

## PR19 Customer Challenge Group

**Meeting number:** 8

**Meeting Date:** 4<sup>th</sup> April 2018

**Paper No:** 3

**Agenda No:** 6

**Title:** Additional research for draft water resources management plan

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**Printing:** This document does contain graphs or pictures and therefore does require you to print in colour. If you need a printout please let Nikki know.

<b>What is this paper about:</b>	A research proposal from ICS for additional research to be carried out on the draft Water Resources Management Plan (WRMP).
<b>What is the context of this paper:</b>	<p>SEW asked ICS to undertake an assurance/gap analysis review of the research carried out so far on the draft WRMP. To recap, the WRMP research undertaken to date has consisted of:</p> <ul style="list-style-type: none"> <li>• 2 x comprehension sessions regions using mix of customer segments</li> <li>• 6 x community groups with pre-task activity using mix of customer segments</li> <li>• Willingness to Pay survey with 600 customers, using mix of customer segments (500 online, 100 in-home with hard to reach/seldom heard customers).</li> </ul> <p>Objective of the ICS assurance review:</p> <ul style="list-style-type: none"> <li>• To flag what additional research may be needed to increase confidence and robustness of decision making for assumptions being made in the plan</li> <li>• to use any additional research to help triangulate the previous findings to better inform the Statement of Response and final WRMP</li> </ul>
<b>What is the relevance of this paper:</b>	<p>ICS' assurance review findings were presented to the Research Sub Group on 5 March and the main CCG on 8 March and recommended additional research was required on the WRMP.</p> <p>SEW accepted those findings and asked ICS to prepare a proposal. This paper contains ICS' proposals for carrying out additional qualitative and quantitative research on the draft</p>

	WRMP during the 12 week statutory consultation process, and their rationale for that approach.
<b>Action needed from the CCG:</b>	We would like your views on the proposed approach and research methodology recommended by ICS.

:diagnostics/  
:transformation/  
:investment planning/  
:portfolio optimisation/  
:investment economics/  
:regulation and economics/  
:training/



**Mercatus  
Research**

South East Water

WRMP Research Proposal

*Jo East  
Dr Lisa Gahan*

*March 2018*

# Background & Objectives



# Background

In 2017, South East Water (SEW) carried out a combined programme of qualitative and quantitative research for its Water Resource Management Plan (WRMP). While the research had some very positive aspects, several issues have been identified, of which some need revisiting through a second research study.



## Strengths

- Thorough in terms of qual / quant approach
  - Good number of qual sessions & robust quant sample
- Progress towards doing what was set out in the last WRMP
- Working with Env Focus Group (stakeholder group) and WRSE
- Has a risk based approach to WRMP - aligns with other companies



## Issues

- Length; jargon / technical nature of descriptions (e.g., catchment management); leading descriptions (e.g. downsides of new reservoirs, summary of overall option impact on environment)
- Missing measures - NEUBs (impacts businesses & communities) and smart meters (received positively in qual, where in quant?)
- Lack of visual aids and comparative data
- Lack of clear service changes for the £ (e.g. leakage £18 for what change in service?)
- Omission of 15% reduction in leakage (but addressed in main WTP)
- Lack of reference to sewerage and other aspects of service (asset health, other PCs)
- No obvious peer review or detailed testing to check understanding

# WRMP objectives

In this context, SEW wishes to conduct a further research study examining the issues set out below

## Business Objectives

SEW is consulting on its dWRMP which seeks to deliver:

- Big improvements in leakage and PCC using a range of solutions
- Over a long period -
  - Adding what is delivered in next 5, 25 and then 60 years.
- Moves to 1 in 200 resilience
  - Currently has a 'modest' cost

## Research Objectives

SEW is looking to re-visit five key areas of the dWRMP with the following high level aims:

- Resilience & Levels of service (LoS); different issues to explore
  - Re-confirm acceptance of levels of service
  - Test the move from 1 in 100 to 1 in 200 reference level of resilience
- PCC/water efficiency
  - Are PCC targets in the dWRMP ambitious enough; and is SEW phasing of reductions appropriate (currently 148 l/h/d, want to get to 137 l/h/d by 2046)
- Leakage
  - Are leakage targets in the dWRMP ambitious enough and is SEW phasing of reductions appropriate (4% over this AMP, 15% over 60 years - so issue with perceived lack of ambition)
  - What appetite is there for more than 15% leakage reduction?
- Options rankings
  - Playback what customers told us about options preference and rankings from earlier WRMP qual/quant, and main WtP
  - Test the preferred options in SEW's dWRMP
  - Test bill impact of dWRMP over next 5, 10, 15+ years

south east water

# WRMP objectives

In addition to the high level research objectives, the following specific research issues need testing

## Resilience

- Playback the initial view from earlier qual sessions on resilience - to confirm comprehension and in principle support for dWRMP changing reference level for extreme drought events
- Test the impact of resilience change on bills - from current 1 in 100 to £ pa for 1 in 200

## LoS

- How often customers are prepared to accept TUBs

## Options rankings

- Test customer support for water transfers - esp. if it gets low ranking in main WtP too? Water transfers had higher support at PR14, so what's changed?
- Bit more exploration of each of the option types (supply and demand) pros, cons, benefits etc.

## Specific research objectives

## PCC

- Test awareness of consumption levels in households
- Play back dWRMP research, and main WtP rankings of DM options only to test customers' views
- Test the acceptability of the demand management tools (the what) selected in dWRMP that could drive down PCC
- Test the how (the toolboxes) to achieve PCC reduction ie the co-creation piece and what SEW can do to support any behavioural change

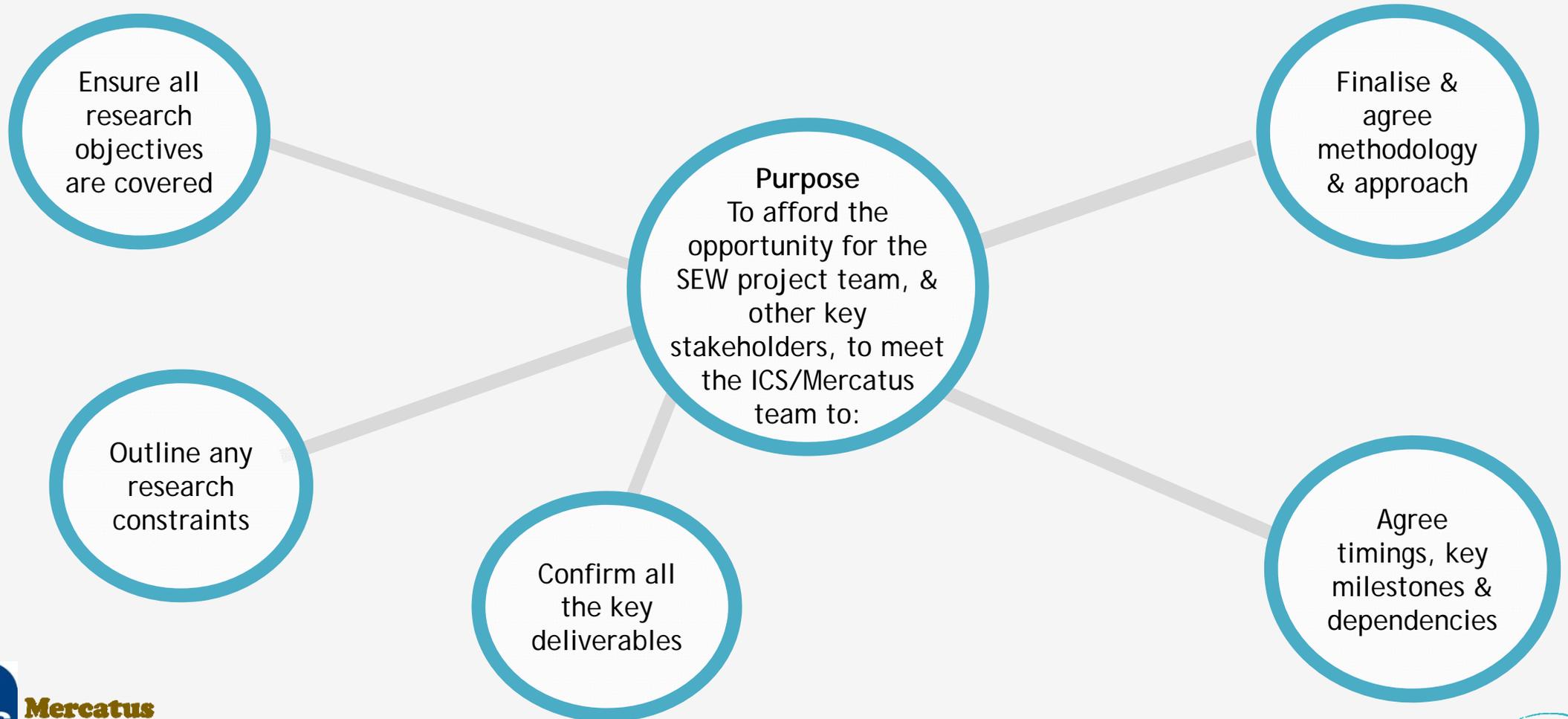
## Leakage

- Play back earlier dWRMP qual/quant, and main WtP rankings of leakage
- Test the bill impact for range of reductions i.e. 4% in 5 years, 15% in 5 years, 15% in 10 + years (including other social, environmental factors); how ambitious should SEW be in reducing leakage in next 5, 10 & 15 years ie. more than 15%?
- Test resilience of pipe network following recent freeze/thaw
- Explore issue of supply pipe adoption

# Research Methodology & Approach



# Set up meeting



# Methodological considerations

## 1. Main & WRMP WTP studies

- Testing different service levels on leakage & resilience, along with associated bill impacts
  - Need to minimise opportunity to undermine previous results

## 2. Research design

- Ensure the technical nature of any option descriptions are quickly and easily understandable to customers
- Avoid leading descriptions by ensuring good balance between pros & cons of descriptions
- Consider smart meters as part of the options rankings as an enabler to monitor/measure/control consumption
- Consider the use of more engaging visual data, as well as more detailed industry comparators
- Ensure there are clear service changes for any further investment
- Consider referencing sewerage and other aspects of service (asset health, other PCs)
- Ensure young people really are engaged especially as the WRMP is future focused - medium & long term

# Methodological considerations

## 3. Context

- Resilience - implications of 1 in 200 resilience
  - The key issue here is to understand the level of risk around rota cuts & standpipes, but there will be opportunities to understand risks on lower level water restrictions as well. In this context it is therefore important to engage on all levels of restrictions, even if it is just to validate previous findings
- LoS
  - How often customers accept temporary use bans and whether they support a change in frequency
- Options rankings
  - What has already been achieved already in terms of metering, leakage, PCC, developing & sharing more water with others;
  - Smart metering, alongside other demand management options as mentioned above; water transfers?

# Methodological considerations

## 3. Context (cont'd)

- PCC/Water efficiency
  - Customer awareness of their water consumption for various activities?
  - Role of SMART meters and how they could affect behavioural change
  - SEW's PCC - historical, current position and future forecast - and the why; show comparator information
  - Is ambition and pace of change for PCC in dWRMP enough? Show comparator information
- Leakage
  - Responsibility for leaking pipes, SEW or customers?
  - Show comparator information to set the benchmark of SEW ambitions
  - Is ambition and pace of change for leakage reduction in dWRMP enough?
- Recent freeze/thaw event
  - What, if anything, has changed in terms of people's priorities as a result of the recent operational issues
  - To what extent have recent events influenced people's perceptions



# Qualitative overview

## Close the loop / Customer evaluation groups



8 x 90  
minute  
groups

£60  
incentives

Pre-task

## 1-2-1 Tele-depths



12 x 45-60  
minute  
interviews

£30  
incentives

- Findings from previous surveys / research are presented to customers and they are asked if the findings make sense, if they seem right, and whether they can understand why customers have provided the results they have based on the information they have been given
- Test bill impacts and service levels (inc. 15% leakage reduction & resilience of LoS)
- Ideally make this real - what it may mean for 'their local area' e.g. more leakage detection, more pilot schemes/smart meters/support to reduce PCC, upgrading works and developing resources, etc.
- Do customers support the dWRMP?
- Also suggest that customers are given an opportunity to review any WTP outputs & option rankings
  
- Understand what it means for vulnerable customers (service & bill impacts)

NB. This is not about undermining any current results, but rather for customers to review and validate customer findings, which from our experience has proved a very important part of the triangulation process

# Qualitative - Recruitment

- A recruitment questionnaire will be drafted by the project manager to include all questions necessary to meet the group/depth structure agreed with the client. Crucially, this will involve ensuring appropriate questions are asked to ensure we end up with:
  - SEW customers - could be Thames or Southern sewerage customers
  - people who are solely or jointly responsible for paying the water bill
  - people with extreme views about SEW are excluded, positive & negative, to avoid particular agendas, and being railroaded
  - a good cross section of socio-demographics i.e. gender, age & SEG
  - furthermore, attitudinal questions will also be asked to determine which customer segment people are in
  - and, for the depths we will seek to obtain specifics about customers' personal situations eg. marital status, number of dependents, nature of vulnerable circumstance etc..
- In addition, questions will be included to ensure that:
  - no one is recruited who has taken part in a focus group/depth in the past 6 months
  - no one is recruited who has taken part in more than 3 focus groups/depths in the past 2 years
  - no one is recruited who has taken part in a group discussion/depth on the same subject matter in the past 12 months
  - at least one third of the group have never taken part in a group discussion before; and
  - all consumers will be checked to ensure they meet the group's criteria by a second person



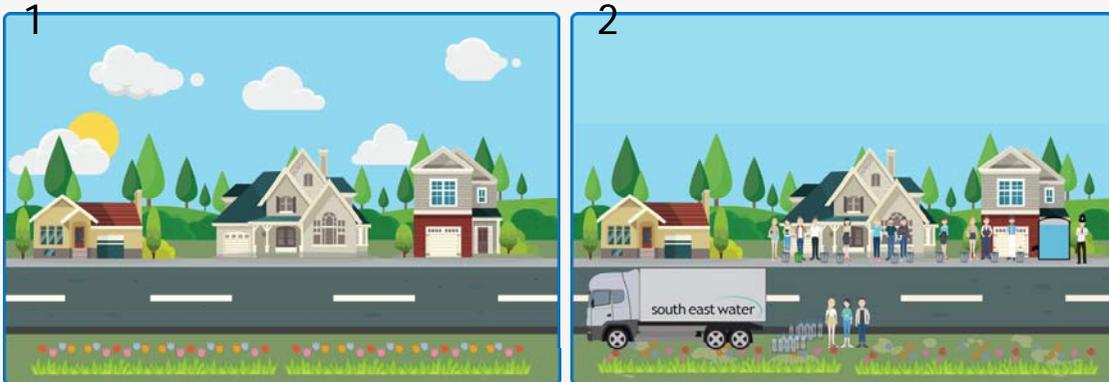
# Qualitative - Topic guide

## General

- Welcome & introductions
- Background, context and purpose of research
  - SEW responsibilities and any experience customers have had
  - Business planning, part of wider research / customer engagement process

## Water restrictions / Resilience

- Experience of water restrictions
- Water resilience in the round - current levels of service (LoS)
- Explain that the sector is being asked by the regulator to look at 1 in 200 year extreme drought event
  - perceived benefits of moving to 1:200 resilience level - further investment will mean less risk of rota cuts & standpipes, as well as ensuring greater certainty to customers & company that the current LoS can be achieved ie they will only get a TUB once every 10 years
- What do we know from customers so far
  - play back earlier views from previous research; what about the bill impacts
  - is there a consensus on what customers have fed back so far?



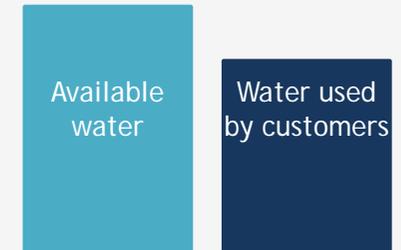
# Qualitative - Topic guide

## Demand & supply

- Explain SEW's long term water resource planning process
- Explain legal obligation that SEW has to ensure supply exceeds demand
- What options are available to SEW to reduce demand - spontaneous

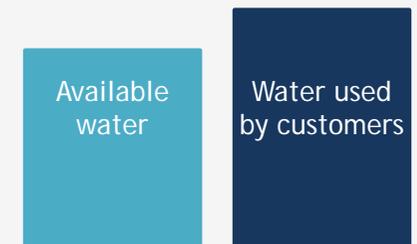
## Leakage focus

- Context - responsibilities; comparator information; historical progress
- Play back earlier dWRMP qual/quant findings, and main WtP rankings of leakage
- Test the bill impact for range of reductions i.e. 4% in 5 years, 15% in 5 years, 15% in 10 + years (including other social, environmental factors)
- What about going further than 15%, what appetite is there for bigger reductions
- How ambitious is leakage reduction programme; if, they want it faster what are the implications for customers eg. more repairs, road congestion etc; given there is a budget, what will that mean for other areas of investment eg. discolouration, taste & odour, biodiversity
- Explore customer supply pipe issues - should SEW adopt or offer set number of free repairs - to make this more real, it could be very interesting to discuss this aspect in an area which has been affected by the recent freeze/thaw



TODAY

Today there is more water available in rivers, reservoirs and aquifers than is used by customers



2030

By 2030 changes in weather and the growing population will mean there will not be enough water

Unless action is taken this will mean more water restrictions, such as hosepipe bans

# Qualitative - Topic guide

## PCC / Water efficiency focus

- Context - attitude/behaviour toward usage; awareness of average l/h/d; SEW's progress over the last few years; comparator information
- Experience of any water saving gadgets; likely take up; awareness of SEW education & communications; effectiveness of approaches
- Play back earlier dWRMP qual/ quant, and WtP rankings of demand management options only to test customers' views
- Test the acceptability of the demand management tools (the what) selected in dWRMP that could drive down PCC.
- Also test the how (the toolbox) to achieve PCC reduction ie the co-creation piece and what SEW can do to support that change; recent research suggests that customers can partner with SEW and act as advocates to affect behavioural change. Do people support this?
- What information will be helpful to customers about their water use to compare with others; why, what & how could this enable change in their water usage?
- Specifically, what role can SMART meters play? Do people know what they do? Establish potential level of support for them
- What about the ambition and pace of change in dWRMP - is it enough?
  - SEW has provided an annual phasing PCC reduction to 2050. While this does not need to be discussed at an annual level, it could be worth breaking it down into 10 year chunks, as well as provide some alternative phasing

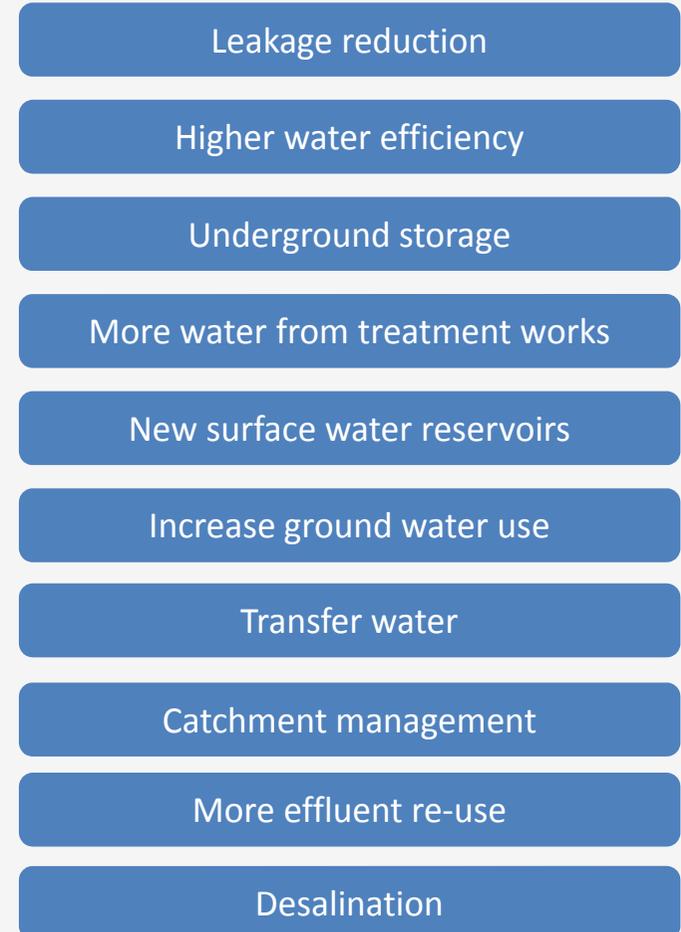


# Qualitative - Topic guide

## Water resource options

- Context - What has been achieved already i.e. metering, leakage, PCC, developing and sharing more water with others (transfers map)
- More explanation of each option type - pros, cons, more balance in descriptions & ensure use of straightforward language
- Use engaging visual aids to help understanding
- Playback what customers said about options preference and rankings from earlier WRMP qual/quant, and main WtP
  - Reaction to ranking; what might be driving this; what are the motivations (environment, wastage, source reliability)
  - How reliability of option might influence option ranking
  - Why are water transfers not as well supported as previously
  - What does water efficiency mean to people (smart metering/devices /incentives & education) - should these be disaggregated
- Test the preferred options in SEW's dWRMP
- Test bill impact of dWRMP over next 5, 10, 15+ years

Highest ranked



Lowest ranked

Source – Accent WRMP research 2017

# Qualitative - Deliberative vs Pre-task

- One of the key issues for SEW is to ensure the research takes on a more deliberative approach. Deliberative techniques are typically used when respondents can reasonably be expected to have little knowledge of the topic area under discussion or when they are required to consider complex issues.
- The classic approach comprises paired focus groups held among the same respondents. The two sessions are usually a week or so apart, with the first session normally exploring respondents' views on the research topic areas without any prior information. Prior to the second group, respondents are given material on which to 'deliberate' before coming back to discuss the same issues but from a more informed position
- An alternative approach to the classic deliberative method is a pre-task activity. A pre-task provides a neat solution, somewhere between a full deliberative approach and a standard focus group. Indeed, a pre-task brings some creativity to the qualitative process which helps to engage customers before they attend the focus groups. It means that people would have the opportunity to deliberate on some key facts and information and then come with some considered views and opinions, rather than turning up 'cold' and having to think 'on the spot' about some quite difficult issues, such as leakage and drought resilience
- In addition, to reading any relevant information, the participant would be asked to complete the pre-task prior to attending the group and then bring it along to the focus group. Once at the group, the completed pre-tasks would act as a springboard for a deeper discussion around the specific topic
- The pre-tasks could focus on the pertinent areas for discussion, which can be built upon to stimulate discussion in the actual groups, such as asking people to rate themselves on water efficient behaviour. Or, it could capture people's current levels of knowledge about various water resource options.

*We recommend that the pre-task activity, followed by a standard 90-minute group, will provide a more cost-effective deliberative approach, and more importantly, a more enjoyable and engaging customer experience*

# Qualitative - Pre-task examples

- For water resource options, some contextual information could be provided about planning ahead by taking into account population growth, rainfall levels and water use. And then providing an exercise for people to complete about potential supply and demand solutions

## The Green Scale

Please consider how environmentally friendly you are with regard to your usage of energy and water, as well as general recycling behaviours. For each of the product areas below please provide a rating from 1 to 10 saying how green you are, where 1 = not at all green and 10 = extremely green.

As an example, you might say 5 on the green scale because you turn the lights off when leaving a room. Please provide three or four reasons for your rating. **NB. Please remember to bring along to the group.**

Product area	Green scale	Reasons for your rating
Energy		
Water		
General waste – eg plastic & cardboard		
Carbon emissions		

## Options for ensuring there is always enough water

Saving Water	Producing More Water
Example - Turning taps off when brushing teeth	Example - Building a new reservoir

- While for PCC, we could ask people to consider their usage and behavioural patterns around energy & water consumption, as well as what efforts they make towards recycling and reducing carbon emissions

# Visual engagement

- One of the recommendations from the assurance work previously conducted was to ensure participant engagement was maximised throughout the research. We suggest this has implications both for providing engaging visual stimulus, as well as presenting the information in a format and language that is both quickly and easily understandable.
- We'd recommend that visual stimulus be utilised for both the qual & quant stages

The collage illustrates various visual engagement components:

- Survey Questions:** Two overlapping tablet screens show questions like "Thinking about restrictions" and "How do restrictions affect me?" with sliders ranging from "More" to "Less" and "Not at all" to "Too much".
- Timeline:** A central timeline titled "Timeline for setting future bills and service levels" spans from 2015 to 2025. Key events include:
  - 2015-2018: Prices and target for the period 2015-20 come into effect.
  - 2019: In 2019 Ofwat will set the water charges and service targets to apply over the period 2020-25. These will reflect the legal standards, customer views and efficiency savings.
  - 2020-2025: Prices and targets come into effect for the five year period 2020-25.
- Scenario Illustration:** A tablet screen shows a house with a leak in the street, asking "You see a leak in the street... How do you feel about this?" with a slider from "Leak should be prioritised according to cost and water loss" to "All leaks should be fixed immediately irrespective of cost".
- Summary Dashboard:** A multi-panel interface showing:
  - Navigation tabs: INTRODUCTION, WATER, WATER RESOURCES, ENVIRONMENT, SUMMARY.
  - Key metrics: "Your Basic Bill: £190.00" and "Bill Based on Your Choices: £210.25".
  - Overall Changes: "Overall Changes To Your Bill: Increase £20.25".
  - Sub-sections: Water, Water Resources, Environment, each with a slider and "Click to breakdown of changes" link.
  - Efficiency & Savings section with a slider.
  - Submit button.
- Engaging Visuals:** A tablet screen shows a cartoon illustration of a person in a bathtub with the text "Oh no! What happened to the water supply?" and a slider for "How much does this impact your day?" from "Not at all" to "That's too long".

# Quantitative overview

- Customer Acceptability is a key part of customer engagement. In recent reviews it has been a key factor for Ofwat and stakeholders when considering whether to accept a company's strategic and water resource plans or not.
- Customer Acceptability allows the bill-service scenario that is most acceptable to customers to be understood. It recognises that:
  - there is a constraint on what customers can afford and therefore what is an acceptable change in their bill
  - there are other investments and cost pressures that can impact on bills - which may have fallen outside of the willingness to pay research
- To be successful the research needs to build on, and be based on:
  - the findings of customer WTP and engagement
  - the findings of CBA
  - focusing in on where customers have a real choice

# Quantitative approach & coverage

## Approach

- Test the dWRMP19 relative to a baseline: the current level of service / do nothing / WRMP14. Make sure the plan addresses all key issues such as the impact of inflation, and other pressures on the water bill, as well as potential changes to associated wastewater bills
- *Note - in PR14 some companies tested more than one plan. This was well received - but this does not seem necessary for SEW as it builds on existing research and the ongoing consultation*
- The approach is well suited to WRMP because:
  - it represents aspects of service customers understand and care about
  - customers have genuine choice around levels of service, levels of resilience and water resource options
  - customers have genuine choice around how service is delivered (leakage, PCC reductions, etc)

## Coverage

- We suggest the key issues that the WRMP acceptability survey will cover, would include:
  - if the overall plan is acceptable, very acceptable, unacceptable or completely unacceptable
  - what changes in the plan customers want and which they do not
  - customer views on current levels of service, levels of resilience, value for money, key areas for improvement
  - changes to the most preferred plan that would make it 'more acceptable'
  - key demographic information, as well as pertinent segmentation questions so that responses can be aligned to the specific customer segments generated from previous customer research

# Quantitative – cognitive testing

- Another recommendation from the assurance review was that the quantitative acceptability research on WRMP should have extra rigour by going through a process of cognitive, or qualitative, testing.
- From a customer perspective, we believe this stage is crucial to any survey design to:
  - test whether customers understand what the survey was about and what its purpose is
  - understand what and how much contextual information is required by customers (e.g. option descriptions, comparative information)
  - test the layout and appearance of the survey;
  - assess how easy or difficult it is to complete the survey and to assess the clarity of instructions
  - evaluate how well people understand the mechanism for choosing different levels of acceptability
  - understand the thinking behind how customers make their choices around acceptability for different levels of service and bill impacts
- To achieve these objectives we recommend undertaking cognitive interviews as a minimum, 4 to 5 in total. In addition, SEW might wish to consider undertaking a Hall Test where a cross section of 15 people are invited in from 'the high street' to complete the survey
- From a CCG perspective, the hall test provides the opportunity to actually see people in a 'live' environment and observe the ease or difficulty they have completing the survey. In our experience it leads to stakeholders having greater levels of confidence in the survey, as not only can they observe, but they can listen in to follow up debrief interviews with respondents, and even ask questions themselves, to see how well customers understood the purpose of the survey and what they were being asked to do.

# Quantitative - Survey software

- Once agreed, the questionnaire would be programmed into Conformat software package
- The software allows for password protected or open surveys. Some key features of the software are:

Use of sample information within the questionnaire

Complex calculations routing and piping

Automatic quota control

List rotation & question randomisation

All formatting is customisable

Links to other documents, websites, images, video or sound clips within the questionnaire

Invitation and reminder emails

Shows responses from previous questions in current questions or answers

# Sampling Strategy



# Qualitative sample – Focus groups

- We recommend carrying out at least six standard (90 minute) groups. The rationale for six groups is partly because SEW would like to explore some of these issues with younger/future customers, users of water but not yet responsible for paying the bill. This could include people living at home with parents, university students and where the water charge is wrapped up in social housing rent. Six groups will also ensure a reasonable spread across SEW's region
- The original suggestion was to run two hour groups as we thought there would not be adequate time to cover all the topics in the standard 90 minute groups, and that this would have had the added benefit of being more cost effective as opposed to doing extra standard groups
- However, given the need to explore some of issues in more depth eg PCC, as well as the issues that have arisen from the recent freeze/thaw events, it seems that two hours may prove too great a task to cover all the topics in one evening; indeed, conversations around leakage and pipework resilience could take on a different prospect. Given the level of customer frustration and noise from the regulator, it seems only right and proper to tackle this topic head on and give it ample coverage time. As such, we recommend making the groups more topic specific.
- To ensure we fully achieve the objectives, we have also provided an option of doing eight groups. This allows for greater breadth of coverage across the relevant topics, SEW's regions, its customer segments and targeting of areas eg. those affected by the recent freeze/thaw
- We have suggested a potential group structure over the page which ensures a good range of gender, age and SEG. We would expect the meter/non meter mix to fall out naturally, but as there is a high penetration of metering, we expect most people to be metered. In addition, we would aim to recruit by customer segments according to people's attitudes toward water usage
- Locations would be agreed with SEW but we recommend covering Kent, Sussex and Hampshire/Berkshire. We have suggested 3 locations - two per evening - to ensure cost effectiveness. Should SEW wish to have 6 locations, this could easily be accommodated but there would be additional costs in terms of venue hire, as well as extra out of pocket expenses ie travel & accommodation. We would recommend doing eight groups instead across four different locations.
- Our experience of doing groups solely with future customers is that because they don't have a reference point (apart from drinking & showering), they find it difficult to articulate their views on issues which currently seem abstract. Mixing this segment in with people who pay their water bill, know their water supplier and have a vested interest in future investment, should enable them to debate, and perhaps present some alternative views from a more informed stance

# Qualitative sample – Focus groups

- The suggested group structure below shows which customer segment would discuss each topic. If SEW proceeds with eight groups, the segments that care about water and are conscious about how they much use 'Mindful optimists' & 'Global thinkers', along with those who don't really care about water and are unaware of their water usage 'Me, myself, I' & 'Not on my radar', would be represented three times. This will enable excellent coverage of the issues by customer segment as well as the more traditional demographics of age, gender and SEG.
- We suggest that leakage, PCC & Resilience could be covered in one discussion, hence the minimal recommendation of 6 groups, meaning that these topics & WRMP options are each covered three times. If 8 groups was decided on, we would suggest splitting out resilience and discussing that in isolation, so three topics would be discussed on three occasions and the other topic would be discussed twice.
- Running eight groups would also allow extra flexibility to target areas which have experienced leakage/burst pipes following the freeze/thaw, as well as areas which are more likely to have high PCC. Furthermore, it allows even stronger coverage of SEW's region.

	Gender	SEG	Age	Metered / Unmetered	Customer segment	Topic
Location A Location A	Mix - at least 3 of each gender in each group	C2DE ABC1	46+ 18-45*	Fall out naturally	'Me, myself, I' & 'Not on my radar' 'Mindful optimist's & 'Global thinkers'	Leakage/PCC/Resilience WRMP options
Location B Location B	As above	C2DE ABC1	18-45* 46+	As above	'In the dark' & 'Keeping it simple' 'Me, myself, I' & 'Not on my radar'	Leakage/PCC/Resilience WRMP options
Location C Location C	As above	C2DE ABC1	46+* 18-45	As above	'Mindful optimists' & 'Global thinkers' 'In the dark' & 'Keeping it simple'	Leakage/PCC/Resilience WRMP options
Location D Location D	As above	C2DE ABC1	18-45 46+	As above	'Me, myself, I' & 'Not on my radar' 'Mindful optimists' & 'Global thinkers'	TBC TBC

\* Half of these groups would specifically be aged 18-29, but not yet responsible for paying their water bill

# Qualitative sample – Individual depths

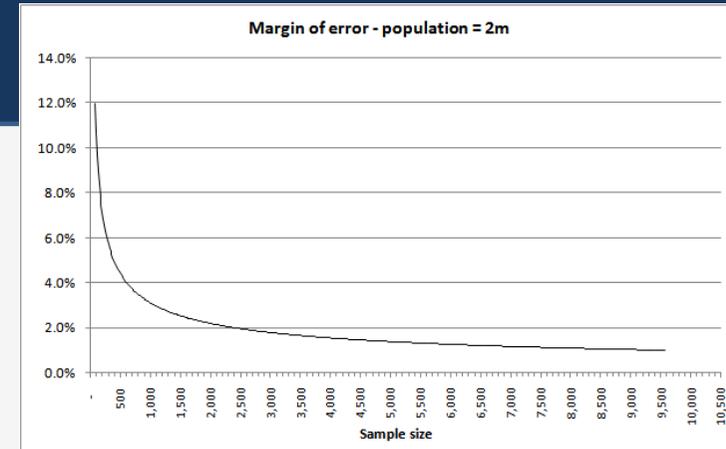
- We suggest undertaking a maximum of 12 depth interviews with customers in vulnerable circumstances. These would be spread equally across three of the four areas being explored as part of the research
- Sample would be sourced from SEW's database. All that is required is a name, telephone number and which vulnerable group they belong to.
- The sample would then be safely transferred to our independent fieldwork partner via a secure FTP site

Vulnerable customer type			
Those reliant on secure LoS	People with affordability issues	People with high water usage/needs	Total
4	4	4	12
Resilience	Water resource options	PCC/ Water efficiency	.

# Quantitative sample

## ■ Normal situations

- Random online survey of households
- Include households
  - Quotas (eg. age, SEG, business type) to ensure representative
- Our recommendation is to do 600 household interviews
  - Minimum regional quotas of 50-100 - IF the research is relevant for the region eg. Berkshire vs Sussex vs Kent



## ■ Atypical situations

- Research considers bills and affordability
  - Need to drill down with statistical accuracy by sub-group (eg. SEG DE)
  - Increase to 1000 household interviews
- Research requires specific targeting of customers - through face to face
  - Eg. to reach seldom heard, those with higher or lower risk levels, etc.
  - Ensure some of the sample is face to face - exact amount is research specific
    - 400-500 online and 100-200 face to face

# Analysis & Deliverables



# Analysis



- Rather than undertaking a systematic analysis of the various topics, we adopt a *message led* approach to analysis
- Our focus will be on developing themes which provide *actionable results*, as well as *strategic & tactical insights* which will lead to *clear recommendations* as to how SEW can finalise its dWRMP

In addition, the analysis will enable SEW to understand:

- if the overall dWRMP plan is acceptable, very acceptable, unacceptable or completely unacceptable
- what changes in the plan customers want and which they do not
- customer views on current levels of service, value for money, key areas for improvement
- changes to the most preferred WRMP plan that would make it 'more acceptable'

# Deliverables

- Full presentation of research results to include:
  - executive summary
  - study overview (objectives, methodology, sample etc)
  - results & findings
  - visuals & verbatims, as appropriate
  - clear conclusions & recommendations
- A detailed report would also be provided



# Project Team



# Jo East - Project Lead

- Jo has 26 years market research experience, 12 years client side and 14 on the consultancy side
- He is a very experienced researcher who is at home with both qualitative and quantitative approaches. As a skilled mixed methodology researcher he is able to provide fully integrated solutions
- In his client side role at Yorkshire Water Jo was responsible for all aspects of marketing communications. One of his key roles was to manage a wide-ranging programme of research covering both PR99 & PR04 research, customer satisfaction, the customer experience, brand and communications/advertising testing, and NPD
- Working consultancy side, Jo has worked with a wide range of sectors including utilities, financial services, transport and various government departments - Defra, DoH, DoT and the FCO
- As an associate both with Create 51 and ICS Consulting Jo has worked on several PR19 projects for Thames, Anglian South West Water, Portsmouth and Affinity Water. These have included customer priorities, main stage WtP, second stage studies exploring water services, water resources and sewerage. Jo has supported ICS in its research on rewards/penalties and customer valuation testing
- Jo's role on the project would be to ensure the efficient and effective management of the study, ensuring timescales are met and acting as the central point of contact, as well as updating SEW on a regular basis.

# Dr Lisa Gahan - Technical Director

- Lisa is an experienced regulatory economist and investment planner, as well as being a partner at ICS
- Over the last 25+ years Lisa has gained extensive experience and expertise in developing principles and approaches to business plan development. She has a proven track record in customer and stakeholder management, customer triangulation and synthesis, integrating customer evidence into business planning, whole life costing, cost benefit analysis, decision making and plan balancing, and developing performance metrics and regulatory incentive frameworks
- Over the last five Periodic Reviews (PRs) Lisa has been involved with most of the 10 big WaSCs, especially South West (SWW), Thames & Anglian; she has also worked with many of the WoCs, including Affinity and South Staffs. At PR14, Lisa was part of the project teams that helped SWW & Affinity achieve 'enhanced status'.
- As well as supporting water companies in their business planning for PRs, Lisa provides her expertise throughout the regulatory cycle, helping companies to implement and execute their plans utilising various modelling approaches
- As well as the water industry, Lisa works in the energy sector, both in the UK and overseas.
- Lisa would provide the technical lead on the project

# Cara Rodwell – Fieldwork Lead

- Cara is a Senior Associate Director with Facts International. Cara joined the research team at Facts International in September 2003, having previously worked for the Chartered Management Institute (a professional body for managers) within their Public Affairs department
- Cara is highly experienced in project managing multi-strand projects. During her time at Facts International Cara has managed numerous quantitative projects across a range of methodologies including mixed methodology, online, face-to-face and CATI. Cara has worked across a range of sectors including Utilities, Healthcare, Agriculture and Financial Services
- Cara has a particular specialty in fieldwork relating to surveying customers of utility companies and has managed dozens of sets of fieldwork relating to both the 2014 and 2019 Price Reviews on behalf of a number of water companies
- Cara is an Associate Member of the MRS and holds a Prince 2 qualification in project management
- Cara's role on the project will be to manage and direct all fieldwork aspects of the project

# Timings & Budget



# Timings

- The exact timings of the project can be confirmed once the project is commissioned. To give SEW an idea, the table below shows the potential timings of the main research activities and milestones. If SEW already has accurate bill impacts for the various water resource issues being tested in this study, it would be helpful to have these sooner rather than later, as they will be crucial in the design of the survey.
- Although the formal WRMP consultation closes on 23 May, the project would not complete until mid June, allowing enough time to integrate the findings into the revised dWRMP by mid July 2018

Project Milestone	Who				April					May				June			
		12	19	26	2	9	16	23	30	7	14	21	28	4	11	18	25
Project commissioned	SEW																
Set up meeting	All																
<b>Qualitative Stage</b>																	
Research design, draft topic guide	ICS/M																
Approval of topic guide	SEW																
Fieldwork (groups & depths)	ICS/M																
Analysis																	
<b>Quantitative Stage</b>																	
Provide bill impacts	SEW																
Design & draft questionnaire	ICS/M																
Approval of questionnaire from client	SEW																
Cognitive testing of survey	ICS/M																
Proramme questionnaire	ICS/M																
Test questionnaire (inc hall test)	All																
Soft launch / pilot	ICS/M																
Fieldwork (online interviews)	ICS/M																
Coding & analysis	ICS/M																
Report writing	ICS/M																
Project debrief & workshop	All																
Final report	ICS/M																

# Contact us

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