

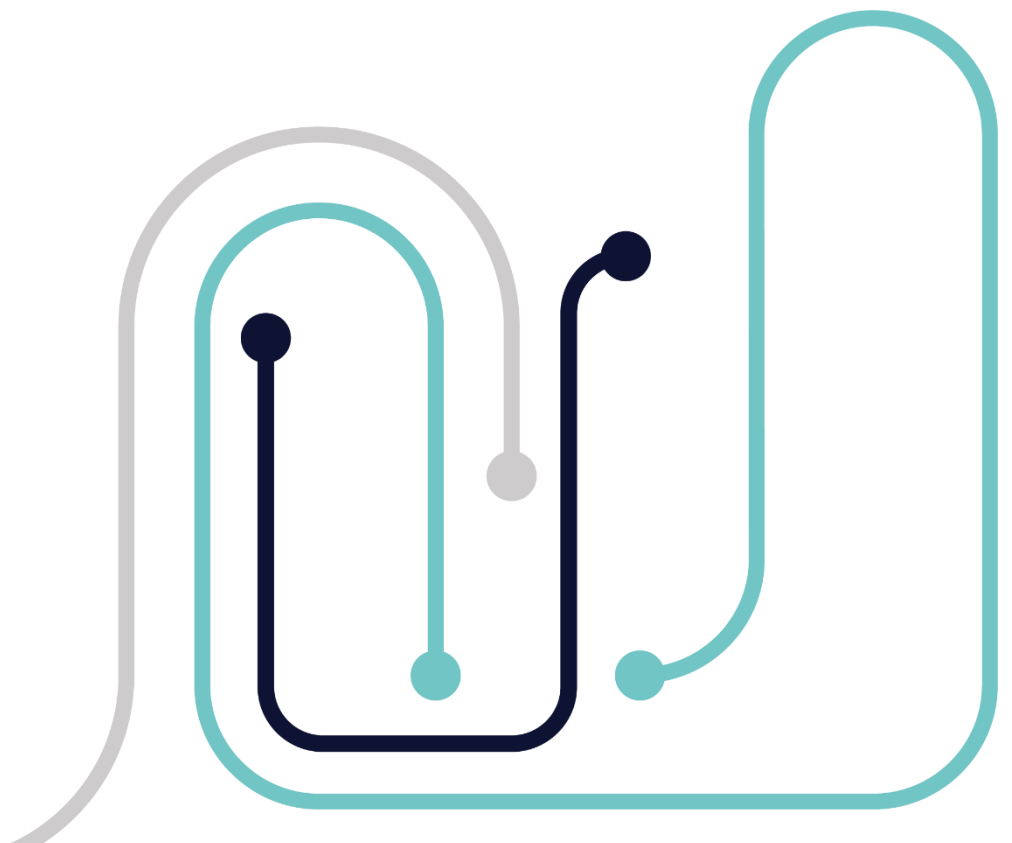


South West Water

Green Recovery Plan: Understanding customers' views

Report

January 2021



This document has been prepared by:

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

Study team:

Dr Lisa Gahan
Jo East
Sarah Williams
Martin Baker
Stephen Ward (Watermelon Research)

Contents

| | |
|---|------------|
| EXECUTIVE SUMMARY | 4 |
| 1 INTRODUCTION | 12 |
| 2 RESEARCH PROCESS | 13 |
| 3 PARTICIPANTS ENGAGED IN THE RESEARCH | 19 |
| 4 KEY FINDINGS | 21 |
| 5 SUMMARY OF VIEWS ON THE ENGAGEMENT | 73 |
| 6 CONCLUSIONS | 75 |
| APPENDIX A – QUALITATIVE RESEARCH MATERIALS | 76 |
| APPENDIX B – QUANTITATIVE RESEARCH MATERIALS | 84 |
| APPENDIX C – DESCRIPTION OF THE SURVEY SAMPLE | 131 |
| APPENDIX D – STATISTICAL RESULTS OF WILLINGNESS TO PAY | 137 |
| ASSURANCE | 142 |

Executive Summary

ES.1 Project Objectives

The COVID-19 pandemic is taking an unprecedented toll on the south west. The virus has impacted livelihoods, jobs and businesses across the region. South West Water's ongoing analyses of forecasts and information on COVID-19 show that those in hospitality, especially young people, are bearing the brunt of the economic consequences.

South West Water is developing its Green Recovery Plan, which sets out a suite of initiatives to support the people and businesses of the region. The plan is being developed in response to calls from government and regulators for water companies to review long-term environment and water resources plans to: accelerate planned investment; bring forward future investment; and implement new ideas to boost the economy.

To develop the Green Recovery Plan in line with customer views, South West Water has conducted research to understand what is important to customers in the green recovery plan. 700 participants – including some future customers – have been consulted on the Green Recovery Plan and Initiatives.

Specifically, we have followed a two-phase approach to engaging customers. Phase 1 involved qualitative research to explore with customers if and how South West Water should be involved in a Green Recovery, which alongside previous customer insight has been used to shape and develop a draft plan. Phase 2 involved quantitative research to test support for the developed plan and proposed initiatives.

This report summarises the findings of the research programme.

ES.2 Research Approach

The qualitative research consisted of six online focus groups, with 44 customers. Each group focused on a specific age and socio-economic group. Within each group we engaged customers from locations across the south west; those with and without meters; and with long term health issues and disabilities¹. Four in ten reported their household incomes had been affected by COVID-19, including being furloughed, losing their job, or working less hours.

The quantitative research consisted of engaging 603 bill paying customers and 29 future customers. Customers across South West Water and Bournemouth Water were engaged in an online survey, in line with quotas to ensure a representative sample.

¹ Groups split by age and SEG. All groups included mix of metered/unmetered; disabilities and/or long term health issues; locations and genders. Group split: Group 1: C2DE; 18-45; Group 2 - C2DE; 46+; Group 3 – mixed ages and SEG.

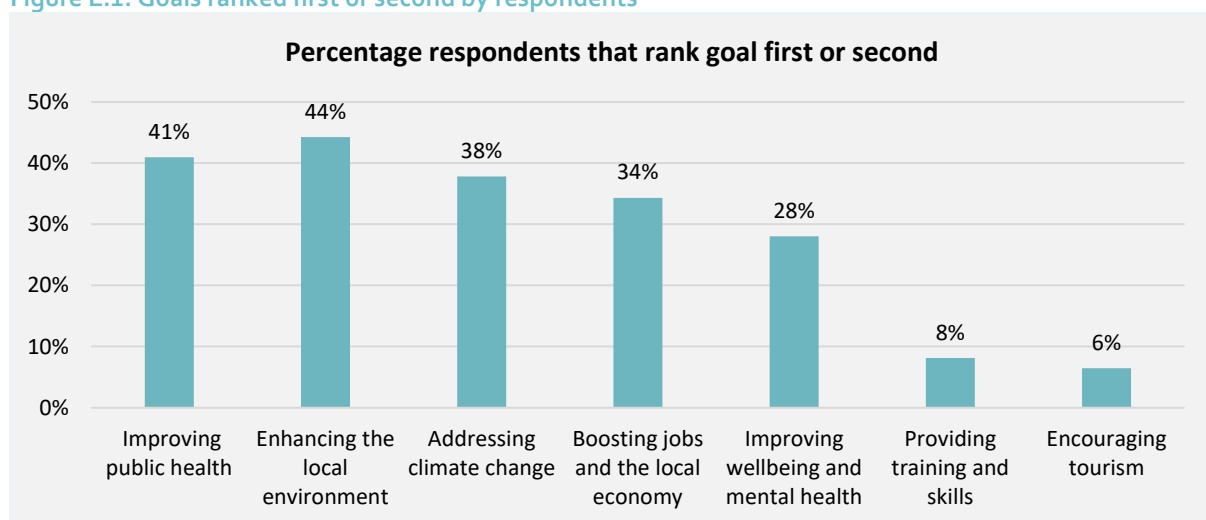
ES.3 Key Findings

Support for a green plan is high

Throughout the research programme, customers demonstrated they are very supportive of the ambitions of the green plan. There was a strong sense that the government has not been doing enough on the environment and should be driving green investment further - and not just in response to COVID-19. There was also concern that the south west region is often overlooked by the government investment programmes, and that the south west must benefit from the green recovery.

Customers were asked to rank seven goals of a green recovery in the groups and the survey. Consistently customers indicated that protecting the local environment, addressing climate change, and improving public health are the most important goals of a green recovery plan. Key to improving public health is improving the environment so that it can be used safely for recreation and amenity.

Figure E.1: Goals ranked first or second by respondents



n=603

The next priority goal was boosting jobs and the economy. This is about creating more jobs, but also about creating better jobs.

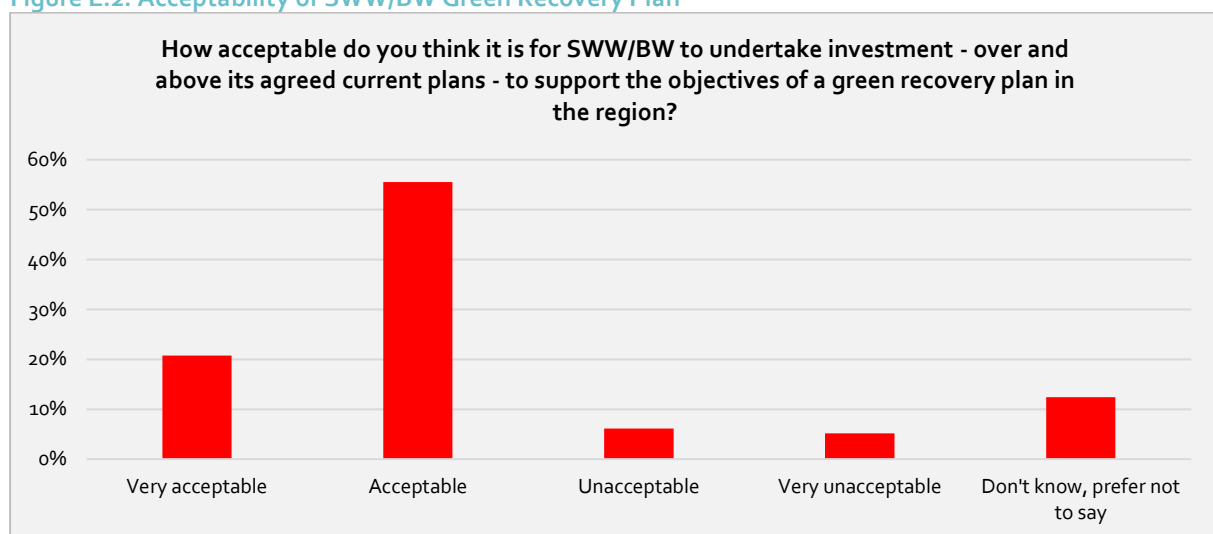
As well as public health, improvements in mental health is important. Improving water quality, providing green spaces and recreation facilities such as at reservoirs, and ensuring affordable bills all play a part in this. It is worth noting customers felt tourism is important, but it is a means to an end as it boosts the local economy. However, some are concerned about the level of tourism this year.

South West Water has an important role to play

The overwhelming view is that water companies have a role to play, given the direct impact water companies have on the environment. Customers were very supportive of the areas for investment set out by Defra for water companies to consider.

More specifically, customers support South West Water contributing to the green recovery. In the survey, excluding don't know responses, 87% of customers indicated they support a SWW/BW Green Recovery Plan for the region in principle. This means South West Water going over and above the plans already agreed to support the economy and environment. This finding aligns with the qualitative research, which showed strong support for a green recovery addressing social and economic issues in the south west of England.

Figure E.2: Acceptability of SWW/BW Green Recovery Plan



n=603

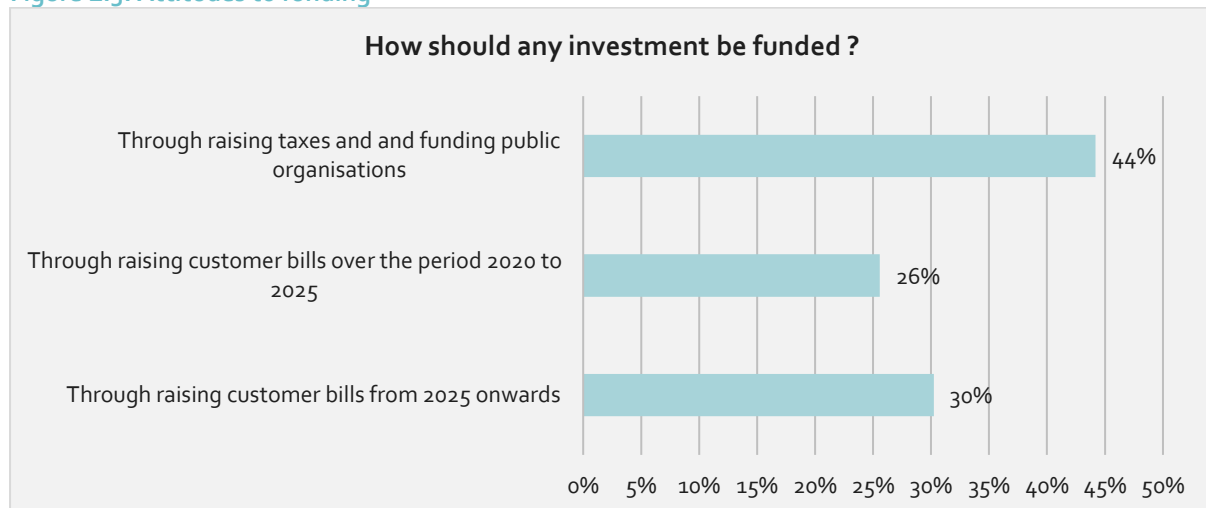
However, there needs to be confidence that water companies / South West Water will deliver on existing commitments and there are checks and balances in place to ensure this.

Customer bills are a fair way to finance plans

Overall, customers prefer to see water investment to be paid via customer water bills. Over half of customers found bills to be more effective relative to public bodies given the oversight given to water companies and the direct link between investment and outcomes.

Figure E.3 shows that on balance, customers marginally prefer that water companies invest now, but bills change from 2025 rather than from 2021. Whilst the future is uncertain and there are risks to this, overall the view was that the economic situation should be better by 2025, meaning the bill impacts will be more affordable and value for money if delayed.

Figure E.3: Attitudes to funding



n = 44

The use of future Watershare monies to fund the Green Recovery Plan was also suggested by some participants.

£50 Government Contribution

A consistent question across South West Water's research programme centres around customer views on the £50 Government Contribution, to track how much this continues to matter to customers.

When asked in this survey their views on this potentially ending shortly, the vast majority customers were unhappy at thought this could lapse, especially given the impacts of COVID-19. Most recognised that it would not have a big impact on their own household finances, but that it helps a lot of households have an affordable water bill. There is more acceptance for losing £50 government contribution if the money is still spent in the south west, especially if on environmental projects.

Customers consider the initiatives value for money and acceptable

Customers were asked their views on 11 early-draft initiatives in the qualitative phase, and 10 updated initiatives in the quantitative phase.

In the qualitative phase customers showed strong support for the initiatives, especially monitoring overflows, sewer separation, planting trees and accelerating investment already agreed.

Following the completion of the focus groups, South West Water provided updated proposals to test in the survey. Customers were given information on 10 initiatives, which align to the business cases being submitted to Ofwat. Customers were asked to indicate to what extent they considered these initiatives to be a priority to include in the plan. Most respondents saw all the initiatives as high or medium priorities to include in the plan.

Table E.1: Summary of priorities for the initiatives

| | Very High, High or Medium priority (exc. Don't know) |
|--|--|
| Accelerating investment at water treatment works | 93% |
| Accelerating bathing water investment | 91% |
| Accelerating storm overflow monitoring | 96% |
| Increase storm overflow monitoring | 94% |
| Sewer separation | 96% |
| River bathing water quality | 87% |
| Private water supplies | 81% |
| Smarter healthier homes | 87% |
| Storing more water in winter | 93% |
| Dartmoor National Park | 90% |

n=603

All of the initiatives are considered a priority to include in the Green Recovery Plan.

Estimating Willingness to pay for the green plan

Respondents were initially asked their willingness to pay in the qualitative phase 1. At this stage customers indicated quite notable willingness to pay for a green recovery plan, with higher amounts indicated if the bill impacts start from 2025, when the effects of Covid-19 are expected to be largely over. On average, £8.77 was the amount from 2021, and £10.37 if bills change from 2025.

To finalise and understand customer willingness to pay across the customer base the phase 2 survey included a willingness to pay question (in the form of a contingent valuation, double-bounded choice for bill impacts from April 2025). Three quarters of customers indicated a positive willingness to pay for the initiatives presented, and overall customers indicated a willing to pay £11.82 per annum from April 2025 to fund a green recovery. The level of willingness to pay varies by socio-economic group. SEG DE have the lowest willingness to pay at £9.10 per annum on average; SEG AB have a willingness to pay of £14.14 per annum on average. These are the values that South West Water should use to appraise its green recovery plan.

Those that selected nothing/zero willingness to pay indicated concerns with affordability or thought it was not the responsibility of water companies to fund this investment. 8% of customers indicated they cannot afford to pay for the initiatives

Future customers were asked what they considered to be reasonable increase in average bills from April 2025 to pay for a green recovery. An average value of £7.70 was indicated by future customers. Whilst below that of bill paying customers, it remains higher than the proposed bill impacts of the plan.

To understand willingness to pay per initiative, respondents were asked to rank the initiatives in priority order, given the quantified benefits they provide. The rankings were normalised to the highest-ranking initiative. Applying the initiative weighting to the overall willingness to pay provides an estimate of the willingness to pay by initiative. This showed all initiatives have a willingness to pay significantly more than the bill impacts. The exception is for smarter, healthier homes where the bill impacts and estimated willingness to pay are more aligned. This may reflect the pilot nature of the investment and current uncertainty around how the initiative will help customers manage their future water use, finances and leakage.

Bill impacts are acceptability and value for money

Respondents in the survey were shown bill impacts associated with the initiatives and asked if the bill impact of each initiative was value for money and acceptable. Value for money for the initiatives ranged from 69% to 83% across the initiatives.

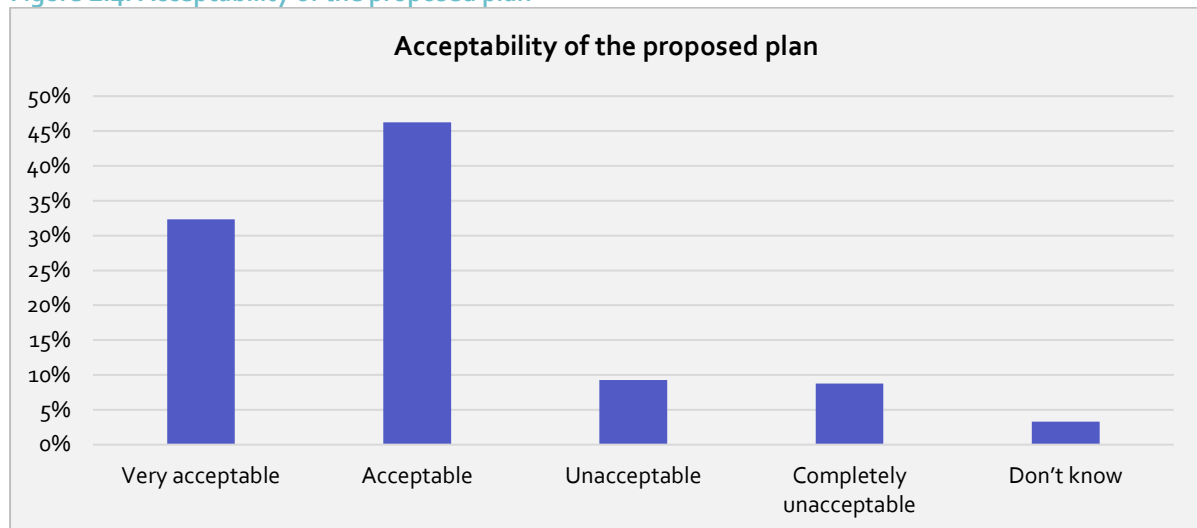
Table E.2: Summary of bill impacts – value for money and acceptability

| | Satisfied the bill impacts are value for money (exc. don't know) | Proposal and bill impacts are acceptable (exc. don't know) |
|------------------------------------|--|--|
| Increase storm overflow monitoring | 82% | 84% |
| Sewer separation | 83% | 85% |
| River bathing water quality | 77% | 79% |
| Private water supplies | 76% | 77% |
| Smarter healthier homes | 69% | 71% |
| Storing more water in winter | 80% | 80% |
| Dartmoor National Park | 80% | 81% |

n=603

Customers were asked a final question around the overall acceptability of the proposed plan. Excluding 'don't know' answers, 81% of respondents indicated they consider the proposed bill impacts and overall Green Recovery Plan to be acceptable.

Figure E.4: Acceptability of the proposed plan



n=603

The 19% of customers that do not find the bill impacts acceptable tend to be middle-aged (aged 45-59) and lower SEG. They are more likely to consider their current bill unaffordable.

The level of acceptability is particularly high in younger customers, where 93% indicated they consider the plans and bill impacts to be acceptable.

Customers support 2030 Net Zero for the water industry

During the focus groups, the discussions also included a detailed review of climate change and Net Zero targets, and the contribution of South West Water to achieving targets. This was seen as important given the recent commitment to net zero by 2030.

Customers felt the 2030 Net Zero target is the right ambition for the water industry and South West Water.

There was support for South West Water resources (e.g. land) being used for renewable production, although this needs to be cost effective. Customers feel South West Water should not produce renewables for the sake of it – i.e. if this is not efficient. Where this is the case it would be better to hold the investment or allow someone else to do it on the land.

Customers overwhelmingly supported South West Water purchasing renewable energy. Whilst it was generally accepted that achieving 2030 Net Zero is likely to be a challenge, given other parts of the economy will not be Net Zero, customers were supportive of purchases of renewable energy as part of the strategy to meet 2030 Net Zero targets. Customers said they want and expect South West Water as soon as possible to ensure the balance of energy purchased is renewable energy – and not fossil fuel-based energy.

However, the consensus is that South West Water needs to take other steps too and offsetting or purchasing renewables is only part of the solution. South West Water cannot simply buy its way out of this issue and not take other steps. Using electric vehicles, purchasing less carbon-intensive materials, and using alternative ways of working to reduce energy/carbon were all stated as essential. However, customers were also uneasy at replacing assets with useful life left as this seem cost-inefficient and wasteful. There needs to be a pragmatic approach in balancing costs and carbon.

ES.4 Conclusions

This research has shown that customers are highly supportive of South West Water participating in a Green Recovery Plan for the south west.

The research has shown that customers do think the broad aims of increased effort around the environment, climate change and supporting the economy during the pandemic are priorities.

On balance, customers support funding via bill increases over taxes; and prefer to pay later rather than from 2021. The research does indicate that a mix of funding streams could also be viable. For instance, some customers suggested the idea of using Watershare+ funds within discussions which could be explored further.

Despite the support for funding via bills, customers are concerned around the potential loss of the £50 government contribution. Most customers worry about the impact this will have on those customers that are struggling with their bills.

The proposed initiatives that make up South West Water's proposed plan are seen as priority investments and in line with customer views. Overall, the proposed plan is acceptable, with initiatives that are value for money and affordable. Customer willingness to pay for the investment is considerably higher than the proposed bill impacts from April 2025.

A condition of support for the plan is that accountabilities are in place to ensure investment is delivered, however this is funded. South West Water needs to meet existing commitments. But customers also want to see South West Water make best use of resources available to them rather than simply chasing targets, for example having room to select the best investments for the land made available on a case by case basis.

Across the full research programme customers have indicated they are highly supportive of South West Water participating in a Green Recovery Plan for the region. However, ensuring affordability remains key, especially among those that are concerned about the impact on their household finances.

Overall customers are supportive of the ambitions of the plan, which is seen as supporting the environment and the economy in line with their views.

1 Introduction

1.1 Project Objectives

The COVID-19 pandemic is taking an unprecedented toll on the south west. The virus has impacted livelihoods, jobs and businesses across the region. South West Water's ongoing analyses of forecasts and information on COVID-19 show that those in hospitality, especially young people, are bearing the brunt of the economic consequences.

South West Water is developing its Green Recovery Plan, which sets out a suite of initiatives to support the people and businesses of the region. The plan is being developed in response to calls from government and regulators for water companies to review long-term environment and water resources plans to: accelerate planned investment; bring forward future investment; and implement new ideas to boost the economy.

To develop the Green Recovery Plan in line with customer views, South West Water has conducted research to understand what is important to customers in the green recovery plan. C.700 participants – including future customers – have been consulted on the Green Recovery Plan and Initiatives.

Specifically, we have followed a two-phase approach to engaging customers. Phase 1 involved qualitative research to explore with customers if and how South West Water should be involved in a Green Recovery, which alongside previous customer insight has been used to shape and develop a draft plan. Phase 2 involved quantitative research to test support for the developed plan and proposed initiatives.

This report summarises the findings of the research programme.

1.2 Report Structure

The report is structured as follows:

- Overview of the research process (Section 2)
- Overview of participants engaged (Section 3)
- Key findings – customer views on the green recovery plan (Section 4)
- Summary of customer views on the research project (Section 5)
- Conclusions (Section 6)
- Appendices
 - A – Qualitative research materials
 - B – Quantitative research materials
 - C – Summary of the quantitative sample
 - D – Statistical results around testing willingness to pay for the green plan

2 Research Process

2.1 Research Objectives

The research is part of a two phased approach to engaging customers, including future customers.

Phase 1 - Qualitative phase

Qualitative research consists of semi-structured discussions which provides the flexibility to probe customer views – how they feel and why they feel the way they do. It provides a rich dataset of in-depth insights on issues that are currently not well understood.

The first phase involved qualitative research to understand customer views on a Green Recovery Plan:

- Whether SWW should be involved, and how
- What the priorities should be
- What aspects of investment they support
- How and when investment should be made
- How much bills can change to fund green investment
- Views on SWW's Net Zero strategy

Undertaking this at the start of the planning process helped South West shape and develop a draft plan.

Phase 2 - Quantitative phase

The quantitative phase commenced once the proposed plan and initiatives were developed. This phase involved testing the acceptability of the plan, and ensuring that the plan contained initiatives that are supported and represent good value for money for customers.

2.2 Phase 1 Organisation

The qualitative research consisted of six online focus groups.

Six sessions allowed the groups to be split by ages as well as socio-economic group (SEG)². Given the economic evidence shows that COVID-19 has affected the age groups differently, we aimed the groups into younger, older and mid-aged customers.

Within each group we engaged customers from locations across the south west; those with and without meters; and with long term health issues and disabilities.

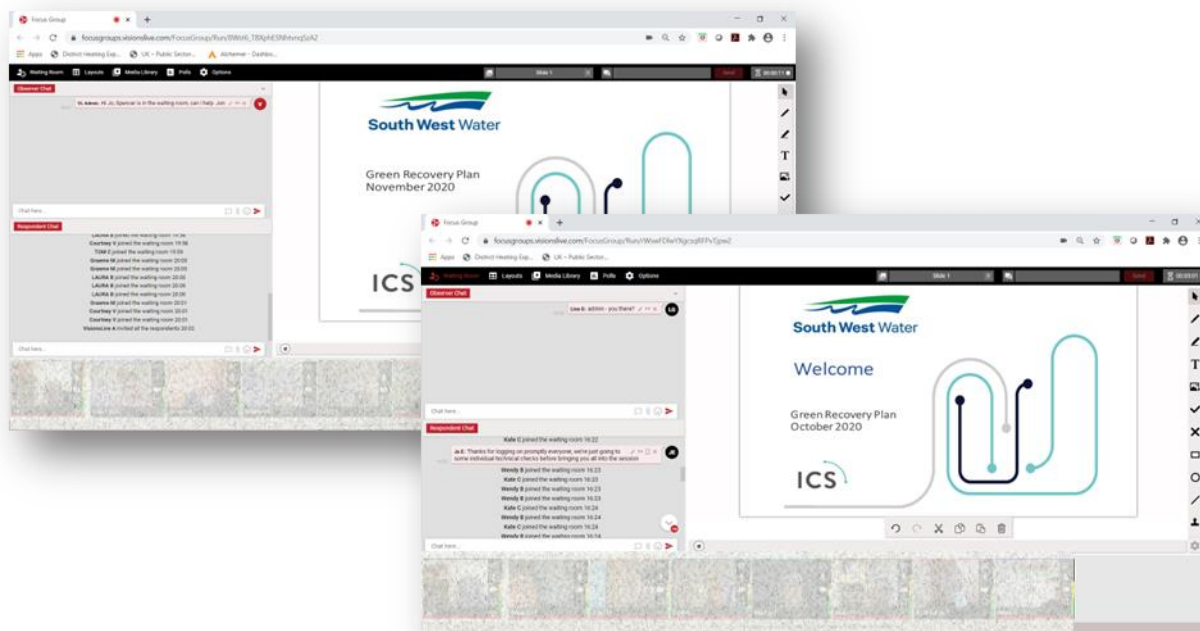
² The Office of National Statistics (ONS) divides households into different groupings, based on the occupation of the main income earner, known as SEGs. Given the correlation between occupation and income using these to segment customers in market research ensures a diverse range of households by income are considered. The groups are: A - Higher managerial, administrative, professional; B - Intermediate managerial, administrative, professional; C1- Supervisory, clerical, junior managerial; C2 - Skilled manual workers; D- Semi-skilled and unskilled manual workers; E - Casual labourers and unemployed.

Table 2.1: Session summary: 6 in total

| | SEG | Age | Gender |
|---------|------|-------|--------|
| Group 1 | C2DE | 56+ | Mixed |
| Group 2 | C2DE | 31-55 | Mixed |
| Group 3 | ABC1 | 56+ | Mixed |
| Group 4 | C2DE | 18-30 | Mixed |
| Group 5 | ABC1 | 31-55 | Mixed |
| Group 6 | ABC1 | 18-30 | Mixed |

All sessions took place in October and November 2020. Due to the impacts of COVID-19, all research was undertaken using an Online focus group platform, called Visions Live.

Figure 2.1: Visions Live Platform



As questions were presented, participants were invited to give their direct feedback to questions presented on a whiteboard, as well as discuss amongst themselves. All sessions made use of online voting as a way of summarising customer views.

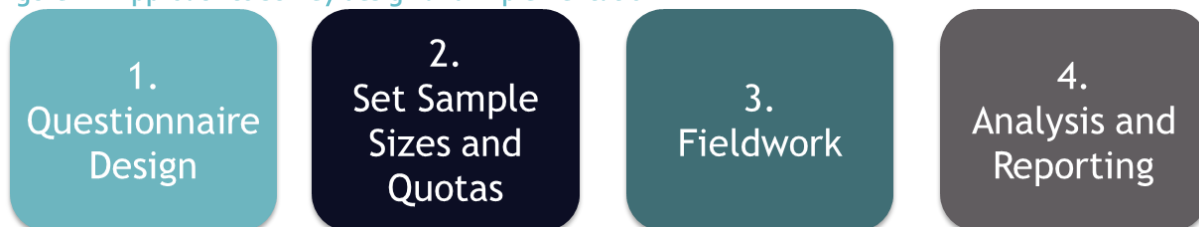
All the groups were organised and run by ICS moderators – who are members of the Market Research Society, and thereby adhere to and follow industry standards. The moderators ensure discussions are independent and unbiased: both aspects are extremely important in ensuring a discussion where everyone's views are valid and there are no right or wrong answers.

The discussion guides and supporting materials are in the Appendix A.

2.3 Phase 2 Organisation

The quantitative phase commenced once the proposed plan and initiatives were developed. The survey design and implementation process involved four steps.

Figure 2.2 Approach to survey design and implementation



The approach is aligned with the Market Research Society Code of Conduct, and all data protection regulations.

These four steps are explained in more detail below.

2.4 Step 1: Questionnaire Design

The survey built on the qualitative research, covering several aspects:

- Views on the need for and goals of a green recovery, so these can be explored overall and by customer segment
- Priorities and ranking of the initiatives included in the proposed plan, given their benefits
- Willingness to pay for the proposed plan
- Views on the bill levels of each initiative, and whether the initiative is good value for money and acceptable
- Overall acceptability of the proposed plan

The draft survey was developed and was reviewed by South West Water and CCW prior to its finalisation.

A summary of the structure of the survey contents is given below. The full survey is in Appendix B.

Table 2.2: Questionnaire structure

| | |
|-----------------------------------|---|
| Part A SCREENING AND QUOTAS | Each respondent confirms they are eligible to complete the survey by confirming they are a South West Water or Bournemouth Water bill paying or future customer; and eligible for the survey given the quota specifications (age, gender and socio-economic group). |
| Part B GREEN RECOVERY | <p>Each respondent answers questions on the need for a Green Recovery Plan, the key goals that should be addressed via a Green Recovery Plan, and SWW's role. Respondents are also asked about bills – whether these are affordable and how easy it is to pay water bills.</p> <p>This section allows the quantification of key qualitative research findings across a representative sample.</p> |
| Part C PROPOSED INITIATIVES | In this section respondents answer questions on the key initiatives. Customers indicate to what extent they consider the initiatives to be a priority and are asked to rank the initiatives in order. |
| Part D WILLINGNESS TO PAY | <p>In this section respondents answer questions to understand the willingness to pay for the overall proposed plan. It includes a contingent valuation question to establish willingness to pay for the improvements:</p> <ul style="list-style-type: none"> • Customers offered a bill amount and asked if they would pay the amount • Based on their answers, higher or lower amounts are offered to help identify their maximum willingness to pay <p>Customers then provide reasons for their choices.</p> <p>Customers were then asked their views (acceptability and value for money) for the bill impact of the proposed plan, and individual investment initiatives and asked to rank the investments given the bill impacts.</p> |
| Part E RESPONDENT PROFILE | This final section of the survey collects household information so that the results can be assessed by customer segments. This includes information on, disability, household composition, household income, employment status, and qualifications. |

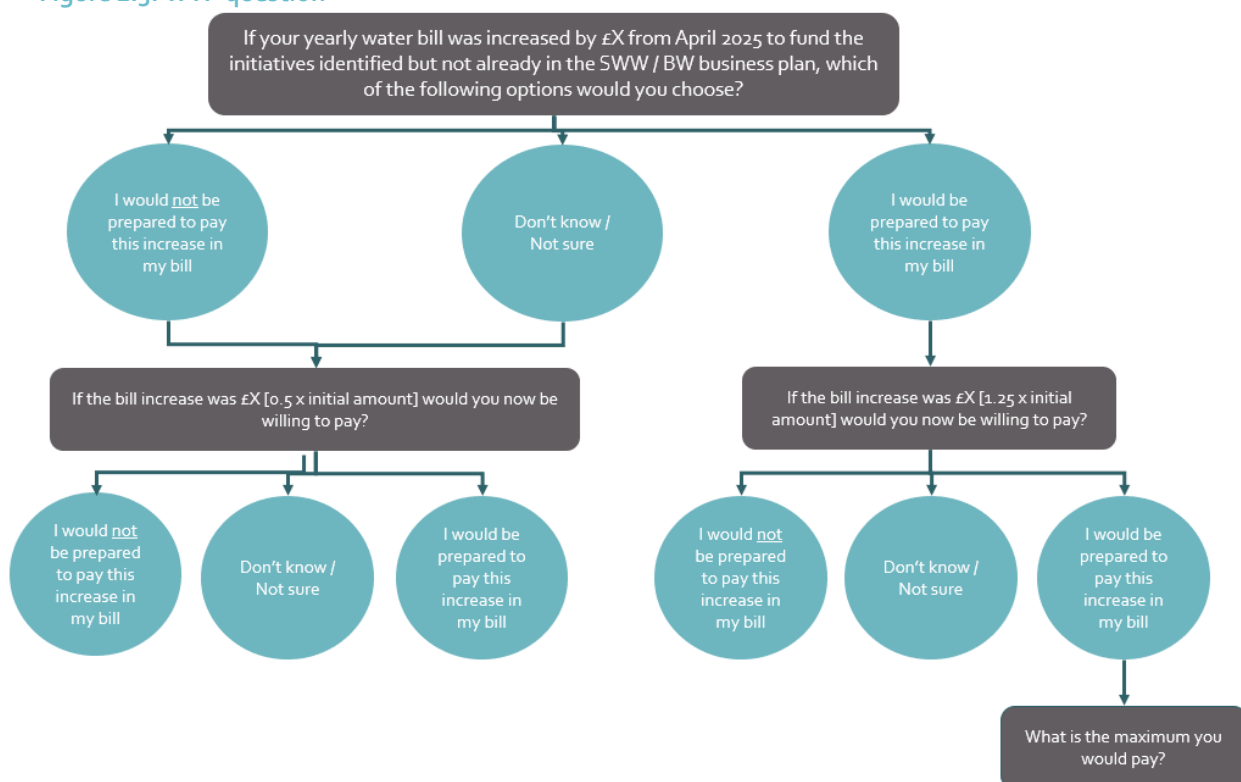
Contingent valuation question

The willingness to pay (WTP) valuation question is a double-bounded choice. This is where a customer is presented with a WTP question with a randomised bill value, and the question is repeated with a different bill amount depending on whether the respondent answered yes or no to whether they are willing to pay the first amount.

The initial question and the routing for subsequent questions are illustrated below. It shows that:

- If a respondent selects "Yes" to the initial question they are then presented with a higher value (1.25 x the first bill increase). If they still replied "Yes" then there were asked to indicate their maximum WTP.
- If a respondent selects "No" or "Don't Know/Not Sure" to the initial question they were presented with a lower bill (0.5 x the first bill increase).

Figure 2.3: WTP question



This double-bound approach provides more information about the boundaries of WTP.

By selecting 'not prepared to pay' customers were informed that this meant that the changes would not be delivered via a Green Recovery Plan. Those who selected 'prepared to pay' for the increase in the bill were informed that doing so would mean that changes would be delivered from April 2021, with bill changes from April 2025.

The initial bill values presented were chosen at random from £2, £3, £5, £10, £20. Each value was presented a similar number of times across the respondents.

2.5 Step 2: Set Sample Sizes and Quotas

The sample covered the South West Water and Bournemouth Water region. The target sample size and household quotas were set based on NOMIS³ data and aligned with the 2020-25 Sampling Methodology Document. The quotas cover the respondents' gender, age and socio-economic group (SEG).

The target sample size was set at a minimum of 600 bill paying households. This allows robust statistical analysis for households, whilst also facilitating drill down to the customer segments.

In addition, a target of 30 future customers was included in the sample. These were defined as young people currently living at home with parents or guardians, and not currently responsible (fully or jointly) for paying bills. These future customers may benefit from the investment; and many can be expected to be bill payers by 2030 and therefore contributing to the costs of the plan via bills. It was therefore important to understand their views on the Green Recovery Plan.

2.6 Step 3: Fieldwork

Watermelon Research conducted the market research fieldwork. Watermelon is an independent market researcher that conducts research in compliance with the Market Research Society Code of Conduct; Watermelon is Interviewer Quality Control Scheme accredited.

The survey was conducted online. Watermelon sourced the customer sample, working to the target quotas. Customer data was not provided by South West Water.

2.7 Step 4: Analysis

The data collected has been analysed for the overall South West Water and Bournemouth Water customer base, and by customer segment.

Additional insight by future customers was provided alongside the findings of bill paying customers.

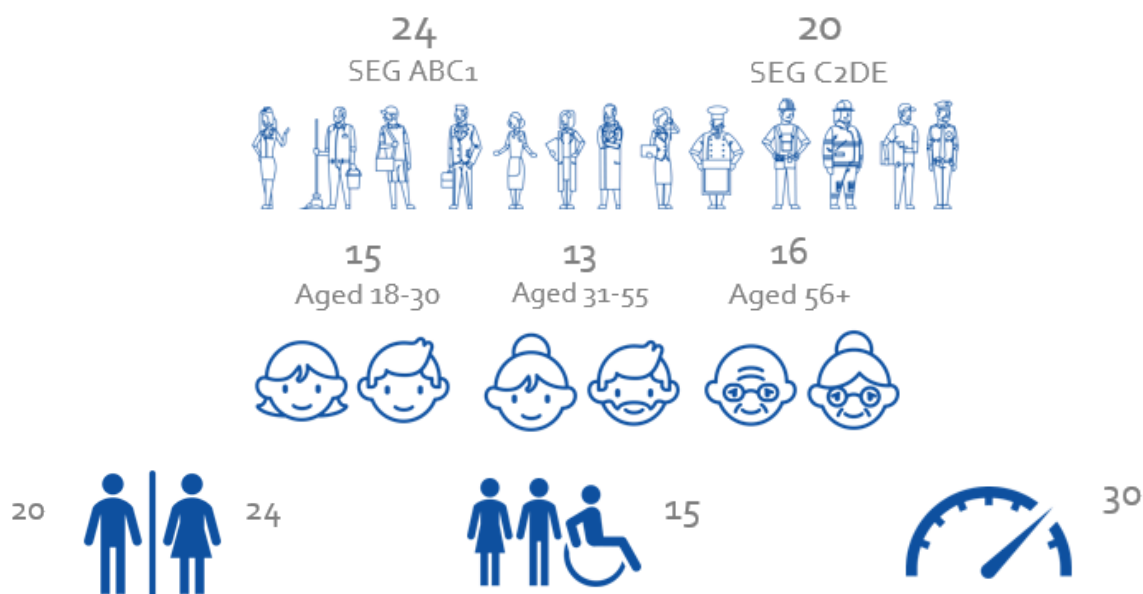
³ NOMIS is a service provided by the Office for National Statistics, ONS, which gives access to UK labour market statistics from official sources.

3 Participants engaged in the research

3.1 Focus group sample overview

In total 44 customers were engaged across the six groups. These were all customers of South West Water.

Figure 3.1: Summary of the Participants



- Good mix of ages and occupation/SEG
- Gender - recruited equal amounts of men and women, but two men swapped for their partners/spouses on the day
- 15 respondents identified as someone in the home as having a long-term health issue or disability
- 30 participants metered, 13 unmetered, 1 unsure

In addition to understanding participant demographics, we asked participants to what extent COVID-19 has impacted on household finances. 26 reported that COVID-19 had not impacted on jobs/income, and 18 reported that it had impacted the household (i.e., 4 out of 10).

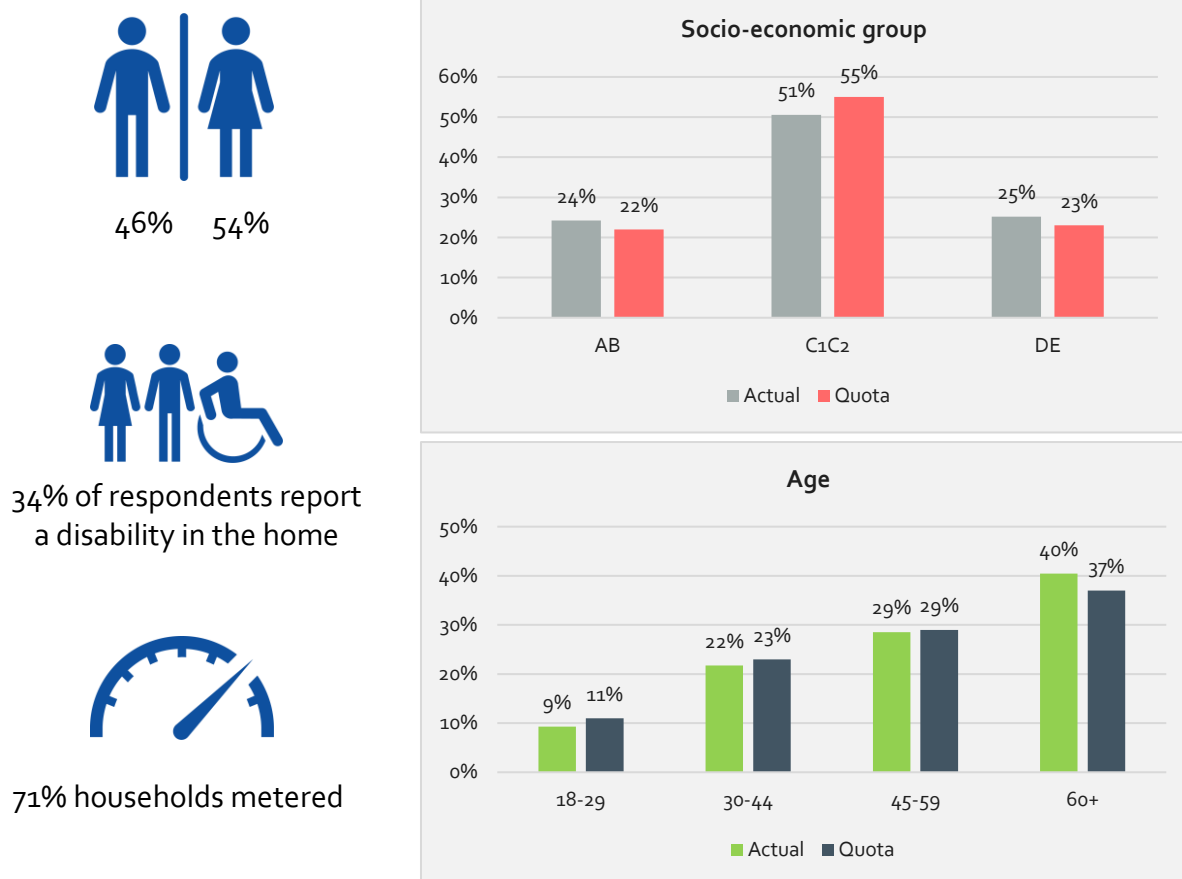
Amongst those impacted by COVID-19:

- 5 furloughed (previously or at the time of the research)
- 5 lost job and now either unemployed or changed jobs
- 8 working or have worked less hours

3.2 Quantitative survey sample

A total of 603 bill paying respondents are used to develop the main findings. The bill paying dataset reflects the diverse customer base well. There is good alignment with the quotas set for the sample.

Figure 3.2: Overall summary of the sample dataset (n=603)



In addition, 29 future customers were also considered to understand differences and similarities in views with bill paying customers. These were mostly less than 20 years old:

Table 3.1: Future customer ages

| Age band | Number of responses |
|----------|---------------------|
| Under 16 | 1 |
| 16-17 | 6 |
| 18-20 | 16 |
| Over 20 | 6 |

The full survey sample details are contained in Appendix C.

4 Key Findings

This section gives a summary of the findings of the research.

4.1 SWW business plan

A summary of the South West Water business plan was given at the start of focus groups and in the introduction to the survey. This was because it was important for participants to know the current plans and bill profiles before they were asked views on a potential Green Plan.

Figure 4.1: Business Plan Summary – SWW

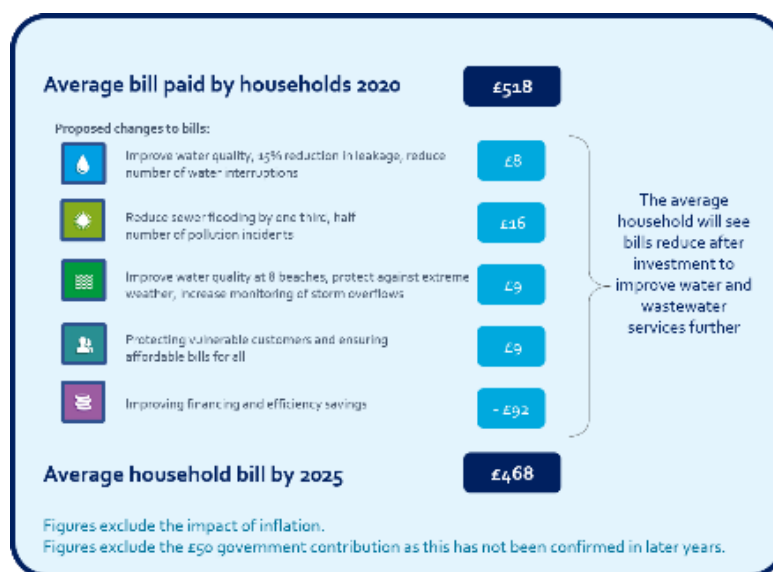
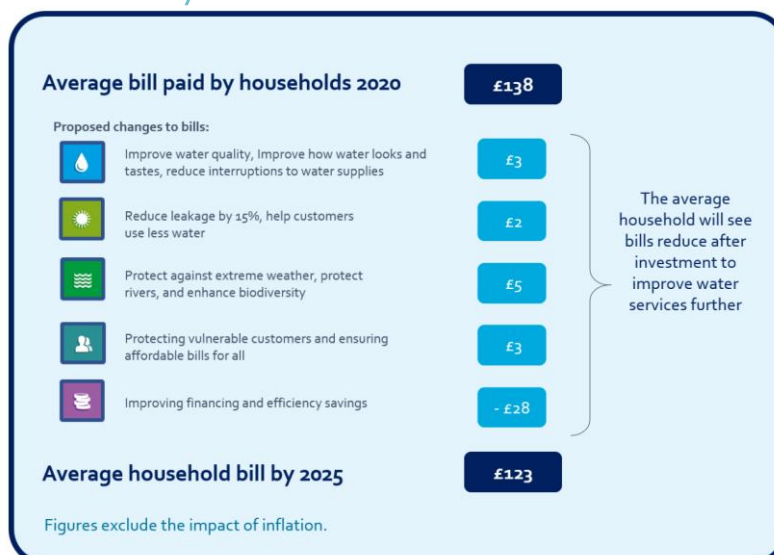


Figure 4.2: Business Plan Summary – Bournemouth Water



Overall, the groups provided positive feedback on the plan, especially noting the service improvements in combination with bills lowering.

“

"Nice to save a bit of money" – Female, Aged 56+, SEG C2, SWW

"It's good to save" – Female, Aged 31-55, SEG C2, SWW

"It's a reduction - which is a good start." – Male, Aged 18-30, SEG C1, SWW

”

When asked if anything was missing from current plans, a few participants commented that the company could do more around environment. This particularly focused on improving more than eight beaches.

“

"Environmental issues are at the forefront of everything at the mo, so would expect to see more of that" - Female, Aged 31-55, SEG B, SWW

"It's the right time to be doing it, with the economy" – Male, SEG B, Aged 18-30, SWW

"They could do a lot more than 8 beaches. It's only a fraction of how many we have" – Male, Aged 31-55, SEG B, SWW

”

There was also some discussion around whether South West Water was doing enough around carbon and climate change.

“

"A lot of energy is involved in getting water to households. I was wondering whether energy efficiency is in here" – Female, Aged 31-55, SEG B, SWW

”

And around helping people that may be struggling with the impacts of COVID-19.

“

"There's less certainty about whether people are going to get paid, and be able to pay their bills and things like that. Generally, people would be happy to pay a couple of pounds extra a month to help those who are struggling. That could be a bit more." - Female, Aged 18-30, SEG C1

”

4.2 Perceptions of the Watershare+ Letter

Linked to the business plan was a brief discussion in the groups on customer experiences and views of Watershare+.

All customers remembered the Watershare+ letter with the only exceptions being in younger groups.

Across the 44 respondents in the groups, five people had successfully registered for shares, mostly as they expected them to be worth more in the future, for example if South West Water is sold or nationalised in the future.

“ *"I thought they would be worth more in the end"* - Male, SEG C2, Aged 56+, SWW
"I took a gamble" – Female, Aged 56+, SEG B, SWW **”**

One person opted for shares as she wanted customers to have more of a role, for instance, wanting to vote at annual meetings and be involved overall.

“ *"It's good to buy in"* – Female, Aged 31-55, SEG B, SWW **”**

The discussions revealed quite a few had planned to take shares but left it too late, demonstrating a higher level of interest than actual take up within the participants. Some had simply opened the letter too late and missed the deadline.

“ *"It was too late to get the shares – I opened the letter late"* – Male, SEG C2, Aged 31-55, SWW
"I barely notice letters like that" - Female, SEG C2, Aged 31-55, SWW **”**

Others kept putting it off and missed it as they had not got around to it in time.

“ *"I was planning to take shares"* – Male, SEG C1, Aged 56+, SWW
"I just realised that was something I should have done - but have not done it" – Male, Aged 18-30, SEG B, SWW **”**

The rest of participants opted for bill reduction. This was mainly to offset water bills, especially those that had higher bills due to COVID-19.

“Bills were a lot higher this month” – Male, Aged 18-30, SEG C2, SWW

“I took the money, because I didn’t think £20 was going get you a lot of shares anyway, and it was an easier option just to take the money” – Male, Aged 31-55, SEG C2, SWW

Some customers went for the bill reduction because shares were unfamiliar, and the prospect made them nervous.

“I don’t know anything about shares” – Female, SEG C1, Aged 56+, SWW

There were also some customers that liked shares but thought it just easier to take the bill reduction.

“£20 is not enough for shares” – Female, SEG C2, Aged 56+, SWW

“I liked it too, but it was easier to do nothing” – Male, SEG D, Aged 56+, SWW

“A lot of hard work for £20” – Female, SEG B, Aged 56+, SWW

4.3 Understanding the impacts of COVID-19

Prior to discussing the Green Recovery Plan, the focus groups discussed how customers had been impacted by COVID-19, and what steps South West Water can take to support customers.

There was little awareness of the SWW response

When customers were asked what they have heard from South West Water with respect to COVID-19, no one said they have seen any messages or communications.

“Not a thing” - Female, Aged 56+, SEG C2, SWW

However, everyone agreed it would be good to know more about South West Water’s response to COVID-19, as many people are financially worse off, people are using more water at home, and there are pressures on the region from increased visitors.

“ *“It would be handy to know – People are at home more so they’re obviously using more water because they can’t go to work” – Female, C1, Aged 56+, SWW*

“We’ve seen a reduction in jobs and people can’t pay bills so need to help more” – Female, SEG B, Aged 31-55, SWW

”

One group in particular thought the extra tourism caused by COVID-19 may add pressure to their water bills and wanted South West Water to provide information on that.

“ *“People are flocking to the south west, adding to our bills. There is more pressure on our water systems. They then go home, and their bills are the same.”*

Female, SEG B, Aged 56+, SWW

”

In terms of how to communicate, one person said she reads the South West Water newsletter and thought that should give information.

“ *“I see the SWW newsletter every 3-4 months. I find them useful. Usually they are very helpful” – Female, SEG B, Aged 56+, SWW*

”

Customers want SWW to be proactive

Customers were asked what they thought South West Water should be doing to help and support people through COVID-19. One participant commented that they get a lot of emails from other suppliers and wanted South West Water to contact them this way too.

“ *“British Gas is in touch all the time saying now we are doing this, now we are doing that” – Female, SEG B, Aged 56+, SWW*

”

The most important area is for South West Water to help people financially if they need it, e.g. allowing people to pay late, or take a payment holiday if they need it.

“ *“They could put a block on bills like they’ve put a block on mortgages to get them through the bad times” – Male, Aged 56+, SEG C2*

“They should be offering holidays on bills for those struggling. Even a bit off the bill would help. If you’ve lost your job, any reduction would help” - Female, SEG D, Aged 31-55

”

Customers recognised that some groups are affected more than others, and help needs to be targeted to make a difference.

“

"COVID-19 has not affected pensioners – 99% of them are on a pension, so COVID hasn't affected their income as such" - Female, SEG D, Aged 31-55, SWW

”

4.4 Defra's goals for a Green Recovery Plan

Customers support Defra's goals

In both the groups and quantitative survey customers were shown information on what Defra is keen to achieve from a Green Recovery.

Figure 4.3: Government – Aims of the Plans



When shown information on the aims of the green plan, customers were very supportive of the ambitions. This was the case across all groups of customers.

“

"We all want a greener world" - Female, SEG B, Aged 56+, SWW

"Anything that we do is positive" - Female, Aged 18-30, SEG D, SWW

"It looks really good. It's the right time to be doing it, the right way forward, with what's going on with the economy at the minute." - Male, Aged 18-30, SEG B, SWW

"It would be lovely if it did what it said on the tin" - Female, SEG B, Aged 56+, SWW

”

People were keen to know more about how these ideals could be achieved, and there was a sense across all groups that the government has not been doing enough on the environment and should be driving green investment - and not just in response to COVID-19.



"Why should COVID-19 make any difference – we should already be doing as much as possible on the environment" – Female, Aged 56+, SEG C2DE, SWW

"COVID-19 doesn't change anything – should already be doing more" – Female, Aged 31-55, SEG E, SWW

"These should be well in hand – we should already be talking about it" – Male, Aged 56+, SEG C2, SWW

"These goals, we should be doing it anyway. That's why we voted them in" – Male, Aged 56+, SEG C1, SWW

"We should have been doing it a long time ago" - Female, Aged 18-30, SEG D, SWW

"This needed to be 5 to 10 years ago. Should have been done a while ago. Why are we looking at this now?" – Male, SEG C2, Aged 18-30, SWW



Targeting investment in the region

Participants were asked if it mattered where the recovery was based. The consensus is that the whole country needs to be supported by recovery. Resources are needed not just where the virus seems to be more concentrated or has had the most impact (which at the time of the groups was the North of England). There needs to be investment that benefits the local and wider environment.

Older people were more likely to have the view that the south west has been overlooked in the past and should not be again. These participants felt the south west already contributes more than its fair share – water bills are seen as a good example of this, where local residents pay for improvements that the rest of the country benefits from.



"The south west always misses out – we cannot miss out this time" - Male, Aged 56+, SEG C2, SWW

"SWW does a lot to support tourism – we need more of that (investment)" - Female, Aged 56+, SEG D, SWW

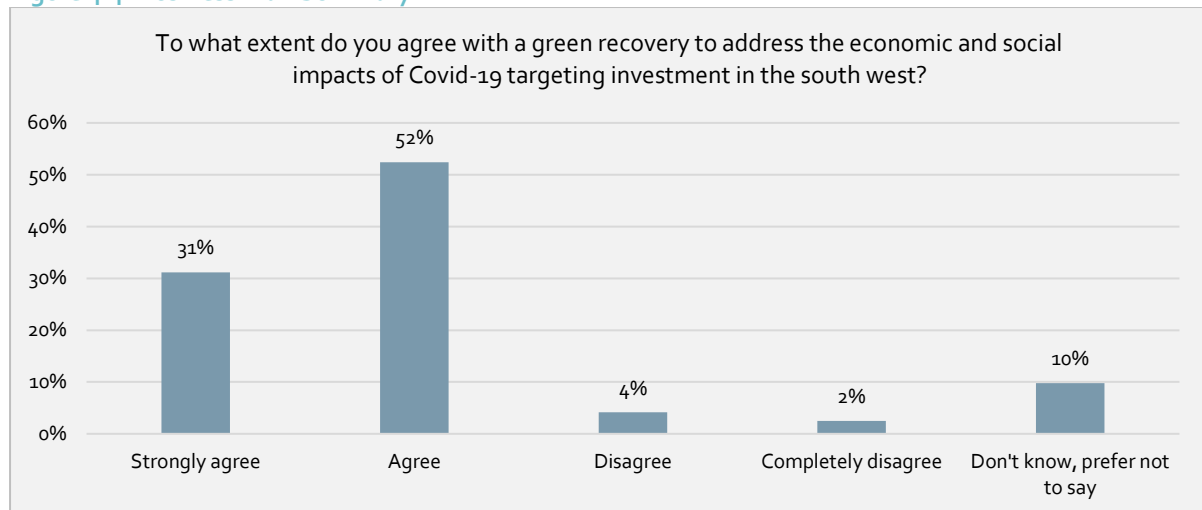
"We are forgotten" – Female, SEG B, Aged 31-55, SWW

"There definitely needs to be more investment in the south west" - Female, Aged 31-55, SEG C1, SWW



The survey confirmed the view that the Green Recovery should include the south west. Excluding 'don't know' responses, 93% of customers indicated they agree with a green recovery in the region.

Figure 4.4: Business Plan Summary



n=603

Trust is an issue

Despite the high levels of support for Defra's objectives, trust is an issue for customers. A lack of trust in government and policymakers was evident, especially amongst older participants.



"Bringing forward investment is brilliant, but the government has lost its way" – Male, Aged 56+, SEG C2, SWW

"I am supportive too, but a lot of what they (local govt) say doesn't go ahead" – Male, Aged 56+, SEG B, SWW

"It is always hard to pin the government down. They are always general and never specific" – Male, Aged 56+, SEG B, SWW



One big way in which trust has been eroded is around how new homes are being developed. New homes and developments are not seen to be done in an environmentally friendly way. This was particularly an issue raised by the mid-aged groups.

People gave examples such as building houses on greenfield land that was previously blocked from being built on. This is seen to have created environmental problems, such as creating more sewage which is going into the sea when it rains. It had also missed opportunities to be greener, such as putting solar panels on new houses.

“

"If they build more wind, at least it's less houses to build on green sites" - Male, Aged 31-55, SEG C2, SWW

"They are due to build 80 thousand houses in the next 20 years – but at what cost to the environment" - Male, Aged 31-55, SEG C2, SWW

"They say these things, but if it really wanted to be green, it would do stuff differently" - Male, Aged 31-55, SEG C2, SWW

"You only have to look at the application for new houses... these are a strain on water and electricity. They don't have solar panels on the roofs – things they could do easily" – Female, Aged 31-55, SEG C1, SWW

"The sewage system is overburdened. We already have too much sewage pollution and it's only going to get worse. It's not SWW's fault – they don't choose to build this many houses" – Male, Aged 31-55, SEC C1, SWW

”

One group cited HS2, where ancient woodland has been removed as a reason for their reservations.

“

"Government says this, but then destroys ancient woodland with HS2. They don't mean it. They don't take it seriously enough. They have been saying this for years." – Male, Aged 31-55, SEG C1, SWW

”

Other issues raised that have impacted trust was Brexit roll out as early commitments to not let standards slip were thought to be at risk of being rowed back on, as well as some concerns over the handling of COVID-19.

The plans need to benefit communities

Customers feel it is important that the green recovery delivers real benefits and is not just words that are politically correct from the government.

“

"Not a sticking plaster. It's always a sticking plaster." - Male, Aged 18-30, SEG C2, SWW

"Wellbeing and mental health – they're just words that are flying around at the minute. All the media is covering that" – Female, Aged 56+, SEG C1, SWW

”

Customers also raised concerns about who would pay for any green recovery.

“ *“It’s our pockets in the end” – Female, Aged 56+, SEG C2DE, SWW*

“All very laudable, but I don’t know how feasible it is going forward” – Female, SEG C1, Aged 56+, SWW

“Hard to make feasible – it will take a lot of money” – Female, Aged 18-30, SEG C2, SWW ”

The priorities of Defra’s goals demonstrate importance of the environment

Customers were shown seven goals that a green recovery could impact on and were asked to put these in priority order.

In the groups the customer used an online whiteboard to “drag and drop” numbers reflecting the areas that they consider to be the most important to consider when planning green investment. Customers did confirm these goals were all important, but overall did find it relatively easy to rank the goals.

Figure 4.5 shows an example of the online voting for one group in relation to what should the goals of a green recovery plan in the south-west focus on.

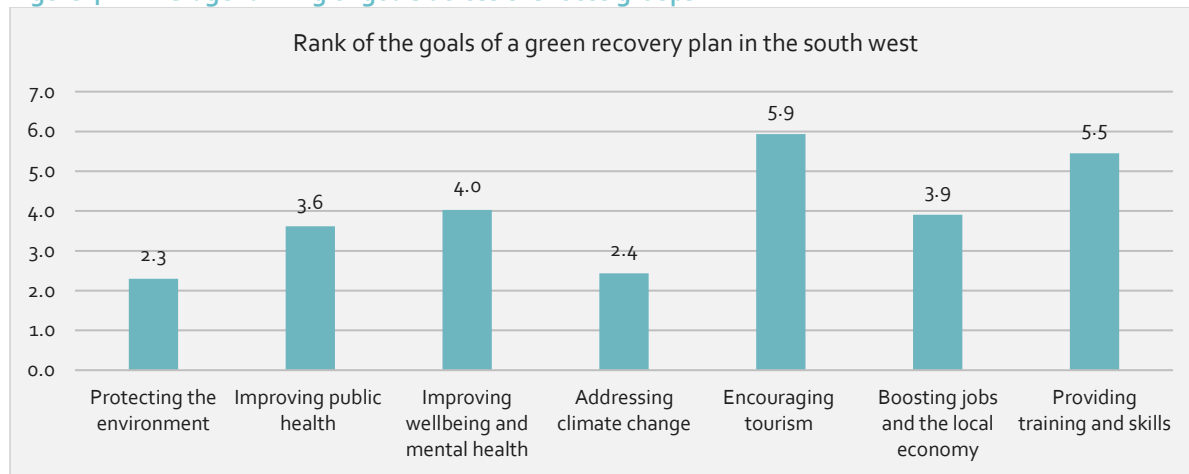
Figure 4.5: Voting exercise example: First group



Note: the lowest ranking equates to the highest priority.

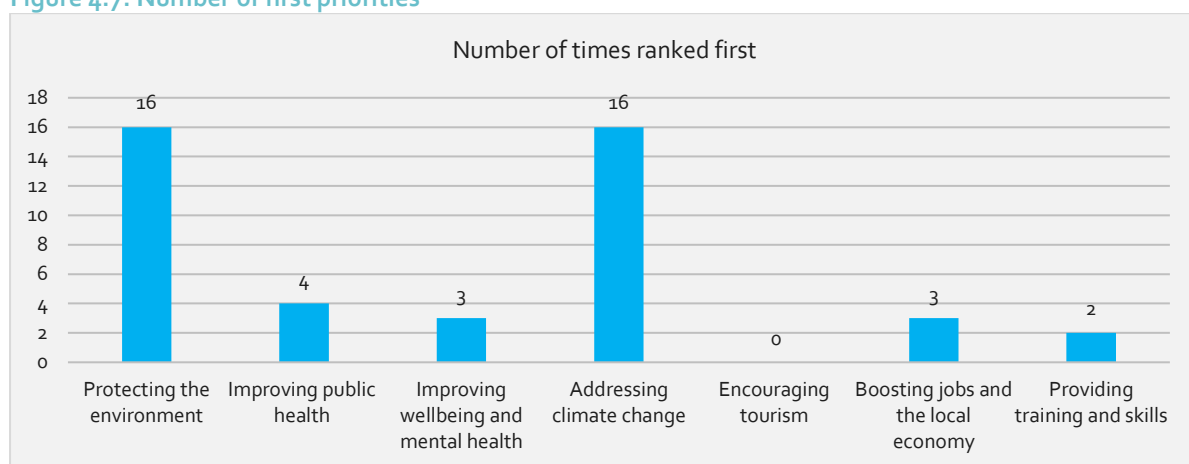
The results from the groups are in Figure 4.6 and Figure 4.9. They show that despite the economic impacts of COVID-19, customers consider protecting the local environment and addressing climate change to be the most important goals, suggesting customers are focused on investment that is **green** as well as investment that supports the **recovery**.

Figure 4.6: Average ranking of goals across the focus groups



n=44

Figure 4.7: Number of first priorities



n=44

In the quantitative research customers were also shown the seven Defra goals and asked to rank these in order of importance.

As shown in the figure below, the survey confirms the findings of the focus groups. Customers indicated that protecting the local environment, addressing climate change, and improving public health were the most important goals. Boosting jobs and the economy was the next priority goal after these three. These are picked most frequently as the highest ranked goals.

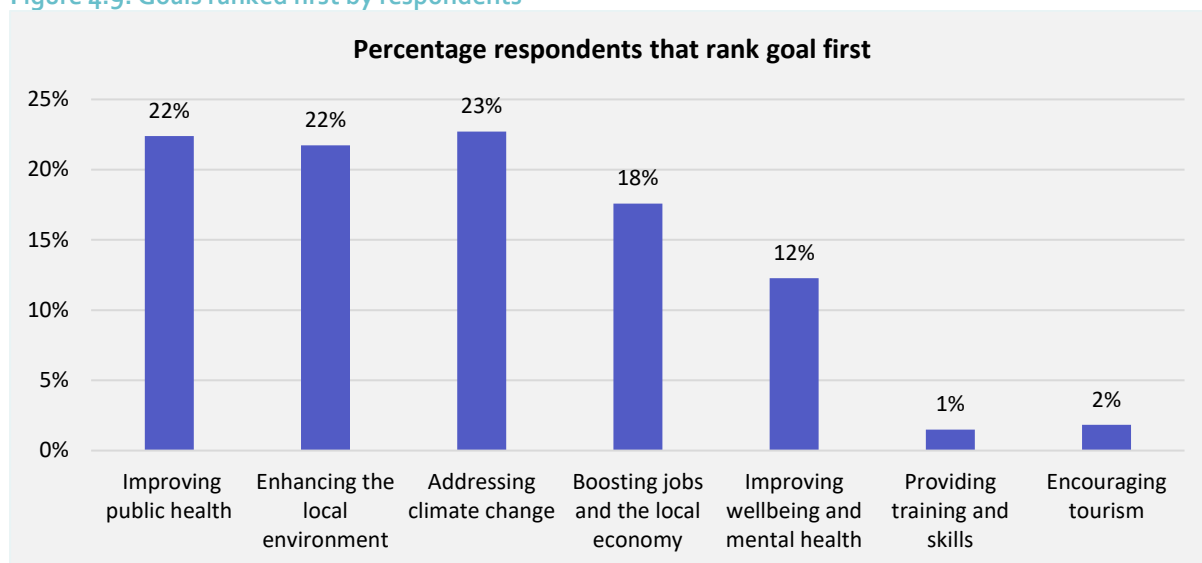
Figure 4.8: Ranking the Defra goals – shown by each goal



n=603

Figure 4.9 shows the goals that were ranked first by respondents in the survey. This shows that addressing climate change is picked as the top goal the most often.

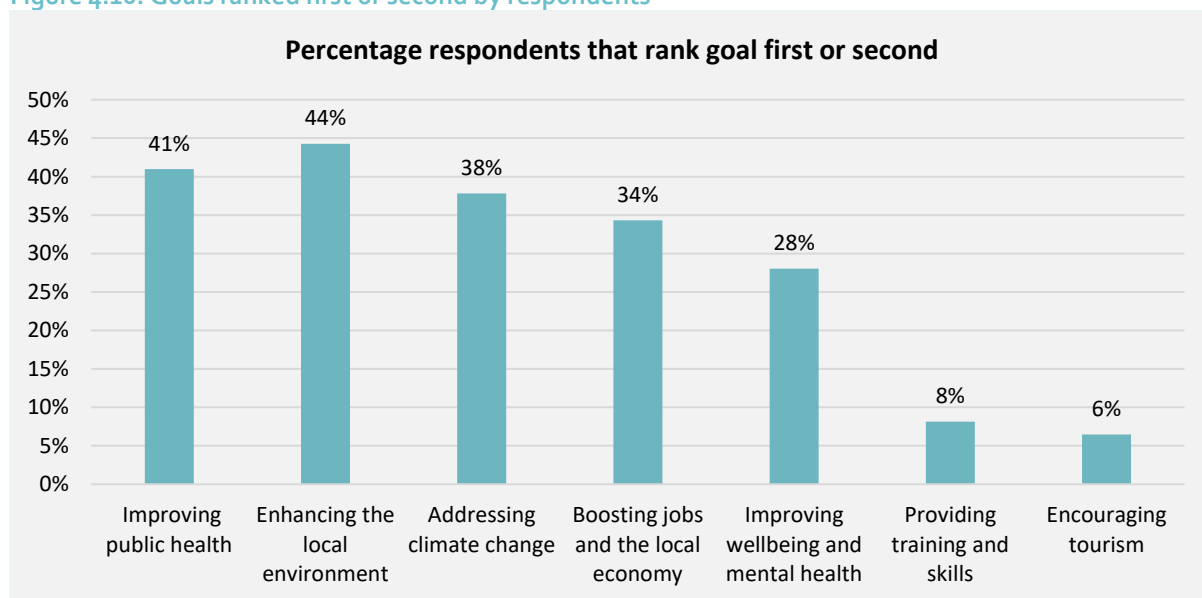
Figure 4.9: Goals ranked first by respondents



n=603

Figure 4.10 shows the goals ranked first or second by respondents in the survey, i.e. the percentage of respondents that ranked a goal first or second.

Figure 4.10: Goals ranked first or second by respondents



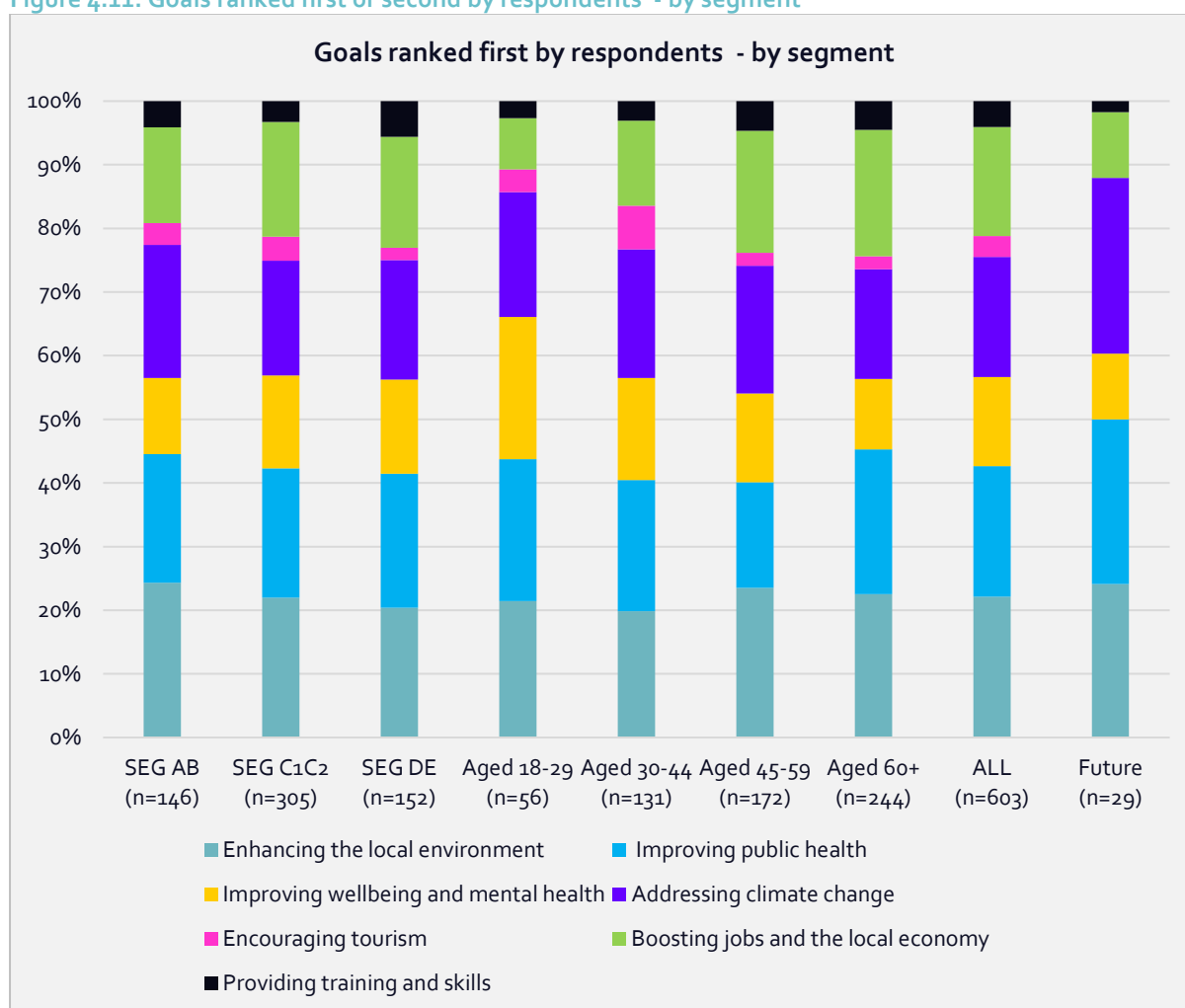
n=603

The prevailing view was that all of these goals are important and need to be considered in the plan.

As shown below, in general the results are similar by customer segment. The key differences are:

- Younger people rank the goal of improving wellbeing and mental health higher than other age groups, whilst ranking boosting jobs and the economy less.
- In contrast, older customers rank boosting jobs and the economy higher than other age groups, whilst ranking improving wellbeing and mental health less
- Higher SEG groups, and those aged 30-44 rank addressing climate change higher than other customers; older customers are less likely to rank this as a top priority
- Future customers have stronger views on addressing climate change and improving public health than other customer types, and are less concerned about boosting jobs/economy, encouraging tourism, or improving mental health.

Figure 4.11: Goals ranked first or second by respondents - by segment



Customers were asked more about their top goals

Customers in the groups and survey were asked more about their priority goals.

Improving public health involves ensuring tap water is the highest quality; but is also strongly related to ensuring there are no health issues due to poor quality river and coastal water.



"Clean water is essential for a healthy population. Exercise and water sports are important for the health and mental health, and the benefit is increased if the water is unpolluted."

- Female, Aged 60+, SEG E, South West Water

"Make sure that everyone has access to good clean water. Treat sewage well."

- Female, Aged 60+, SEG C2, South West Water

"Beaches cleaned. In Cornwall we benefit from a beautiful coastline to keep fit."

- Female, Aged 30-44, SEG C1, South West Water

"Manage sewage that goes into the sea."

Male, Aged 45-59, SEG E, South West Water

"Green places. More affordable exercise"

Female, Aged 45-59, SEG C1, Bournemouth Water

"Stop raw sewage entering the rivers and sea, even during periods of excessive rainfall."

- Male, Aged 45-59, SEG B, South West Water

"Improve water and make clean fresh affordable water available for everyone"

- Future customer, Female, Aged 18-20, South West Water



Enhancing the local environment - reducing pollution, improving waterways and bathing waters were seen as the most important elements to protecting the local environment.

Enhancing the local environment involves ensuring all watercourses – rivers, streams and seas – are of good quality, supporting wildlife, recreation and amenity. Customers see improvements in all waterways as a top priority for protecting the local environment. Rivers and seas are broadly seen as of equal importance.

Customers want to see watercourses improved through a reduction in spills from sewers, improvements in treated wastewater discharges, and steps to reduce agricultural waste entering rivers. This will ensure rivers and seas can support wildlife and habitats, as well as providing amenity and recreation benefits.

Planting trees and restoring vegetation is an important part of any sustainable plan. This is seen as a long-term solution to climate change, as well as providing more local benefits such as preventing flooding, providing habitats, and providing amenity.



"Prevent accidental pollution into water courses and into the sea."

Female, Aged 45-59, SEG E, South West Water

"The emphasis should be on using nature for processes that currently use far too much power and too many chemicals."

Female, Aged 60+, SEG B, Bournemouth Water

"Stop farmers spreading effluents all over the fields which leak into streams."

Female, Aged 60+, SEG C1, South West Water

"Nothing entering the water, such as pesticides." -

Male, Aged 45-59, SEG C2, South West Water

"Extensive woodland planting and less house building."

Male, Aged 45-59, SEG C1, South West Water

"Reduce pollution getting into rivers."

Male, Aged 60+, SEG C2, South West Water

"Ensure that wastewater does not ruin habitats or damage wildlife, to minimise environmental impact" – Future customer, Male Aged 20+,

South West Water



Addressing climate change means using less energy, increasing renewable energy, planting trees, and helping properties to use less water, to save energy.



"Climate change is such a severe threat to humankind" – Male, Aged 56+, SEG C2, SWW

"I want to see mitigations and adaptations" – Female, Aged 31-55, SEG B, SWW

"Ensuring all properties have a water meter and are offered things like special shower heads to reduce water usage."

Female, Aged 60+, SEG A, South West Water

"Reducing carbon footprint. Phase out older fleet cars and bring in green fuel cars. Explore ways that, as a by-product of cleaning wastewater, electricity could be produced. The sale of electricity could reduce bills as well as being invested back into the service."

Female, Aged 30-44, SEG C1, South West Water

"The replanting of woods - prioritising the planting of trees that have been cut down." - Male, Aged 45-59, SEG B, South West Water

"Reduce carbon footprint and harmful emissions. Make people more aware about global warming and the impact we are having on the planet" - Future customer, Female, Aged 16-17, South West Water



Boosting jobs and the local economy means creating more jobs and creating better jobs. The focus is primarily on supporting hospitality sectors.

“

"Don't replaced skilled IT jobs with low value jobs. We need green sustainable jobs" – Female, Aged 31-55, SEG B, SWW

"Pay people well for the job they do" - Female, Aged 31-55, SEG B, SWW

"I put boosting jobs as number one because I think that's far more important. You've got to get through today to worry about tomorrow." – Male, Aged 31-55, SEG C2, SWW

"Jobs which require training to build up skills, e.g., construction industry, so that the level of wages in the local area will be brought up." Female, Aged 60+, SEG C2, South West Water

"Hospitality as this is a massive supplier of jobs." Male, Aged 60+, SEG C2, South West Water

"Well paid skilled jobs." - Male, Aged 45-59, SEG D, South West Water

”

Improving wellbeing and mental health - As well as public health, improvements in mental health is important. Improving water quality, providing green spaces and recreation facilities such as at reservoirs, and ensuring affordable bills all play a part in this. Keeping waterways clean and safe is essential, as they provide valuable outdoor recreation, allowing people to exercise and benefit from nature.

“

"Green spaces are crucial for people" – Female, Aged 31-55, SEG B, SWW

"Open relaxing spaces." - Male, Aged 60+, SEG C2, Bournemouth Water

"Clean rivers and nature." - Female, Aged 45-59, SEG B, South West Water

"Engage the local communities actively in outdoor projects, particularly people who are struggling mentally/isolated." - Male, Aged 60+, SEG C1, Bournemouth Water

"Red reminders on the bills can also add to mental health issues" – Female, Aged 31-55, SEG B, SWW

"Making water bills more affordable so that people are not constantly worrying about them." - Male, Aged 60+, SEG E, South West Water

”

Whilst rarely picked as the top goal, improving skills and training and boosting tourism are intertwined with the other goals. **Improving skills and training** should focus on providing skills in jobs in the environmental sector. **Boosting tourism** is around supporting hospitality industries through improving river and coastal water quality.

It is worth noting customers felt tourism is important, but it is a means to an end as it boosts the local economy. However, some are concerned about the level of tourism this year.

“We’re in October and it’s absolutely heaving with tourists down here - it’s like the middle of August. We’d be quite lucky if we got less to be honest. – Male, Aged 31-55, SEG C2, SWW”

Finally, customers in the groups thought Research and Development is needed to support the plan – and this should be a clear aim of any plan.

“Learning and Innovating” – Female, Aged 56+, SEG D, SWW

4.5 Which Organisations have a Role

An important part of the research looked at customers’ views on who is best placed to support a green recovery. The dominant view was that national government cannot do this on its own. Other organisations must have a role. Many companies and organisations need to be involved, working together.

“Tackle all issues together rather than piecemeal” – Female, Aged 56+, SEG B, SWW

The government should take the lead and set the example, but not necessarily do all the investment itself. Following this approach, broader participation will encourage innovation.

“Top down can stifle innovation, which we need if we want to get on top of this issue” – Female, Aged 56+, SEG B, SWW

“Won’t really work if some do it and some don’t” - Female, SEG E, Aged 18-30, SWW

Customers were asked specifically which other organisations should be involved in the plan. They felt that local government should have a role in addition to Westminster. Power companies should have a very important role - most groups identified energy network companies and producers as having a pivotal role.

“All the power companies have a role to play. We need power.” Male, Aged 56+, SEG C2, SWW

In addition, other essential services - water, transport, broadband have a part to play.

“Transport companies, the way we travel. We’ve got to relook at that” – Female, Aged 56+, SEG D, SWW

As a sector, construction too was seen by customers as having an important role to play. This would be by building sustainable homes, green transport routes e.g. cycle pathways, and better developed communities.

Customers hoped large, private companies would have a role to contribute, providing them with the opportunity to give something back, and because they are seen as well organised and able to access resources.

“Bigger companies have more checks in place. Bigger companies can put people onto stuff” – Male, Aged 18-30, SEG C2, SWW

“They have access to resources” – Female, Aged 18-30, SEG C2, SWW

Customers liked the idea of community groups and charities taking a role too. People want organisations such as National Lottery funding, English Heritage, and the National Trust, to get involved.

“The National Trust is well placed to do lots of creative things” – Female, Aged 56+, SEG B, SWW

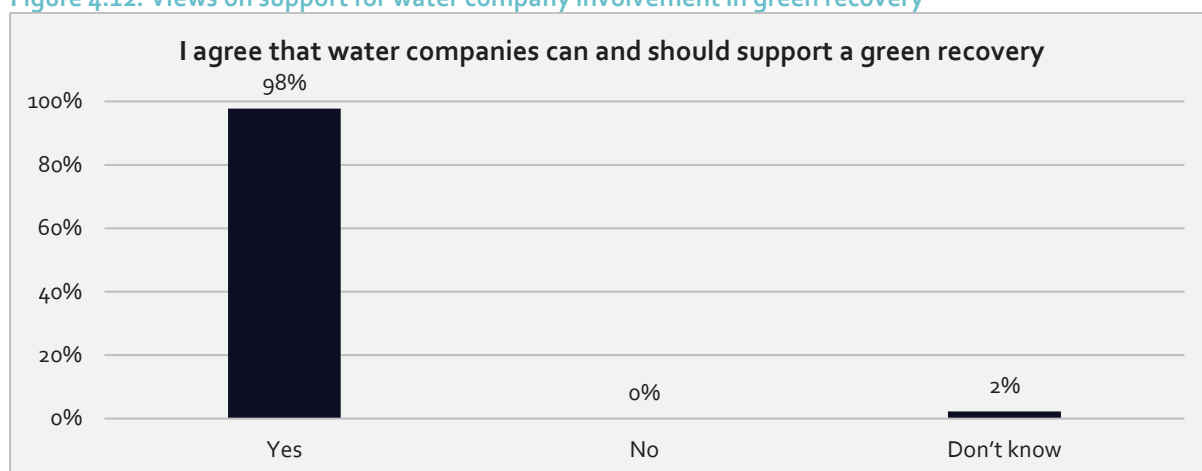
4.6 Understanding the role of water companies

The overwhelming view is that water companies have a role to play, if it’s possible – given the direct impact water companies have on the environment.

“Good idea, and we all want it. But can we do it? Does SWW have the funds to bring forward investment?” – Male, Aged 56+, SEG C2, SWW

As shown in Figure 4.12 in the groups all but 1 participant voted yes to “I agree water companies can and should support a green recovery”.

Figure 4.12: Views on support for water company involvement in green recovery



n=44

Across all the groups only one customer indicated don't know, as he was unsure if water companies were the best companies to drive a green recovery.

“I believe they should but I don't know if they can” – Male, SEG C1 Aged 31-55 (Surfer), SWW

One group (younger, less affluent) thought water companies have a role as they have more oversight and transparency, making them suitable for participation in the plan.

“If it's through bills, you know where it goes. If people know where it goes, they are more likely to support it” – Female, Aged 18-30, SEG C2, SWW

“If I pay directly into it, I directly get a product” – Male, Aged 18-30, SEG C2, SWW

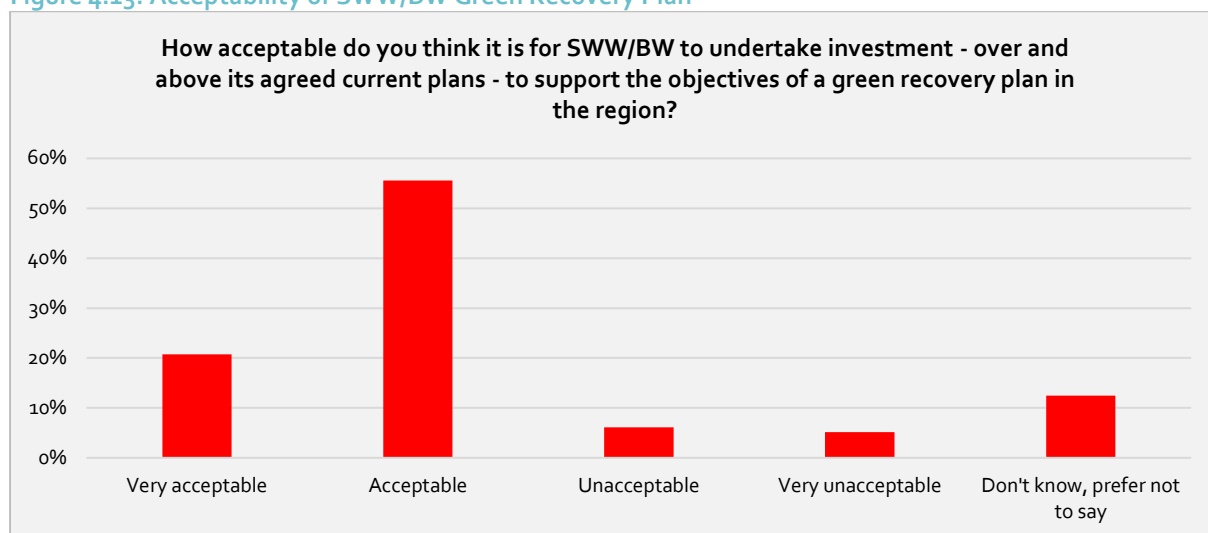
Another group (older, more affluent) said there needs to be confidence that water companies / South West Water will deliver on existing commitments and there are checks and balances in place.

“SWW need to focus on an uninterrupted supply of drinking water. Rather than telling us how to save water, they need to cut down on their own wastage” – Male, Aged 56+, SEG C1, SWW

Customers support South West Water having a green recovery plan

Customers support South West Water contributing to the green recovery. In the survey, excluding don't know responses, 87% of customers indicated they support a SWW/BW Green Recovery Plan for the region in principle. This means South West Water going over and above the plans already agreed to support the economy and environment. This finding aligns with the qualitative research, which showed strong support for a green recovery addressing social and economic issues in the south west of England.

Figure 4.13: Acceptability of SWW/BW Green Recovery Plan



n=603

4.7 Water company investments

Participants were then shown the key areas identified for investment, as identified in the letter from Defra to water companies.

Figure 4.14: Defra – Aims of the Plans

WATER COMPANY INVESTMENTS

Accelerate existing plans and trial new innovative ideas – to benefit future generations or current customers

Areas of focus

- 🚰
 Reduce pollution and spills to waterways from the wastewater network, to protect environment
- ☁️
 Reduce spills from sewers through storm overflows – to protect environment, protect public health and improve amenity/recreation.
- 🌊
 Restore and protect environmentally sensitive rivers – i.e. chalk stream habitats that suffer from low flows, poor water quality and habitat loss
- ☀️
 Reduce the risk of restrictions in drought conditions – and reduce reliance on taking additional waters from rivers when its hot and dry

There was consensus that these are important areas identified by Defra.

“

"We are getting wetter winters and dryer summers – so these are all very important" – Female, Aged 56+, SEG C2, SWW

"Clean sweep really sorted it out. But now it rains a lot – and then every outlet overflows. Too much development has caused it" – Male, Aged 31-55, SEG C2 (Surfer), SWW

"Bring forward and boost the economy and improve things" – Female, Aged 56+, SEG B, SWW

"Our sewer system is archaic in terms of overflows. It's so disheartening when I want to go surfing and see the messages that we can't. Some areas and beaches are completely ruined by storm overflows" – Male, Aged 18-30, SEG C2, SWW

"I agree with reducing spills – they seem to be everywhere" – Female, Aged 18-30, SEG C1, SWW

"These are all things Defra should be getting water companies to do" – Male, Aged 18-30, SEG B, SWW

”

While customers supported these priorities, they also wanted to see addressing climate change and energy efficiency included on this list.

“

"It doesn't mention renewables" – Female, Aged 31-55, SEG C1, SWW

"To me, it's a good list. With climate change things like protecting water sources will become a very, very important issue" – Male, Aged 31-55, SEG C1, SWW

”

Participants thought the investments identified would benefit current and future customers.

“

"Future generations will see the benefit of it" – Female, Aged 31-55, SEG C2

”

In addition, they are supportive of nature-based solutions within the plan.

“*“Nature and forestry – reforestation – could really protect the environment and stop flooding. I’m a biology teacher...I know it takes 1000 years to make 1cm of top soil, it’s a tragic waste when it floods and it’s lost”*
– Male, Aged 56+, SEG C1, SWW

“SWW have done a lot on this anyway, and it’s a number of years since we’ve had restrictions during drought, they are trying very hard” – Female, Aged 56+, SEG B, SWW

“Green investment is a really good idea” – Male, Aged 18-30, SEG D, SWW

”

4.8 Options for funding green recovery water investments

Throughout the discussions, costs were raised as an issue – i.e. who would pay for any green investment. Whether this was delivered by the government or water companies.

“*“Cost is a massive thing for people. If people can see what they are using it (the money) for, that can help”* – Female, SEG C2, Aged 18-30, SWW

”

The discussions considered the options for paying for water investment e.g. through bills or through public finance – e.g. working with public bodies. And also, with respect to customer bills, the groups discussed the timing of bill changes.

Taxation v customer bills

When asked about how to fund the investment there was some concern about levels of debt and government borrowing, leading to mixed views.

“*“The environment is just as important, but now there are more worries on money – where it comes from”* - Male, Aged 31-55, SEG C2, SWW

“I don’t see the government having the money to fund it now” - Male, Aged 18-30, SEG B, SWW

”

Some think funding via taxation and public bodies like the Environment Agency is best. This was seen as fair by many – especially older customers; prevented pressure on bills in the south west; and ensured other parts of the country pay more towards investment in the south west.

“ *“Should be taxation – water bills are already quite high” - Male, Aged 56+, SEG B, SWW*

“Our bills are high as it is” – Female, Aged 31-55, SEG C1, SWW

“A few quid on the bill when people are struggling may be a kick in the teeth” – Male, Aged 18-30, SEG B, SWW **”**

Some customers thought the tax burden was not fair, for example some don't pay income tax. Others were sceptical of tax as an option, feeling that while the principle was right the practical realities were not.

“ *“But not everyone pays tax” – Female, Aged 56+, SEG D, SWW* **”**

Others prefer to fund investment through utility bills, with some feeling this helps to drive the right behaviours, such as responsible water use.

“ *“It aligns to the polluter pays principle – and drives the right behaviour” – Female, SEG D, Aged 18-30, SWW*

“One way to help the environment is to use less. It's a good opportunity now to change perceptions and reduce usage, to reduce their bills” – Female, Aged 18-30, SEG E, SWW **”**

At the same time some felt using utility bills was fairer as it avoids too much taxation on future generations.

“ *“Future generations will have to pay for this” - Female, Aged 31-55, SEG C2, SWW*

“It is fair though bills rather than borrowing and paying it back later” – Female, Aged 31-55, SEG C1, SWW **”**

This is augmented by a feeling that people think they already pay enough tax.

“

"I am not happy paying more taxes" - Female, SEG D, Aged 31-55, SWW

"Makes sense that tax does not go up and organisations like SWW do it and we pay in the future. So yes, organisations that can take the pressure off tax but boost the economy is good" – Female, Aged 56+, SEG C2DE, SWW

"Sensible to fund through utility bills. Spread it out and avoid tax."
Female, Aged 18-30, SEG D, SWW

”

One group favoured a mixed approach, with some investment funded through customer bills, some through collaborating on funding.

“

"A bit of both" – Female, SEG B, Aged 56+, SWW

"Some responsibility is for the customers" – Female, SEG B, Aged 31-55, SWW

”

Timing of paying: Now v later

The groups discussed the timing of investment. The discussions showed there is some support for investing now and paying later, either through customer bills or taxation in the future. For most, a delay in paying government spending back or bills is welcome – until the economy recovers.

“

"Hopefully (in the future) we can be in a better position" – Female, Aged 31-55, SEG C2, SWW

"We are all going to struggle for a while" – Female, Aged 56+, SEG C2DE, SWW

”

At the same time, some worried about impact on the future of such decisions. They worry that the future is uncertain and unforeseen bill pressures could be around the corner and we could therefore be storing up problems for the future.

“

"Raise bills now, get on with it and avoid debt" – Female, SEG C2, Aged 56+, SWW

"We don't know today what we can afford is the future – could get it wrong either way, and spend not enough or too much" - Female, SEG C2, Aged 31-55

"Circumstances can change – it is hard to say" - Female, SEG B, SEG

"Sooner rather than later – I don't see the point of a gap in finances" – Female, SEG E, Aged 18-30

"Sooner rather than later – A few pounds on the bill to know you are supporting a green recovery – I would be happy with that" – Female, SEG B, Aged 18-30

”

As mentioned already some customers were worried about burdening future generations.

“

"We do worry about future generations. It needs to be fair. Pay a bit now." – Male, Aged 56+, SEG C1, SWW

"We need to invest, but pay now – need to start now" – Female, Aged 56+, SEG B, SWW

”

Overall, there is good support for bills being spread over time – i.e. spreading the cost of the investment over the life of the asset.

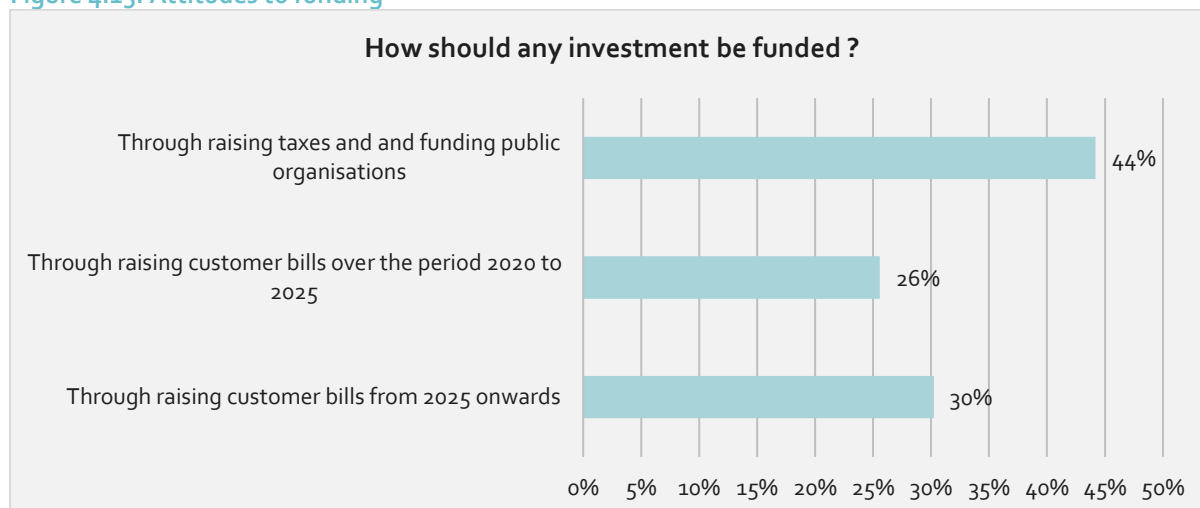
“

"Needs to be gradual process – spread the costs over years" – Male, Aged 18-30, SEG C2, SWW

”

After the discussion customers were asked to vote on which statement in Figure 4.15 best represented their views on how investment should be funded. Overall, more voted for investment to be paid via bills. In general, older less affluent opted for raising taxes.

Figure 4.15: Attitudes to funding



n = 44

4.9 Initial views on scale of the Green Recovery Plan

Small changes to bills are affordable and value for money

Overall customers in the groups said their bills were value for money, although some find that hard to judge as there is no competition.



“Current bills are pretty reasonable. It’s not a stupid amount we pay.”

Male, Aged 18-30, SEG E, SWW

“Hard to say if value for money – there is no competition, no comparison” –

Male, Aged 18-30, SEG C2, SWW



Adding a few pounds to the water bill to support a green recovery was seen as affordable and value for money. This was especially the case given bills are reducing in real terms over the period 2020 to 2025.



“Yes, it sounds good value for money” – Female, Aged 56+, SEG B, SWW

“If the extra would be less than £1 a month, that is affordable.” - Male, Aged 18-30, SEG E, SWW



A very small number were concerned about impacts on affordability – for themselves or on others.

“ *"I pay £100 a month. I struggle to see how any increase is needed"* – Male, SEG C1, Aged 56+, SWW

"I work in food banks. Due to the pandemic, some cannot afford food and water, so may not be able to afford even an extra £1." - Female, SEG C2, Aged 18-30, SWW **”**

Watershare provides a funding option

Use of future Watershare+ monies to fund the Green Recovery Plan was suggested by one member of the second group – and was a popular suggestion with the rest of the group.

“ *"Maybe keep the next £20 and use that. I would be happy not to receive that if it was going back into that."* – Female, SEG C2, Aged 31-55, SWW

"I would too if it would stop pollution into the sea" - Male, Aged 31-55, SEG C2 (Surfer), SWW **”**

However, any green recovery is funded, there is no desire to see companies using this as an opportunity to make lots of profits. Accountabilities need to be in place to ensure investment is delivered.

“ *"If SWW could invest £10 and it was guaranteed, then it would be okay"* – Male, Aged 31-55, SEG C2, SWW

"I would be fine if they kept my bill where it is, and they would do the right things" – Male, Aged 18-30, SEG C2, SWW **”**

Equally taxation needs to be properly spent if this makes up part of the funding stream.

“ *"We would have to see the benefits of taxation – need to see where it goes and that there are benefits in my lifetime"* - Female, Aged 31-55, SEG C2, SWW **”**

Customers also felt it important to fund innovation as well as accelerating investment.

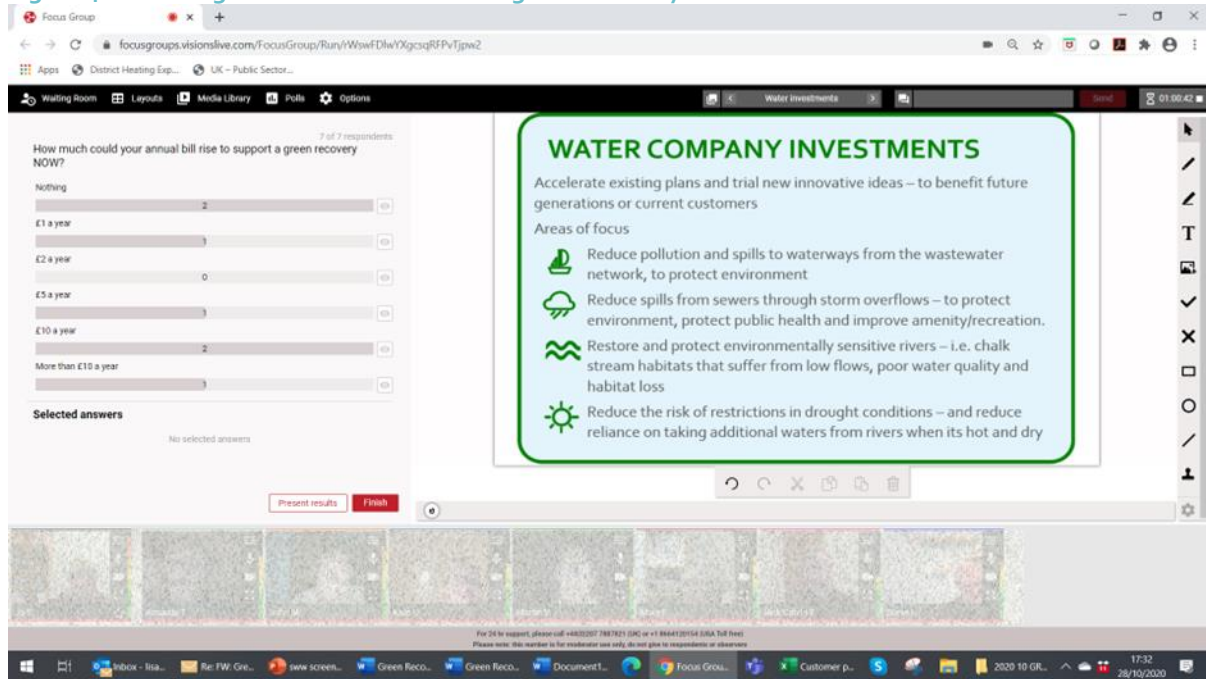
“ *"Balance innovation and acceleration"* – Female, SEG D, Aged 56+, SWW

"It's definitely got to be a balance" – Male, SEG C2, Aged 56+, SWW **”**

Customers indicated a positive willingness to pay in principle

In the groups, after the discussion on options for funding investment, customers voted on the amount that bills could rise to support a green recovery – what is affordable and value for money? This information was important to South West Water to start to understand the scale of the green recovery customers want to see.

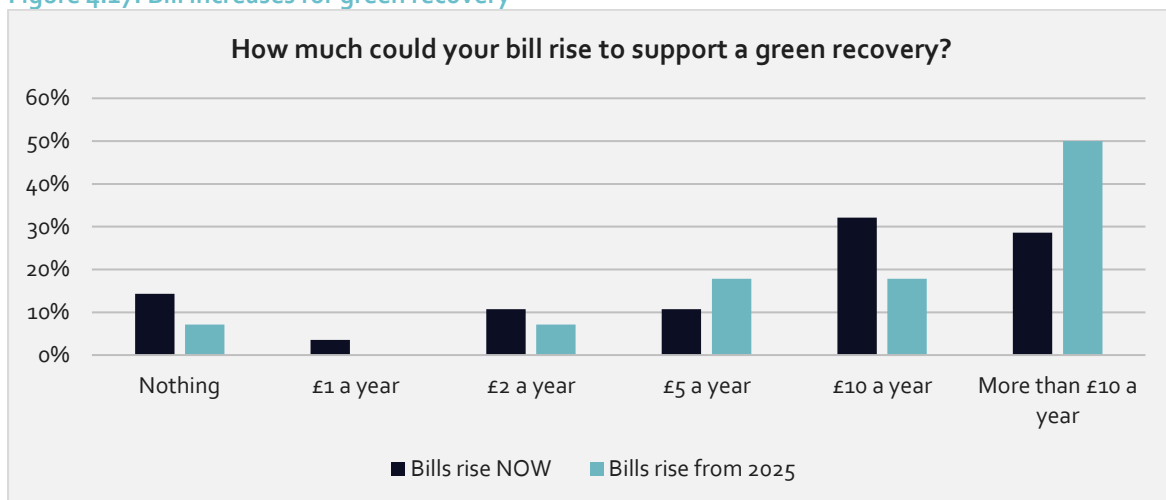
Figure 4.16: Voting for bill increases to fund green recovery



The discussion on willingness to pay was continued in the survey, with the updated set of initiatives. This is summarised in Section 4.13.

Participants in the groups said future amounts are higher than the current bill, showing a willingness to pay more in the future when the effects of COVID-19 are expected to be over. Figure 4.17 shows high amounts overall, £8.77 on average now and £10.37 if from 2025.

Figure 4.17: Bill increases for green recovery



n=44

Customers with a positive willingness to pay said there was an environmental premium attached to such investments, affordability and a desire to help tackle climate change.

“ *“I value the environment – it’s one of my passions” - Female, SEG D, Aged 56+ - indicated £10 NOW, SWW*

“What’s a tinner a year? It’s less than a £1 a month. It’s nothing. It’s less than a packet of cigarettes” - Female, SEG D, Aged 56+, indicated more than £10 NOW, SWW

“Yes (am willing to pay), but it needs to be a joined-up approach. There is no point in having clean water if we don’t sort climate change” – Female, Aged 31-55, SEG B, SWW

“You will struggle to find people that disagree – if it’s protecting the environment” – Male, Aged 18-30, SEG C1, SWW

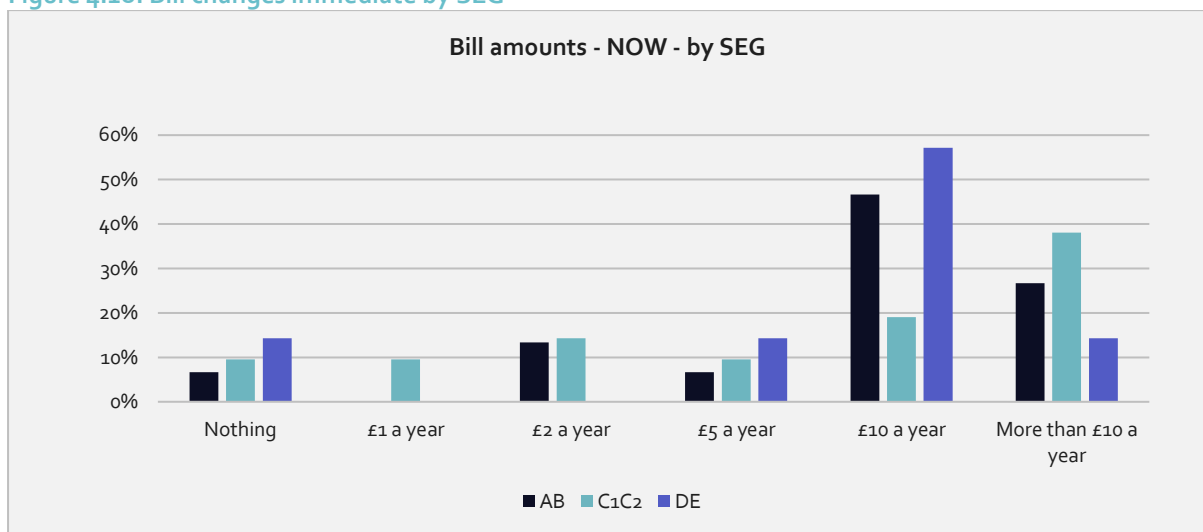
Those that selected nothing, or a very low amount, showed a general reluctance for bill increases.

“ *“We already pay the most” – Male, SEG C2, Aged 56+, indicated nothing to bills NOW, SWW*

“We are already paying - so I went low”- Male, SEG C1, Aged 31-55, SWW

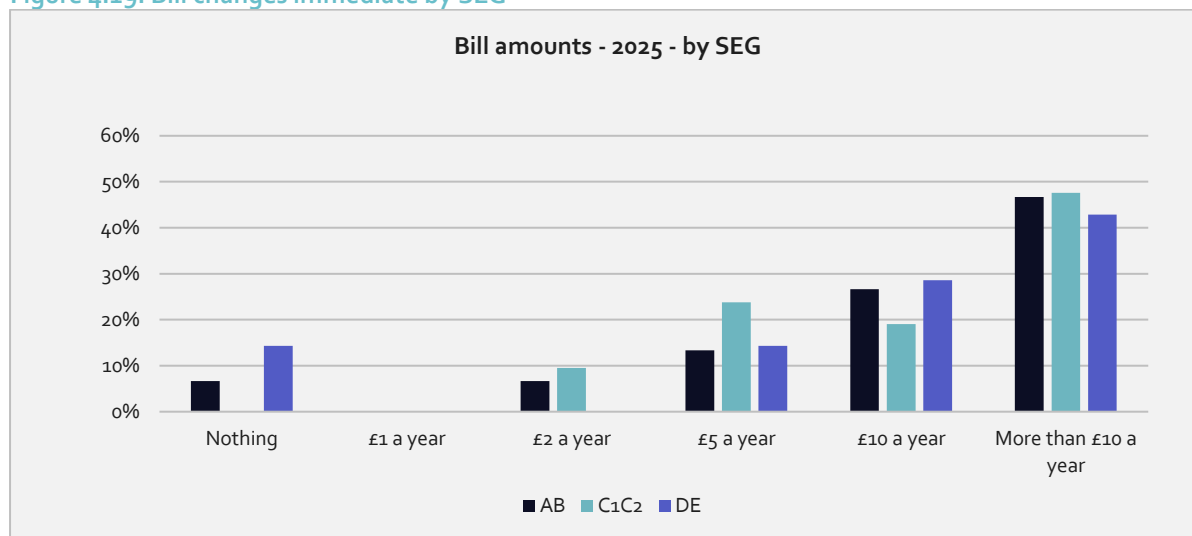
Figure 4.18 and Figure 4.19 show those indicating higher and lower amounts split by socio-economic group. It shows no evidence that those in the lower SEGs opted for zero or low amounts, i.e. those in the lower SEGs support green investment delivered via the water bill.

Figure 4.18: Bill changes immediate by SEG



n=44

Figure 4.19: Bill changes immediate by SEG



n=44

£50 Government Contribution

A consistent question across South West Water’s research programme centres around customer views on the £50 Government Contribution, to track how much this continues to matter to customers.

When asked in this survey their views on this potentially ending shortly, the vast majority customers were unhappy at thought this could lapse, especially given the impacts of COVID-19.

For most, there was a recognition that it would not have a big impact on their own household finances.



"It's a sizeable amount of money. But it's not a crazy amount for water bills to go up." – Male, Aged 18-30, SEG C2, SWW

"£50 doesn't go a long way" – Female, Aged 56+, SEG B, SWW

"It won't be the end of world, but it is a bill going up" - Female, Aged 31-55, SEG B, SWW

"I'm in a household with 2 working adults - but others aren't definitely in that situation. For me, £50 wouldn't be the end of the world" – Male, Aged 31-55, SEG C1, SWW



But the participants recognised it helps a lot of households have an affordable water bill.

“

"For me, it's not a problem, but for everyone else...." - Female, Aged 56+,
SEG B, SWW

"People can't afford this increase in bills" – Male, Aged 56+, SEG C1, SWW

"It would make a huge issue for most people" – Male, Aged 18-30, SEG C2,
SWW

”

Some in the groups thought they would struggle if the contribution was taken away.

“

"My bill wouldn't be affordable if the government fund was taken away" –
Female, Aged 18-30, SEG E, SWW

"It would be difficult for us. We couldn't afford it if it happened. –
Female, Aged 31-55, SEG C1, SWW

”

Customers thought the reasons for introducing the £50GC are still valid today. It ensures fairer water bills; helps to pay for the costs of tourists and how much the rest of the UK benefits from the south west.

“

"It should stay as it is. We deserve that." - Female, SEG C2, Aged 56+,
SWW

*"The government have a moral obligation to provide. We have some of the
most used beaches and coastline than a lot of other areas. You don't see
every holiday maker being taxed £10, £15 when they come here to holiday"*
– Male, Aged 31-55, SEG C1, SWW

*"The prices of water vary tremendously. It should be level. If the
government really wants to level up... If the government was serious about
fairness, they should go the whole hog and standardise the cost of water"*
Male, Aged 56+, SEG B, SWW

”

There is more acceptance for losing £50GC if the money is still spent in the south west, especially if on environmental projects.

“If that money was reinvested into the local environment, that would be okay. If not, it would be uproar” – Female, Aged 18-30, SEG C2, SWW

“It’s okay if it’s given to the EA to spend in the region” - Female, Aged 31-55, SEG B, SWW

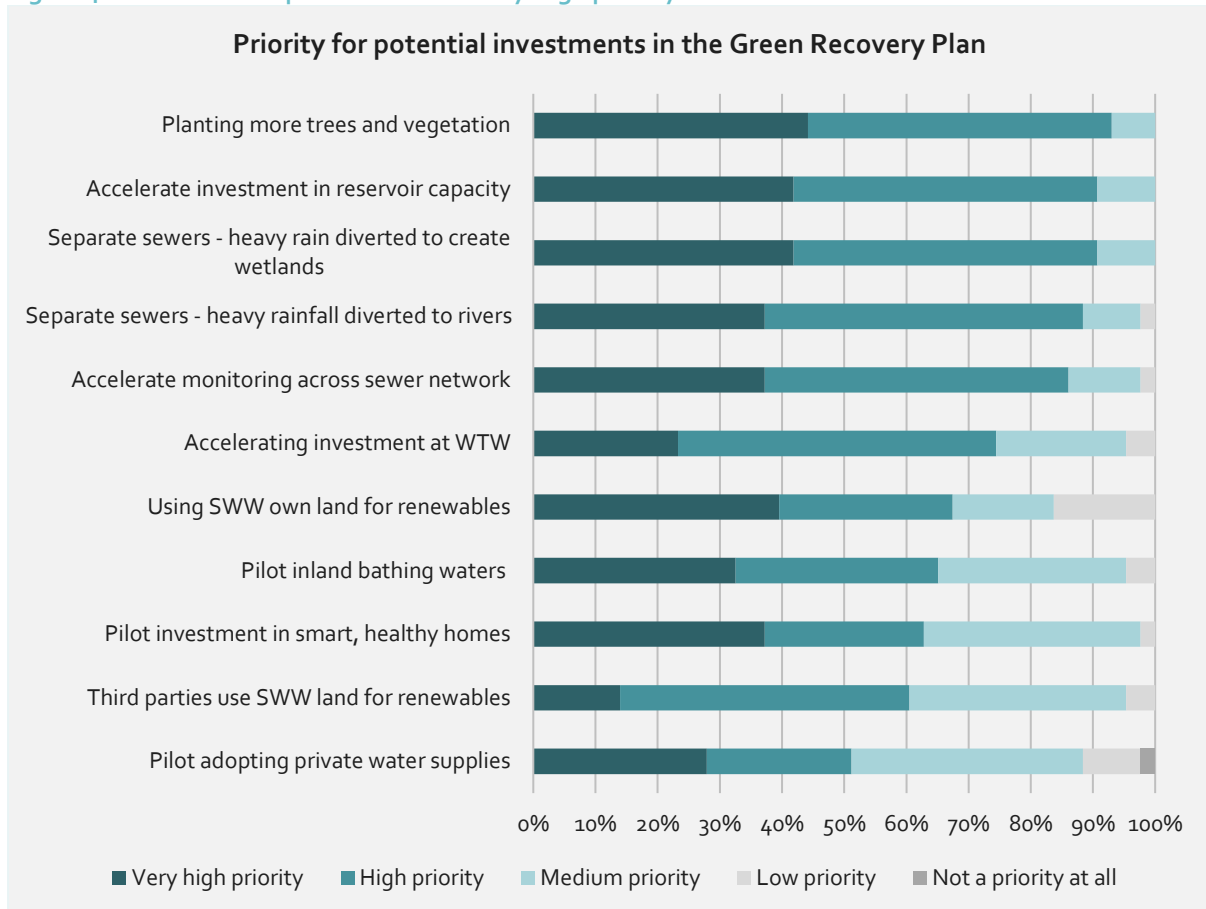
“It can’t go to another region. It must be pushed back into the south west. It is not acceptable to be offloaded to another region” - Female, Aged 18-30, SEG B, SWW

4.10 Customer priorities for initial initiatives

In the groups, customers were asked to discuss prioritise the 11 early-draft initiatives that were being considered and scoped for the Green Recovery Plan. It was made clear that at this stage no decisions had been made by South West Water and stakeholders - but these were areas being considered.

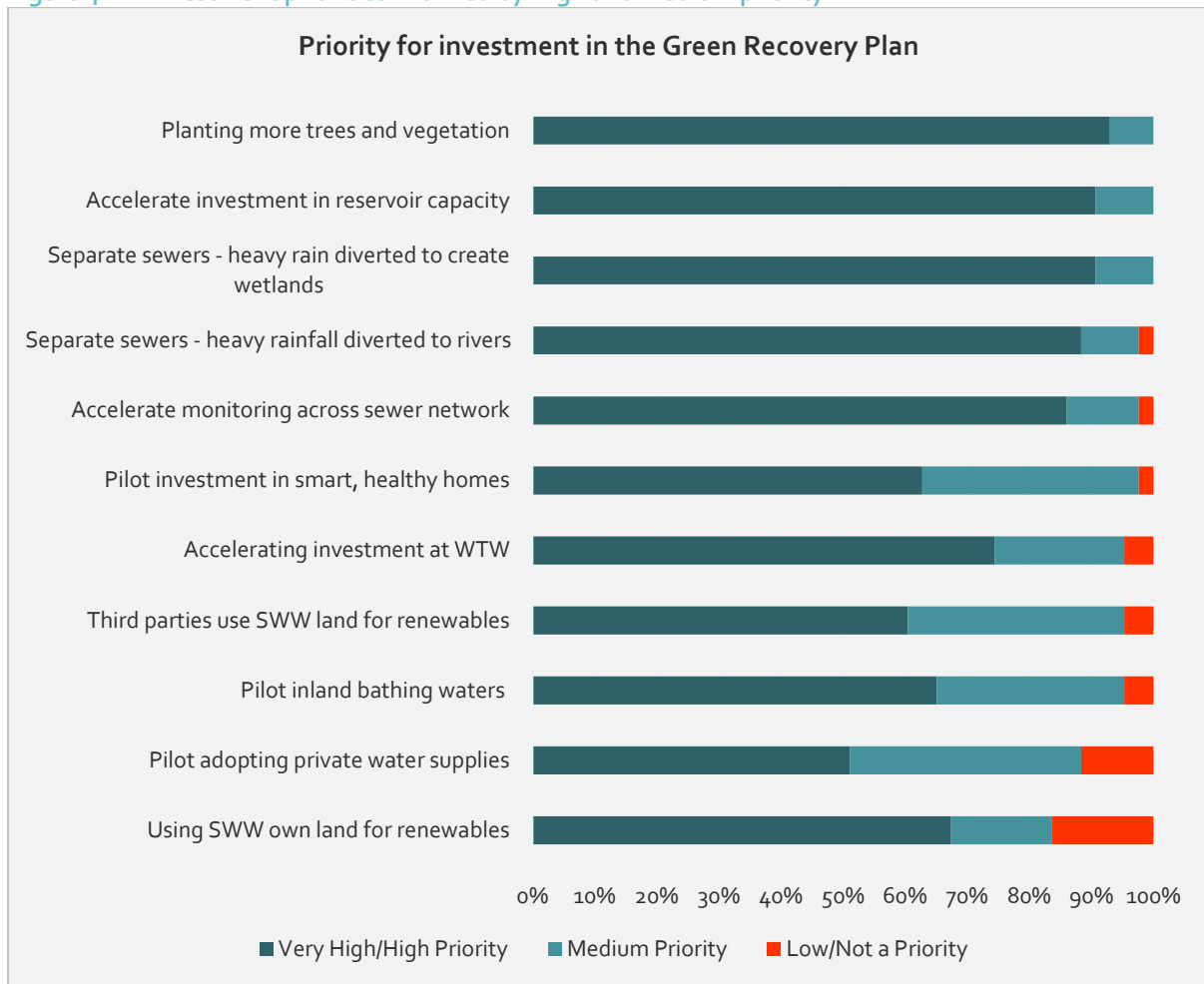
The outcome of this exercise is shown in the figures below – first ordered by High priorities and then by High and Medium priorities. These figures show that all initiatives scored highly, especially sewer separation, planting trees and accelerating investment.

Figure 4.20: Investment priorities – ranked by High priority



n=44

Figure 4.21: Investment priorities – ranked by High and Medium priority



n=44

The groups discussed each investment with key outcomes summarised below.

Planting more trees and vegetation

The consensus is that this has to be part of any sustainable plan and it was the highest priority for the Green Recovery. Most thought this a long-term solution across the world, with multiple benefits – including preventing flooding, providing habitats, addressing climate change and providing amenity.

Given the long lead time for this to be effective – some gave this a slightly lower priority, and asked for other, more immediate solutions to be implemented first.



"Tree planting helps everything" - Male, SEG C2, Aged 56+, SWW

"If it takes 30 years, do it tomorrow" – Male, SEG C2, Aged 31-55, SWW

"A perfect solution to sort out the world's problems" – Female, Aged 18-30, SEG B, SWW



Accelerate investment in reservoir capacity

The environmental benefits of this initiative were welcomed alongside the water security benefits – the potential to protect rivers in drought was for many the reason for giving it such a high priority.

Separate sewers - heavy rain diverted to (a) create wetlands / (b) to rivers

Overall, there was a high awareness across the groups of the use of storm overflows to manage heavy rain. Sewer flooding was seen as a huge issue – with serious impacts for those affected by it.

It was therefore seen as a priority area to address spills and flooding in heavy rain – hence these initiatives were important to participants. Both solutions – diverting to a river and diverting to create wetland – were thought to take pressure of (full) rivers when it rains. Creating wetlands was given a slightly higher priority as this is more nature based and creates habitats.

“

“There is the risk of flooding in the winter, especially some of our local areas. It gets terribly flooded in the winter and so money that can go into saving people’s houses, by reducing overflows, has got to be a good idea. –

Female, Aged 56+, SEG C2, SWW

”

Those that scored this a lower priority questioned whether these were effective ways that can be applied widely across the region – i.e. are they scalable and applicable enough to really make a difference.

Accelerate monitoring across sewer network

People want to see more monitoring of the system to help plan future work given the increasing importance of preventing spills. For those that considered it a lower priority this was because this does not do anything to solve the problem, but only helps to understand it more.

“

“It’s just info. It doesn’t do anything” - Female, Aged 18-30, SEG C1, SWW

”

Accelerating investment at water treatment works

It was seen as proactive to be ahead of schedule around water quality, delivering benefits to many households. Those thinking this was a lower priority thought it would not really impact the water at customer taps, and would possibly push more environmental investment back.

Using SWW own land for renewables / third party access to land

There was support for South West Water using its land for renewables – either using the land itself or collaborating. Customers want South West Water to focus on opportunities to use its own resources first, and then to work with third parties to maximise the use of land and resources. These priorities reflect that customers want South West Water and customers to benefit from using their land for renewables, and not share these benefits unless necessary. However, these discussions did not include cost – and therefore whether priorities would change if the upfront costs of own production had been discussed.

“

"SWW needs to benefit" – Female, Aged 18-30, SEG B, SWW

”

Pilot inland bathing waters

Steps to support and enhance rivers are welcome by most. Those giving this a lower priority argued this was close to bathing waters – so alternatives do exist.

“

"I like protecting environmentally sensitive rivers. I didn't think that's something that South West Water would do or would think of. I think that's really great to see." - Female, Aged 18-30, SEG B, SWW

”

Pilot investment in smart, healthy homes

Some thought it was great to pilot investment in this area. South West Water can learn a lot from the roll out to inform their strategies. Others thought it was common sense and people can do this for themselves through education. Some recognised that the cost savings would offset some or most of the costs.

“

"If I had a smart water meter, I could offset the cost." – Female, Aged 31-55, SEG B, SWW

”

Pilot adopting private water supplies

There were mixed views about whether people would want supplies to be adopted, but customers were broadly supportive of steps to ensure everyone has good quality water.

“

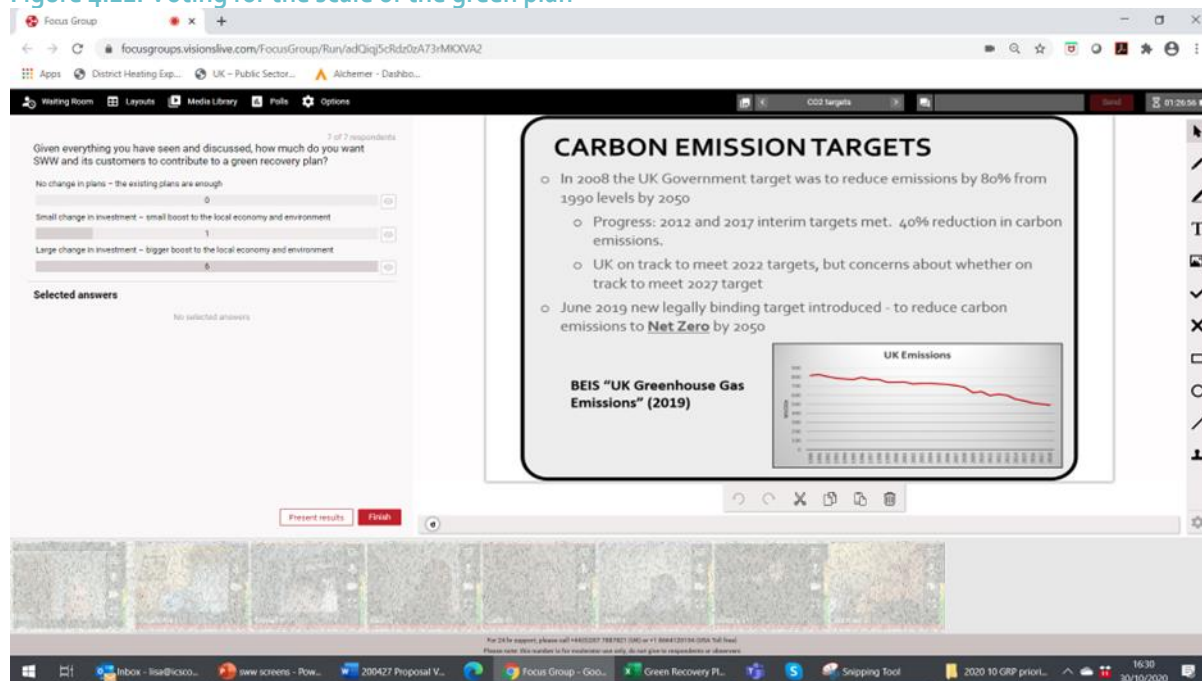
"Those that want to be connected should be allowed to, especially for those providing a service to those that don't know it's a risk" – Female, SEG B, Aged 18-30, SWW

”

4.11 Customers confirmed the need for a Green Plan

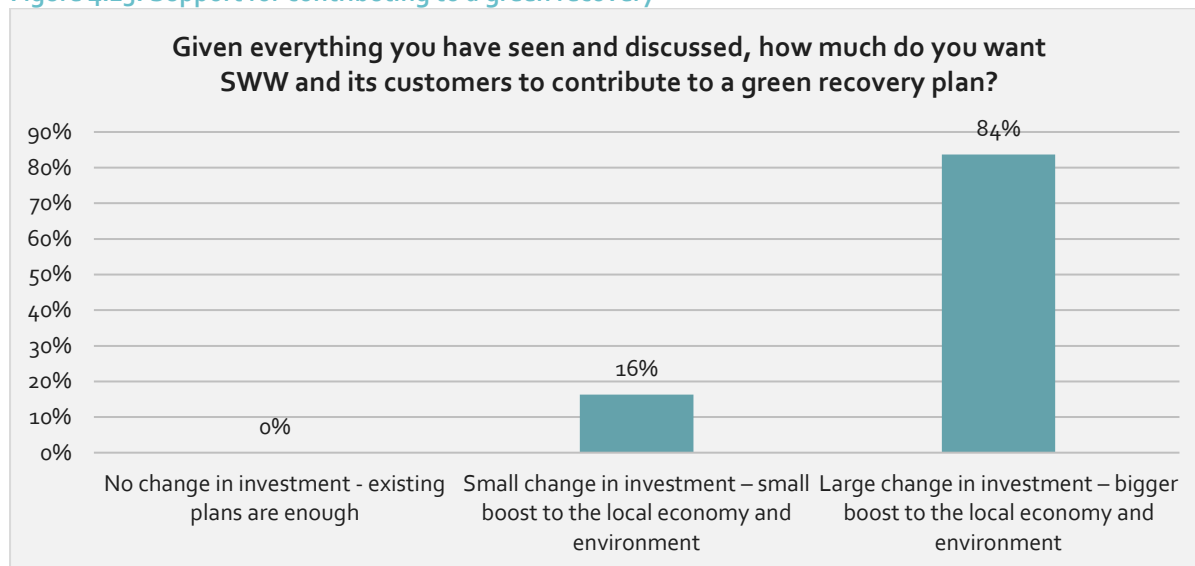
At the end of group discussions, customers were asked to what extent they support a South West Water Green Recovery Plan.

Figure 4.22: Voting for the scale of the green plan



There were extremely high levels of support for the Green recovery plan to be significant and make a difference in the region, as shown in Figure 4.23.

Figure 4.23: Support for contributing to a green recovery



n=44



"Who would say different?" – Female, SEG D, Aged 56+, SWW



4.12 Quantitative Testing of Initiatives

Following the completion of the focus groups, South West Water provided updated proposals to test in the survey. Customers were given information on 10 initiatives, which align to the business cases being submitted to Ofwat.

Three initiatives focused on accelerating plans already agreed with Ofwat as part of PR19; the rest represented bringing forward investment currently planned for 2025 and beyond.

Note: the storm overflow implementation investment was split into the three initiatives:

- Increase storm overflow monitoring
- Sewer separation
- River bathing water quality

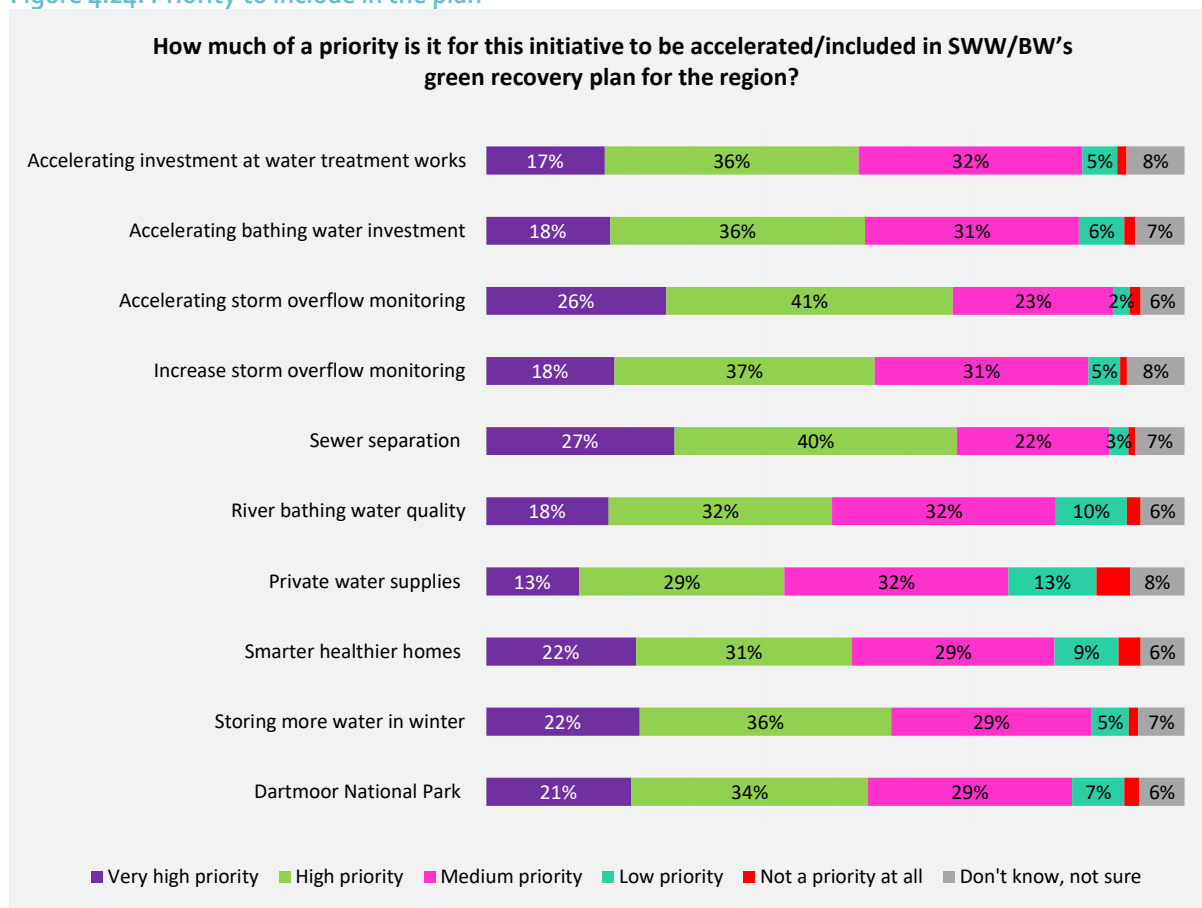
Table 4.1: Summary of initiatives presented

| Initiative | Summary |
|--|---|
| Accelerating investment at water treatment works | 120,000 properties benefiting from water quality improvements 12-18 months ahead of schedule, reducing risk of public health |
| Accelerating bathing water investment | Improvements at 8 bathing waters delivered by 2022 |
| Accelerating storm overflow monitoring | Monitoring of storm overflows at 167 sites delivered by 2022 |
| Increase storm overflow monitoring | Monitoring at further 400 sites – so all sites across the region are monitored |
| Sewer separation | Sewer separation across 60 locations with high risk of storm overflows and flooding |
| River bathing water quality | Piloting river quality monitoring and improvements at 2 large rivers used for recreation |
| Private water supplies | Extending network so that 160 properties have access to safe, clean water |
| Smarter healthier homes | 89,000 properties (36,500 household dumb to smart) given smart meters, water saving devices and advice; with leakage and lead issues addressed. |
| Storing more water in winter | North Devon properties benefiting from less risk of severe restrictions; flow released to rivers in dry periods to protect wildlife |
| Dartmoor National Park | 10,000 hectares of land restored and biodiversity enhanced |

Note: wastewater initiatives were removed from the Bournemouth Water survey version.

Customers were asked to indicate to what extent they considered these initiatives shown to be a priority to include in the plan. Most respondents saw all the initiatives as high or medium priorities to include in the plan.

Figure 4.24: Priority to include in the plan



n=603

Table 4.2: Summary of priorities for the initiatives

| | Very High, High or Medium priority (exc. Don't know) |
|--|--|
| Accelerating investment at water treatment works | 93% |
| Accelerating bathing water investment | 91% |
| Accelerating storm overflow monitoring | 96% |
| Increase storm overflow monitoring | 94% |
| Sewer separation | 96% |
| River bathing water quality | 87% |
| Private water supplies | 81% |
| Smarter healthier homes | 87% |
| Storing more water in winter | 93% |
| Dartmoor National Park | 90% |

n=603

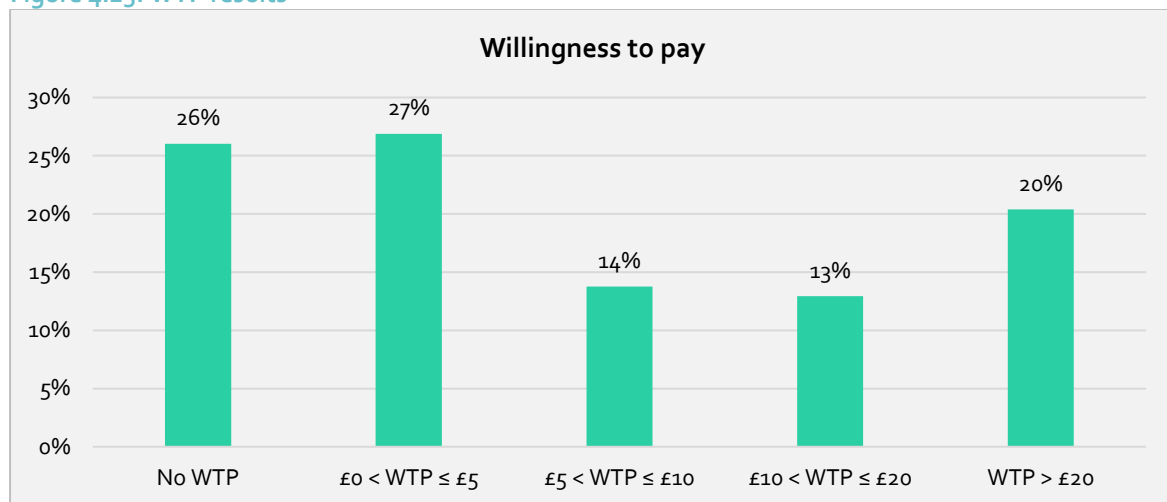
All of the initiatives are considered a priority to include in the Green Recovery Plan.

4.13 Estimating Willingness to pay for the green plan

Survey respondents were presented with a willingness to pay double-bounded choice for bill impacts from April 2025. The high-level results are below. The econometric assessment is included in Appendix D.

The maximum willingness to pay for the Green Recovery Plan and initiatives indicated by each respondent is given below:

Figure 4.25: WTP results



n=603

Three quarters of customers indicated a positive willingness to pay for the initiatives presented, and overall customers indicated a willing to pay £11.82 per annum from April 2025 to fund a green recovery.

Those that selected nothing/zero willingness to pay indicated concerns with affordability or thought it was not the responsibility of water companies to fund this investment.

- 8% of customers indicated they cannot afford to pay for the initiatives
- 4% of customers indicated that they think other organisations should pay for the initiatives
- 7% of customers indicated whilst they can afford the increases, they consider water bills to be high enough already

Those with a positive willingness to pay indicated that they considered the investment to be affordable. They expect the investment to have a positive impact on quality of life in the region and target the aspects of the environment important to them.

- 33% indicated they thought the plans would affect the quality of life in the region
- 19% said they thought the initiatives would provide environmental benefits that they value
- 15% thought it would boost jobs and the economy

The level of willingness to pay varies by socio-economic group. SEG DE have the lowest willingness to pay at £9.10 per annum on average; SEG AB have a willingness to pay of £14.14 per annum on average.

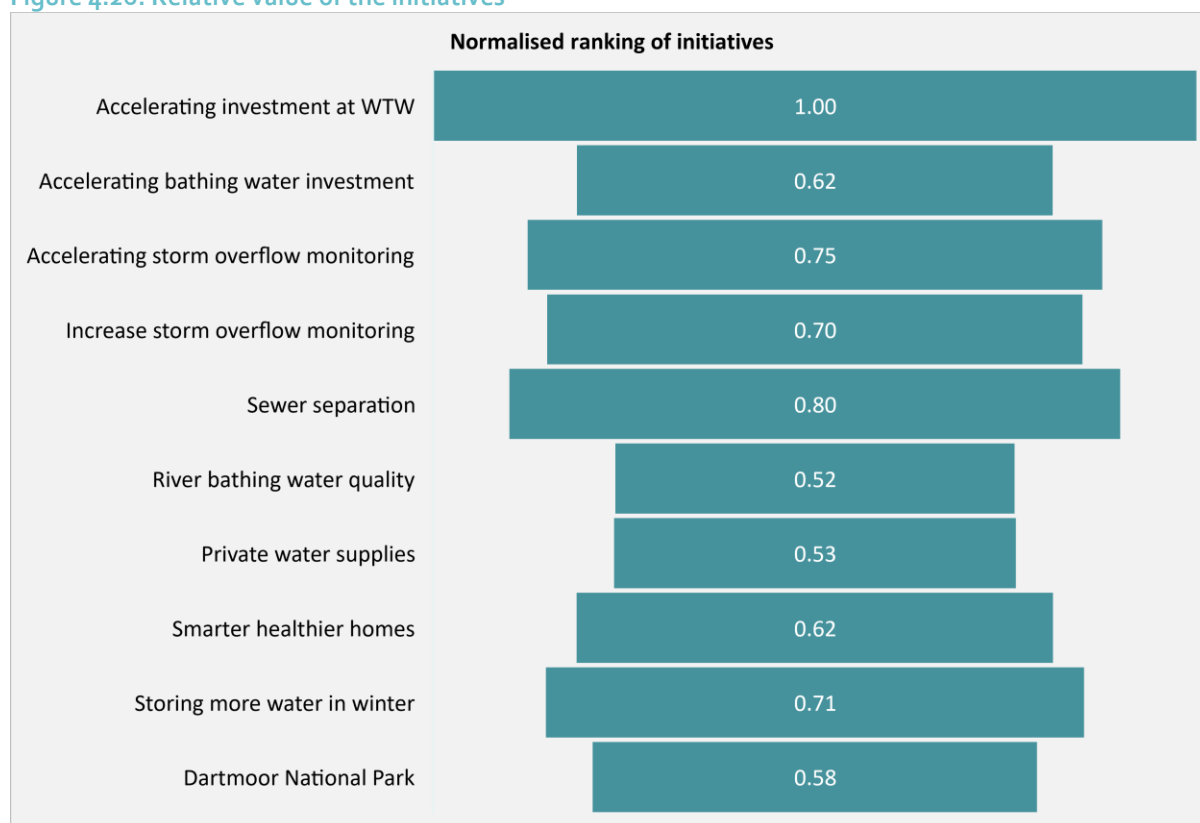
Future customers were asked what they considered to be reasonable increase in average bills from April 2025 to pay for a green recovery. An average value of £7.70 was indicated by future customers. Whilst below that of bill paying customers, it remains higher than the proposed bill impacts of the plan.

Allocation of willingness to pay to the initiatives

To understand in general the willingness to pay per initiative, respondents were asked to rank the initiatives in priority order, given the quantified benefits they provide.

To apply to the willingness to pay results, the rankings were normalised to the highest-ranking initiative. This was found to be accelerating investment at water treatment works. This shows the value of the initiatives relative to the highest-ranking initiative.

Figure 4.26: Relative value of the initiatives



n=603

Applying the initiative weighting to the overall willingness to pay provides an estimate of the willingness to pay by initiative:

Table 4.3: Willingness to pay by initiative

| Initiative | Willingness to pay (total = £11.82) |
|--|--|
| Accelerating investment at water treatment works | £1.73 |
| Accelerating bathing water investment | £1.08 |
| Accelerating storm overflow monitoring | £1.30 |
| Increase storm overflow monitoring | £1.21 |
| Sewer separation | £1.38 |
| River bathing water quality | £0.90 |
| Private water supplies | £0.91 |
| Smarter healthier homes | £1.08 |
| Storing more water in winter | £1.22 |
| Dartmoor National Park | £1.01 |

We note that this shows that initiatives have a willingness to pay significantly more than the bill impacts. The exception is for smarter, healthier homes where the bill impacts and estimated willingness to pay are more aligned. This may reflect the pilot nature of the investment and current uncertainty around how the initiative will help customers manage their future water use, finances and leakage.

4.14 Acceptability and value for money

In the next part of the survey, the respondents were shown bill impacts associated with the initiatives.

Table 4.4: Summary of priorities for the initiatives

| | SWW bill impact | BW bill impact |
|--|-----------------|----------------|
| Accelerating investment at water treatment works | - | - |
| Accelerating bathing water investment | - | NA |
| Accelerating storm overflow monitoring | - | NA |
| Increase storm overflow monitoring | £0.60 | NA |
| Sewer separation | £0.55 | NA |
| River bathing water quality | £0.36 | NA |
| Private water supplies | £0.17 | £0.15 |
| Smarter healthier homes | £1.44 | £1.22 |

| | | |
|------------------------------|--------------|--------------|
| Storing more water in winter | £1.03 | £0.88 |
| Dartmoor National Park | £0.88 | £0.75 |
| Overall | £5.00 | £3.00 |

Respondents were then asked if given the bill impact of each initiative was value for money and acceptable.

Table 4.5: Bill impacts – value for money and acceptability

| | Satisfied the bill impacts are value for money (exc. don't know) | Proposal and bill impacts are acceptable (exc. don't know) |
|------------------------------------|--|--|
| Increase storm overflow monitoring | 82% | 84% |
| Sewer separation | 83% | 85% |
| River bathing water quality | 77% | 79% |
| Private water supplies | 76% | 77% |
| Smarter healthier homes | 69% | 71% |
| Storing more water in winter | 80% | 80% |
| Dartmoor National Park | 80% | 81% |

n=603

Customers were asked a final question around the overall acceptability of the proposed plan.

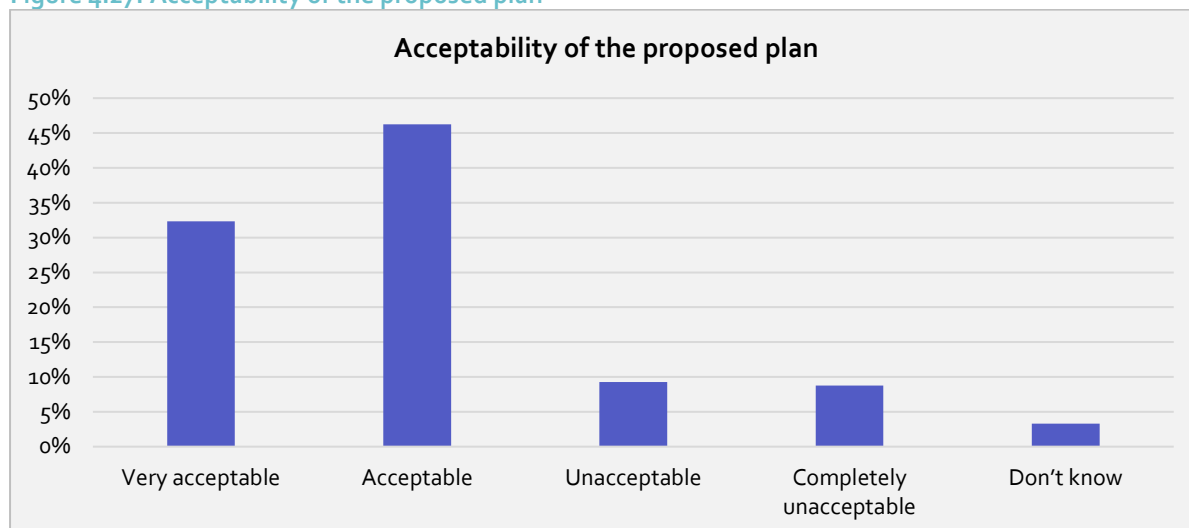
South West Water customers:

Overall, how acceptable is it for households to pay an additional £5 a year (42p a month) from April 2025 to fund all of the proposed initiatives of the green recovery?

Bournemouth Water customers

Overall, how acceptable is it for households to pay an additional £3 a year (25p a month) from April 2025 to fund all of the proposed initiatives of the green recovery?

Figure 4.27: Acceptability of the proposed plan



n=603

Excluding 'don't know' answers, 81% of respondents indicated they consider the proposed bill impacts and overall Green Recovery Plan to be acceptable.



"I am a big environmentalist, so I completely support all these measures." - Male, Aged 18-29, SEG C2, South West Water

"Extremely good value to do what is proposed."
Male, Aged 60+, SEG C1, Bournemouth Water

"£5 to improve the environment earlier is highly acceptable, people spend more than this on coffee a week."
Female, Aged 30-44, SEG B, South West Water

"I think it is a good idea to prioritise green recovery as we have all seen the difference that COVID-19 has had - and it can only be helped by increasing the green recovery."
Female, Aged 30-44, SEG D, Bournemouth Water

"I think that we need to protect our waters now more than ever and for the future generations."
Female, Aged 60+, SEG D, South West Water

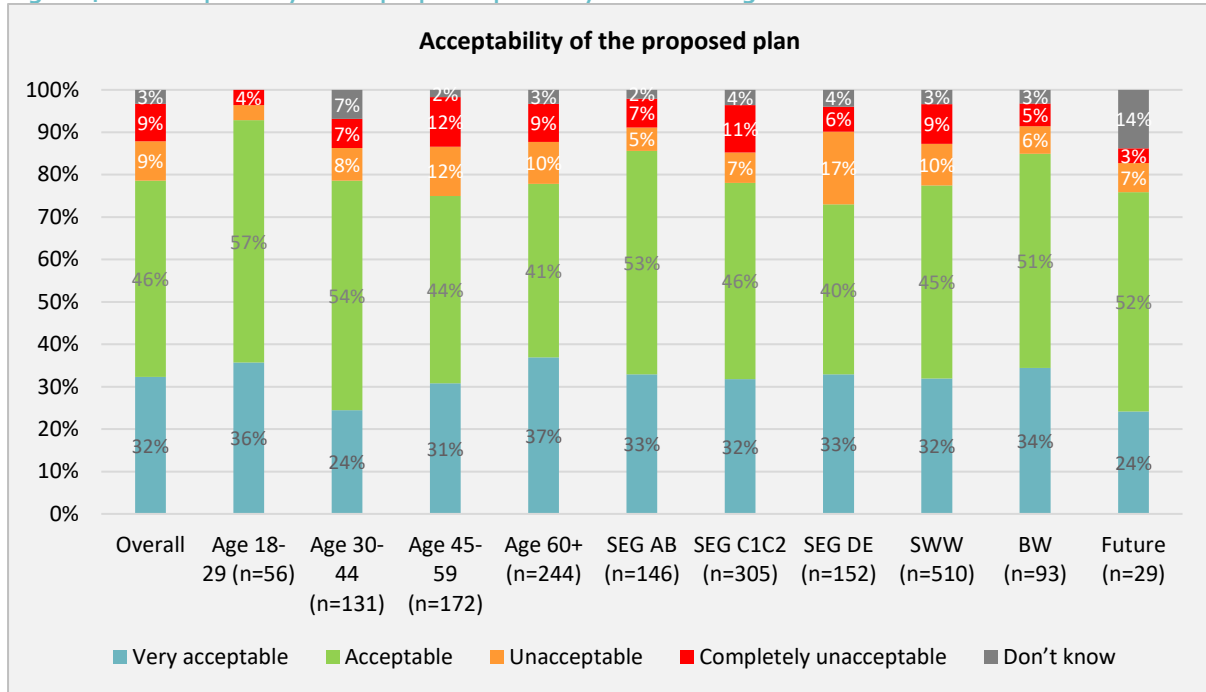


The 19% of customers that do not find the bill impacts acceptable tend to be middle-aged (aged 45-59) and lower SEG. These results do align with other tracker studies, which show that those in the middle age band tend to have lower views around satisfaction and value for money than other age bands.

Slightly more respondents in the South West Water region said the bill impacts were unacceptable than in the Bournemouth Water region.

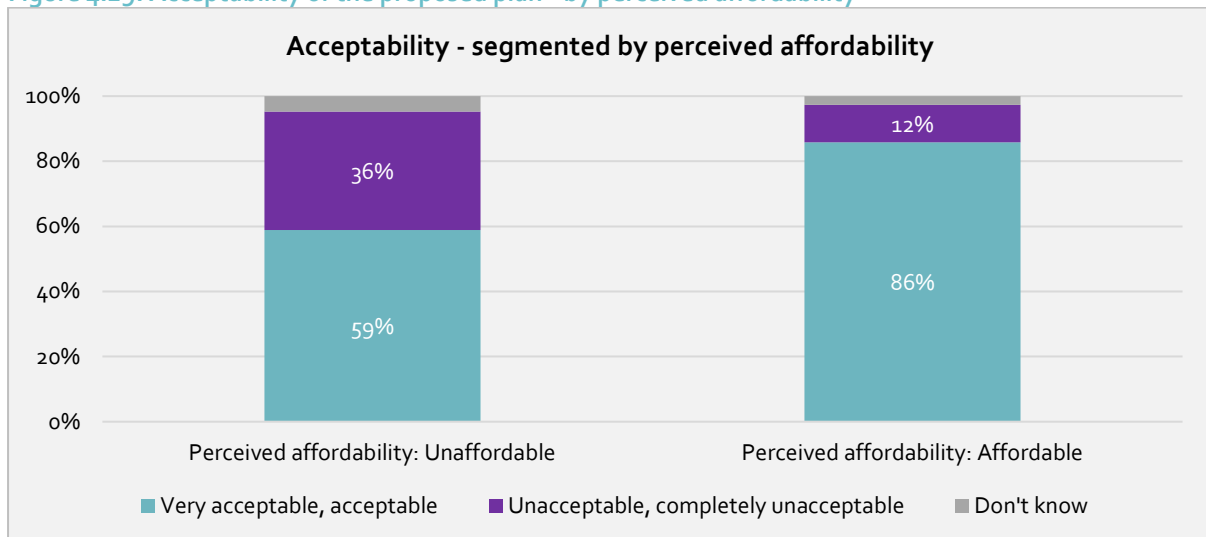
The results below demonstrate that the level of acceptability is particularly high in younger bill paying customers, where 93% indicated they consider the plans and bill impacts to be acceptable. The level of acceptability is also higher in the upper socio-economic groups.

Figure 4.28: Acceptability of the proposed plan - by customer segment



The 19% of customers that do not find the bill impacts acceptable are more likely to consider their current bill unaffordable.

Figure 4.29: Acceptability of the proposed plan - by perceived affordability



n=603

Overall, 9.7% of customers stated that they do not consider their water bill to be affordable and do not consider the proposed impacts from 2025 to be acceptable.

This aligns with the willingness to pay question, where 8% of customers indicated a zero willingness to pay on the basis of affordability.

“

"I would like to see SWW ensure that all customers can benefit. We live in an area of low wages so it is important that those people who would have difficulty in meeting increased bills would be assisted in doing so."

Female, Aged 60+, SEG C2, South West Water

"Despite my income being really poor right now and having to request help from the Watercare tariff, I still think that the bill increase your suggesting in 5 years' time is super minuscule! I commend you."

Female, Aged 18-29, SEG C1, South West Water

"I realise that we are fortunate enough to be able to afford higher bills in order to help fund these initiatives, but I feel strongly that these improvements need to be made."

Female, Aged 60+, SEG B, Bournemouth Water

"I am very pleased a company that we are a part of is going with these initiatives that are now very much needed after the pandemic."

Female, Aged 60+, SEG C1, Bournemouth Water

”

As shown in Figure 4.28, future customers have higher levels of acceptability excluding don't know responses. But some were also concerned with affordability.

“

"It really seems like a very good idea and the fact that it is so cheap per year for every customer means that it really should happen" – Future customer, Female, Aged 18-20, South West Water

"This seems like a really affordable way to benefit the environment while not affecting family costs" – Future customer, Female, Aged 18-20, South West Water

"I don't see why it should be increase by £5 a year - my wage doesn't go up that much and neither does people who live on or below the breadline" –

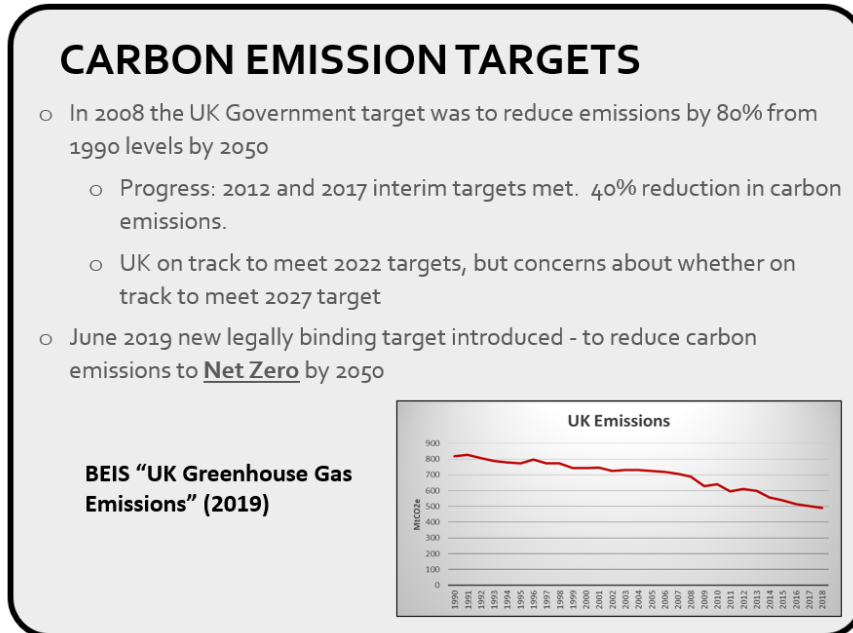
Future customer, Female, Aged 20+, South West Water

”

4.15 Climate change and net zero

During the focus groups, the discussions also included a detailed review of climate change and Net Zero targets, and the contribution of South West Water to achieving targets. This was seen as important given the recent commitment to net zero by 2030.

Figure 4.30: Carbon Emissions Information



Customers have mixed views around government 2050 targets

Customers were very supportive of the government having Net Zero targets but had mixed views over whether 2050 is the right date. For most this seemed like a reasonable deadline given the scale of the transition to Net Zero.

“2050 feels a long way ahead but it is only 30 years. But it will be costly, so doing it earlier is not right. Need something to work towards, to stop pushing it back and pushing it back” – Female, Aged 18-30, SEG C1, SWW

And for others too late, or even too soon.

“It’s too short a time – it will take longer.” – Female, Aged 18-30, SEG B, SWW

“How on earth do they do that?” - Female, Aged 31-55, SEG B, SWW

“2050 is nowhere near enough. 2050 is too late.” – Female, Aged 31-55, SEG B, SWW

Customers supported 2030 targets for the water industry

Customers felt the 2030 target is the right ambition for the water industry and South West Water. Overwhelmingly customers indicated they were supportive of the 2030 ambition, with South West Water taking practical steps and innovating to get there.

“ *“Sectors should set their own targets... 2030 is realistic if they put the right money and resources into it.” - Female, Aged 31-55, SEG B, SWW*

“They have got to have a strategy. We have no choice. The only choice is to reduce reliance on fossil fuels. SWW are in a prime position to invest in renewables” – Male, Aged 31-55, SEG C1, SWW

”

There is recognition the 2030 target may be hard to achieve but customers want to see steps in the right direction, however small.

Customers support renewable purchases as part of a strategy

Customers overwhelmingly supported South West Water purchasing renewable energy. Whilst it was generally accepted that achieving 2030 Net Zero is likely to be a challenge, given other parts of the economy will not be Net Zero, customers were supportive of purchases of renewable energy as part of the strategy to meet 2030 Net Zero targets.

Customers said they want and expect South West Water to purchase renewable energy – and not fossil fuel-based energy – as soon as possible.

“ *“It’s a valid idea” – Male, SEG D, Aged 56+, SWW*

“I applaud initiatives to use renewable energy – SWW seems to be doing the right thing” – Male, Aged 56+, SEG C2, SWW

“Sounds like the way to go” – Male, Aged 56+, SEG C1, SWW

“It is reasonable for a large user to buy renewable energy” – Male, Aged 18-30, SEG C2, SWW

“If large utilities – water companies – pledge to use only renewable energy it creates a demand for renewables and encourages it. It is an important thing to do” – Female, Aged 18-30, SEG E, SWW

“Needs to be cost effective. No one has a problem with purchasing renewable energy if it’s part of a long-term strategy” – Male, Aged 18-30, SEG B, SWW

”

One group did question if offsetting and purchasing would be classed as Net Zero, given how it was defined.

“ *“Are they net zero if they buy offsets? Would they be able to say they are net zero” – Female, Aged 18-30, SEG B, SWW* **”**

Reducing emissions is part of the strategy

The consensus is that South West Water needs to take other steps too and offsetting or purchasing renewables is only part of the solution. South West Water cannot simply buy its way out of this issue and not take other steps.

Using electric vehicles, purchasing less carbon-intensive materials, and using alternative ways of working to reduce energy/carbon were all stated as essential.

“ *“They need to get their own emissions down, don’t just offset” – Female, SEG D, Aged 56+, SWW*
“If they have to look at emissions rather than just buying a tree, then you get innovation” – Female, Aged 31-55, SEG B, SWW **”**

However, customers were also uneasy at replacing assets with useful life left as this seem cost-inefficient and wasteful. There needs to be a pragmatic approach in balancing costs and carbon.

“ *“Need to consider the carbon used to make stuff – some assets are created using lots of carbon” – Male, SEG C2, Aged 31-55, SWW*
“Need to think about all costs – and replace money-hungry ones” – Female, Aged 18-30. SEG C2, SWW
“If a vehicle was bought last year, it’s not sensible to replace it. Wait until its needed” - Male, Aged 18-30, SEG E, SWW
“It’s can’t be a stupid amount of money” - Male, Aged 18-30, SEG E, SWW **”**

Customers support renewable production

Across the groups, there was support for South West Water land being used for renewable production, although some recognised that support for renewables is not universal. Renewables were strongly supported, especially if this can create jobs in the UK.

“Renewables are not a massive bother to me” – Male, Aged 31-55, SEG C2, SWW

“That would support a green recovery – need to engineer in Britain, make the technology in Britain so that there are jobs in the UK” – Male, Aged 31-55, SEG C2, SWW

“It says a lot when a company wants to produce its own energy” – Male, Aged 18-30, SEG C2, SWW

Customers recognised that there are some concerns around the effectiveness and cost of some forms of renewables.

“I am not convinced with wind or solar; there are better ways of using the land” – Male, Aged 56+, SEG D, SWW

This included other potential barriers such as grid constraints which limit how much of certain renewables can be connected to the grid.

“The grid is limited right now” – Male, SEG C2, Aged 31-55, SWW

Some also thought renewables are an eyesore.

“Solar arrays are not nice to see, but you can put them on rooftops” – Female, SEG D, Aged 56+, SWW

Given these issues, customers feel South West Water should not produce renewables for the sake of it – i.e. if it is not cost effective. Where this is this case it would be better to hold the investment or allow someone else to do it on the land.

“

"They should collaborate with others" - Female, SEG D, Aged 56+, SWW

"Need to collaborate with electricity companies to produce cost effective, profitable, energy" – Male, Aged 31-55, SEG C2, SWW

*"They need to work to offer their land to others to get the balance right"
Male, SEG C2, Aged 56+, SWW*

*"Water companies should stick to water" – Male, SEG C2, Aged 56+,
SWW*

"SWW should not be pressurised to produce for the sake of it. It's got to be efficient. Doesn't make sense, provided they are buying renewable energy in" – Female, Aged 18-30, SEG E, SWW

”

High levels of support for offsetting tree planting

Given the lag between planting trees and offsetting benefits can be decades, customers were asked how they feel about South West Water planting trees and vegetation which can offset carbon. The discussions revealed very high levels of support for planting trees, even if these take a long time to be effective.

“

*"Everyone should do stuff like that – it helps, its plugging away" – Male,
SEG D, Aged 56+, SWW*

*"Trees are the answer to pretty much everything" – Male, Aged 56+, SEG
C1, SWW*

*"I think trees. More trees. I just can't say no" – Female, Aged 56+, SEG D,
SWW*

*"They are still clearing them to build houses" – Female, SEG C1, Aged
56+, SWW*

*"If land is not being used, then why not. It looks pretty" – Male, Aged 18-
30, SEG C2, SWW*

”

As well as the carbon benefits provided through planting schemes customers see trees support amenity, recreation and habitats.

“

*"Balance trees and renewables – use the land for both" - Male, SEG C2,
Aged 31-55, SWW*

”

Customers wanted space within the decision-making process to ensure land is used for the most appropriate purpose.

“

"We have more daylight in south west – ideal for solar. If there is low lying land, put solar. If not, put trees. Match the technology to the land" – Male, SEG C1, Aged 56+, SWW

"Using solar on fertile land is borderline a crime – put it on top of building and brown sites. That soil is beautiful, and we have put solar panels on it" – Female, SEG B, Aged 56+, SWW

"Assess every space and ask what works best here. Put trees where there's no better use" – Male, SEG C2, Aged 18-30, SWW

"We need a balance. Trees do take time" – Female, SEG B, Aged 18-30, SWW

”

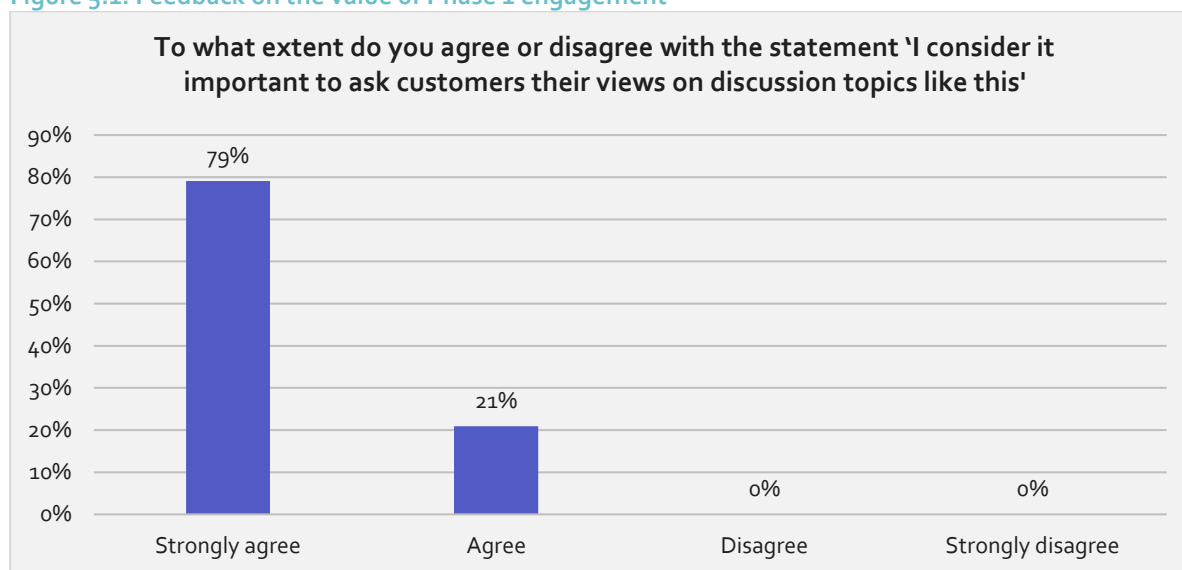
5 Summary of views on the engagement

In this section we summarise customers views on the research programme.

Customers welcomed being engaged on this topic, finding the sessions and survey to be interesting and informative.

All customers in the phase 1 qualitative research confirmed that they agree it is important for customers to be engaged in topics like this.

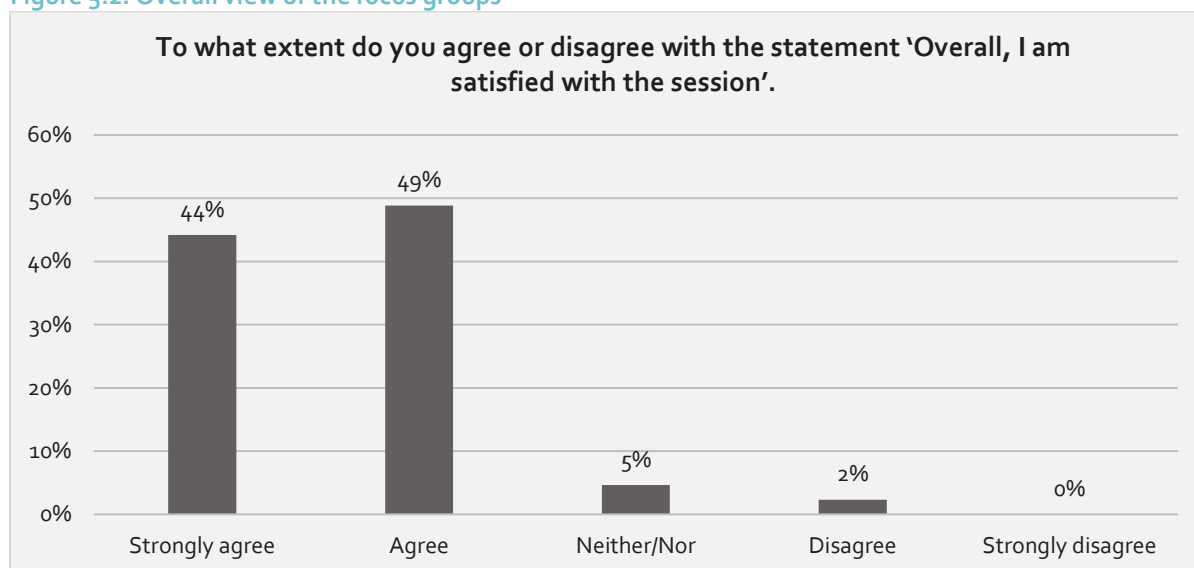
Figure 5.1: Feedback on the value of Phase 1 engagement



n=44

Given all the phase 1 research was conducted online – it was important to check satisfaction with the discussions and format. Overall participants were satisfied, with only one person disliking the online format.

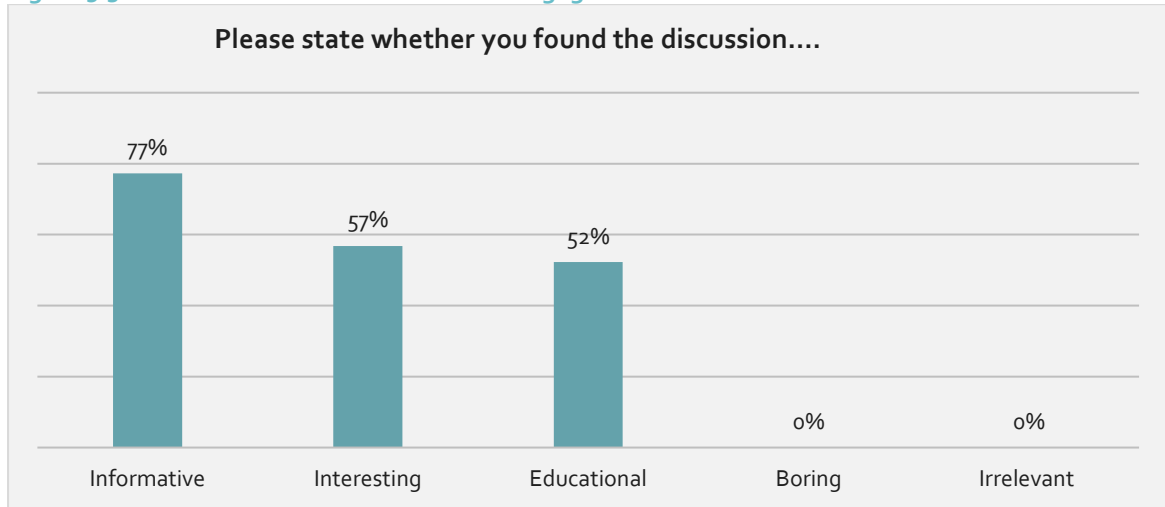
Figure 5.2: Overall view of the focus groups



n=44

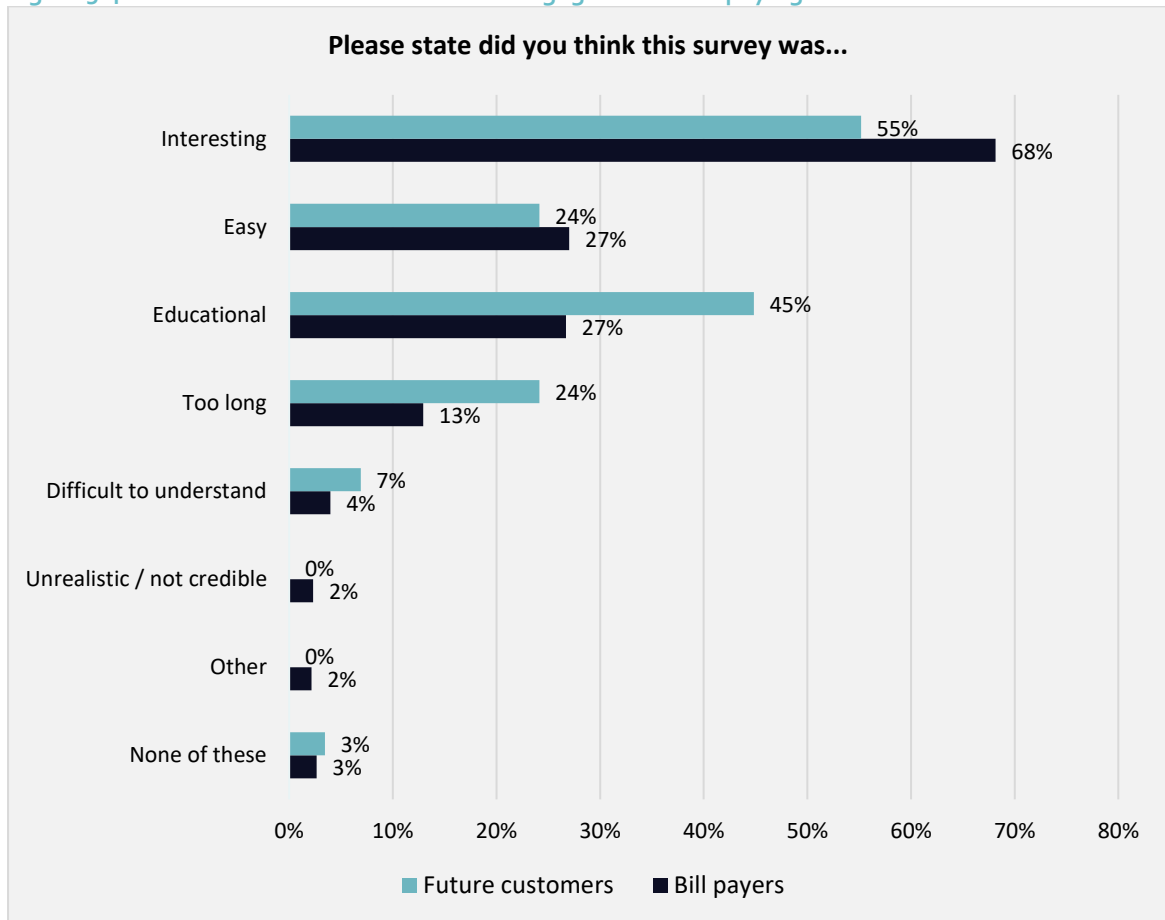
Across the survey and groups, respondents found the research to be interesting and informative. Future customers found the research particularly interesting and educational.

Figure 5.3: Customer assessment of Phase 1 engagement



n=44

Figure 5.4: Customer assessment of Phase 2 engagement – bill paying customers



n=632

6 Conclusions

This research has shown that customers are highly supportive of South West Water participating in a Green Recovery Plan for the south west.

The research has shown that customers do think the broad aims of increased effort around the environment, climate change and supporting the economy during the pandemic are priorities.

On balance, customers support funding via bill increases over taxes; and prefer to pay later rather than from 2021. The research does indicate that a mix of funding streams could also be viable. For instance, some customers suggested the idea of using Watershare+ funds within discussions which could be explored further.

Despite the support for funding via bills, customers are concerned around the potential loss of the £50 government contribution. Most customers worry about the impact this will have on those customers that are struggling with their bills.

The proposed initiatives that make up South West Water's proposed plan are seen as priority investments and in line with customer views. Overall, the proposed plan is acceptable, with initiatives that are value for money and affordable. Customer willingness to pay for the investment is considerably higher than the proposed bill impacts from April 2025.

A condition of support for the plan is that accountabilities are in place to ensure investment is delivered, however this is funded. South West Water needs to meet existing commitments. But customers also want to see South West Water make best use of resources available to them rather than simply chasing targets, for example having room to select the best investments for the land made available on a case by case basis.

Across the full research programme customers have indicated they are highly supportive of South West Water participating in a Green Recovery Plan for the region. However, ensuring affordability remains key, especially among those that are concerned about the impact on their household finances.

Overall customers are supportive of the ambitions of the plan, which is seen as supporting the environment and the economy in line with their views.

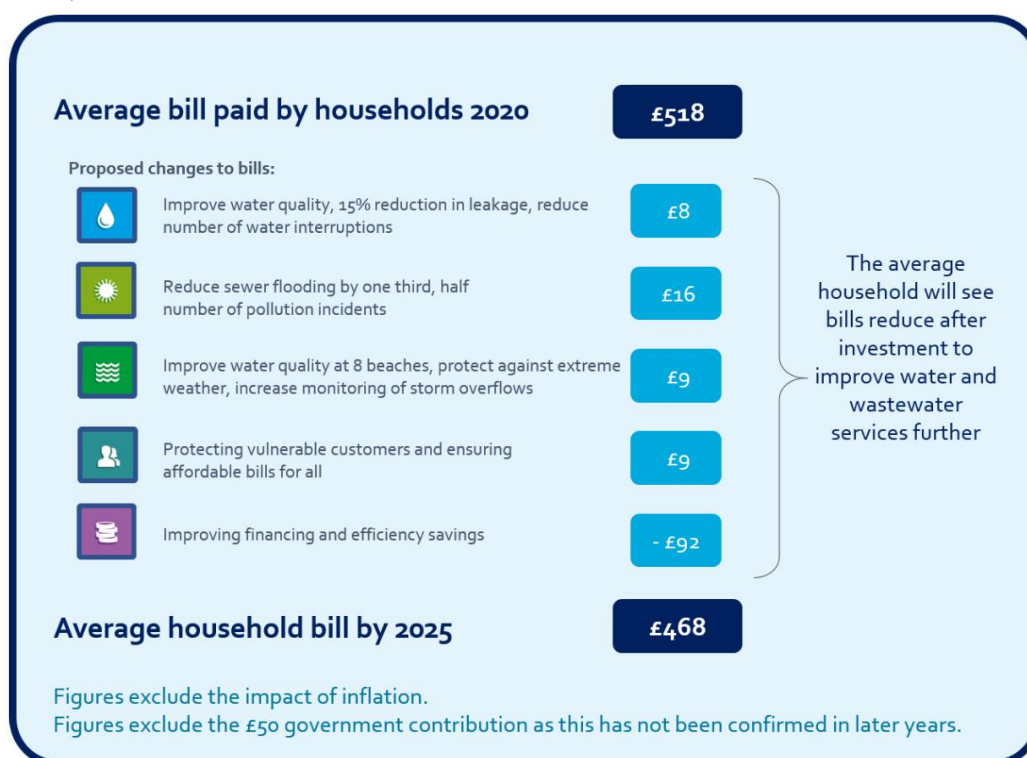
Appendix A – Qualitative research materials

All groups:

| | |
|--|--------------------------|
| Welcome | <5 mins |
| <ul style="list-style-type: none"> Facilitator to introduce himself/herself, explain the format of the discussions, and set out objectives of the discussion. There are no right or wrong answers. Explain we are independent of SWW Explain observers may review the sessions, and sessions are recorded for internal use Explain MRS code of conduct and rights to anonymity Respondents to very briefly introduce themselves | |
| Introduction - SWW's current 2020-25 plans and impact of COVID-19 | 10 mins (15 mins) |

Overview of current plans

- Plans and bills are set for five years. The current bills have been agreed between SWW and the industry regulator Ofwat for the period 2020-25. What are your thoughts on SWW's plans?
- Showcard 1 – average bills are currently £468 (as £50 is paid by Government through the Government Contribution). Figures do not include inflation (i.e. are in real terms).



- If SWW beats the targets set by Ofwat, it shares financial outperformance with customers. Recently, SWW has shared outperformance from the previous business

planning period in the form of a £20 credit to each account holder's bill or you could choose to shares in their parent company Pennon.

- Do you recall receiving a letter giving you the choice?
- Do you recall which your household chose? And why?
- Note, if they didn't make a choice the credit was automatic to the bill, so no one has missed out.

SWW and COVID-19

- Has anyone had seen any communications or messages from SWW around COVID-19? Probe any messages to let SWW know if they are struggling with bills or are vulnerable and need extra help? Or supporting key workers? Or if anyone seen anything on how SWW is dealing with COVID-19?
- What steps do you think SWW should be doing to help and support people through COVID-19? Why? Probe extra help for vulnerable, extra affordability support, protecting own employees, being careful when contacting homes e.g. meter reading.

Green Recovery Plan

15 mins (30 mins)

- COVID-19 is having a serious impact on our economy and communities. The government has announced it is developing plans to deal with these challenges. It is looking to drive a green economic recovery. For example - Boris Johnson announced that at the Conservative Party conference is for all homes to be powered by wind in the next 10 years.
 - What do you think about a green recovery to address the impacts of COVID-19?
- Showcard 2 – objectives of a green nature-based recovery set out by govt.

GREEN NATURE-BASED RECOVERY

BUILD BACK BETTER AND GREENER

-  Bringing forward future investment
-  Improve skills and boost jobs
-  Support the economic recovery
-  Strong focus on environmental projects
 -  restore nature
 -  improving recreation, wellbeing and mental health
 -  tackle climate change
 -  reduce waste and pollution
-  Working in partnership with others to fund and deliver investments



- Do you support the ideals of the green recovery plan?
- Does it matter whereabouts the investment happens – can it be anywhere in the UK or is it important for some to be in south-west? Why?
- **Voting Exercise.** What should the goals of a green recovery plan in the south-west focus on?
 - Protecting the environment
 - Improving public health
 - Improving wellbeing and mental health
 - Addressing climate change
 - Encouraging tourism
 - Boosting jobs and the local economy
 - Providing training and skills
- Probe if missed anything from this list that customers want to see as part of a green recovery plan.
- What sort of organisations do you think have a role to play in a green recovery? Why?
- Should the investment come from government, or should other parties work together to invest in the region? Should essential utilities play a role in this?

Water companies – and the Green Recovery Plan

10 mins (40 mins)

- The government has written to water companies to ask them to consider how to bring forward investments and innovate to support the green recovery. How do you feel about that?
- [Showcard 3 - Govt views on water company investments](#)

WATER COMPANY INVESTMENTS

Accelerate existing plans and trial new innovative ideas – to benefit future generations or current customers

Areas of focus



Reduce pollution and spills to waterways from the wastewater network, to protect environment



Reduce spills from sewers through storm overflows – to protect environment, protect public health and improve amenity/recreation.



Restore and protect environmentally sensitive rivers – i.e. chalk stream habitats that suffer from low flows, poor water quality and habitat loss



Reduce the risk of restrictions in drought conditions – and reduce reliance on taking additional waters from rivers when its hot and dry

- We will discuss how this could be funded in the next section – such as SWW working with other parties, or recovering costs via customer bills now or from 2025 onwards. I have a few questions first before we discuss that.
- How do you feel about water companies supporting a green recovery? **Voting.**
 - I agree that water companies can and should support a green recovery. **Yes, No, Don't Know**
- Thinking about the South West Water business plan again
 - This was built around customer views – but before COVID-19. Does COVID-19 or the green recovery objectives change this? Why or why not?
 - How do you feel about SWW bringing green investment forward – this does not affect bills but changes the order investment is profiled?
 - How do you feel about SWW innovating around green investment?
 - Are there areas you think SWW should be doing more or less?

Paying for the Green Recovery Plan

25 mins (65 mins)

- Thinking about funding investment now.... How do you feel about South West Water recovering investment via partnerships or through customer bills?
- If investment is recovered via **partnerships** – this will generally be public bodies, such as the Environment Agency, which is funded out of taxation. How do you feel about that?
- If investment is recovered through **customer bills**.... then this is like a mortgage - i.e., SWW borrows the money rather than raising it all through customer bills straight away
 - E.g., £10 million spent today would be borrowed, and then SWW would charge its 1m customers. SWW can recover it quickly, within a 5 year period or spread it out over the life of the assets built, e.g. 20 years or more (so paying much less each year but for longer).
 - How do you feel about that? Why?
- SWW could look to recover investment through bills now, or could recover it from 2025 onwards. However, we don't know what else there will be in the future. Legal obligations push bills up, but efficiencies passed back through bills push them down.
 - How do you feel about that?
 - Does that make you more or less supportive of this as a way to fund investment?
 - Overall, which do you prefer overall?
 - **Voting:** how should any investment be funded
 - Through raising taxes and funding public organisations
 - Through raising customer bills over the period 2020 to 2025
 - Through raising customer bills from 2025 onwards
- If investment needs to be funded through customer bills, how much would you be comfortable paying extra on your bill. What is an acceptable increase, if anything, to fund green investment now?

- **Voting:** how much could your bill rise to support a green recovery **NOW**?
 - Nothing
 - £1
 - £2 a year
 - £5 a year
 - £10 a year
 - More than £10 a year
- **Voting:** how much could your bill rise to support a green recovery **from 2025**?
 - Nothing
 - £1
 - £2 a year
 - £5 a year
 - £10 a year
 - More than £10 a year
- What do you think is affordable and value for money overall ?
- Inflation can push bills up too. SWW is allowed by the regulator to pass on inflationary rises in wages, rents, and materials to customers through bills. Does that have an impact on your views?
- Currently £50 of your bill is paid for by the government contribution. This has been in place since 2013, but the government has not indicated if this will be removed or continued after this year.
 - How do you feel about that? **Probe if should be kept in place and why/why not?**
 - Are there better things the government can spend the money on?

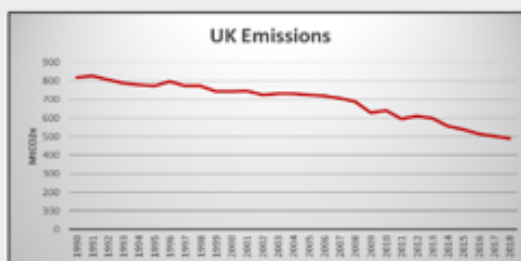
Climate change**15 mins (80 mins)**

- The government has committed to Net Zero carbon emissions by 2050 in England.
- **Showcard 4 - government targets. Explain net zero.**

CARBON EMISSION TARGETS

- In 2008 the UK Government target was to reduce emissions by 80% from 1990 levels by 2050
 - Progress: 2012 and 2017 interim targets met. 40% reduction in carbon emissions.
 - UK on track to meet 2022 targets, but concerns about whether on track to meet 2027 target
- June 2019 new legally binding target introduced - to reduce carbon emissions to **Net Zero** by 2050

BEIS "UK Greenhouse Gas Emissions" (2019)



- Water companies use a lot of electricity – e.g. to pump water around the network, to treat water and wastewater, etc. As large energy users, water companies have committed to achieving net zero by 2030. But one challenge of this is that electricity provided via the electricity grid is still expected to be a mix of renewables and fossil fuels in 2030.
 - How do you feel about this?
 - How do you think SWW can address this challenge?
- Currently, South West Water produces some energy from its wastewater plants (mostly biogas from sewage, but a bit of solar and hydro too). It also purchases some of its electricity as renewables energy – so other companies produce renewable energy which SWW buys. Renewable electricity is a bit more expensive than fossil fuel electricity.
 - How do you feel about that?
 - Would you feel comfortable with SWW using this approach to achieve 2030 net zero targets? What else would you expect it to do?
- South West Water is a large landowner in the region for example it owns land around many of its water and wastewater works.
 - How do you feel about South West Water planting trees and vegetation on its land - which can take many years to be effective in terms of climate change?
 - How do you feel about SWW working with and funding other organisations to plant trees on public land – e.g. the woodland trust?
 - How do you feel about SWW using its land for renewables, such as– such as solar panels or wind turbines?
 - Does the time for the renewable to be effective matter?

- SWW estimates that it is more expensive for it to produce renewable energy on its land itself than to buy renewable energy.
 - How do you feel about that?
 - Do you think that should affect its approach to renewable energy? How and why?
- One way that SWW can reduce the carbon it uses is to replace older assets that use more energy, replacing them with more energy efficient assets. How do you feel about SWW replacing assets that have not reached the end of their life – if this would have an upward pressure on bills but would reduce carbon?

| Types of solutions | 10 mins (90 mins) |
|--------------------|-------------------|
|--------------------|-------------------|

- In the final part of the discussion we would like to understand your views on the types of investment SWW can undertake in the green recovery.
- **Voting.** As we go through each briefly, please can you indicate what you think the priority for this should be, choosing from **very high, high, medium, low, not a priority at all.**
 1. Accelerating monitoring across the sewer network to understand where spills occur and how they impact on the environment and the public.
Note: Accelerating investment does not affect bills, but affects the order in which agreed investments are delivered.
 2. Accelerating investment at water treatment works – so that investment to ensure high water quality standards is completed earlier
Note: Accelerating investment does not affect bills, but affects the order in which agreed investments are delivered.
 3. Planting more trees and vegetation – after a number of years these will start to absorb carbon
 4. Separating sewers so that heavy rainfall is collected in a separate pipe and diverted directly to rivers – preventing sewer flooding when sewers get overloaded
 5. Separating sewers so that heavy rain is diverted to create wetlands or ponds for habitats and recreation – preventing sewer flooding when sewers get overloaded
 6. Using SWW own land for renewable energy generation
 7. Allowing third parties to use SWW own land for renewable energy generation

8. Piloting investment in smarter, healthier homes – through investment to reduce customer own leakage, provide smart meters, and water savings devices
9. Piloting adopting rural private water supplies – so that all homes in the south west receive the same high-quality water
10. Piloting inland bathing waters on the River Dart and River Tavy – investing to ensure the same standards that apply to coastal bathing waters apply to these popular rivers
11. Accelerating investment in reservoir capacity - to reduce the risk of severe restrictions and to protect wildlife in rivers in extreme drought
Note: Accelerating investment does not affect bills, but affects the order in which agreed investments are delivered.

(Rotate order through the groups – to avoid fatigue and in case some groups take a long time and we don't do all in every group).

- Is there anything that we have missed off this list that you would have liked to have seen?
- Given everything you have seen and discussed, how much do you want SWW and its customers to contribute to a green recovery plan? **Voting.**
 - No change in plans – the existing plans are enough
 - Small change in investment – small boost to the local economy and environment
 - Large change in investment – bigger boost to the local economy and environment

General feedback and close

<1-2 mins (90)

- Thank you for your input. Before we finish, has there been anything that has surprised or concerned you? Are there any other comments?
- **Voting questions on how the session was.**
- During the voting explain how the information will be used by SWW and stakeholders, and explain where to go to learn more about SWW plans and to stay involved.
- Thank and close.

Appendix B – Quantitative research materials

SWW Version

STANDARD SECTION - Survey Start

We are carrying out a customer survey for a water company around the impacts of COVID-19 and what role the company and you, its customers, can play in the green economic recovery.

The survey will take around 15 minutes to complete. Any answer you give will be treated in confidence in accordance with the Code of Conduct of the Market Research Society. We would like to assure you that all the information we collect will be used for research purposes only. It will not be possible to identify any particular individual or address in the results.

Before starting this survey please confirm your postcode and who your water company is. This is to ensure you are eligible to complete this survey. If you receive water and sewerage services from different companies, please indicate who provides your water services.

QA. Please confirm which company provides your household water services?

MAP

Affinity Water
 Anglian Water
 Bristol Water
 Dee Valley Water
 Dŵr Cymru Welsh Water
 Essex and Suffolk Water (part of Northumbrian Water)
 Hartlepool (part of Anglian Water)
 Northumbrian Water
 Portsmouth Water
 Bournemouth Water
 Severn Trent
 South West Water
 South Staffs / Cambridge Water
 South East Water
 Southern Water
 Sutton & East Surrey Water
 Thames Water
 Wessex Water
 United Utilities
 Yorkshire Water
 Not connected to mains water
 (a possibility in rural areas)
 Don't know

Only proceed if South West Water selected.

QB. IF SELECT SWW – Does South West Water also provide your sewerage services?

- | | | |
|---|------------|-----------------|
| 1 | Yes | Continue |
| 2 | No | Thank and close |
| 3 | Don't know | Thank and close |

QC. Please can you provide your full home postcode or the first part of your home postcode? This information will be treated as confidential and will only be used for research purposes.

- 1 RECORD FULL POSTCODE
- 2 RECORD PART POSTCODE
- 3 Prefer not to say

STANDARD SECTION A - SCREENING & QUOTAS

We are carrying out a customer survey for South West Water.

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

- 1 Person most responsible [ASK QE](#)
- 2 Jointly responsible [ASK QE](#)
- 3 Not responsible [THANK & CLOSE](#)
- 4 Don't know [THANK & CLOSE](#)

QE. Please indicate your gender

- 1 Male
- 2 Female
- 3 I identify a different way
- 4 Prefer not to say

QF. Please can you indicate your age

- 1 18-29
- 2 30-44
- 3 45-59
- 4 60+

QG. Are you the main income earner in your household?

- 1 No
- 2 Yes
- 3 No income earners

QH. Please can I check the main income earner's occupation?

If the main income earner has retired, please select the occupation before retirement.

- 1 Higher managerial, administrative or professional [A](#)
- 2 Intermediate managerial, administrative or professional [B](#)
- 3 Supervisory or clerical and junior managerial, administrative or professional [C1](#)
- 4 Skilled manual worker [C2](#)
- 5 Semi or unskilled manual worker [D](#)
- 6 Casual worker, dependent on state pension only, or dependent on state welfare [E](#)

The next few questions are around your bill.

QI. What is the total amount your household pays for both water and sewerage services?

Please ensure you pick the band that reflects your household bill only. Please do not include any water costs relating to a commercial business. Water and sewerage bills are typically £300-£800 a year.

| | | |
|----|-------------------------|---------------------------|
| 1 | Less than £13 per month | Less than £150 per year |
| 2 | £13 - £16 per month | £151 - £200 per year |
| 3 | £17 - £20 per month | £201 - £250 per year |
| 4 | £21 - £24 per month | £251 - £300 per year |
| 5 | £25 - £28 per month | £301 - £350 per year |
| 6 | £29 - £32 per month | £351 - £400 per year |
| 7 | £33 - £37 per month | £401 - £450 per year |
| 8 | £38 - £41 per month | £451 - £500 per year |
| 9 | £42 - £45 per month | £501 - £550 per year |
| 10 | £46 - £50 per month | £551 - £600 per year |
| 11 | £51 - £54 per month | £601 - £650 per year |
| 12 | £55 - £58 per month | £651 - £700 per year |
| 13 | £59 - £63 per month | £701 - £750 per year |
| 14 | £64 - £67 per month | £751 - £800 per year |
| 15 | £68 - £71 per month | £801 - £850 per year |
| 16 | £72 - £75 per month | £851 - £900 per year |
| 17 | £76 - £79 per month | £901 - £950 per year |
| 18 | £80 - £83 per month | £951 - £1,000 per year |
| 19 | More than £83 per month | More than £1,000 per year |
| 20 | Don't know | Don't know |

QJ. South West Water operates schemes called WaterSure and WaterCare, which allows some customers to qualify for a lower bill if they receive a means-tested benefit or tax credit. Do you receive assistance under the either of these schemes?

- 1 No
- 2 Yes
- 3 Prefer not to say

QK. Which of the following statements best describes how easy you find it to pay your water bills?

- 1 I do not have any problems in paying my water bill
- 2 I rarely find it difficult to pay my water bill
- 3 I sometimes find it difficult to pay my water bill
- 4 I always find it difficult paying my water bill
- 5 Prefer not to say

QL. Thinking about how much you pay for your water and sewerage services, how affordable is this for your household?

- 1 Very affordable
- 2 Fairly affordable
- 3 Not very affordable
- 4 Not at all affordable
- 5 Don't know

In September 2020 South West Water sent letters about a £20 rebate to all customer account holders. Customers were offered the choice of taking the £20 rebate as:

- £20 of shares in the parent company, Pennon
- £20 as a refund (cheque or direct debit)
- £20 off the water bill

Customers that did not reply to the letter were automatically enrolled for £20 as a bill reduction.

QM. When you received your letter, did your household opt for the shares in South West Water's parent company Pennon?

SINGLE CODE

- 1 Yes
- 2 No
- 3 Don't know, not sure

SECTION B – GREEN RECOVERY

Water bills and performance targets are agreed with the industry regulator, Ofwat, every five years.

Between 2020 and 2025 South West Water is reducing bills, excluding the impacts of inflation, while investing to improve water and wastewater services:

- improving drinking water quality, reducing leakage and interruptions to supply
- reducing pollution and flooding from sewers
- improving the quality of water in rivers and at beaches
- providing more support to vulnerable customers and those that do not have an affordable bill.



This plan was developed and agreed prior to the COVID-19 pandemic.

Green Recovery Plan

COVID-19 is having a serious impact on the economy and communities in the south west.

The government has announced plans to address issues caused by the pandemic. By encouraging future investment, it is looking to drive a green economic recovery that will protect the environment, enhance nature, address climate change, and build back the economy better and greener.



South West Water, along with other water companies, has been invited by the government to understand whether it can support a Green Recovery Plan. It wants to understand customers' views on how South West Water can support a green recovery in the south west.

(same page)

Q1. To what extent do you agree with a green recovery to address the economic and social impacts of COVID-19 targeting investment in the south west?

- 1 Strongly agree
- 2 Agree
- 3 Disagree
- 4 Completely disagree
- 5 Don't know, prefer not to say

(new page)

Q2. What do you think should be the economic and social objectives of a Green Recovery Plan in the south-west? Please rank the follow in order from most important to least important.

Drag and drop ranking – rank 1 = highest priority.

- 1 Enhancing the local environment
- 2 Improving public health
- 3 Improving wellbeing and mental health
- 4 Addressing climate change
- 5 Encouraging tourism
- 6 Boosting jobs and the local economy

7 Providing training and skills
(same page)

Q3. You indicated <ranked first and second in Q2> as your top priorities.

Q3A. If Q3 has (1 – enhancing the local environment) as priority 1 or 2:

Please indicate which parts of the local environment you consider should be prioritised in a Green Recovery Plan.

Free text response

Q3B. If Q3 has (2 – improving public health) as priority 1 or 2:

Please indicate which sorts of activities or actions you consider should be prioritised to improve public health.

Free text response

Q3C. If Q3 has (3 – improving wellbeing and mental health) as priority 1 or 2:

Please indicate which sorts of activities or actions you think can support improving wellbeing and mental health.

Free text response

Q3D. If Q3 has (4 – addressing climate change) as priority 1 or 2:

Please indicate which sorts of activities or actions you consider should be prioritised in a Green Recovery Plan.

Free text response

Q3E. If Q3 has (5 – encouraging tourism) as priority 1 or 2:

Please indicate which aspects of tourism you consider a priority to support in a Green Recovery Plan.

Free text response

Q3F. If Q3 has (6 – boosting job and local economy) as priority 1 or 2:

Please indicate which sectors and occupations should be prioritised to support jobs and the local economy.

Free text response

Q3F. If Q3 has (7 – providing training and skills) as priority 1 or 2:

Please indicate which sorts of training and skills should be supported, and what actions are needed.

Free text response

Funding the Green Recovery Plan

South West Water can support the local recovery by bringing forward investment already agreed for 2020 to 2025. Accelerating investment in this way **does not impact on bills** as the costs are already agreed with Ofwat and included in bills for the five-year period.

South West Water can also bring forward investment planned for after 2025, delivering this from 2021-22 onwards instead. This investment would need to be funded by customers through bills from April 2025.

Q4. How acceptable do you think it is for South West Water to undertake investment - over and above its agreed current plans - to support the objectives of a Green Recovery Plan in the south west?

1 Very acceptable

2 Acceptable

- 3 Unacceptable
- 4 Very unacceptable
- 5 Don't know, prefer not to say

SECTION C – PROPOSED INITIATIVES IN THE GREEN RECOVERY

Proposed initiatives in the Green Recovery Plan

In the next section of the survey, you will be shown ten initiatives that South West Water is considering for the Green Recovery Plan. You will be asked your view on each initiative and the overall package of initiatives. Your views will inform discussions with stakeholders and regulators on what should be in the plan.

Accelerating investment at water treatment works

South West Water has already agreed with the Drinking Water Inspectorate to upgrade and rebuild water treatment works, which deliver water to 120,000 properties. South West Water can accelerate the delivery of investment, ensuring water quality remains at high quality and further reducing risks to public health.

South West Water proposes to deliver the water quality benefits 12-18 months ahead of the current planned date, April 2027.

Q5. How much of a priority is it for this initiative to be accelerated in South West Water's Green Recovery Plan for the region?

- 1 Very high priority
- 2 High priority
- 3 Medium priority
- 4 Low priority
- 5 Not a priority at all
- 6 Don't know, not sure

Accelerating bathing water investment

Investment over the last 15 years has dramatically improved coastal bathing water quality. South West Water has agreed to invest to improve water quality at a further 8 coastal bathing waters by 2025, through upgrading wastewater treatment facilities.

South West Water is proposing to accelerate the delivery of the bathing water investment so that the schemes are delivered by 2022-23 rather than by 2025.

Q6. How much of a priority is it for this initiative to be accelerated in South West Water's Green Recovery Plan for the region?

- 1 Very high priority
- 2 High priority
- 3 Medium priority
- 4 Low priority
- 5 Not a priority at all

- 6 Don't know, not sure

Accelerating storm overflow monitoring

Storm overflows allow excess stormwater in sewers to be released to rivers or coastal waters. They are essential to protect properties and highways from sewer flooding during heavy rain. Reducing spills from storm overflows can protect the environment and support public health.

There are over 1600 storm overflows in the South West Water region. Over 1,000 are currently monitored.

- *Monitoring allows South West Water to act to reduce the duration and impact of storm overflows*
- *The information collected is discussed with regulators to identify how to target future investment to reduce spills further.*
- *The information is also published - so that those visiting beaches and rivers can see the water quality (via the website or apps).*

South West Water plans for 2020-25 include additional monitoring at a further 167 sites.

South West Water is planning to accelerate the delivery of these monitors so that they are installed by 2022 rather than by 2025.

Q7. How much of a priority is it for this initiative to be accelerated in South West Water's Green Recovery Plan for the region?

- 1 Very high priority
- 2 High priority
- 3 Medium priority
- 4 Low priority
- 5 Not a priority at all
- 6 Don't know, not sure

Increase storm overflow monitoring

South West Water proposes to add monitoring to the remaining unmonitored sites by 2025.

Of the 1600 storm overflows, 1000 are already monitored and there are already planned installations at a further 167 sites. Once these are complete, South West Water can continue to install further monitoring at the remaining 400 overflows so that all are monitored.

Q8. How much of a priority is it for this initiative to be included in South West Water's Green Recovery Plan for the region?

- 1 Very high priority
- 2 High priority
- 3 Medium priority
- 4 Low priority
- 5 Not a priority at all
- 6 Don't know, not sure

Storm overflows – sewer separation

Storm overflows allow excess stormwater in sewers to be released to rivers or coastal waters.

Climate change is expected to increase intense summer storms and cause more prolonged periods of rainfall during the winter. Population growth will increase the pressure on the wastewater network and spills from storm overflows.

South West Water proposes to invest to reduce the amount of rainwater entering sewers, preventing them from overloading and causing storm overflows. It has identified 60 locations where there is a high risk of overflow and flooding, and where it is possible to separate sewers. It plans to separate sewers across these locations so heavy rain is diverted to green spaces and rivers, preventing spills of sewage from storm overflows.

Q9. How much of a priority is it for this initiative to be included in South West Water's Green Recovery Plan for the region?

- 1 Very high priority
- 2 High priority
- 3 Medium priority
- 4 Low priority
- 5 Not a priority at all
- 6 Don't know, not sure

River bathing water quality

Coastal bathing waters are strictly regulated and monitored by the Environment Agency. Coastal bathing waters in the south west have had considerable investment to reduce wastewater and storm overflow discharges, and to ensure the water quality supports recreation and swimming.

South West Water wants to pilot applying these regulations to two inland rivers: the Dart and Tavy. These rivers are frequently used for recreation, with customers and visitors using the rivers for water sports and swimming. Investment can ensure these activities are undertaken with confidence around the water quality of the rivers.

South West Water proposes investment at these two rivers, including activities such as reducing storm overflow spills; adding screens and aesthetic improvements to overflow spills, introducing a programme of accurate river quality sampling, working with farmers to understand how fertilisers and animal waste affect river quality, and a programme of information sharing.

Q10. How much of a priority is it for this initiative to be included in South West Water's Green Recovery Plan for the region?

- 1 Very high priority
- 2 High priority
- 3 Medium priority
- 4 Low priority
- 5 Not a priority at all
- 6 Don't know, not sure

Private water supplies

A private water supply means water is not supplied by a licensed water company, such as South West Water. In remote rural areas, water is often provided privately through boreholes and natural springs. The south west has the highest number of private water supplies in the UK.

Private supplies can present a serious health risk to their users if they are not properly maintained. Data from the Drinking Water Inspectorate shows high levels of water quality failures in private supplies, affecting households, businesses, holiday campsites and other accommodations.

South West Water proposes to pilot adopting the private water supplies in eight rural regions of the south west – extending its network and offering the properties in these areas access to its network. Around 160-170 properties will then have the opportunity to receive the same clean and safe water as other properties across the region. Bills paid by existing and the newly connected properties will be used to fund these connections and other investments.

Q11. How much of a priority is it for this initiative to be included in South West Water's Green Recovery Plan for the region?

- 1 Very high priority
- 2 High priority
- 3 Medium priority
- 4 Low priority
- 5 Not a priority at all
- 6 Don't know, not sure

Smarter, healthier homes

Helping households to recognise and manage their water use can help address affordability issues and protect and conserve water resources (given 25% of leakage is the result of leakage on customers' pipes).

South West Water proposes to pilot its 'Smarter, healthier homes' initiative. This involves providing 89,000 properties with smart meters, water savings devices and advice to help the household manage their water use better, and by replacing customers' pipes if they are leaking. The initiative also includes reducing the risk to health by replacing lead water pipes as part of the initiative.

Saving water helps protect the environment by reducing the amount of water taken from rivers, supporting wildlife that lives in and around rivers.

Q12. How much of a priority is it for this initiative to be included in South West Water's Green Recovery Plan for the region?

- 1 Very high priority
- 2 High priority
- 3 Medium priority
- 4 Low priority
- 5 Not a priority at all
- 6 Don't know, not sure

Storing more water in winter

South West Water plans water resources up to 25 years ahead. It looks to understand the impact of climate change and population growth on the demand and supply of water, and invests to ensure there are sufficient supplies even during periods of extreme drought.

South West Water has identified the need to invest in the future in reservoir capacity to avoid possible shortages during periods of high demand in the summer. The proposal is for a large reservoir – which no longer fills up completely naturally from rainfall – to have water pumped into it during winter, when rivers are full, which then will be used in summer to provide drinking water when rivers are much dryer.

This investment would reduce the risk of severe restrictions to over 400,000 customers, but also allows water to be released back into rivers during very dry periods, protecting and supporting habitats and wildlife that lives in and around rivers.

Q13. How much of a priority is it for this initiative to be included in South West Water's Green Recovery Plan for the region?

- 1 Very high priority
- 2 High priority
- 3 Medium priority
- 4 Low priority
- 5 Not a priority at all
- 6 Don't know, not sure

Dartmoor National Park

South West Water proposes nature-based investments in Dartmoor National Park. It proposes to improve and restore 10,000 hectares of land, including peatlands. This will protect waterways – allowing them to continue to be used for drinking water supplies - and support biodiversity as well as reduce the risk of flooding in the region. Restored peatland also absorbs carbon, helping to address climate change.

This involves working with Devon Wildlife Trust, Westcountry Rivers Trust, and South West Lakes Trust and landowners, such as The Duchy of Cornwall and the Ministry of Defence (MOD).

Q14. How much of a priority is it for this initiative to be included in South West Water's Green Recovery Plan for the region?

- 1 Very high priority
- 2 High priority
- 3 Medium priority
- 4 Low priority
- 5 Not a priority at all
- 6 Don't know, not sure

Q15. Please can you consider the ten initiatives below and rank them in the order you prefer? 1 for the one you would most prefer and 10 for the one you would prefer the least.

| Initiative | Summary | Rank |
|--|---|------|
| Accelerating investment at water treatment works | 120,000 properties benefiting from water quality improvements 12-18 months ahead of schedule, reducing risk of public health | |
| Accelerating bathing water investment | Improvements at 8 bathing waters delivered by 2022 | |
| Accelerating storm overflow monitoring | Monitoring of storm overflows at 167 sites delivered by 2022 | |
| Increase storm overflow monitoring | Monitoring at further 400 sites – so all sites across the region are monitored | |
| Sewer separation | Sewer separation across 60 locations with high risk of storm overflows and flooding | |
| River bathing water quality | Piloting river quality monitoring and improvements at 2 large rivers used for recreation | |
| Private water supplies | Extending network so that 160 properties have access to safe, clean water | |
| Smarter healthier homes | 89,000 properties given smart meters, water saving devices and advice; with leakage and lead issues addressed | |
| Storing more water in winter | 400,000 properties benefiting from less risk of severe restrictions; flow released to rivers in dry periods to protect wildlife | |
| Dartmoor National Park | 10,000 hectares of land restored and biodiversity enhanced | |

Section D – CV Question around willingness to pay

Bringing forward investment already agreed will not impact on bills, as the costs are already included in customer bills to 2025. Therefore, there are no changes to bills associated with proposals to:

- Accelerate investment at water treatment works
- Accelerate bathing water investment
- Accelerate storm overflow monitoring

Additional investment on top of what has been agreed for 2020-25 would need to be recovered through customer bills from 2025. This means 7 of the 10 initiatives would involve a bill impact from 2025.

Q16. If your yearly water and sewerage bill was increased by [a randomised amount selected from the value set: £2, £3, £5, £10, £20] from April 2025 to fund the 7 initiatives identified but not already in the South West Water business plan, which of the following options would you choose?

Please be aware that other investments and obligations which the company undertakes from 2025, as well as the level of any cost efficiencies passed back to customers, may also impact bills from 2025.

Before making your choice please bear in mind the following:

- **You will pay this amount in the form of a higher bill and this higher bill will apply in every year**
- **Other household bills could go up or down**
- **Your household income could change**
- **Any extra amount you would be prepared to pay would not be available for you to spend on other things**
- **Inflation is added to customer bills and cannot be predicted with certainty**

| | | |
|--|---|---------------------------|
| I would <u>not</u> be prepared to pay this increase in my bill | 1 | GO TO Q17 |
| I would be prepared to pay this increase in my bill | 2 | GO TO Q18 |
| Don't know/Not Sure | 3 | GO TO Q17 |

Q17. If the bill increase was £X [Calculate £X to be the randomised amount in Q14 * factor 0.5] would you now be willing to pay?

| | | |
|--|---|---------------------------|
| I would <u>not</u> be prepared to pay this increase in my bill | 1 | GO TO Q20 |
| I would be prepared to pay this increase in my bill | 2 | GO TO Q21 |
| Don't know/Not Sure | 3 | GO TO Q20 |

Q18. If the bill increase was £X [Calculate £X to be the randomised amount in Q14 * factor 1.25] would you still be willing to pay?

| | | |
|--|---|---------------------------|
| I would <u>not</u> be prepared to pay this increase in my bill | 1 | GO TO Q21 |
| I would be prepared to pay this increase in my bill | 2 | GO TO Q19 |
| Don't know/Not Sure | 3 | GO TO Q21 |

Q19. What is the maximum you would pay from April 2025?

Record amount £.....

[GOTO Q21](#)

Q20. What are the two main reasons why you are NOT prepared to increase your water bills to pay for the green recovery? Tick up to 2 reasons.

- 1 Others should pay for this – such as tourists or the council
- 2 Water companies make too much profit
- 3 I object to water services being run by private companies
- 4 I'd like to have more information before making a decision
- 5 I don't think green initiatives are needed
- 6 I think current services from South West Water already support the environment enough
- 7 I do not believe these green initiatives would actually happen
- 8 I cannot afford to pay
- 9 The bill increase was more than I would be prepared to pay
- 10 I object to paying higher water bills
- 11 Other (RECORD)

Q21. What are the two main reasons you ARE prepared increase your water bills to pay for the green recovery? Tick up to 2 reasons.

- 1 My household will benefit from the investment
- 2 The increase is affordable to me
- 3 It targets aspects of the environment important to me

- 4 It will improve the local economy and jobs in the south west
- 5 It will improve the quality of life for residents in the south west
- 6 The green initiatives help address climate change
- 7 Other (RECORD)

Estimated bill impacts

South West Water currently estimates that from 2025 the 7 initiatives not already agreed will mean average customer bills would increase by £5 a year (42p a month).

The bill impacts of each initiative:

| Initiative | Bill impact (total = £5) |
|--|--|
| Accelerating investment at water treatment works <i>Serving 120,000 properties</i> | No bill impact (bills already agreed for this investment) |
| Accelerating bathing water investment <i>8 beaches</i> | No bill impact (bills already agreed for this investment) |
| Accelerating storm overflow monitoring <i>167 sites</i> | No bill impact (bills already agreed for this investment) |
| Increase storm overflow monitoring <i>Remaining 414 sites</i> | £0.60 (60 pence) |
| Sewer separation <i>30 hectares across 60 locations</i> | £0.55 (55 pence) |
| River bathing water quality <i>Pilots at two large rivers</i> | £0.36 (36 pence) |
| Private water supplies <i>160 properties</i> | £0.17 (17 pence) |
| Smarter healthier homes <i>89,000 properties</i> | £1.44 |
| Storing more water in winter <i>Reducing risk of severe restrictions for 400,000 properties</i> | £1.03 |
| Dartmoor National Park <i>10,000 hectares</i> | £0.88 (88 pence) |

Please indicate for each initiative to what extent you consider the bill impacts of the initiative to be acceptable and value for money.

Show or highlight each initiative in turn – show the bill impact – and ask:

Q22. To what extent are the proposals and bill impacts are acceptable?

- 1 Very acceptable
- 2 Acceptable
- 3 Unacceptable
- 4 Completely unacceptable
- 5 Don't know / not sure

Q23. To what extent are you satisfied that the proposals and bill impacts are value for money?

- 1 Very satisfied
- 2 Satisfied
- 3 Dissatisfied
- 4 Completely dissatisfied
- 5 Don't know, not sure

**Q24. Please can you consider the ten initiatives below and rank them in the order you prefer given the bill impacts?
1 for the one you would most prefer and 10 for the one you would prefer the least.**

| Initiative | Bill impact (total = £5) | Rank |
|--|-----------------------------|------|
| Accelerating investment at water treatment works <i>Serving 120,000 properties</i> | £0 | |
| Accelerating bathing water investment <i>8 beaches</i> | £0 | |
| Accelerating storm overflow monitoring <i>167 sites</i> | £0 | |
| Increase storm overflow monitoring <i>Remaining 414 sites</i> | £0.60 (60 pence) | |
| Sewer separation <i>30 hectares, across 60 locations</i> | £0.55 (55 pence) | |
| River bathing water quality <i>Pilots at two large rivers</i> | £0.36 (36 pence) | |
| Private water supplies <i>160 properties</i> | £0.17 (17 pence) | |
| Smarter healthier homes <i>89,000 properties</i> | £1.44 | |
| Storing more water in winter <i>Reducing risk of severe restrictions for 400,000 properties</i> | £1.03 | |
| Dartmoor National Park <i>10,000 hectares</i> | £0.88 (88 pence) | |

Q25. Overall, how acceptable is it for households to pay an additional £5 a year (42p a month) from April 2025 to fund all of the proposed initiatives of the green recovery?

- 1 Very acceptable
- 2 Acceptable
- 3 Unacceptable
- 4 Completely unacceptable
- 5 Don't know / not sure

Q26. Please provide any other comments you have on anything we have discussed during this survey.

[Final comments capture](#)

STANDARD SECTION F - RESPONDENT PROFILE

Finally, I just have a few questions about you and your household which helps check we have surveyed a range of customers.

Q0. Which of the following categories best describes who lives in your household?

- 1 Single working age adult
- 2 Single retired age adult
- 3 Two adults of working age

- 4 Two adults of retired age
- 5 More than two adults, no children (below 18 years old)
- 6 Single parent family with less than 3 children (below 18 years old)
- 7 Two parent family with less than 3 children (below 18 years old)
- 8 Family with 3 or more children (below 18 years olds)
- 9 Other
- 10 Don't know/not stated

QP. Do you or a household member suffer from a long-term illness or disability?

MULTICODE (CAN ANSWER YES TO 2 AND 3)

- | | | |
|---|------------------------|--------------|
| 1 | No | Go to QT |
| 2 | Yes – me | ASK QQ or QS |
| 3 | Yes – household member | ASK QR or QS |
| 4 | Prefer not to say | Go to QT |

QQ. SHOW IF CODE 2 ONLY AT QP. Does this illness/disability limit your daily activity?

- 1 No
- 2 Yes

QR. SHOW IF CODE 3 ONLY AT QP. Does this illness/disability limit their daily activity?

- 1 No
- 2 Yes

QS. SHOW IF CODE 2 and 3 ONLY AT QP. Does this illness/disability limit your/their daily activity?

| | | Yes | No |
|---|----------------------------|-----|----|
| A | Yourself | 1 | 0 |
| B | A member of your household | 1 | 0 |

QT. South West Water has a Priority Services Register. This registers customers that have a medical dependency on water or who may find it difficult to get to a water collection point due to health or because they have young children in the property. Have you heard of this register?

- 1 No (skip next question)
- 2 Yes

QU. If answer yes in previous question. Is your household on the South West Water Priority Services Register?

- 1 No
- 2 Yes
- 3 Prefer not to say / not sure

QV. Which of these best describes your current employment status?

- 1 Self-employed
- 2 Employed full-time (30+ hrs)
- 3 Employed part-time (up to 30 hrs)
- 4 Student

- 5 Unemployed – seeking work
- 6 Unemployed – other
- 7 Looking after the home/children full-time
- 8 Retired
- 9 Unable to work due to sickness or disability
- 10 Other - RECORD
- 11 Prefer not to say

QW. At what level did you complete your education? If you are still studying, which level best describes the highest level of education you have obtained until now?

- 1 O levels / CSEs / GCSEs (any grades)
- 2 A levels / AS level / higher school certificate
- 3 NVQ (Level 1 and 2). Foundation / Intermediate / Advanced GNVQ / HNC / HND
- 4 Other qualifications (e.g. City and Guilds, RSA/OCR, BTEC/Edexcel))
- 5 First degree (e.g. BA, BSc)
- 6 Higher degree (e.g. MA, PhD, PGCE, post graduate certificates and diplomas)
- 7 Professional qualifications (teacher, doctor, dentist, architect, engineer, lawyer, etc.)
- 8 No qualifications
- 9 Prefer not to say

QX. Do you own or rent your current residence? For the purpose of the survey please indicate if you own your own home even if you have a mortgage on it.

- 1 Own
- 2 Rent from a private landlord
- 3 Rent from a housing association or council
- 4 Live at home
- 5 Prefer not to say / don't know

QY. Do you have a water meter?

- 1 No
- 2 Yes
- 3 Don't know

QZ. Please can you indicate, which band best describes your total household income before tax and other deductions?

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

| | Per month | Per year |
|----|-------------------|-------------------|
| 1 | Up to £539 | Up to £6,499 |
| 2 | £540 - £789 | £6,500 - £9,499 |
| 3 | £790 - £1289 | £9,500 - £15,499 |
| 4 | £1290 - £2079 | £15,500 - £24,999 |
| 5 | £2080 - £3329 | £25,000 - £39,999 |
| 6 | £3330 - £4999 | £40,000 - £59,999 |
| 7 | £5000 - £7499 | £60,000 - £89,999 |
| 8 | £7500 and over | £90,000 and over |
| 9 | Don't know | |
| 10 | Prefer not to say | |

QAA. Which constituency / region of the South West do you live in?

- St Ives
- Camborne and Redruth
- Truro and Falmouth
- St Austell and Newquay
- North Cornwall
- South East Cornwall
- East Devon
- Exeter
- Tiverton and Honiton
- Newton Abbot
- Torbay
- Totnes
- South West Devon
- Plymouth, Moor view
- Plymouth Sutton and Devonport
- North Devon
- Central Devon
- Torridge and West Devon

QBB. Finally, did you think this survey was (select all that apply):

- 1 Interesting
- 2 Easy
- 3 Too long
- 4 Difficult to understand
- 5 Educational
- 6 Unrealistic / not credible
- 7 Other - RECORD
- 8 None of these

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

Bournemouth Water Version

STANDARD SECTION - Survey Start

We are carrying out a customer survey for a water company around the impacts of COVID-19 and what role the company and you, its customers, can play in the green economic recovery.

The survey will take around 15 minutes to complete. Any answer you give will be treated in confidence in accordance with the Code of Conduct of the Market Research Society. We would like to assure you that all the information we collect will be used for research purposes only. It will not be possible to identify any particular individual or address in the results.

Before starting this survey please confirm your postcode and who your water company is. This is to ensure you are eligible to complete this survey. If you receive water and sewerage services from different companies, please indicate who provides your water services.

QA. Please confirm which company provides your household water services?

MAP

Affinity Water
Anglian Water
Bristol Water
Dee Valley Water
Dŵr Cymru Welsh Water
Essex and Suffolk Water (part of Northumbrian Water)
Hartlepool (part of Anglian Water)
Northumbrian Water
Portsmouth Water
Bournemouth Water
Severn Trent
South West Water
South Staffs / Cambridge Water
South East Water
Southern Water
Sutton & East Surrey Water
Thames Water
Wessex Water
United Utilities
Yorkshire Water
Not connected to mains water
(a possibility in rural areas)
Don't know

Only proceed if Bournemouth Water is selected.

QCC. You have indicated your water company is Bournemouth Water. Bournemouth Water provides water services to 500,000 people from the port town of Poole to Beaulieu in the New Forest and from Bournemouth to Salisbury in Wiltshire.

Sewerage services in this area are provided by two companies. Which company provides your sewerage services?



- 1 Wessex Water
- 2 Southern Water
- 3 Don't know

QB. Please can you provide your full home postcode or the first part of your home postcode? This information will be treated as confidential and will only be used for research purposes.

- 1 RECORD FULL POSTCODE
- 2 RECORD PART POSTCODE
- 3 Prefer not to say

STANDARD SECTION A - SCREENING & QUOTAS

We are carrying out a customer survey for Bournemouth Water.

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

- 1 Person most responsible [ASK QE](#)
- 2 Jointly responsible [ASK QE](#)
- 3 Not responsible [THANK & CLOSE](#)
- 4 Don't know [THANK & CLOSE](#)

QD. Please indicate your gender

- 1 Male
- 2 Female
- 3 I identify a different way
- 4 Prefer not to say

QE. Please can you indicate your age

- 1 18-29
- 2 30-44
- 3 45-59
- 4 60+

QF. Are you the main income earner in your household?

- 1 No
- 2 Yes
- 3 No income earners

QG. Please can I check the main income earner's occupation?

If the main income earner has retired, please select the occupation before retirement.

- | | | |
|---|---|----|
| 2 | Higher managerial, administrative or professional | A |
| 2 | Intermediate managerial, administrative or professional | B |
| 3 | Supervisory or clerical and junior managerial, administrative or professional | C1 |
| 4 | Skilled manual worker | C2 |
| 5 | Semi or unskilled manual worker | D |
| 6 | Casual worker, dependent on state pension only, or dependent on state welfare | E |

The next few questions are around your bill.

QH. What is the total amount your household pays to Bournemouth Water for water services.

Please ensure you pick the band that reflects your household water bill only. Please do not include any water costs relating to a commercial business. Water bills are typically £75-200 a year, and make up around 40% of the combined water and sewerage bill.

- | | | |
|---|-------------------------|-------------------------|
| 1 | Less than £8 per month | Less than £100 per year |
| 2 | £8 - £13 per month | £100 - £150 per year |
| 3 | £13 - £16 per month | £151 - £200 per year |
| 4 | £17 - £20 per month | £201 - £250 per year |
| 5 | £21 - £24 per month | £251 - £300 per year |
| 6 | £25 - £28 per month | £301 - £350 per year |
| 7 | £29 - £32 per month | £351 - £400 per year |
| 8 | More than £33 per month | More than £400 per year |
| 9 | Don't know | Don't know |

QJ. What is the total amount your household pays for both water and sewerage services.

Please ensure you pick the band that reflects your household combined water and sewerage bill only. Please do not include any costs relating to a commercial business. Water and sewerage bills are typically £300-£800 a year.

| | | |
|----|-------------------------|---------------------------|
| 1 | Less than £13 per month | Less than £150 per year |
| 2 | £13 - £16 per month | £151 - £200 per year |
| 3 | £17 - £20 per month | £201 - £250 per year |
| 4 | £21 - £24 per month | £251 - £300 per year |
| 5 | £25 - £28 per month | £301 - £350 per year |
| 6 | £29 - £32 per month | £351 - £400 per year |
| 7 | £33 - £37 per month | £401 - £450 per year |
| 8 | £38 - £41 per month | £451 - £500 per year |
| 9 | £42 - £45 per month | £501 - £550 per year |
| 10 | £46 - £50 per month | £551 - £600 per year |
| 11 | £51 - £54 per month | £601 - £650 per year |
| 12 | £55 - £58 per month | £651 - £700 per year |
| 13 | £59 - £63 per month | £701 - £750 per year |
| 14 | £64 - £67 per month | £751 - £800 per year |
| 15 | £68 - £71 per month | £801 - £850 per year |
| 16 | £72 - £75 per month | £851 - £900 per year |
| 17 | £76 - £79 per month | £901 - £950 per year |
| 18 | £80 - £83 per month | £951 - £1,000 per year |
| 19 | More than £83 per month | More than £1,000 per year |
| 20 | Don't know | Don't know |

QJ. Bournemouth Water operates schemes called WaterSure and WaterCare, which allows some customers to qualify for a lower bill if they receive a means-tested benefit or tax credit. Do you receive assistance under the either of these schemes?

- 1 No
- 2 Yes
- 3 Prefer not to say

QK. Thinking about what you pay for just your water service, which of the following statements best describes how easy you find it to pay your water bills?

Typically around 40% of the water and sewerage bill is for water, and 60% is sewerage

- 1 I do not have any problems in paying my water bill
- 2 I rarely find it difficult to pay my water bill
- 3 I sometimes find it difficult to pay my water bill
- 4 I always find it difficult paying my water bill
- 6 Prefer not to say

QL. Thinking about how much you pay for your water services, how affordable is this for your household?

- 1 Very affordable
- 2 Fairly affordable
- 3 Not very affordable
- 4 Not at all affordable
- 5 Don't know

In September 2020 Bournemouth Water sent letters about a £20 rebate to all customer account holders. Customers were offered the choice of taking the £20 rebate as:

- £20 of shares in the parent company, Pennon
- £20 as a refund (cheque or direct debit)
- £20 off the water bill

Customers that did not reply to the letter were automatically enrolled for £20 as a bill reduction.

QM. When you received your letter, did your household opt for the shares in Bournemouth Water’s parent company Pennon?

SINGLE CODE

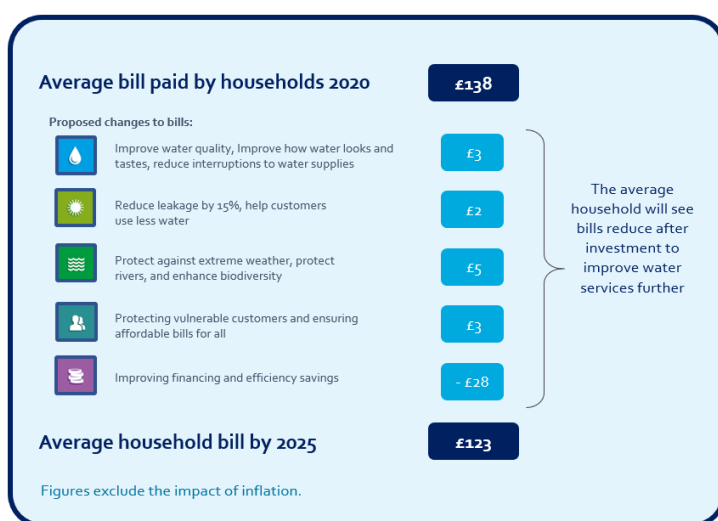
- 1 Yes
- 2 No
- 3 Don't know, not sure

SECTION B – GREEN RECOVERY

Water bills and performance targets are agreed with the industry regulator, Ofwat, every five years.

Between 2020 and 2025 Bournemouth Water is reducing bills, excluding the impacts of inflation, while investing to improve water services:

- improving drinking water quality
- reducing leakage and interruptions to supply
- providing more support to vulnerable customers and those that do not have an affordable bill.



This plan was developed and agreed prior to the COVID-19 pandemic.

Green Recovery Plan

COVID-19 is having a serious impact on the economy and communities in the south west.

The government has announced plans to address issues caused by the pandemic. By encouraging future investment, it is looking to drive a green economic recovery that will protect the environment, enhance nature, address climate change, and build back the economy better and greener.



Bournemouth Water, along with other water companies, has been invited by the government to understand whether it can support a Green Recovery Plan. It wants to understand customers' views on how Bournemouth Water can support a green recovery in the south west.

(same page)

Q1. To what extent do you agree with a green recovery to address the economic and social impacts of COVID-19 targeting investment in the south west?

- 1 Strongly agree
- 2 Agree
- 3 Disagree
- 4 Completely disagree
- 5 Don't know, prefer not to say

(new page)

Q2. What do you think should be the economic and social objectives of a Green Recovery Plan in the south-west? Please rank the follow in order from most important to least important.

Drag and drop ranking – rank 1 = highest priority.

- 1 Enhancing the local environment
- 2 Improving public health
- 3 Improving wellbeing and mental health
- 4 Addressing climate change
- 5 Encouraging tourism

6 Boosting jobs and the local economy

7 Providing training and skills

(same page)

Q3. You indicated <ranked first and second in Q2> as your top priorities.

Q3A. If Q3 has (1 – enhancing the local environment) as priority 1 or 2:

Please indicate which parts of the local environment you consider should be prioritised in a Green Recovery Plan.

Free text response

Q3B. If Q3 has (2 – improving public health) as priority 1 or 2:

Please indicate which sorts of activities or actions you consider should be prioritised to improve public health.

Free text response

Q3C. If Q3 has (3 – improving wellbeing and mental health) as priority 1 or 2:

Please indicate which sorts of activities or actions you think can support improving wellbeing and mental health.

Free text response

Q3D. If Q3 has (4 – addressing climate change) as priority 1 or 2:

Please indicate which sorts of activities or actions you consider should be prioritised in a Green Recovery Plan.

Free text response

Q3E. If Q3 has (5 – encouraging tourism) as priority 1 or 2:

Please indicate which aspects of tourism you consider a priority to support in a Green Recovery Plan.

Free text response

Q3F. If Q3 has (6 – boosting job and local economy) as priority 1 or 2:

Please indicate which sectors and occupations should be prioritised to support jobs and the local economy.

Free text response

Q3F. If Q3 has (7 – providing training and skills) as priority 1 or 2:

Please indicate which sorts of training and skills should be supported, and what actions are needed.

Free text response

Funding the Green Recovery Plan

Bournemouth Water can support the local recovery by bringing forward investment already agreed for 2020 to 2025. Accelerating investment in this way **does not impact on bills** as the costs are already agreed with Ofwat and included in bills for the five-year period.

Bournemouth Water can also bring forward investment planned for after 2025, delivering this from 2021-22 onwards instead. This investment would need to be funded by customers through bills from April 2025.

Q4. How acceptable do you think it is for Bournemouth Water to undertake investment - over and above its agreed current plans - to support the objectives of a Green Recovery Plan in the south west?

- 1 Very acceptable
- 2 Acceptable
- 3 Unacceptable
- 4 Very unacceptable
- 5 Don't know, prefer not to say

SECTION C – PROPOSED INITIATIVES IN THE GREEN RECOVERY

Proposed initiatives in the Green Recovery Plan

In the next section of the survey, you will be shown five initiatives that Bournemouth Water is considering for the Green Recovery Plan. You will be asked your view on each initiative and the overall package of initiatives. Your views will inform discussions with stakeholders and regulators on what should be in the plan.

Accelerating investment at water treatment works

Bournemouth Water has already agreed with the Drinking Water Inspectorate to upgrade and rebuild water treatment works, which deliver water to 120,000 properties. Bournemouth Water can accelerate the delivery of investment, ensuring water quality remains at high quality and further reducing risks to public health.

Bournemouth Water proposes to deliver the water quality benefits 12-18 months ahead of the current planned date, April 2027.

Q5. How much of a priority is it for this initiative to be accelerated in Bournemouth Water's Green Recovery Plan for the region?

- 1 Very high priority
- 2 High priority
- 3 Medium priority
- 4 Low priority
- 5 Not a priority at all
- 6 Don't know, not sure

Private water supplies

A private water supply means water is not supplied by a licensed water company, such as Bournemouth Water. In remote rural areas, water is often provided privately through boreholes and natural springs. The south west has the highest number of private water supplies in the UK.

Private supplies can present a serious health risk to their users if they are not properly maintained. Data from the Drinking Water Inspectorate shows high levels of water quality failures in private supplies, affecting households, businesses, holiday campsites and other accommodations.

Bournemouth Water proposes to pilot adopting the private water supplies in eight rural regions of the south west – extending its network and offering the properties in these areas access to its network. Around 160-170 properties will then have the opportunity to receive the same clean and safe water as other properties across the

region. Bills paid by existing and the newly connected properties will be used to fund these connections and other investments.

Q11. How much of a priority is it for this initiative to be included in Bournemouth Water's Green Recovery Plan for the region?

- 1 Very high priority
- 2 High priority
- 3 Medium priority
- 4 Low priority
- 5 Not a priority at all
- 6 Don't know, not sure

Smarter, healthier homes

Helping households to recognise and manage their water use can help address affordability issues and protect and conserve water resources (given 25% of leakage is the result of leakage on customers' pipes).

Bournemouth Water proposes to pilot its 'Smarter, healthier homes' initiative. This involves providing 89,000 properties with smart meters, water savings devices and advice to help the household manage their water use better, and by replacing customers' pipes if they are leaking. The initiative also includes reducing the risk to health by replacing lead water pipes as part of the initiative.

Saving water helps protect the environment by reducing the amount of water taken from rivers, supporting wildlife that lives in and around rivers.

Q12. How much of a priority is it for this initiative to be included in Bournemouth Water's Green Recovery Plan for the region?

- 1 Very high priority
- 2 High priority
- 3 Medium priority
- 4 Low priority
- 5 Not a priority at all
- 6 Don't know, not sure

Storing more water in winter

Bournemouth Water plans water resources up to 25 years ahead. It looks to understand the impact of climate change and population growth on the demand and supply of water, and invests to ensure there are sufficient supplies even during periods of extreme drought.

Bournemouth Water has identified the need to invest in the future in reservoir capacity to avoid possible shortages during periods of high demand in the summer. The proposal is for a large reservoir – which no longer fills up completely naturally from rainfall – to have water pumped into it during winter, when rivers are full, which then will be used in summer to provide drinking water when rivers are much dryer.

This investment would reduce the risk of severe restrictions to over 400,000 customers across the south west of England, but also allows water to be released back into rivers during very dry periods, protecting and supporting habitats and wildlife that lives in and around rivers.

Q13. How much of a priority is it for this initiative to be included in Bournemouth Water's Green Recovery Plan for the region?

- 1 Very high priority
- 2 High priority
- 3 Medium priority
- 4 Low priority
- 5 Not a priority at all
- 6 Don't know, not sure

National Park

Bournemouth Water proposes nature-based investments in a national park. It proposes to improve and restore 10,000 hectares of land, including peatlands. This will protect waterways – allowing them to continue to be used for drinking water supplies - and support biodiversity as well as reduce the risk of flooding in the region. Restored peatland also absorbs carbon, helping to address climate change.

This involves working with Wildlife Trusts, Rivers Trusts, and landowners, such as The Duchy of Cornwall and the Ministry of Defence (MOD).

Q14. How much of a priority is it for this initiative to be included in Bournemouth Water's Green Recovery Plan for the region?

- 1 Very high priority
- 2 High priority
- 3 Medium priority
- 4 Low priority
- 5 Not a priority at all
- 6 Don't know, not sure

Q15. Please can you consider the ten initiatives below and rank them in the order you prefer? 1 for the one you would most prefer and 5 for the one you would prefer the least.

| Initiative | Summary | Rank |
|--|---|------|
| Accelerating investment at water treatment works | 120,000 properties benefiting from water quality improvements 12-18 months ahead of schedule, reducing risk of public health | |
| Private water supplies | Extending network so that 160 properties have access to safe, clean water | |
| Smarter healthier homes | 89,000 properties given smart meters, water saving devices and advice; with leakage and lead issues addressed | |
| Storing more water in winter | 400,000 properties benefiting from less risk of severe restrictions; flow released to rivers in dry periods to protect wildlife | |

| | | |
|---------------|--|--|
| National Park | 10,000 hectares of land restored and biodiversity enhanced | |
|---------------|--|--|

Section D – CV Question around willingness to pay

Bringing forward investment already agreed will not impact on bills, as the costs are already included in customer bills to 2025. Therefore, there are no changes to bills associated with proposals to:

- Accelerate investment at water treatment works

Additional investment on top of what has been agreed for 2020-25 would need to be recovered through customer bills from 2025. This means 4 of the 5 initiatives would involve a bill impact from 2025.

Q16. If your yearly water bill was increased by [a randomised amount selected from the value set: £2, £3, £5, £10, £20] from April 2025 to fund the 7 initiatives identified but not already in the Bournemouth Water business plan, which of the following options would you choose?

Please be aware that other investments and obligations which the company undertakes from 2025, as well as the level of any cost efficiencies passed back to customers, may also impact bills from 2025.

Before making your choice please bear in mind the following:

- **You will pay this amount in the form of a higher bill and this higher bill will apply in every year**
- **Other household bills could go up or down**
- **Your household income could change**
- **Any extra amount you would be prepared to pay would not be available for you to spend on other things**
- **Inflation is added to customer bills and cannot be predicted with certainty**

| | | |
|--|---|---------------------------|
| I would <u>not</u> be prepared to pay this increase in my bill | 1 | GO TO Q17 |
| I would be prepared to pay this increase in my bill | 2 | GO TO Q18 |
| Don't know/Not Sure | 3 | GO TO Q17 |

Q17. If the bill increase was £X [Calculate £X to be the randomised amount in Q14 * factor 0.5] would you now be willing to pay?

| | | |
|--|---|---------------------------|
| I would <u>not</u> be prepared to pay this increase in my bill | 1 | GO TO Q20 |
| I would be prepared to pay this increase in my bill | 2 | GO TO Q21 |
| Don't know/Not Sure | 3 | GO TO Q20 |

Q18. If the bill increase was £X [Calculate £X to be the randomised amount in Q14 * factor 1.25] would you still be willing to pay?

| | | |
|--|---|---------------------------|
| I would <u>not</u> be prepared to pay this increase in my bill | 1 | GO TO Q20 |
| I would be prepared to pay this increase in my bill | 2 | GO TO Q19 |
| Don't know/Not Sure | 3 | GO TO Q20 |

Q19. What is the maximum you would pay from April 2025?

Record amount £.....

[GOTO Q21](#)

Q20. What are the two main reasons why you are NOT prepared to increase your water bills to pay for the green recovery? Tick up to 2 reasons.

- 1 Others should pay for this – such as tourists or the council
- 2 Water companies make too much profit
- 3 I object to water services being run by private companies
- 4 I'd like to have more information before making a decision

- 5 I don't think green initiatives are needed
- 6 I think current services from Bournemouth Water already support the environment enough
- 7 I do not believe these green initiatives would actually happen
- 8 I cannot afford to pay
- 9 The bill increase was more than I would be prepared to pay
- 10 I object to paying higher water bills
- 11 Other (RECORD)

Q21. What are the two main reasons you ARE prepared increase your water bills to pay for the green recovery? Tick up to 2 reasons.

- 1 My household will benefit from the investment
- 2 The increase is affordable to me
- 3 It targets aspects of the environment important to me
- 4 It will improve the local economy and jobs in the south west
- 5 It will improve the quality of life for residents in the south west
- 6 The green initiatives help address climate change
- 7 Other (RECORD)

Estimated bill impacts

Bournemouth Water currently estimates that from 2025 the 4 initiatives not already agreed will mean average customer bills would increase by £3 a year (25p a month).

The bill impacts of each initiative:

| Initiative | Bill impact (total = £5) |
|--|--|
| Accelerating investment at water treatment works <i>Serving 120,000 properties</i> | No bill impact (bills already agreed for this investment) |
| Private water supplies <i>160 properties</i> | £0.15 (15 pence) |
| Smarter healthier homes <i>89,000 properties</i> | £1.22 |
| Storing more water in winter <i>Reducing risk of severe restrictions for 400,000 properties</i> | £0.88 (88 pence) |
| National Park <i>10,000 hectares</i> | £0.75 (75 pence) |

Please indicate for each initiative to what extent you consider the bill impacts of the initiative to be acceptable and value for money.

Show or highlight each initiative in turn – show the bill impact – and ask:

Q22. To what extent are the proposals and bill impacts are acceptable?

- 1 Very acceptable
- 2 Acceptable
- 3 Unacceptable
- 4 Completely unacceptable
- 5 Don't know / not sure

Q23. To what extent are you satisfied that the proposals and bill impacts are value for money?

- 1 Very satisfied
- 2 Satisfied
- 3 Dissatisfied

- 4 Completely dissatisfied
- 5 Don't know, not sure

Q24. Please can you consider the ten initiatives below and rank them in the order you prefer given the bill impacts?

1 for the one you would most prefer and 5 for the one you would prefer the least.

| Initiative | Bill impact (total = £5) | Rank |
|--|--------------------------|------|
| Accelerating investment at water treatment works <i>Serving 120,000 properties</i> | £0 | |
| Private water supplies <i>160 properties</i> | £0.15 (15 pence) | |
| Smarter healthier homes <i>89,000 properties</i> | £1.22 | |
| Storing more water in winter <i>Reducing risk of severe restrictions for 400,000 properties</i> | £0.88 (88 pence) | |
| National Park <i>10,000 hectares</i> | £0.75 (75 pence) | |

Q25. Overall, how acceptable is it for households to pay an additional £3 a year (25p a month) from April 2025 to fund all of the proposed initiatives of the green recovery?

- 1 Very acceptable
- 2 Acceptable
- 3 Unacceptable
- 4 Completely unacceptable
- 5 Don't know / not sure

Q26. Please provide any other comments you have on anything we have discussed during this survey.

[Final comments capture](#)

STANDARD SECTION F - RESPONDENT PROFILE

Finally, I just have a few questions about you and your household which helps check we have surveyed a range of customers.

QN.

QO. Which of the following categories best describes who lives in your household?

- 1 Single working age adult
- 2 Single retired age adult
- 3 Two adults of working age
- 4 Two adults of retired age
- 5 More than two adults, no children (below 18 years old)
- 6 Single parent family with less than 3 children (below 18 years old)
- 7 Two parent family with less than 3 children (below 18 years old)
- 8 Family with 3 or more children (below 18 years olds)
- 9 Other
- 10 Don't know/not stated

QP. Do you or a household member suffer from a long-term illness or disability?**MULTICODE (CAN ANSWER YES TO 2 AND 3)**

- | | | |
|---|------------------------|--------------|
| 1 | No | Go to QT |
| 2 | Yes – me | ASK QQ or QS |
| 5 | Yes – household member | ASK QR or QS |
| 6 | Prefer not to say | Go to QT |

QQ. SHOW IF CODE 2 ONLY AT QP. Does this illness/disability limit your daily activity?

- | | |
|---|-----|
| 1 | No |
| 2 | Yes |

QR. SHOW IF CODE 3 ONLY AT QP. Does this illness/disability limit their daily activity?

- | | |
|---|-----|
| 1 | No |
| 2 | Yes |

QS. SHOW IF CODE 2 and 3 ONLY AT QP. Does this illness/disability limit your/their daily activity?

| | | Yes | No |
|---|----------------------------|-----|----|
| A | Yourself | 1 | 0 |
| B | A member of your household | 1 | 0 |

QT. Bournemouth Water has a Priority Services Register. This registers customers that have a medical dependency on water or who may find it difficult to get to a water collection point due to health or because they have young children in the property. Have you heard of this register?

- | | | |
|---|-----|----------------------|
| 1 | No | (skip next question) |
| 2 | Yes | |

QU. If answer yes in previous question. Is your household on the Bournemouth Water Priority Services Register?

- | | |
|---|------------------------------|
| 1 | No |
| 2 | Yes |
| 3 | Prefer not to say / not sure |

QV. Which of these best describes your current employment status?

- | | |
|----|--|
| 1 | Self-employed |
| 2 | Employed full-time (30+ hrs) |
| 3 | Employed part-time (up to 30 hrs) |
| 4 | Student |
| 5 | Unemployed – seeking work |
| 6 | Unemployed – other |
| 7 | Looking after the home/children full-time |
| 8 | Retired |
| 9 | Unable to work due to sickness or disability |
| 10 | Other - RECORD |
| 11 | Prefer not to say |

QW. At what level did you complete your education? If you are still studying, which level best describes the highest level of education you have obtained until now?

- 1 O levels / CSEs / GCSEs (any grades)
- 2 A levels / AS level / higher school certificate
- 3 NVQ (Level 1 and 2). Foundation / Intermediate / Advanced GNVQ / HNC / HND
- 4 Other qualifications (e.g. City and Guilds, RSA/OCR, BTEC/Edexcel))
- 5 First degree (e.g. BA, BSc)
- 6 Higher degree (e.g. MA, PhD, PGCE, post graduate certificates and diplomas)
- 7 Professional qualifications (teacher, doctor, dentist, architect, engineer, lawyer, etc.)
- 8 No qualifications
- 9 Prefer not to say

QX. Do you own or rent your current residence? For the purpose of the survey please indicate if you own your own home even if you have a mortgage on it.

- 1 Own
- 2 Rent from a private landlord
- 3 Rent from a housing association or council
- 4 Live at home
- 5 Prefer not to say / don't know

QY. Do you have a water meter?

- 1 No
- 2 Yes
- 3 Don't know

QZ. Please can you indicate, which band best describes your total household income before tax and other deductions?

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

| | Per month | Per year |
|----|-------------------|-------------------|
| 1 | Up to £539 | Up to £6,499 |
| 2 | £540 - £789 | £6,500 - £9,499 |
| 3 | £790 - £1289 | £9,500 - £15,499 |
| 4 | £1290 - £2079 | £15,500 - £24,999 |
| 5 | £2080 - £3329 | £25,000 - £39,999 |
| 6 | £3330 - £4999 | £40,000 - £59,999 |
| 7 | £5000 - £7499 | £60,000 - £89,999 |
| 8 | £7500 and over | £90,000 and over |
| 9 | Don't know | |
| 10 | Prefer not to say | |

QAA. Finally, did you think this survey was (select all that apply):

- 1 Interesting
- 2 Easy
- 3 Too long
- 4 Difficult to understand
- 5 Educational
- 6 Unrealistic / not credible
- 7 Other - RECORD
- 8 None of these

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

Future Customers

STANDARD SECTION - Survey Start

We are carrying out a customer survey for a water company around the impacts of COVID-19 and what role the company and you, its customers, can play in the green economic recovery.

The survey will take around 15 minutes to complete.

Answers are anonymous and confidential. The information we collect is used for research only.

Before starting this survey please confirm your postcode. This is to ensure you are eligible to complete this survey. If you receive water and sewerage services from different companies, please indicate who provides your water services.

QA. Please confirm which company provides your household water services?

MAP

Affinity Water
Anglian Water
Bristol Water
Dee Valley Water
Dŵr Cymru Welsh Water
Essex and Suffolk Water (part of Northumbrian Water)
Hartlepool (part of Anglian Water)
Northumbrian Water
Portsmouth Water
Bournemouth Water
Severn Trent
South West Water
South Staffs / Cambridge Water
South East Water
Southern Water
Sutton & East Surrey Water
Thames Water
Wessex Water
United Utilities
Yorkshire Water
Not connected to mains water
(a possibility in rural areas)
Don't know

Only proceed if South West Water selected.

QA. IF SELECT SWW – As far as you are aware, does South West Water also provide your wastewater services?

- | | | |
|---|------------|---------------------------------|
| 1 | Yes | Continue |
| 2 | No | Thank and close |
| 3 | Don't know | Continue |

QB. Please can you provide your full home postcode or the first part of your home postcode? This information will be treated as confidential and will only be used for research purposes.

- 1 RECORD FULL POSTCODE
- 2 RECORD PART POSTCODE
- 3 Prefer not to say

STANDARD SECTION A - SCREENING & QUOTAS

We are carrying out a customer survey for South West Water.

QB. Which best describes who is responsible for running your household and paying utilities bills (such as water, electricity, and gas)

- 1 I live at home, with parents/guardian responsible for paying utility bills
- 2 I live at home, but I am responsible for paying utility bills
- 3 I own or rent my own home
- 4 Don't know

QC. Please indicate your gender

- 1 Male
- 2 Female
- 3 I identify a different way
- 4 Prefer not to say

QEE. Please indicate your current occupation or educational status

- 1 Studying for GCSEs
- 2 Studying for A levels / AS level / higher school certificate
- 3 Studying for NVQ (Level 1 and 2). Foundation / Intermediate / Advanced GNVQ / HNC / HND
- 4 Studying for other qualifications (e.g. City and Guilds, RSA/OCR, BTEC/Edexcel)
- 5 Studying for a degree
- 6 Apprenticeships and/or training
- 7 Employed
- 8 Unemployed or unable to work
- 9 Gap year (including travelling)
- 10 Prefer not to say

MULTI-CODE – Can be studying and working

QD. What is the occupation of your household's main income earner?

If the main income earner has retired, please select the occupation before retirement.

- | | | |
|---|---|----|
| 3 | Higher managerial, administrative or professional | A |
| 2 | Intermediate managerial, administrative or professional | B |
| 3 | Supervisory or clerical and junior managerial, administrative or professional | C1 |
| 4 | Skilled manual worker | C2 |
| 5 | Semi or unskilled manual worker | D |
| 6 | Casual worker, dependent on state pension only, or dependent on state welfare | E |

Across the UK, the average household disposable income (after paying taxes and collecting benefits) is just over £30,000 per household.

The average water and wastewater bill is £397 – this is just over 1% of average disposable income.

South West Water's costs are higher than average due to the rural nature of the region and long coastline that needs to be protected.

South West Water's households pay on average £468 for water and wastewater services. The government pays a further £50 per household, as part of its contribution to bills.

QGG. How do you feel about South West Water's bills (affordable, value for money, etc)?

[Capture free text](#)

SECTION B – GREEN RECOVERY

Water bills and performance targets are agreed with the industry regulator, Ofwat, every five years.

Between 2020 and 2025 South West Water is reducing bills, excluding the impacts of inflation, while investing to improve water and wastewater services:

- improving drinking water quality, reducing leakage and interruptions to supply
- reducing pollution and flooding from sewers
- improving the quality of water in rivers and at beaches
- providing more support to vulnerable customers and those that do not have an affordable bill.



This plan was developed and agreed prior to the COVID-19 pandemic.

(new screen)








Green Recovery Plan

COVID-19 is having a serious impact on the economy and communities in the south west.

The government has announced plans to address issues caused by the pandemic. By encouraging future investment, it is looking to drive a green economic recovery that will protect the environment, enhance nature, address climate change, and build back the economy better and greener.

GOVERNMENT AIMS

NATURE BASED PLANS - BUILD BACK BETTER & GREENER

-  Bringing forward future investment
-  Improve skills and boost jobs
-  Support the economic recovery
-  Strong focus on environmental projects
 -  restore nature
 -  improving recreation, wellbeing and mental health
 -  tackle climate change
 -  reduce waste and pollution
-  Working in partnership with others to fund and deliver investments

South West Water, along with other water companies, has been invited by the government to understand whether it can support a green recovery plan. It wants to understand customers' views on how South West Water can support a green recovery in the south west.

(same page)

Q1. Do you agree green recovery investment is a good option to address the impact of COVID-19 on people and communities in the south west?

- 1 Strongly agree
- 2 Agree
- 3 Disagree
- 4 Completely disagree
- 5 Don't know, prefer not to say

(new page)

Q2. What do you think should be the benefits of a green recovery plan in the south-west?

Order from most important to least important.

Drag and drop ranking – rank 1 = highest priority.

- 1 Enhancing the local environment
- 2 Improving public health
- 3 Improving wellbeing and mental health
- 4 Addressing climate change
- 5 Encouraging tourism
- 6 Boosting jobs and the local economy
- 7 Providing training and skills

(same page)

Q3. You indicated <ranked first and second in Q2> as your top priorities.

Q3A. If Q3 has (1 – enhancing the local environment) as priority 1 or 2:

Please tell us which parts of the local environment you consider should be prioritised in a green recovery plan.

Free text response

Q3B. If Q3 has (2 – improving public health) as priority 1 or 2:

Please tell us which sorts of activities or actions you consider should be prioritised to improve public health.

Free text response

Q3C. If Q3 has (3 – improving wellbeing and mental health) as priority 1 or 2:

Please tell us which sorts of activities or actions you think can support improving wellbeing and mental health.

Free text response

Q3D. If Q3 has (4 – addressing climate change) as priority 1 or 2:

Please tell us which sorts of activities or actions you consider should be prioritised in a green recovery plan.

Free text response

Q3E. If Q3 has (5 – encouraging tourism) as priority 1 or 2:

Please tell us which aspects of tourism you consider a priority to support in a green recovery plan.

Free text response

Q3F. If Q3 has (6 – boosting job and local economy) as priority 1 or 2:

Please tell us which sectors and occupations should be prioritised to support jobs and the local economy.

Free text response

Q3F. If Q3 has (7 – providing training and skills) as priority 1 or 2:

Please tell us which sorts of training and skills should be supported, and what actions are needed.

Free text response

SECTION C – PROPOSED INITIATIVES IN THE GREEN RECOVERY

Proposed initiatives in the green recovery plan

Next, you will be shown ten initiatives that South West Water is considering for the green recovery plan. You will be asked your view on each initiative and the overall package.

Accelerating investment at water treatment works

South West Water has already agreed to upgrade and rebuild water treatment works, which deliver water to 120,000 properties. South West Water can make investments quicker - ensuring water quality remains at high quality. It proposes to deliver the water quality benefits 12-18 months ahead of the current planned date, April 2027.

Q5. How important is it for this initiative to be done quicker in South West Water's green recovery plan?

- 1 Very high priority
- 2 High priority
- 3 Medium priority
- 4 Low priority
- 5 Not a priority at all
- 6 Don't know, not sure

Accelerating coastal waters investment

Investment over the last 15 years has dramatically improved coastal waters at beaches. South West Water has agreed to improve water quality at 8 more beaches by 2025, through upgrading wastewater treatment facilities.

South West Water is proposing to accelerate the delivery of the investment so that the schemes are delivered by 2022-23 rather than by 2025.

Q6. How much of a priority is it for this initiative to be done quicker in South West Water's green recovery plan?

- 1 Very high priority
- 2 High priority
- 3 Medium priority
- 4 Low priority
- 5 Not a priority at all
- 6 Don't know, not sure

Accelerating storm overflow monitoring

Storm overflows allow rainwater in sewers to be released to rivers or the sea. They are essential to protect properties and highways from sewer flooding during heavy rain. Reducing spills can protect the environment and people.

There are over 1600 storm overflows in the South West Water region. Over 1,000 are currently monitored.

- *Monitoring allows South West Water to act to reduce the duration and impact of storm overflows*
- *The information collected is used to target future investment.*
- *The information is published to apps - so that those visiting beaches and rivers can see the water quality.*

South West Water plans for 2020-25 include additional monitoring at a further 167 sites.

South West Water is planning to deliver these monitors quicker, so that they are installed by 2022 rather than by 2025.

Q7. How much of a priority is it for this initiative to be done quicker in South West Water's green recovery plan?

- 1 Very high priority
- 2 High priority
- 3 Medium priority
- 4 Low priority
- 5 Not a priority at all
- 6 Don't know, not sure

Increase storm overflow monitoring

South West Water proposes to add monitoring to the remaining unmonitored sites by 2025.

Of the 1600 storm overflows, 1000 are already monitored and there are already planned installations at a further 167 sites. Once these are complete, South West Water can continue to install further monitoring at the remaining 400 overflows so that all are monitored.

Q8. How much of a priority is it for this initiative to be done quicker in South West Water's green recovery plan?

- 1 Very high priority
- 2 High priority
- 3 Medium priority
- 4 Low priority
- 5 Not a priority at all
- 6 Don't know, not sure

Storm overflows – sewer separation

Storm overflows allow excess stormwater in sewers to be released to rivers or the sea.

Climate change is expected to increase intense summer storms and cause more prolonged periods of rainfall during the winter. Population growth will increase the pressure on sewers and spills from storm overflows.

South West Water proposes to invest to reduce the amount of rainwater entering sewers, preventing them from overloading and causing storm overflows. It has identified 60 locations where there is a high risk of overflow and flooding, and where it is possible to separate sewers. It plans to separate sewers across these locations so heavy rain is diverted to green spaces and rivers, preventing spills of sewage from storm overflows.

Q9 How much of a priority is it for this initiative to be in South West Water's green recovery plan?

- 1 Very high priority
- 2 High priority
- 3 Medium priority
- 4 Low priority
- 5 Not a priority at all
- 6 Don't know, not sure

River bathing water quality

Coastal waters at beaches are monitored by the Environment Agency. Beaches in the south west have had considerable investment to reduce wastewater and storm overflow discharges, and to ensure the water quality supports recreation and swimming.

South West Water wants to pilot applying these regulations to two rivers: the Dart and Tavy. These rivers are frequently used for recreation, with customers and visitors using the rivers for water sports and swimming.

South West Water proposes investment at these two rivers, including activities such as reducing storm overflow spills; adding screens and other improvements to reduce the visual impact of spills, introducing a programme of

accurate river quality sampling, working with farmers to understand how fertilisers and animal waste affect river quality, and a programme of information sharing (through apps).

Q10. How much of a priority is it for this initiative to be in South West Water's green recovery plan?

- 1 Very high priority
- 2 High priority
- 3 Medium priority
- 4 Low priority
- 5 Not a priority at all
- 6 Don't know, not sure

Private water supplies

A private water supply means water is not supplied by a licensed water company, such as South West Water. In remote rural areas, water is often provided privately through boreholes and natural springs. The south west has the highest number of private water supplies in the UK.

Private supplies can present a serious health risk if not properly maintained. There are high levels of failures of these water sources – which affects households, businesses, holiday campsites and other accommodations.

South West Water proposes to pilot adopting the private water supplies in eight rural regions of the south west – extending its network and offering the properties in these areas access to its network. Around 160-170 properties will then have the opportunity to receive the same clean and safe water as other properties across the region. Bills paid by existing and the newly connected properties will be used to fund these connections and other investments.

Q11. How much of a priority is it for this initiative to be in South West Water's green recovery plan?

- 1 Very high priority
- 2 High priority
- 3 Medium priority
- 4 Low priority
- 5 Not a priority at all
- 6 Don't know, not sure

Smarter, healthier homes

Helping households to recognise and manage their water use can help address affordability issues and protect and conserve water resources (given 25% of leakage is the result of leaks on customers' pipes).

South West Water proposes to pilot its 'Smarter, healthier homes' initiative.

This involves providing 89,000 properties with smart meters, water savings devices and advice to help the household manage their water use better, and by replacing customers' pipes if they are leaking. The initiative also includes reducing the risk to health by replacing lead water pipes as part of the initiative.

Saving water helps protect the environment by reducing the amount of water taken from rivers, supporting wildlife that lives in and around rivers.

Q12. How much of a priority is it for this initiative to be in South West Water's green recovery plan?

- 1 Very high priority
- 2 High priority
- 3 Medium priority
- 4 Low priority
- 5 Not a priority at all
- 6 Don't know, not sure

Storing more water in winter

South West Water plans water resources up to 25 years ahead. It looks to understand the impact of climate change and population growth on the demand and supply of water, and invests to ensure there are sufficient supplies even during periods of extreme drought.

South West Water needs to invest in the future in reservoir capacity to avoid possible shortages during periods of high demand in the summer. The proposal is for a large reservoir – which no longer fills up completely naturally from rainfall – to have water pumped into it during winter, when rivers are full, which then will be used in summer to provide drinking water when rivers are much dryer.

This investment would reduce the risk of severe restrictions to over 400,000 customers, but also allows water to be released back into rivers during very dry periods, protecting and supporting habitats and wildlife that lives in and around rivers.

Q13. How much of a priority is it for this initiative to be in South West Water's green recovery plan?

- 1 Very high priority
- 2 High priority
- 3 Medium priority
- 4 Low priority
- 5 Not a priority at all
- 6 Don't know, not sure

Dartmoor National Park

South West Water proposes to improve and restore 10,000 hectares of land in Dartmoor National Park.

This will protect waterways – allowing them to continue to be used for drinking water supplies - and support biodiversity as well as reduce the risk of flooding in the region. This includes restoring vegetation that can absorb carbon, helping to address climate change.

Q14. How much of a priority is it for this initiative to be in South West Water's green recovery plan?

- 1 Very high priority
- 2 High priority
- 3 Medium priority
- 4 Low priority
- 5 Not a priority at all
- 6 Don't know, not sure

Q15. Please can you consider the ten initiatives below and rank them in the order you prefer? 1 for the one you would most prefer and 10 for the one you would prefer the least.

| Initiative | Summary | Rank |
|---|---|------|
| Quicker investment at water treatment works | 120,000 properties benefiting from water quality improvements 12-18 months ahead of schedule, reducing risk of public health | |
| Quicker coastal water at beaches investment | Improvements at 8 beaches delivered by 2022 | |
| Quicker storm overflow monitoring | Monitoring of storm overflows at 167 sites delivered by 2022 | |
| Increase storm overflow monitoring | Monitoring at further 400 sites – so all sites across the region are monitored | |
| Sewer separation | Sewer separation across 60 locations with high risk of storm overflows and flooding | |
| River quality | Piloting river quality monitoring and improvements at 2 large rivers used for recreation | |
| Private water supplies | Extending network so that 160 properties have access to safe, clean water | |
| Smarter healthier homes | 89,000 properties given smart meters, water saving devices and advice; with leakage and lead issues addressed | |
| Storing more water in winter | 400,000 properties benefiting from less risk of severe restrictions; flow released to rivers in dry periods to protect wildlife | |
| Dartmoor National Park | 10,000 hectares of land restored and biodiversity enhanced | |

Section D – CV Question around willingness to pay

Investing quicker will not impact on bills, as the costs are already included in customer bills to 2025. Therefore, there are no changes to bills associated with proposals to:

- Quicker investment at water treatment works
- Quicker coastal water at beaches investment
- Quicker storm overflow monitoring

Additional investment on top of what has been agreed for 2020-25 would need to be recovered through customer bills from 2025. This means 7 of the 10 initiatives would involve a bill impact from 2025.

The following questions are around what can happen to average bills from 2025.

Q16. If average yearly bills were increased by [a randomised amount selected from the value set: £2, £3, £5, £10, £20] from April 2025 to fund the 7 initiatives identified but not already in the South West Water business plan, which of the following options is the most reasonable?

| | | |
|--|---|-----------|
| This is NOT a reasonable increase in average bills | 1 | GO TO Q17 |
| This IS a reasonable increase in average bills | 2 | GO TO Q18 |
| Don't know/Not Sure | 3 | GO TO Q17 |

Q17. If the bill increase was £X [Calculate £X to be the randomised amount in Q14 * factor 0.5] would you now consider this reasonable?

| | | |
|--|---|-----------|
| This is NOT a reasonable increase in average bills | 1 | GO TO Q20 |
| This IS a reasonable increase in average bills | 2 | GO TO Q21 |

| | | |
|---------------------|---|-----------|
| Don't know/Not Sure | 3 | GO TO Q20 |
|---------------------|---|-----------|

Q18. If the bill increase was £X [Calculate £X to be the randomised amount in Q14 * factor 1.25] would you still consider this reasonable?

| | | |
|--|---|-----------|
| This is NOT a reasonable increase in average bills | 1 | GO TO Q20 |
| This IS a reasonable increase in average bills | 2 | GO TO Q19 |
| Don't know/Not Sure | 3 | GO TO Q20 |

Q19. What is the maximum increase that is reasonable from April 2025?

Record amount £.....

GOTO Q21

Estimated bill impacts

South West Water currently estimates that from 2025 the 7 initiatives not already agreed will mean average customer bills would increase by £5 a year (42p a month).

The bill impacts of each initiative:

| Initiative | Bill impact (total = £5) |
|--|--|
| Accelerating investment at water treatment works <i>Serving 120,000 properties</i> | No bill impact (bills already agreed for this investment) |
| Accelerating bathing water investment <i>8 beaches</i> | No bill impact (bills already agreed for this investment) |
| Accelerating storm overflow monitoring <i>167 sites</i> | No bill impact (bills already agreed for this investment) |
| Increase storm overflow monitoring <i>Remaining 414 sites</i> | £0.60 (60 pence) |
| Sewer separation <i>30 hectares across 60 locations</i> | £0.55 (55 pence) |
| River bathing water quality <i>Pilots at two large rivers</i> | £0.36 (36 pence) |
| Private water supplies <i>160 properties</i> | £0.17 (17 pence) |
| Smarter healthier homes <i>89,000 properties</i> | £1.44 |
| Storing more water in winter <i>Reducing risk of severe restrictions for 400,000 properties</i> | £1.03 |
| Dartmoor National Park <i>10,000 hectares</i> | £0.88 (88 pence) |

Please indicate for each initiative if the bill impacts of the initiative seem acceptable and value for money.

Show or highlight each initiative in turn – show the bill impact – and ask:

Q22. Are the proposals and bill impacts acceptable?

- 1 Very acceptable
- 2 Acceptable
- 3 Unacceptable
- 4 Completely unacceptable
- 5 Don't know / not sure

Q23. Are you satisfied that the proposals and bill impacts are value for money?

- 1 Very satisfied
- 2 Satisfied
- 3 Dissatisfied
- 4 Completely dissatisfied
- 5 Don't know, not sure

Q24. Please can you consider the ten initiatives below and rank them in the order you prefer given the bill impacts?

1 for the one you would most prefer and 10 for the one you would prefer the least.

| Initiative | Bill impact (total = £5) | Rank |
|--|-----------------------------|------|
| Quicker investment at water treatment works <i>Serving 120,000 properties</i> | £0 | |
| Quicker coastal waters at beaches investment <i>8 beaches</i> | £0 | |
| Quicker storm overflow monitoring <i>167 sites</i> | £0 | |
| Increase storm overflow monitoring <i>Remaining 414 sites</i> | £0.60 (60 pence) | |
| Sewer separation <i>60 locations</i> | £0.55 (55 pence) | |
| River quality <i>Pilots at two large rivers</i> | £0.36 (36 pence) | |
| Private water supplies <i>160 properties</i> | £0.17 (17 pence) | |
| Smarter healthier homes <i>89,000 properties</i> | £1.44 | |
| Storing more water in winter <i>Reducing risk of severe restrictions for 400,000 properties</i> | £1.03 | |
| Dartmoor National Park <i>10,000 hectares</i> | £0.88 (88 pence) | |

Q25. Overall, how acceptable is it for the average household to pay an additional £5 a year (42p a month) from April 2025 to fund all of the proposed initiatives of the green recovery?

- 1 Very acceptable
- 2 Acceptable
- 3 Unacceptable
- 4 Completely unacceptable
- 5 Don't know / not sure

Q26. Please provide any other comments you have on anything we have discussed during this survey.

[Final comments capture](#)

STANDARD SECTION F - RESPONDENT PROFILE

Finally, I just have a few questions about you and your household which helps check we have surveyed a range of customers.

QE. Which of the following categories best describes who lives in your household?

- 1 Single working age adult
- 2 Single retired age adult
- 3 Two adults of working age
- 4 Two adults of retired age
- 5 More than two adults, no children (below 18 years old)
- 6 Single parent family with less than 3 children (below 18 years old)
- 7 Two parent family with less than 3 children (below 18 years old)
- 8 Family with 3 or more children (below 18 years olds)
- 9 Other
- 10 Don't know/not stated

QF. Does anyone in your household have a long-term illness or disability?

- 1 No
- 2 Yes
- 7 Prefer not to say

QG. Is your home rented or owned?

- 1 Own (with or without a mortgage)
- 2 Rent
- 3 Prefer not to say / don't know

QH. Do you have a water meter?

- 1 No
- 2 Yes
- 3 Don't know

QI. To what extent do you agree with the following statement?

Rotate

| | Strongly agree | Agree | Disagree | Strongly disagree | Don't know, not sure |
|--|----------------|-------|----------|-------------------|----------------------|
| I worry about climate change a lot. | | | | | |
| I make an effort to use less water. | | | | | |
| I make changes in my life to benefit the environment. | | | | | |
| I understand the water cycle – and how water gets to my taps. | | | | | |
| I think the environment should be the top future priority for all companies. | | | | | |

| | | | | | |
|--|--|--|--|--|--|
| I like to visit rivers or beaches for recreation and leisure (e.g. surfing, swimming, etc) | | | | | |
|--|--|--|--|--|--|

QJ. Finally, did you think this survey was (select all that apply):

- 1 Interesting
- 2 Easy
- 3 Too long
- 4 Difficult to understand
- 5 Educational
- 6 Unrealistic / not credible
- 7 Other - RECORD
- 8 None of these

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

Final screen is the SWW website: <https://www.southwestwater.co.uk/>

Appendix C – Description of the Survey Sample

In this section we provide a summary of the survey sample collected. This shows the survey includes a representative, diverse set of customers.

Sample Size

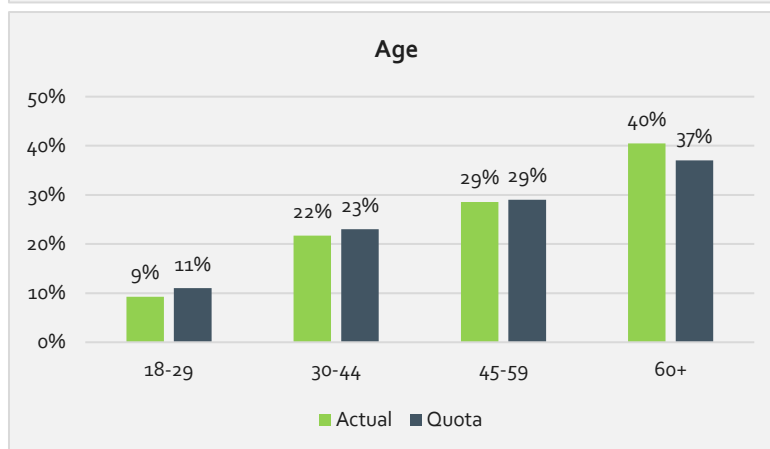
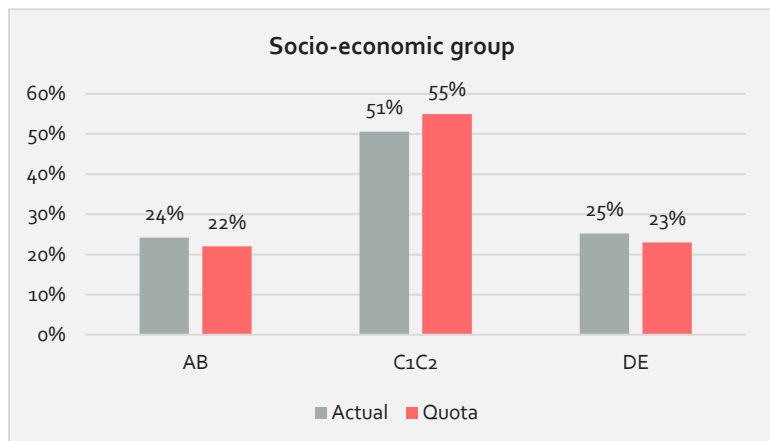
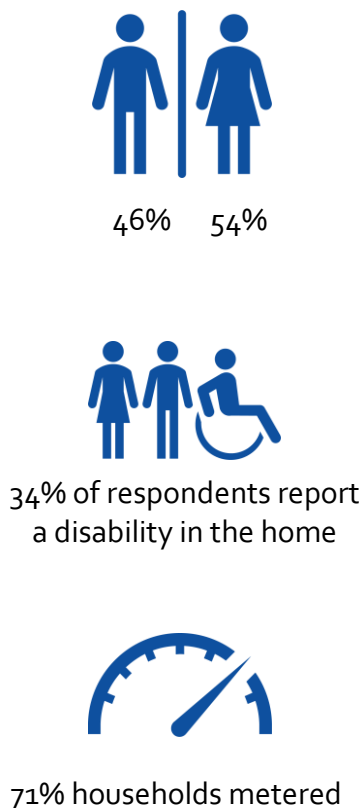
A total of 603 bill paying and 29 future customers were surveyed in total, in line with targets. The fieldwork was undertaken in December 2020.

Bill paying respondents were either fully or partly responsible for paying bills and were successfully screened as South West Water or Bournemouth Water customers. Future customers were not responsible for bills, and were living at home with parents or guardians.

Sample Profile – Bill Payers

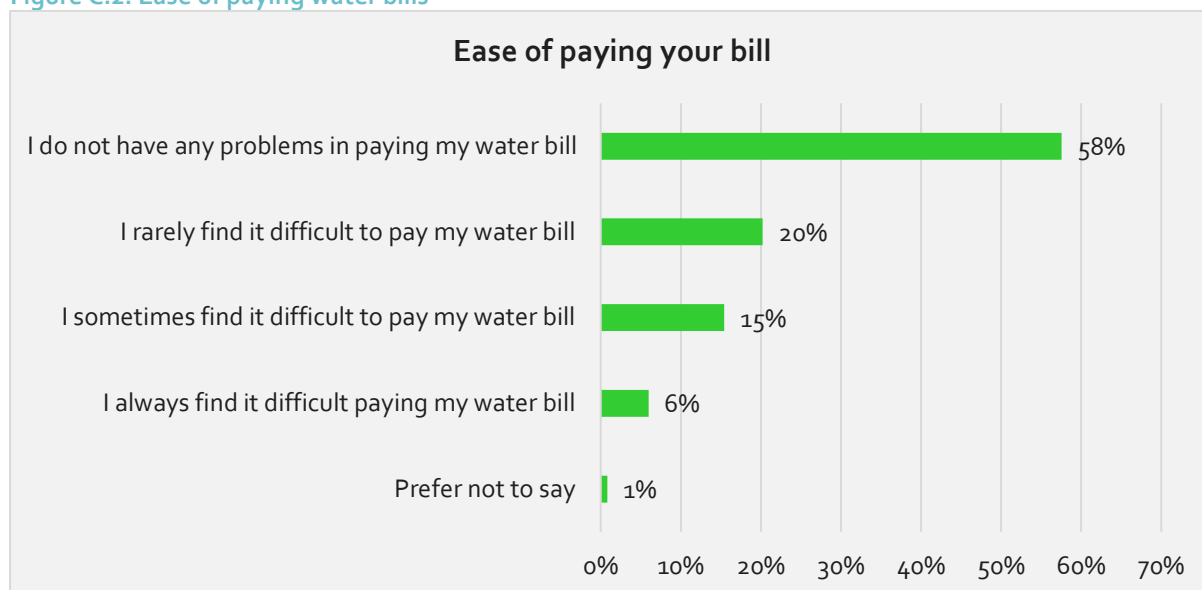
A total of 603 bill paying respondents are used to develop the main findings. The bill paying dataset reflects the diverse customer base well. There is good alignment with the quotas set for the sample.

Figure C.1: Overall summary of the sample dataset (n=603)



Most customers do not have any issues with paying their water bills. 21% of customers within the sample reported always or sometimes having difficulties paying.

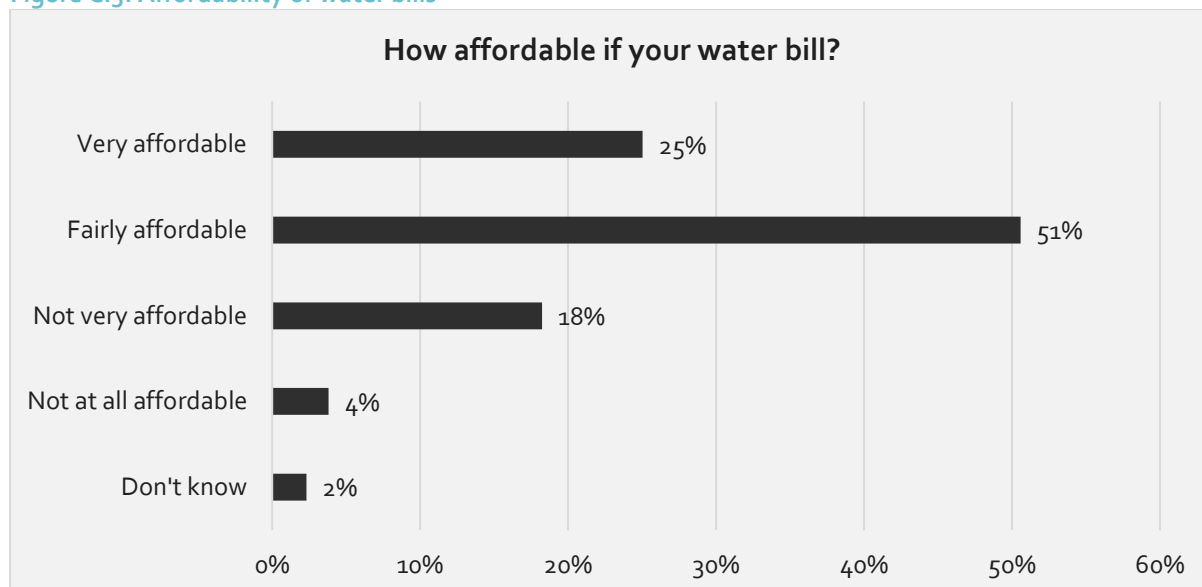
Figure C.2: Ease of paying water bills



n=603

Most customers found their bill to be affordable. But over 20% stated they do not find their bill to be affordable.

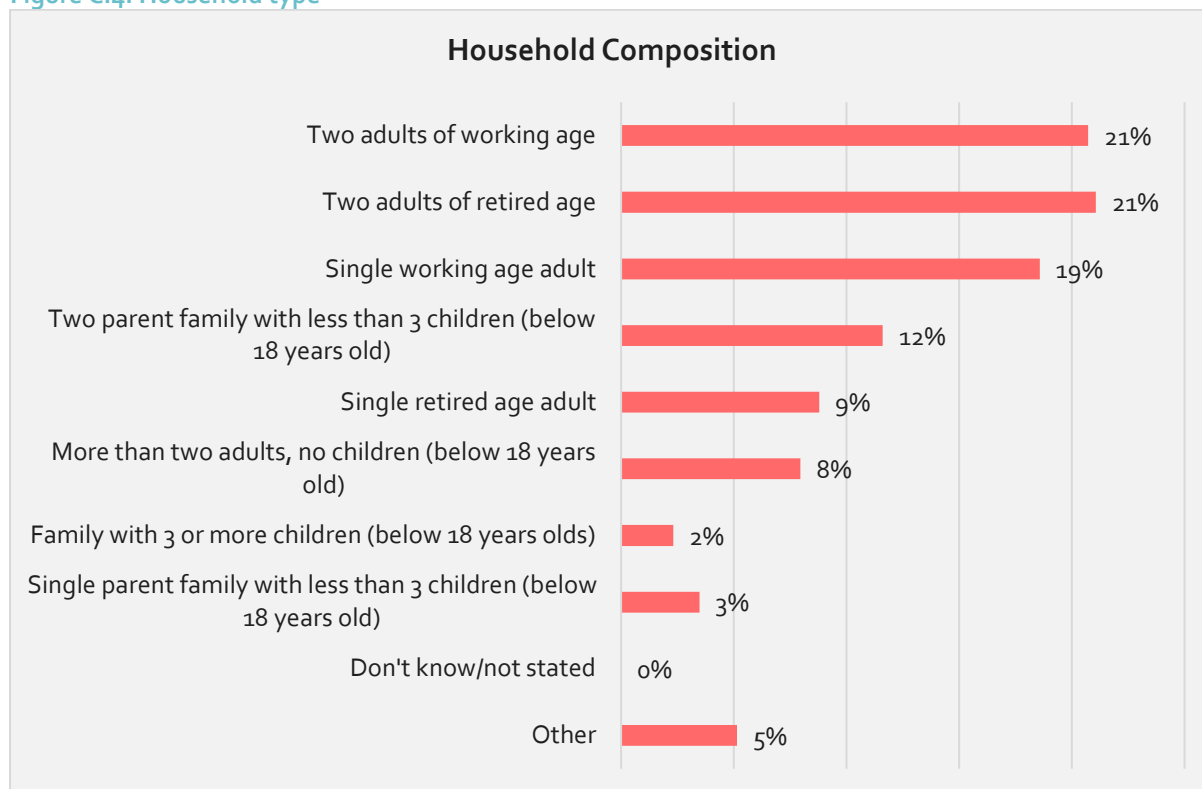
Figure C.3: Affordability of water bills



n=603

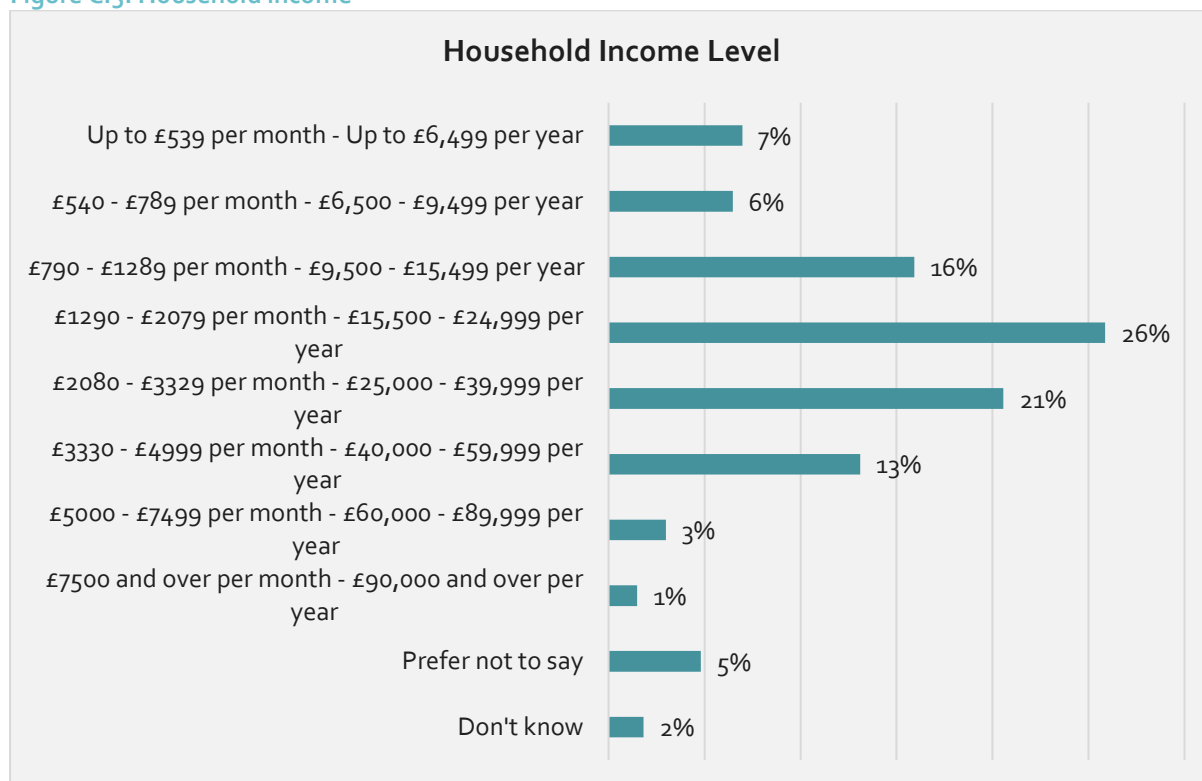
The full sample shows a range of household types and income levels have been surveyed:

Figure C.4: Household type



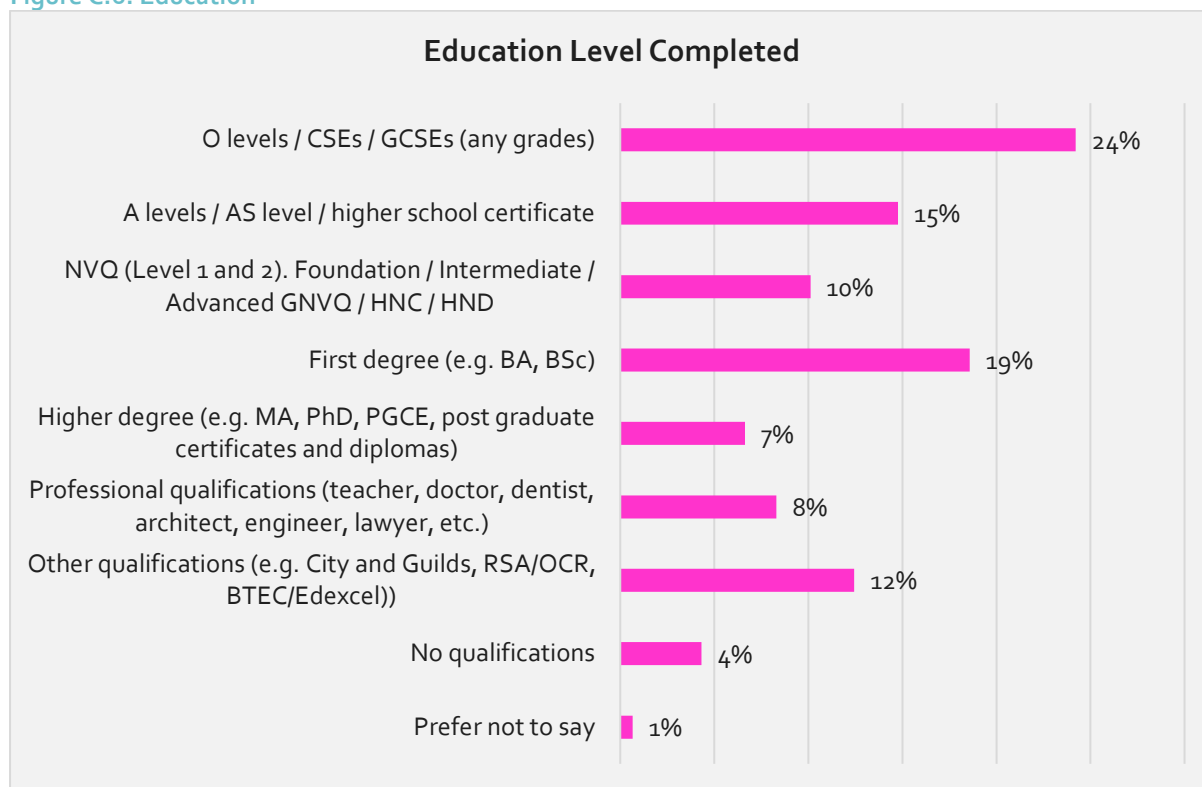
n=603

Figure C.5: Household income



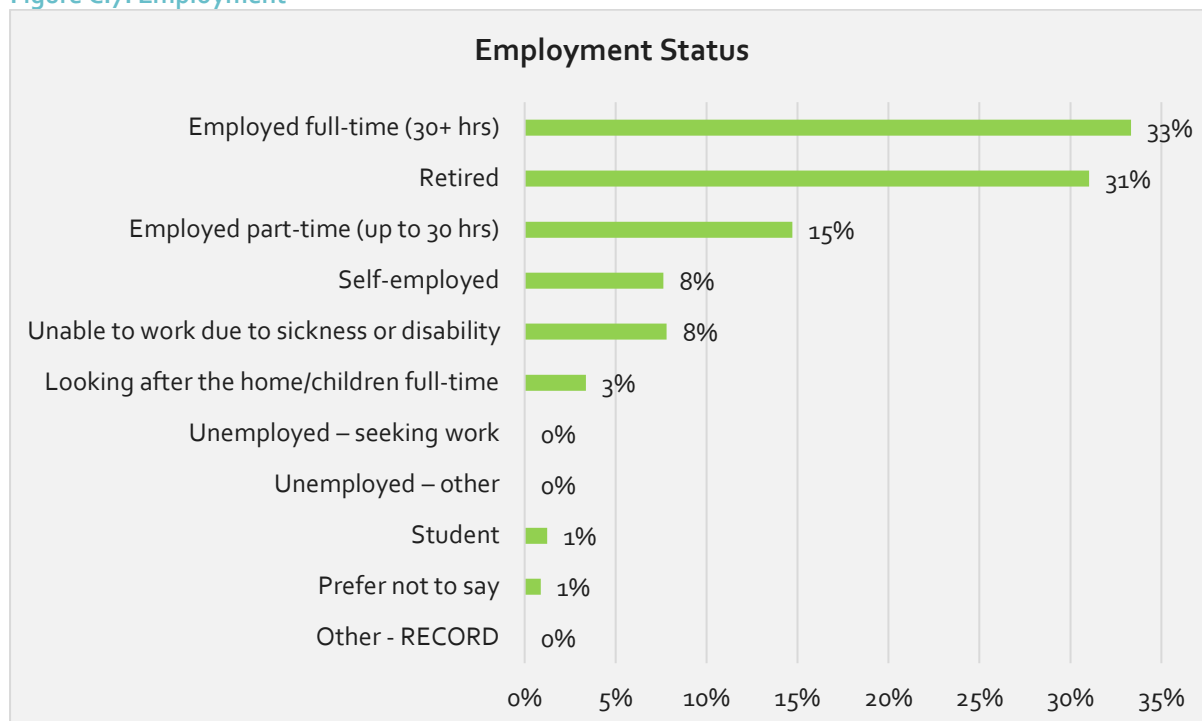
n=603

Figure C.6: Education



n=603

Figure C.7: Employment



n=603

Sample Profile – Future customers

A total of 29 future customers are included in the sample. No quotas were applied to these respondents.

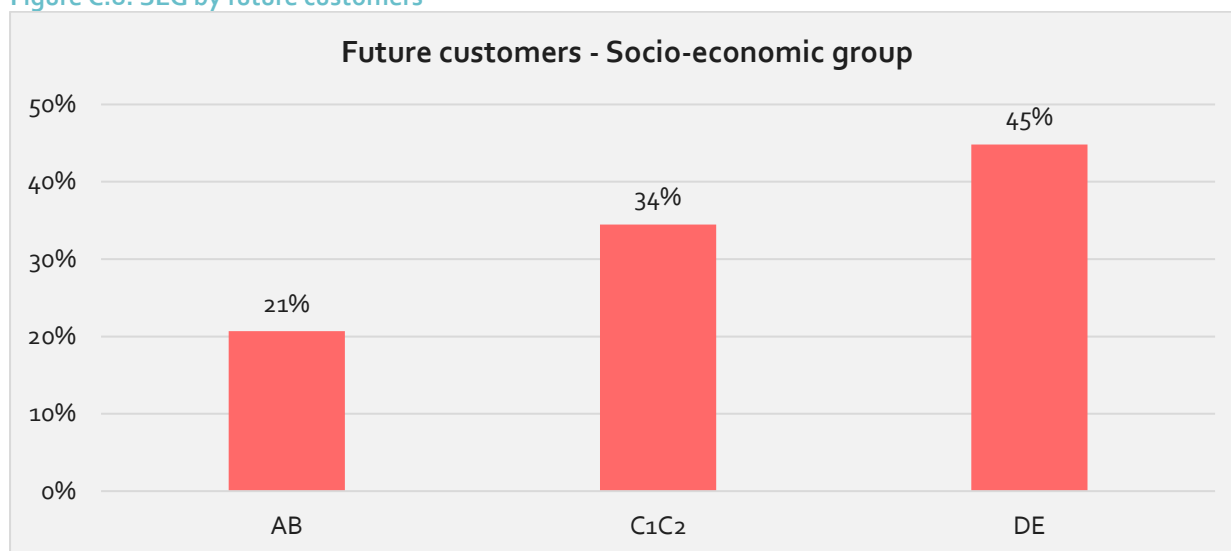
Future customers were also considered to understand differences and similarities in views with bill paying customers. These were mostly less than 20 years old:

Table C.1: Future customer ages

| Age band | Number of responses |
|----------|---------------------|
| Under 16 | 1 |
| 16-17 | 6 |
| 18-20 | 16 |
| Over 20 | 6 |

The sample is geared towards those in the lower SEGs.

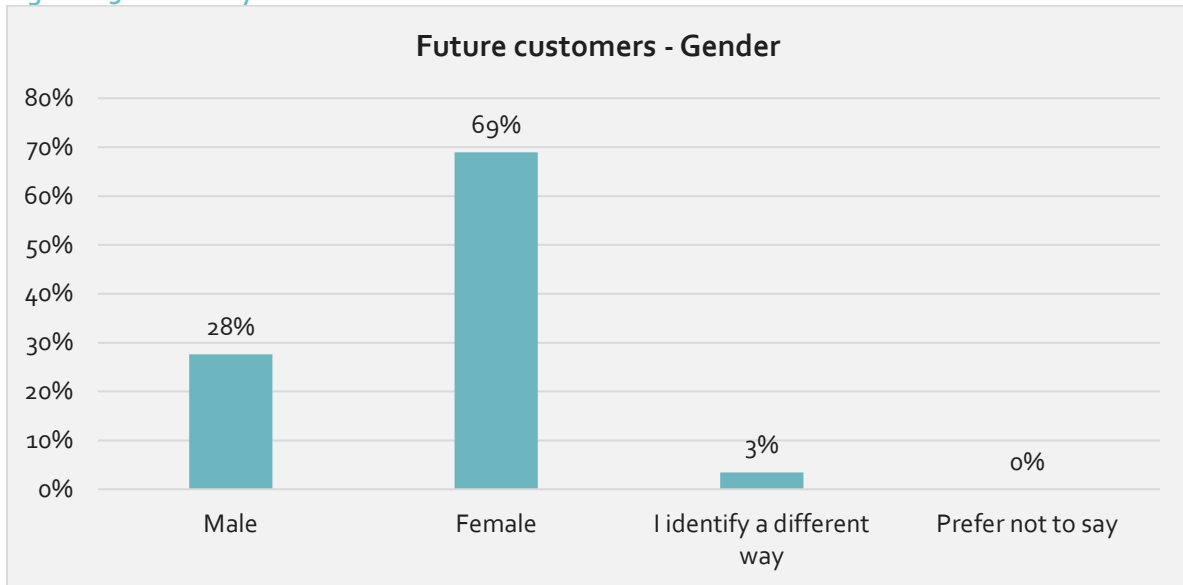
Figure C.8: SEG by future customers



n=29

The sample is geared more towards females than males.

Figure C.9: Gender by future customers



n=29

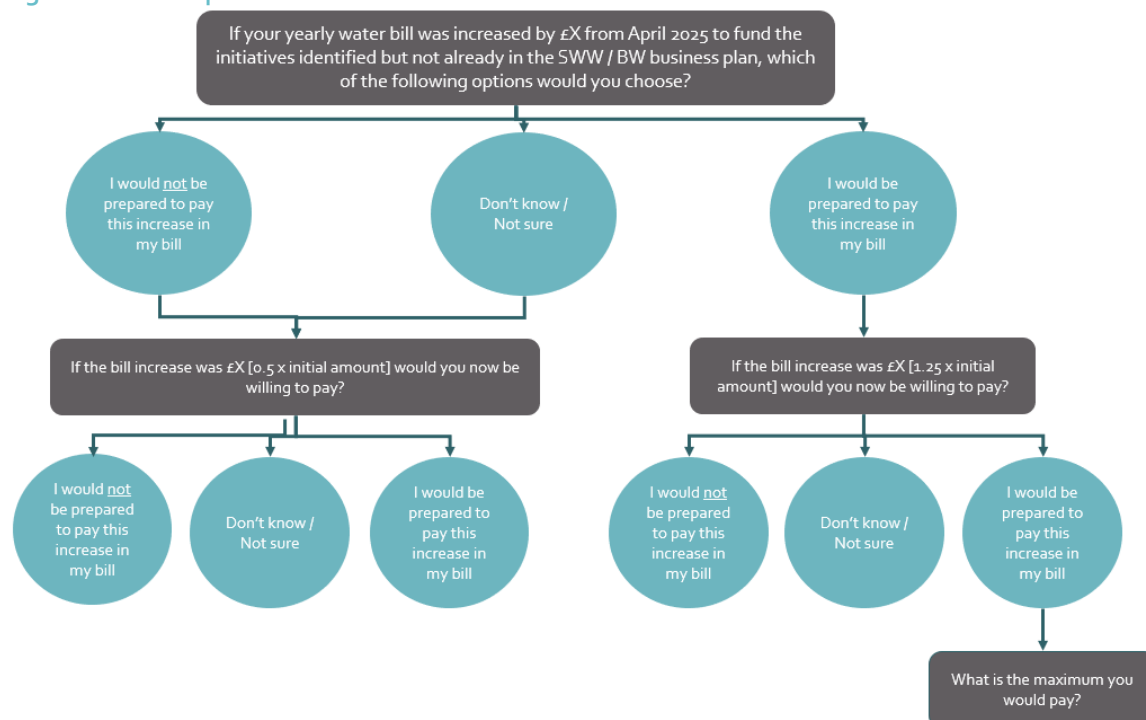
Appendix D – Statistical results of willingness to pay

The willingness to pay (WTP) valuation question is a double-bounded choice. This is where a customer is presented with a WTP question with a randomised bill value, and the question is repeated with a different bill amount depending on whether the respondent answered yes or no to whether they are willing to pay the first amount.

The initial question and the routing for subsequent questions are illustrated below. It shows that:

- If a respondent selects "Yes" to the initial question they are then presented with a higher value. If they still replied "Yes" then there were asked to indicate their maximum WTP.
- If a respondent selects "No" or "Don't Know/Not Sure" to the initial question they were presented with a lower bill (0.5x the first bill increase).

Figure D.1: WTP question



This double-bound approach provides more information about the boundaries of WTP.

By selecting 'not prepared to pay' customers were informed that this meant that the changes would not be delivered via a Green Recovery Plan. Those who selected 'prepared to pay' for the increase in the bill were informed that doing so would mean that changes would be delivered from April 2021, with bill changes from April 2025.

The initial bill values presented were chosen at random from £2, £3, £5, £10, £20. Each value was presented a similar number of times across the respondents.

These questions provide the overall willingness to pay for the proposed plan. The ranking questions, whereby respondents order the initiatives by preference, allows the overall willingness to pay to be attributed to the individual initiatives.

Statistical modelling outputs

The survey data was analysed using the 'doubleb' estimation routine for Stata 14.0. The estimation method was maximum likelihood. The sample used for the estimations excluded respondents who answered 'don't know' to both choice questions. This excluded 34 out of 544 respondents giving a sample of 510 respondents for the modelling.

The estimated model below includes dummy co-variates for SEG and age customer segments.

The WTP was estimated in Stata. The results are shown below.

Overall WTP

Double Bound Models with no explanatory factors */

```
. doubleb bid1 bid2 choice1 choice2 if notdoubledk==1;
```

```
initial:      log likelihood =      -<inf>   (could not be evaluated)
feasible:     log likelihood = -14545.413
rescale:      log likelihood = -804.97203
rescale eq:   log likelihood = -804.97203
Iteration 0:  log likelihood = -804.97203
Iteration 1:  log likelihood = -790.57051
Iteration 2:  log likelihood = -790.50986
Iteration 3:  log likelihood = -790.50982
```

```

                                     Number of obs   =       574
                                     Wald chi2(0)      =           .
                                     Prob > chi2       =           .
Log likelihood = -790.50982
```

| | Coef. | Std. Err. | z | P> z | [95% Conf. Interval] |
|-------|----------|-----------|-------|-------|----------------------|
| ----- | | | | | |
| Beta | | | | | |
| _cons | 11.81593 | .6787312 | 17.41 | 0.000 | 10.48564 13.14621 |
| ----- | | | | | |
| Sigma | | | | | |
| _cons | 13.09217 | .7671349 | 17.07 | 0.000 | 11.58862 14.59573 |
| ----- | | | | | |

```
First-Bid Variable:      bid1
Second-Bid Variable:    bid2
First-Response Dummy Variable: choice1
Second-Response Dummy Variable: choice2
```

By SEG

```
. /* Double Bound Model - by SEG */
> /* Note constant in models = wtp for C1C2 */
>
>
> gen seg_AB=1 if seg2==1;
(457 missing values generated)

. replace seg_AB=0 if seg_AB==.;
(457 real changes made)

. gen seg_C1C2=1 if seg2==2;
(298 missing values generated)
```

```
. replace seg_C1C2=0 if seg_C1C2==.;
(298 real changes made)

. gen seg_DE=1 if seg2==3;
(451 missing values generated)

. replace seg_DE=0 if seg_DE==.;
(451 real changes made)

. lab var seg_AB "SEG = A or B";

. lab var seg_C1C2 "SEG = C1 or C2";

. lab var seg_DE "SEG = D or E";

. doubleb bid1 bid2 choice1 choice2 seg_AB seg_DE if notdoubledk==1;
```

```
initial:      log likelihood =      -<inf>      (could not be evaluated)
feasible:    log likelihood = -14545.413
rescale:     log likelihood = -804.97203
rescale eq:  log likelihood = -804.97203
Iteration 0: log likelihood = -804.97203
Iteration 1: log likelihood = -786.86722
Iteration 2: log likelihood = -786.44378
Iteration 3: log likelihood = -786.44244
Iteration 4: log likelihood = -786.44244
```

```

                                     Number of obs   =       574
                                     Wald chi2(2)     =       8.11
                                     Prob > chi2      =       0.0173

Log likelihood = -786.44244
```

| | Coef. | Std. Err. | z | P> z | [95% Conf. Interval] | |
|--------|-----------|-----------|-------|-------|----------------------|-----------|
| ----- | | | | | | |
| Beta | | | | | | |
| seg_AB | 2.02991 | 1.604424 | 1.27 | 0.206 | -1.114703 | 5.174523 |
| seg_DE | -3.015956 | 1.518268 | -1.99 | 0.047 | -5.991706 | -.0402067 |
| _cons | 12.11383 | .9329277 | 12.98 | 0.000 | 10.28533 | 13.94234 |
| ----- | | | | | | |
| Sigma | | | | | | |
| _cons | 12.92487 | .7557055 | 17.10 | 0.000 | 11.44371 | 14.40602 |
| ----- | | | | | | |

```
First-Bid Variable:      bid1
Second-Bid Variable:    bid2
First-Response Dummy Variable: choice1
Second-Response Dummy Variable: choice2
```

```
. nlcom ABWTP2: _b[_cons]+_b[seg_AB];

      ABWTP2:  _b[_cons]+_b[seg_AB]
```

| | Coef. | Std. Err. | z | P> z | [95% Conf. Interval] | |
|--------|----------|-----------|-------|-------|----------------------|----------|
| ----- | | | | | | |
| ABWTP2 | 14.14374 | 1.354078 | 10.45 | 0.000 | 11.4898 | 16.79769 |
| ----- | | | | | | |

```
. nlcom C1C2WTP2: _b[_cons];

      C1C2WTP2:  _b[_cons]
```

| | Coef. | Std. Err. | z | P> z | [95% Conf. Interval] | |
|----------|----------|-----------|-------|-------|----------------------|----------|
| ----- | | | | | | |
| C1C2WTP2 | 12.11383 | .9329277 | 12.98 | 0.000 | 10.28533 | 13.94234 |
| ----- | | | | | | |

```
. nlcom DEWTP2: _b[_cons]+_b[seg_DE];

      DEWTP2:  _b[_cons]+_b[seg_DE]
```

| | Coef. | Std. Err. | z | P> z | [95% Conf. Interval] | |
|-------|-------|-----------|---|------|----------------------|--|
| ----- | | | | | | |

```
-----+-----
DEWTP2 | 9.097875 1.221926 7.45 0.000 6.702943 11.49281
-----+-----
```

By Age

```

/* Double Bound Model - by Age */
> /* Note constant in models = wtp for Age=60+ */
>
> gen age_1829=1 if age==1;
(547 missing values generated)

. replace age_1829=0 if age_1829==.;
(547 real changes made)

. gen age_3044=1 if age==2;
(472 missing values generated)

. replace age_3044=0 if age_3044==.;
(472 real changes made)

. gen age_4559=1 if age==3;
(431 missing values generated)

. replace age_4559=0 if age_4559==.;
(431 real changes made)

. gen age_60=1 if age==4;
(359 missing values generated)

. replace age_60=0 if age_60==.;
(359 real changes made)

. lab var age_1829 "Age = 18 to 29";

. lab var age_3044 "Age = 30 to 44";

. lab var age_4559 "Age = 45 to 59";

. lab var age_60 "Age = 60 +";

. doubleb bid1 bid2 choice1 choice2 age_1829 age_3044 age_4559 if notdoubledk==1;

initial:      log likelihood =      <inf>   (could not be evaluated)
feasible:     log likelihood = -14545.413
rescale:      log likelihood = -804.97203
rescale eq:   log likelihood = -804.97203
Iteration 0:  log likelihood = -804.97203
Iteration 1:  log likelihood = -790.17019
Iteration 2:  log likelihood = -790.09266
Iteration 3:  log likelihood = -790.0926

                                     Number of obs   =      574
                                     Wald chi2(3)      =      0.83
Log likelihood = -790.0926           Prob > chi2      =      0.8414

-----+-----
|          Coef.   Std. Err.      z    P>|z|     [95% Conf. Interval]
-----+-----
Beta
  age_1829 | -1.083098   2.306966   -0.47  0.639   -5.604668   3.438472
  age_3044 |  .2236615   1.731658    0.13  0.897   -3.170326   3.617649
  age_4559 | -1.126571   1.561893   -0.72  0.471   -4.187825   1.934683
  _cons    | 12.19816    1.040253   11.73  0.000    10.1593    14.23702
-----+-----
Sigma
  _cons    | 13.08414    .7665783   17.07  0.000    11.58167    14.5866
-----+-----

First-Bid Variable:      bid1
Second-Bid Variable:    bid2
First-Response Dummy Variable: choice1
Second-Response Dummy Variable: choice2

. nlcom AGE1829WTP2:  b[ _cons]+ b[age_1829];

```

AGE1829WTP2: _b[_cons]+_b[age_1829]

| | Coef. | Std. Err. | z | P> z | [95% Conf. Interval] | |
|-------------|----------|-----------|------|-------|----------------------|----------|
| AGE1829WTP2 | 11.11506 | 2.081625 | 5.34 | 0.000 | 7.035152 | 15.19497 |

. nlcom AGE3044WTP2: _b[_cons]+_b[age_3044];

AGE3044WTP2: _b[_cons]+_b[age_3044]

| | Coef. | Std. Err. | z | P> z | [95% Conf. Interval] | |
|-------------|----------|-----------|------|-------|----------------------|----------|
| AGE3044WTP2 | 12.42182 | 1.424819 | 8.72 | 0.000 | 9.629228 | 15.21441 |

. nlcom AGE4559WTP2: _b[_cons]+_b[age_4559];

AGE4559WTP2: _b[_cons]+_b[age_4559]

| | Coef. | Std. Err. | z | P> z | [95% Conf. Interval] | |
|-------------|----------|-----------|------|-------|----------------------|---------|
| AGE4559WTP2 | 11.07159 | 1.202679 | 9.21 | 0.000 | 8.714382 | 13.4288 |

. nlcom AGE60plusWTP2: _b[_cons];

AGE60plusW~2: _b[_cons]

| | Coef. | Std. Err. | z | P> z | [95% Conf. Interval] | |
|---------------|----------|-----------|-------|-------|----------------------|----------|
| AGE60plusWTP2 | 12.19816 | 1.040253 | 11.73 | 0.000 | 10.1593 | 14.23702 |

Assurance

Document Assurance

| Version | Author | Approval | Proof-Read |
|---------|------------|------------|----------------|
| 1.0 | Lisa Gahan | Lisa Gahan | Sarah Williams |
| 1.1 | Lisa Gahan | Lisa Gahan | - |
| | | | |
| | | | |

Version History

| Version | Date | Issued to |
|---------|--------------|------------------------------|
| 1.0 | January 2021 | Issued to Sally Mills |
| 1.1 | January 2021 | Minor clarifications of text |
| | | |
| | | |