the wider things that will be covered in the plan e.g. continuation of commitment to PSR

Trust in Welsh Water to Deliver: Some core issues with trust largely deriving from failure to meet current targets



Why do you trust them?

- 1) I get a good service (47%)
- 2) Services are good VFM (41%)
- 3) Customers are top priority (19%)
- 4) They keep their service promises (11%)

Why don't you trust them?

- 1) They don't update customers (38%)
- 2) They will want to put bills up more (28%)
- 3) Services are poor VFM (9%)

Recommend putting in some other Performance Commitments to show how Welsh Water meet other targets – check guidance and discussion with CCG

Next Steps

1

Share debrief with wider team and CCG

2

Board input – 11th April

3

Discuss Proposed Plan improvements/changes and update infographic

- Improvements in PCs for leakage, sewer flooding inside/outside, pollution in rivers
- Changes to Service Enhancements e.g. increase in lead pipes
- More clarity around distinction between 'Reliable/Securing Future supply'
- More information on wider environment 'net zero' service enhancement

4

Discuss including more contextual information to increase customer ability to respond with fuller information

- More Performance Commitments, CSR, Policies that support CIVS

Thank you

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