



South East Water
Final Business Plan
Acceptability Research

Final Report

October 2013

Prepared by:

Accent Scotland
4 Hanover Street
Edinburgh
EH2 2EN

Prepared for:

South East Water

Contact: Christine Emmerson
E-mail: christine.emmerson@accent-mr.com
Tel: 0131 220 2550
Fax: 0131 315 3207

Contact: Tanya Sephton

File name: 2634rep01_v1

CONTENTS

Executive Summary	i
1. INTRODUCTION	2
1.1 Overview	2
2. METHODOLOGY	3
2.1 Overview of Questionnaire Design.....	3
2.2 Cognitive Testing.....	3
2.3 Sampling and Quota Controls.....	4
2.4 Robustness of Research Process.....	6
3. FINDINGS	7
3.1 Introduction	7
3.2 Background Questions	7
3.3 Key Findings.....	7
3.4 Acceptability of the Business Plan Outcomes.....	13
3.5 Respondent and Interviewer Feedback	16
4. SUMMARY AND NEXT STEPS.....	18
Appendix A: Household Questionnaire and Show Cards	
Appendix B: Business Questionnaire and Show Cards	

EXECUTIVE SUMMARY

Overview

South East Water is currently undertaking preparations for the next price review (PR14). These preparations involve the development of a business plan which contains the details of the plans for the next 5 year period (2015-2020).

South East Water has commissioned Accent to conduct research exploring customers' acceptability of the business plan. The research comprises a survey for both household and business customer groups.

This acceptability testing aims to understand to what extent business and household customers are happy with, and supportive of, South East Water's business plan.

A total of 1,003 household interviews and 502 business interviews were used to form this report.

Summary of Results

Below is a summary of the key findings from the research:

- 76% of household customers and 78% of business customers found the business plan somewhat or completely acceptable when asked an initial (uninformed) question
- 71% of household customers and 74% of business customers found the business plan bill impact (including sewerage company information) somewhat or completely acceptable
- 86% of household customers and 79% of business customers found the overall business plan somewhat or completely acceptable, once informed with more details
- 92% of household customers and 93% of business customers found the business plan clear or very clear.

Interviewer feedback

- Interviewer feedback was very positive and indicated that the vast majority understood the questions (92% for household and 91% for business customers), gave them due consideration (90% for household and 88% for business customers) and were able to maintain concentration throughout the survey (93% for household and 92% for business customers).

Summary and Next Steps

For all outcome areas, the vast majority rated as either completely or somewhat acceptable; the vast majority also rated the overall business plan as either completely or somewhat acceptable.

The next step for the study is for the findings to be reviewed by South East Water and used to assist with finalising their business plan.

This research has been undertaken in line with the guidelines set out by the market research quality standard ISO 20252:2006.

1. INTRODUCTION

1.1 Overview

South East Water is currently undertaking preparations for the next price review (PR14). These preparations involve the development of a business plan which contains the details of the plans for the next 5 year period (2015-2020).

South East Water has commissioned Accent to conduct research exploring customers' acceptability of the business plan. The research comprises a survey for both household and business customer groups.

This acceptability testing aims to understand to what extent business and household customers are happy with, and supportive of, South East Water's business plan.

A total of 1,003 household interviews were achieved from a target sample of 1,000 interviews and 502 business interviews were achieved from a target sample size of 500.

The remainder of this report is structured as follows. In section 2, we give an overview of the methodology used for survey. In section 3 we describe key findings from the data so far and Section 4 summarises the results.

The questionnaires and show material that were used in the survey are contained in Appendix A, for households, and Appendix B for businesses.

2. METHODOLOGY

2.1 Overview of Questionnaire Design

The questionnaire was written by Accent to be consistent with guidelines issued by CCWater (the CCWater guidelines). It was structured to include the following components:

- Recruitment questions:
 - including a question designed to elicit “uninformed” responses on the acceptability of the proposed plan and bill impact, in line with guidelines issues by CCWater.
- Background questions concerning attitudes towards their current bill and billing processes.
- Information about the business planning decision context.
- A bill impact section which explored views of the bill impact and included an outline of the corresponding sewerage company plans.
- Acceptability questions were then asked for each of the individual outcomes.
- Questions were then asked of the acceptability of the overall plan.
- Follow up comprehension questions asked whether respondents felt they had enough information to make their choices and if they felt the information show was clear. They were also given the opportunity to add any further comments at this point.
- The final part of the survey contained some key demographics questions to understand the composition of the sample obtained.
- Immediately following the end of the interview, the interviewer completed three feedback questions relating to the respondents understanding, effort and concentration.

The business plan options used in this survey were shown to customers as a show card. These can be seen in Appendix A and B.

2.2 Cognitive Testing

The survey design was tested via a series of 8 cognitive interviews (4 business and 4 household). These interviews were conducted by telephone and respondents were encouraged to “think aloud” and give feedback on the questionnaires and showcards as they worked their way through them.

The survey appeared to perform well with no major problems. As a consequence, no major changes were made following this phase.

Some minor changes were subsequently made to the survey instrument. A full list of amendments was collated and reported to South East Water¹, however, the changes surrounded the following issues:

- Some changes were made to the text to improve the clarity and flow of the survey.
- Further information was incorporated into the business plan text.

Minor comments from the Customer Challenge Group were also incorporated into the design of the instrument.

2.3 Sampling and Quota Controls

Household

Sample for the household survey was sourced from Accent's preferred list supplier, Sample Answers who provided 'random digit dialling' (RDD) and 'lifestyle' sample for householders across the South East Water region.

RDD sample is created by selecting a known, existing telephone number and randomising the last couple of digits to generate a new telephone number that may or may not exist. Checks are made to ensure, firstly that the number is valid, and, so far as is possible, that the number is not a business number. The main advantage of RDD is that all households in a given geographical area are given equal opportunity to participate in the research. The main disadvantage is that there is no information known about the person on the other end of the phone before the call.

Lifestyle sample comes from a database of people based on a questionnaire covering all or some aspects of their lives including age, number of people in household, income, housing, family, education, sports and activities etc. This has the advantage of enabling specific targeting for quotas.

The overall target number of interviews to achieve was 1000.

Quotas were set to try to ensure that the overall dataset was representative of South East Water's customers in terms of age, SEG and sewerage region.

Specifically, the following targets for the quotas were used:

- Age
 - 16% 16-34 yrs; 30% 35-49 yrs; 27% 50-64 yrs; 27% 65+yrs.
- SEG
 - 28% AB; 32% C1, 20% C2; 20% DE.
- Sewerage Region
 - 33% Thames Water; 67% Southern Water

¹ 2634pn01_Cog Issues v3

The profile of interviews achieved, in comparison with population counterparts, is shown in Table 1. The achieved interviews broadly matches the population structure with regard to age and SEG.

The table also shows the proportions of the sample in each of three household income bands. This shows that there are 24% of the sample with incomes less than £300 per week. For the purposes of this report, and consistent with our treatment for the Primary WTP study conducted by Accent for SEW, we treat this group as the “low income” group and report results for this group alongside results for the customer base as a whole.

Table 1: Household sample structure

	Population (%)	Achieved sample ⁴ (%)
Age¹		
16-34	16	13
35-49	30	30
50-64	27	27
65+	27	31
Socioeconomic Grade²		
A/B	28	24
C1/C2	52	45
D/E	20	30
Sewerage Region		
Thames Water	33	32
Southern Water	67	67
Not in postcode lookup table and has septic tank	-	1
Weekly Income³		
Less than £300	19	24
£300-£1000	53	44
£1000+	28	14
Prefer not to say	-	18

Source: ¹ Census 2011 figures for all Household Reference Person in the South East region. ² Census 2011 figures for all Household Reference Persons aged under 65 years in the South East region; ³ DWP (2013) Family Resources Survey 2011/12, Table 2.5; all households in the South East region ⁴ n=1003.

Business

The business sample for this survey was supplied by South East Water. The target respondent was the individual responsible for paying the organisation’s water bills and/or for liaising with South East Water.

The principal criteria used to develop the business sample plan was bill size and sewerage region. Table 2 shows the proportion of customers in the population in each of these categories, and the proportion achieved in the sample in the same categories.

The target set for the sample was to try and obtain a representative sample by these categories, and the table shows that this was achieved very closely in the sample.

Table 2: Business sample structure

	Population (%)	Achieved sample (%)
Bill Size		
£0-£1k	79	76
£1k-£5k	15	17
£5k+	6	7
Sewerage region		
Thames Water	33	34
Southern Water	67	66

Source for population profile data: SEW. Sample base: all business respondents (502)

2.4 Robustness of Research Process

The research process followed can be considered robust for the following reasons:

- Compliance with the market research quality standard ISO 20252:2006.
- Adherence to the Market Research Society guidelines
- Utilisation of a survey instrument designed not to lead responses
- An approach consistent with other research companies
- Consistent with CCWater guidelines.

3. FINDINGS

3.1 Introduction

Our analysis here focuses on the key findings from a set of final data comprising 1,003 interviews with household customers and 502 interviews with business customers. The core results from this survey are outlined in Section [Error! Reference source not found,3-3](#). Section 3.4 presents the results which outline what respondents thought of each of the proposed outcomes. Section 3.5 reports the respondent and interviewer feedback on aspects such as understanding, consideration and concentration.

Throughout the presentation of the acceptability findings here, we focus on the proportion of customers finding each element, and the plan overall, at least ‘somewhat’ acceptable. Research commissioned by CC Water suggested that a threshold of 70%-75% acceptability against this measure would be considered sufficient by customers for PR14 business plans.²

3.2 Background Questions

Before asking questions about the acceptability of the plan, customers were asked a series of background questions relating to how they felt about their bill, its affordability, and whether they viewed the water and sewerage bills as one or two services. Those who received two bills (ie Southern sewerage customers) and viewed as one service, were also asked if they would preferred to receive one, combined bill. Key results are as follows:

- 68% of household customers (65% of low income household customers) and 62% of business customers viewed their bill from South East Water as either ‘Too little’ or ‘About right’
- 83% of household customers (71% of low income household customers) and 86% of business customers viewed their bill as ‘affordable’ or ‘easily affordable’
- 44% of household customers (46% of low income household customers) and 51% of business customers who received mains water and mains sewerage services viewed this as one service
- 87% of household Southern Water sewerage customers (88% of low income household customers) and 90% of business Southern Water Sewerage customers who viewed the water and sewerage services as one, would prefer a single bill.

3.3 Key Findings

Overall, the following levels of acceptability have been found. This is shown in further detail in Table 3.

² SPA (2013) “Threshold of Acceptability,” Prepared for CC Water, July 2013

- 76% of household customers and 78% of business customers found the business plan somewhat or completely acceptable when asked an initial (uninformed) question
- 71% of household customers and 74% of business customers found the business plan bill impact (including sewerage company information) somewhat or completely acceptable
- 86% of household customers and 79% of business customers found the overall business plan somewhat or completely acceptable, once informed with more detail on the plan
- 92% of household customers and 93% of business customers found the business plan clear or very clear.

Table 3: Key statistics of acceptability of the business plan

Q14(HH) Q9(Bus)	Uninformed acceptability		HH (%)	HH* Low Income (%)	Bus. (%)
		1 Completely unacceptable	5	7	6
		2 Somewhat unacceptable	15	13	12
		3 Somewhat acceptable	49	54	57
		4 Completely acceptable	27	23	21
		5 Don't Know/Not sure	4	4	5
		Total	100	100	100
Q22(HH) Q17(Bus)	Acceptability of bill impact		HH (%)	HH* Low Income (%)	Bus. (%)
		1 Completely unacceptable	7	9	9
		2 Somewhat unacceptable	19	20	14
		3 Somewhat acceptable	52	54	55
		4 Completely acceptable	19	13	19
		5 Don't Know/Not sure	2	5	3
		Total	100	100	100
Q26 (HH) Q21(Bus)	Overall acceptability of business plan		HH (%)	HH* Low Income (%)	Bus. (%)
		1 Completely unacceptable	3	2	5
		2 Somewhat unacceptable	10	13	12
		3 Somewhat acceptable	52	51	57
		4 Completely acceptable	34	33	22
		5 Don't Know/Not sure	1	1	4
		Total	100	100	100
Q32(HH) Q27(Bus)	Overall clarity		HH (%)	HH* Low Income (%)	Bus. (%)
		1 Very unclear	2	2	2
		2 Unclear	6	5	5
		3 Clear	44	40	50
		4 Very clear	48	52	42
		Total	100	100	100

Household and business statistics are unweighted. Base: Household =1003; * Household income below £300 per week = 242; Business=502

For the three different questions regarding the business plan acceptability (uninformed, bill impact, and overall), in addition to being asked to rate the acceptability, those respondents who considered the proposals to be unacceptable (either completely or

somewhat) were asked why this was the case and how it could be made more acceptable to them.

For the ‘uninformed’ and overall plan rating, participants who thought it was acceptable were also asked why this was the case. Following are the findings from each of these questions.

Table 4: Reasons why business plan is acceptable (uninformed)

Q17(HH) Q12(Bus)		HH (%)	HH* Low Income (%)	Bus. (%)
	Service from South East Water is good	12	13	6
	Inflationary increase is acceptable	40	30	33
	Seems like a good plan	34	35	33
	Like the improvements mentioned	12	14	12
	Like the support for paying bills	6	11	1
	Other -	4	4	2
	Important to maintain clean, reliable water supply	5	7	3
	Happy to pay more for an improved service	1	1	4
	Price increases are inevitable (part of expansion/development)	5	8	6
	These improvements are essential/must be implemented (no choice)	-	-	4
	Total	100	100	100

Household and business statistics are unweighted. Base: Household =764; * Household income below £300 per week = 185; Business=390. Multicode question. Responses shown where one or more customer segment is above 2%.

Table 5: Reasons why business plan is unacceptable (uninformed)

Q15(HH) Q10(Bus)		HH (%)	HH* Low Income (%)	Bus. (%)
	Opposed to any bill increase (general)	27	23	23
	Expensive already/pay enough as it is	20	26	18
	The company's (excessive) profits should pay for it	10	9	11
	High cost of living/all bills are going up	7	6	2
	Unacceptable in current economic climate/wages aren't going up with inflation	15	11	8
	Current service levels don't justify an increase (experienced problems)	6	-	5
	They should improve efficiency(general)/reduce leakage	6	-	8
	Level of rise is too high	4	4	6
	Water should be free	3	6	-
	Pensioners/those on low incomes will struggle to pay	4	9	-
	Require more info on how the money will be invested	4	2	2
	The proposals should already be happening	2	2	6
	Better planning/investment would have prevented these problems	3	6	2
	Happy with current service levels/no problem with supply	2	4	-
	Proposals listed are insufficient to justify rise	2	-	5
	No response	1	4	1
	Other	6	6	6
	My business/organisation can't put up prices with inflation (why should they?)	-	-	8
	Increase would impact badly on our company/organisation (limited budgets, charity, etc)	-	-	3
	Total	100	100	100

Household and business statistics are unweighted. Base: Household =199; * Household income below £300 per week = 47; Business=88. Multicode question. Responses shown where one or more customer segment is above 2%.

Table 6: What would make the business plan more acceptable (uninformed)

Q16(HH) Q11(Bus)		HH (%)	HH* Low Income (%)	Bus. (%)
	Nothing/changes not necessary	5	11	5
	Lower prices/reduce charges	17	11	13
	Improved service levels/demonstrate value for money (experienced problems)	7	4	9
	No price increase at all	19	23	28
	Increase bills incrementally/reduce the increase (e.g. half the rate of inflation)	5	-	9
	If provided with more info about how it would be spent	7	9	3
	Water and waste services should be charged as one bill (would reduce cost)	3	6	-
	Improve efficiency/reduce leakage	9	9	9
	Demonstrate better planning/investment	3	4	5
	Pay for improvements out of profits	6	4	10
	Increases reflect current economic climate (should be in line with wage increases)	5	9	1
	Don't know	9	13	5
	No comment	3	2	1
	Other	5	2	6
	Total	100	100	100

Household and business statistics are unweighted. Base: Household =199; * Household income below £300 per week = 47; Business=88. Multicode question. Responses shown where one or more customer segment is above 2%.

Table 7: Reasons why impact on bills is unacceptable

Q23(HH) Q18(Bus)		HH (%)	HH* Low Income (%)	Bus. (%)
	Water bill increasing by inflation	24	22	23
	Sewerage bill increase	7	12	9
	Sewerage bill increasing by inflation	8	6	8
	Bill increase generally/water & sewerage bill should remain static	17	20	22
	Water bill should increase further to allow for more improvements	0	1	3
	Water bill should go down	14	13	12
	Sewerage bill should go down	8	9	3
	Water & sewerage bills should go down	10	14	6
	Other	6	7	4
	Level of rise is too high	5	4	5
	Income doesn't go up with inflation	16	16	3
	Current service levels don't justify an increase (experienced problems)	5	3	5
	Pensioners/those on low incomes will struggle to pay	8	14	-
	The company's profits should pay for it/should be a non-profit company	6	3	12
	Unhappy paying for improvements that won't affect me	2	3	3
	Increased population should generate sufficient income without an increase	1	3	-
	The proposals should already be happening	-	-	4
	Increase would impact badly on our company/organisation (limited budgets, charity, etc)	-	-	3
	Total	100	100	100

Household and business statistics are unweighted. Base: Household =263; * Household income below £300 per week = 69; Business=116. Multicode question. Responses shown where one or more customer segment is above 2%.

Table 8: What would make bill impact more acceptable

Q24(HH) Q19(Bus)		HH (%)	HH* Low Income (%)	Bus. (%)
	Nothing/changes not necessary	3	6	9
	Lower prices/reduce charges	14	10	16
	Improved service levels/demonstrate value for money (experienced problems)	7	4	4
	No price increase at all	21	19	26
	Increase bills incrementally/reduce the increase (e.g. half the rate of inflation)	14	12	14
	Improve efficiency/general/reduce leakage	5	3	7
	Demonstrate better planning/investment	2	-	3
	Pay for improvements out of profits	6	7	5
	Increases reflect current economic climate (should be in line with wage increases)	5	9	1
	Introduce competition to the water industry	0	-	5
	Unhappy paying for improvements that won't affect me	1	-	3
	Introduce compulsory metering	3	6	2
	The proposals should already be happening	1	1	3
	Don't know	8	9	3
	No comment	2	6	1
	Other	6	10	9
	Total	100	100	100

Household and business statistics are unweighted. Base: Household =263; * Household income below £300 per week = 69; Business=116. Multicode question. Responses shown where one or more customer segment is above 2%.

Table 9: Reasons why the overall business plan is acceptable

Q29(HH) Q24(Bus)		HH (%)	HH* Low Income (%)	Bus. (%)
	Service from South East Water is good	10	14	6
	Inflationary increase is acceptable	20	20	19
	Seems like a good plan	52	53	41
	Like the improvements mentioned	37	38	34
	Like the support for paying bills	9	11	3
	Important to maintain clean, reliable water supply	2	4	2
	Important to invest in infrastructure/improve efficiency	2	2	4
	Happy as long as they deliver	2	1	4
	These improvements are essential/must be implemented (no choice)	2	1	8
	Various negative comments (e.g. don't want increase, object to specific part of plan)	4	2	3
	Other	4	3	4
	Total	100	100	100

Household and business statistics are unweighted. Base: Household =860; * Household income below £300 per week = 204; Business=397. Multicode question. Responses shown where one or more customer segment is above 2%.

Table 10: Reasons why the overall business plan is unacceptable

Q27(HH) Q22(Bus)		HH (%)	HH* Low Income (%)	Bus. (%)
	Opposed to any bill increase (general)	19	17	20
	Expensive already/pay enough as it is	8	6	5
	The company's (excessive) profits should pay for it	12	17	8
	Unacceptable in current economic climate/wages aren't going up with inflation	6	-	3
	Current service levels don't justify an increase (experienced problems)	2	-	5
	They should improve efficiency(general)/reduce leakage	2	3	5
	Level of rise is too high	12	17	21
	Unhappy paying for improvements that won't affect me	2	-	7
	Pensioners/those on low incomes will struggle to pay	3	6	-
	Require more info on how the money will be invested	4	-	2
	The proposals should already be happening	6	6	13
	Doubtful they will deliver on these promises	6	-	3
	Better planning/investment would have prevented these problems	5	6	3
	Compulsory metering should be introduced	2	3	1
	The water industry should be nationalised/not for profit	2	3	-
	Increase on the sewerage bill is too much	3	6	5
	Improvements should be paid for by the government	3	3	-
	No response	2	3	1
	Other	9	20	8
	Criticism of the plan - PR, scaremongering, inadequate	-	-	6
	Total	100	100	100

Household and business statistics are unweighted. Base: Household =130; * Household income below £300 per week = 35; Business=87. Multicode question. Responses shown where one or more customer segment is above 2%.

Table 11: What would make the overall business plan more acceptable

Q28(HH) Q23(Bus)		HH (%)	HH* Low Income (%)	Bus. (%)
	Nothing/changes not necessary	5	9	5
	Lower prices/reduce charges	16	26	7
	Improved service levels/demonstrate value for money (experienced problems)	6	3	5
	No price increase at all	22	23	24
	Increase bills incrementally/reduce the increase (e.g. half the rate of inflation)	12	9	21
	If provided with more info about how it would be spent	5	-	2
	Improve efficiency(general)/reduce leakage	5	3	8
	Demonstrate better planning/investment	2	3	5
	Pay for improvements out of profits	12	17	10
	Improvements should be paid for by the government	2	3	1
	Happy to pay if improvements are tangible/meeting targets is guaranteed	3	-	2
	The water industry should be nationalised/not for profit	3	-	2
	If the plan was acted upon immediately (not wait until 2015)	3	-	1
	Introduce compulsory metering	2	6	-
	Carry out a more honest/extensive consultation process (be open to criticism/other ideas)	2	6	2
	Don't know	5	3	-
	No comment	1	3	1
	Other	6	6	7
	Total	100	100	100

Household and business statistics are unweighted. Base: Household =130; *Household income below £300 per week = 35; Business=87. Multicode question. Responses shown where one or more customer segment is above 2%.

A further question was asked of respondents concerning what they felt would be an appropriate 'consensus' for South East water to deem the business plan acceptable. The table below outlines the results.

Table 12: What % of customers are required for the plan to be acceptable

Q30(HH) Q25(Bus)	What % of customers do you think need to find this business plan acceptable for South East Water to deem it acceptable to their household/business customers		HH (%)	HH* Low Income (%)	Bus. (%)
		0 to 49%	7	10	10
		50 to 59%	18	21	19
		60 to 69%	15	8	14
		70 to 79%	26	24	25
		80 to 89%	12	8	14
		90 to 100%	9	12	7
		Don't know	14	17	12
		Total	100	100	100

Household and business statistics are unweighted. Base: Household =1003; * Household income below £300 per week = 242; Business=502

3.4 Acceptability of the Business Plan Outcomes

For each of the business plan outcomes, respondents were asked to rate on a scale of 1 to 4 (where 1 = completely unacceptable and 4 = completely acceptable) how acceptable they considered the proposals outlined in the business plan to be. Following are the findings for both business and household customers.

Business Plan Outcomes

- For Outcome A – ‘Continue to meet demand for water including the additional demand from population and housing growth, population is forecast to increase by 20% by 2040’ – 86% of household respondents and 89% of business customers considered the plan to be somewhat or completely acceptable. 14% of household respondents and 11% of business customers considered the plan to be somewhat or completely unacceptable.
- For Outcome B – ‘Help to manage demand for water by completing our customer metering programme with the installation of 170,000 meters, increasing the number of customers with a meter to over 90%’ – 83% of household respondents considered the plan to be somewhat or completely acceptable. 17% of household respondents considered the plan to be somewhat or completely unacceptable (not asked of businesses).
- For Outcome C/B³ – ‘Maintain the protection of our network from extreme weather events and the impacts of climate change’ – 90% of household respondents and 89% of business customers considered the plan to be somewhat or completely acceptable. 10% of household respondents and 11% of business customers considered the plan to be somewhat or completely unacceptable.
- For Outcome D/C – ‘Reduce our leakage by a further 2 million litres per day by 2020, as part of our 25 year leakage reduction strategy to achieve our leakage target of less than 10% of all water we supply. This compares to the current company performance of 17% and industry average of 19%’ – 92% of household respondents and 87% of business customers considered the plan to be somewhat or

³ The ‘metering outcome’ was not asked of businesses, so the referencing is slightly different for the household and business survey. The Household reference is shown first, the Business second.

completely acceptable. 8% of household respondents and 13% of business customers considered the plan to be somewhat or completely unacceptable.

- For Outcome E/D – *‘Improve our water treatment works to meet new legislation, ensuring we continue to meet water quality health standards for drinking water’* – 95% of household respondents and 93% of business customers considered the plan to be somewhat or completely acceptable. 5% of household respondents and 7% of business customers considered the plan to be somewhat or completely unacceptable.
- For Outcome F/E – *‘Deliver physical security improvements at critical sites to meet the Government security requirements under the Security and Emergency Measures Direction’* – 86% of household respondents and 83% of business customers considered the plan to be somewhat or completely acceptable. 14% of household respondents and 17% of business customers considered the plan to be somewhat or completely unacceptable.
- For Outcome G/F – *‘Reduce our carbon emissions by 1% every year’* – 82% of household respondents and 72% of business customers considered the plan to be somewhat or completely acceptable. 18% of household respondents and 28% of business customers considered the plan to be somewhat or completely unacceptable.
- For Outcome H/G – *‘Maintain our ageing infrastructure to ensure current levels of operational service are maintained for current and future customers’* – 92% of household respondents and 88% of business customers considered the plan to be somewhat or completely acceptable. 8% of household respondents and 12% of business customers considered the plan to be somewhat or completely unacceptable.
- For Outcome I/H – *‘Reducing our borrowing costs and returns to shareholders by £30m by 2020, to reduce the overall bills to customers, balancing the needs of our customers and investors’* – 88% of household respondents and 77% of business customers considered the plan to be somewhat or completely acceptable. 12% of household respondents and 23% of business customers considered the plan to be somewhat or completely unacceptable.
- For Outcome J/I – *‘Provide support for customers in financial need and have difficulty paying their bill through the introduction of a social tariff’* – 84% of household respondents and 76% of business customers considered the plan to be somewhat or completely acceptable. 16% of household respondents and 24% of business customers considered the plan to be somewhat or completely unacceptable.
- For Outcome K/J – *‘Provide better information, an improved online service and clearer bills’* – 87% of household respondents and 83% of business customers considered the plan to be somewhat or completely acceptable. 17% of household respondents and 11% of business customers considered the plan to be somewhat or completely unacceptable.
- For Outcome L/K – *‘If customer satisfaction with our services falls, we will reduce bills’* – 94% of household respondents and 92% of business customers considered the plan to be somewhat or completely acceptable. 6% of household respondents and 8% of business customers considered the plan to be somewhat or completely unacceptable.

Table 13: Key statistics of acceptability of the business plan outcomes

			HH (%)	HH* Low Income (%)	Bus. (%)
Q25r1(HH) Q10r1(Bus)	(A) Continue to meet demand for water including the additional demand from population and housing growth, population is forecast to increase by 20% by 2040				
		1 Completely unacceptable	3	2	3
		2 Somewhat unacceptable	11	15	8
		3 Somewhat acceptable	45	51	46
		4 Completely acceptable	41	31	43
Total		100	100	100	
Q25r2(HH)	(B) Help to manage demand for water by completing our customer metering programme with the installation of 170,000 meters, increasing the number of customers with a meter to over 90%				
		1 Completely unacceptable	6	5	-
		2 Somewhat unacceptable	12	14	-
		3 Somewhat acceptable	40	42	-
		4 Completely acceptable	43	40	-
Total		100	100	100	
Q25r3(HH) Q42r2(Bus)	(C/B**) Maintain the protection of our network from extreme weather events and the impacts of climate change				
		1 Completely unacceptable	1	1	4
		2 Somewhat unacceptable	8	10	8
		3 Somewhat acceptable	40	38	44
		4 Completely acceptable	50	51	45
Total		100	100	100	
Q25r4(HH) Q10r3(Bus)	(D/C) Reduce our leakage by a further 2 million litres per day by 2020, as part of our 25 year leakage reduction strategy to achieve our leakage target of less than 10% of all water we supply. This compares to the current company performance of 17% and industry average of 19%.				
		1 Completely unacceptable	2	2	4
		2 Somewhat unacceptable	7	8	9
		3 Somewhat acceptable	32	31	36
		4 Completely acceptable	60	59	51
Total		100	100	100	
Q25r5(HH) Q10r4(Bus)	(E/D) Improve our water treatment works to meet new legislation, ensuring we continue to meet water quality health standards for drinking water				
		1 Completely unacceptable	0	0	1
		2 Somewhat unacceptable	4	4	5
		3 Somewhat acceptable	33	33	37
		4 Completely acceptable	62	63	56
Total		100	100	100	
Q25r6(HH) Q10r5(Bus)	(F/E) Deliver physical security improvements at critical sites to meet the Government security requirements under the Security and Emergency Measures Direction.				
		1 Completely unacceptable	3	1	6
		2 Somewhat unacceptable	11	11	12
		3 Somewhat acceptable	43	43	48
		4 Completely acceptable	43	45	35
Total		100	100	100	
Q25r7(HH) Q10r6(Bus)	(G/F) Reduce our carbon emissions by 1% every year				
		1 Completely unacceptable	4	3	10
		2 Somewhat unacceptable	14	11	19
		3 Somewhat acceptable	41	39	41
		4 Completely acceptable	41	48	31
Total		100	100	100	

Q25r8(HH) Q10r7(Bus)	(H/G) Maintain our ageing infrastructure to ensure current levels of operational service are maintained for current and future customers		HH (%)	HH* Low Income (%)	Bus. (%)
		1 Completely unacceptable	1	0	3
		2 Somewhat unacceptable	7	7	8
		3 Somewhat acceptable	41	43	41
		4 Completely acceptable	50	50	47
	Total	100	100	100	
Q25r9(HH) Q10r8(Bus)	(I/H) Reducing our borrowing costs and returns to shareholders by £30m by 2020, to reduce the overall bills to customers, balancing the needs of our customers and investors		HH (%)	HH* Low Income (%)	Bus. (%)
		1 Completely unacceptable	4	3	9
		2 Somewhat unacceptable	9	8	14
		3 Somewhat acceptable	38	33	36
		4 Completely acceptable	50	55	41
	Total	100	100	100	
Q25r10(HH) Q10r9(Bus)	(J/I) Provide support for customers in financial need and have difficulty paying their bill through the introduction of a social tariff		HH (%)	HH* Low Income (%)	Bus. (%)
		1 Completely unacceptable	4	3	8
		2 Somewhat unacceptable	12	8	16
		3 Somewhat acceptable	36	29	41
		4 Completely acceptable	47	60	35
	Total	100	100	100	
Q25r11(HH) Q10r10(Bus)	(K/J) Provide better information, an improved online service and clearer bills		HH (%)	HH* Low Income (%)	Bus. (%)
		1 Completely unacceptable	2	2	5
		2 Somewhat unacceptable	10	7	12
		3 Somewhat acceptable	40	39	45
		4 Completely acceptable	49	51	37
	Total	100	100	100	
Q25r12(HH) Q10r11(Bus)	(L/K) If customer satisfaction with our services falls, we will reduce bills		HH (%)	HH* Low Income (%)	Bus. (%)
		1 Completely unacceptable	1	2	4
		2 Somewhat unacceptable	4	3	4
		3 Somewhat acceptable	25	27	37
		4 Completely acceptable	69	68	55
	Total	100	100	100	

Household and business statistics are unweighted. Base: Household =1,003; * Household income below £300 per week = 242; Business=502. ** The Household reference is shown first, the Business second.

3.5 Respondent and Interviewer Feedback

Table 14 shows results from a respondent feedback question, which asked whether the respondent felt she had enough information to make her choice. Overall, these results are very positive, and indicate that the vast majority of respondents did feel they had enough information to make their choices.

Table 14: Respondent feedback, by customer type

Question		Frequency, by customer type (%)		
		Households		Businesses
Q31 (HH) Q26 (Bus)	Did you feel you had enough information to make your choices?	Overall HH	Income below £300/wk	Overall Businesses
	Yes	74	76	73
	Mostly	15	13	18
	No	8	6	9
	Don't know/Not Sure	3	5	1

Household and business statistics are unweighted. Base: Household =1,003; * Household income below £300 per week = 242; Business=502

Table 15 shows results from three feedback questions completed by interviewers immediately following completion of each survey. These results are also very positive and indicate that the vast majority understood the questions, gave them due consideration and were able to maintain concentration throughout the survey.

Table 15: Interviewer feedback, by customer type

Question		Frequency, by customer type (%)		
		Households		Businesses
Q40 (HH) Q31 (Bus)	In your judgement, did the respondent understand what he/she was being asked to do in the questions?	Overall HH	Income below £300/wk	Overall Businesses
	Understood completely	71	64	66
	Understood a great deal	21	27	26
	Understood a little	7	8	7
	Did not understand very much	1	1	1
	Did not understand at all	0	0	0
Q41 (HH) Q32 (Bus)	Which of the following best describes the amount of thought the respondent put into making their choices?			
	Gave the questions very careful consideration	64	59	53
	Gave the questions careful consideration	26	29	36
	Gave the questions some consideration	9	10	11
	Gave the questions little consideration	1	2	1
	Gave the questions no consideration	64	59	-
Q42 (HH) Q33 (Bus)	Which of the following best describes the degree of fatigue shown by the respondent when making their choices?			
	Easily maintained concentration	79	75	75
	Maintained concentration with some effort	14	16	17
	Maintained concentration with a deal of effort	5	7	6
	Lessened concentration in the later stages	2	2	2
	Lost concentration in the later stages	0	-	-

Household and business statistics are unweighted. Base: Household =1,003; * Household income below £300 per week = 242; Business=502

4. SUMMARY AND NEXT STEPS

The results presented in the previous section have shown the following:

- The vast majority of customers find the business plan acceptable (86% of household customers and 79% of business customers).
- The bill impact was rated acceptable by the majority of customers (71% of household customers and 74% of business customers) although this view was slightly less enthusiastic than the overall rating.
- The majority of customers thought business plan document was clear.
- The vast majority of customers find the different outcomes acceptable.
- Suggestions for improvements to the business plan mainly surrounded: lower pricing; increasing bills incrementally; and, funding improvements out of profits.

These results are validated by the fact that respondent feedback was very positive, indicating that respondents felt they had enough information to make their choices. Interviewer feedback was also very positive, showing that the vast majority understood the questions, gave them due consideration and were able to maintain concentration throughout the survey.

The next step for the study is for the findings to be reviewed by South East Water and used to assist with finalising their business plan.

APPENDIX A

Household Questionnaire and Show Cards

Recruitment Section

Good morning/afternoon/evening. My name is Could I please speak to the person who pays the household's water bills? **IF QUERIED: PERSON COULD BE SOLELY OR JOINTLY RESPONSIBLE (WHEN SPEAKING TO APPROPRIATE CONTACT CONTINUE WITH EXPLANATION)**

My name is from Accent, an independent research consultancy, and we are carrying out an important research study for South East Water to investigate what customers think of their proposed business plan. This is a *bona fide* market research exercise. It is being conducted under the Market Research Society Code of Conduct which means that any answers you give will be treated in confidence. This is your opportunity to influence the company's future plans. Could you please spare a couple of minutes to see if you are the type of customer we need to speak to for this research?

Q1. Can I just check that you are the person, or one of the people, in your household who pays the water bills?

1. Yes
2. No **THANK & CLOSE**

Q2. Do you or does any of your close family work, or have you worked in the past five years in any of the following professions: marketing, advertising, public relations, journalism, market research or the Water Industry (including working for South East Water)?

1. Yes **THANK & CLOSE**
2. No

Q3. What is the job title of the chief wage earner of your household or, if you are the chief wage earner, your own job title?

IF SELF-EMPLOYED: ASK IF MANUAL/NON-MANUAL, SKILLED/QUALIFIED OR NOT, NUMBER OF EMPLOYEES – THEN LOOK UP SELF EMPLOYED TABLE

IF MANAGER/EXEC: ASK FOR INDUSTRY SECTOR, NUMBER OF EMPLOYEES IN COMPANY AND MANAGEMENT STATUS

IF RANK/GRADE (CIVIL SERVANT, NURSING, MILITARY, NAVY, POLICE ETC.) RECORD RANK/GRADE SPECIFICALLY

IF PENSIONERS: ASK IF STATE (GRADE "E") OR PRIVATE/OCCUPATIONAL PENSION (GRADE ON PREVIOUS OCCUPATION)

IF UNEMPLOYED: IF MORE THAN 6 MONTHS AGO (GRADE "E"), IF LESS THAN 6 MONTHS AGO (GRADE ON PREVIOUS OCCUPATION)

WRITE IN AND CODE SEG

- | | |
|-------|--|
| 1. A | 4. C2 |
| 2. B | 5. DE |
| 3. C1 | 6. Not stated THANK & CLOSE |

CHECK QUOTA

Q4. Which of the following age groups do you fall into? Are you...

- | | | |
|-------------|-------------|------------|
| 1. 16 to 24 | 4. 50 to 64 | 7. Refused |
| 2. 25 to 34 | 5. 65 to 74 | |
| 3. 35 to 49 | 6. 75+ | |

Q5. Does your property have a septic tank or cess pit? **IF REQUIRED** If you do have one, this would mean that your property is not connected to the main sewer and you would periodically arrange to have the septic tank emptied.

1. Yes
2. No
3. Don't Know

Q6. What is your postcode? We will use this to check which sewerage area you are in.

1. First part
2. Second part

Q7. **Hidden question**

PROGRAMMER: LOOKUP POSTCODE TO IDENTIFY:

1. Thames Water area
2. Southern Water area
3. Not on postcode look up

Q8. **IF Q5=1 OR Q7=3, SKIP TO Q9 ELSE IF Q7=1** According to our records, your water bills are sent from South East Water, but they include the cost of your sewerage services on behalf of Thames Water

ELSE IF Q7=2 According to our records, you receive a bill from South East Water for your water services and a separate bill from Southern Water for sewerage services **END IF**

Is that correct?

1. Yes
2. No **CHECK POSTCODE, IF STILL NO, CLOSE**
3. Don't know

Q9. **ASK IF Q7=3 ELSE SKIP** Is South East Water is your water supplier, or is it supplied by someone else?

1. Yes, South East Water supplies my water
2. No, somebody else supplies my water **THANK AND CLOSE**
3. Don't know/Not sure **THANK AND CLOSE**

Q10. **ASK IF Q7=3 AND Q5=2 OR 3 ELSE SKIP** Do you know whether Thames Water or Southern Water supplies your sewerage services?

1. Thames Water
2. Southern Water
3. Don't know/Not sure **THANK AND CLOSE**

Q11. **Hidden question – TO DEFINE AREAS (FINAL)**

1. **IF Q7=1 OR Q10=1 CODE AS** Thames Water area
2. **IF Q7=2 OR Q10=2 CODE AS** Southern Water area

Q12G Hidden question: Calculate FINAL ANNUAL BILL

IF Q12B= 5 (Don't know) then use £201 as FINAL ANNUAL BILL (average)

IF Q11=1 AND Q5=2 or 3 (Thames and no septic tank) then FINAL ANNUAL BILL = [Q12D * 0.59] OR [Q12F * 0.59] (ONLY USE Q12D IF NO RESPONSE AT Q12F)

IF Q11=1 AND Q5=1 (Thames and Septic tank) then FINAL ANNUAL BILL = Q12D OR Q12F (ONLY USE Q12D IF NO RESPONSE AT Q12F)

IF Q11=2 (Southern) then FINAL ANNUAL BILL = Q12D OR Q12F (ONLY USE Q12D IF NO RESPONSE AT Q12F)

IF Q11=3 Not on look-up and has septic tank - FINAL ANNUAL BILL = Q12D OR Q12F (ONLY USE Q12D IF NO RESPONSE AT Q12F)

Q13. Do not ask – note gender

1. Male
2. Female

Q14. There is one final question I need to ask you at this stage. As I have mentioned, this research will help inform South East Water's Business Plan for the 2015-2020 period. Its current preferred plan is to:

- Continue to provide safe and clean drinking water and ensure there is enough water for an increasing population
- Provide more information to customers and more support for customers who struggle to pay
- Make other improvements as necessary

South East Water will achieve this by increasing bills by inflation only each year from 2015 to 2020. How acceptable do you think that this plan is? Please can you tell me using a scale of 1 to 4 where 1 means 'completely unacceptable' and 4 means 'completely acceptable'?

1. Completely unacceptable
2. Unacceptable
3. Acceptable
4. Completely acceptable
5. Don't Know/Not sure

Q15. IF Q14= 1 OR 2 ASK ELSE SKIP: Why do you think this is unacceptable? PROVIDE PRE-CODES AFTER PILOT

SPECIFY

Q16. IF Q14=1 OR 2 ASK ELSE SKIP: What would make this acceptable? PROVIDE PRE-CODES AFTER PILOT

SPECIFY

Q17. IF Q14= 3 OR 4 ASK ELSE SKIP: Why do you think this is acceptable? DO NOT PROMPT - MULTICODE

Service from South East Water is good
Inflationary increase is acceptable
Seems like a good plan
Like the improvements mentioned
Like the support for paying bills

Other – **SPECIFY**

RECRUITMENT

Thank you for answering those questions. As I mentioned, we are carrying out an important research study for South East Water to investigate what customers think of South East Water's business plan for the 2015 to 2020 period. I would be very grateful if you could spare another **15-20** minutes – either now or at a more convenient time – to run through some questions with me.

This is your opportunity to influence the company's future plans. Those who take part would receive a £5 voucher (either Amazon or Boots) or this could be donated to 'WaterAid' the charity.

You do need to have one table of information in front of you which I can either email to you now and we can carry on in 15 minutes or so or I can email or post them to you and we can make an arrangement to talk at a convenient time for you.

1. Email, now **SEND EMAIL THEN AND PROCEED**
2. Cannot continue with interview now **SEND EMAIL THEN RECORD APPOINTMENT ON NEXT SCREEN**
3. Do not have access to email **BRING UP APPOINTMENT/ADDRESS BOX**
4. No **ATTEMPT TO REASSURE & PERSUADE; IF STILL NO, THANK & CLOSE**
5. Continue without sending email (practise/design/completes)

IF 1 AT RECRUITMENT INTRO SAY: Thank you, if you have received my email we will now proceed with the main interview.

IF 2 OR 3 AT RECRUITMENT INTRO SAY: Thank you. We look forward to conducting the main interview with you at the agreed time.

Introduction to Main Survey

Thank you for agreeing to take part in this survey. As I said previously, we are conducting research for South East Water looking at what customers think of its business plan.

The questionnaire will take 15-20 minutes. You do not have to answer questions you do not wish to and you can terminate the interview at any point.

Can I check to see if you have your materials ready to refer to? These will have either been sent in the post or by email.

Hopefully you will have had time to read this material but we can always go through it again if not.

INTERVIEWER: CHECK SHOWCARDS CORRECT AND PROCEED OR RE-SCHEDULE AS APPROPRIATE.

Correct – **PROCEED**

Incorrect – **GO TO APPOINTMENTS SCREEN AND RE-SCHEDULE, RE-SENDING MATERIALS**

Background Questions

Q18. **IF Q12B = 5 SAY** “The average annual water bill from South East Water is £201”; **ELSE IF Q12G <=5 SAY** “Previously you told me that your annual water bill is” **(INSERT CALCULATION FROM Q12G)** How do you feel about the amount that you pay? Is it:

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

Q19. And how affordable is this bill for your household? Please can you tell me using a scale of 1 to 4 where 1 is not at all affordable and 4 is easily affordable?

1. Not at all affordable
2. Not very affordable
3. Affordable
4. Easily affordable

Q20. **SKIP IF Q5=1 AND GOTO INTRO TO BUSINESS PLAN BEFORE Q22 ELSE ASK** You currently receive **[IF Q11 = 1 SAY** “one bill that covers both the water and sewerage elements of service” **IF Q11 = 2 SAY** “ two bills: one for water from South East Water and one for sewerage from Southern Water”]: do you consider the water and sewerage service as one service or as two different ones from different providers?

- One service
Two services
Don't know

Q21. **IF Q20= 1 AND Q11 = 2 ASK, ELSE GO TO “ INTRODUCTION TO BUSINESS PLAN OPTIONS”** As you consider the service as one, would you prefer to receive one bill?

- Yes
No
Don't know

Introduction to Business Plan

South East Water has put together a preferred plan for investment from 2015 to 2020 period. This plan includes improvements in a number of areas, and would increase your bill in line with general inflation. It is estimated that inflation in 2015 will be in the region of 3.2%.

Please can you refer to the document that you have been sent. The different elements which make up the plan are described in the table. The bill change is shown along the bottom row in the shaded box.

Please read the information in the table, or take a moment to refresh your memory about the content on the document if you have already read it. **INTERVIEWER GIVE A FEW MOMENTS FOR REVIEW**

DO NOT READ – FOR INTERVIEWER INFORMATION

DP INSERT SHOWCARD INFORMATION

Do you need more time? **IF NO, PROCEED**

Q22. South East Water will deliver this plan by increasing your water bill in line with inflation between 2015 and 2020. To give you an example of the impact that this will have, if the average South East Water bill was to increase by 3.2% each year from now until 2020, it would increase by £42 from £201 to £243 in 2020.
DISPLAY FOLLOWING IF Q5=2 or 3 At the same time, your sewerage bill from **Q11=1 SAY “Thames Water” ELSE Q11=2 SAY “Southern Water”** will:

DISPLAY FOLLOWING IF Q5=2 or 3

IF Q11=1 SAY “increase by between £15 and £35 by 2020 in order to:

- *Maintain an extra 40,000km of private sewers and 5,000 pumping stations, which are now Thames Water’s responsibility following a change in the law.*
- *Reduce the number of properties affected by sewer flooding each year. Around 1,000 Thames Water customers’ properties are affected each year by sewer flooding. This is less than 1% of the total number of properties they serve (this equates to approx. 2 properties in every 10,000 served). The proposed investment by Thames Water will reduce this by around 150 properties.*
- *Reduce the number of properties affected by unpleasant smells from sewage treatment. Around 20,000 Thames Water customers’ properties are affected each year by unpleasant smells from sewage treatment. This is less than 1% of the total number of properties served (this equates to approx. 40 properties in every 10,000 served). The proposed investment by Thames Water will reduce this by around 2,400 properties.*

This increase in your sewerage bill does not include inflation or the costs of building the Thames Tideway Tunnel – which you may have heard about – which will start to be paid by Thames Water sewerage customers after 2015. The initial impact on bills will be small, but will increase as the work is carried out. Figures for each year are not yet known, but the maximum impact of up to £70-80 is likely to be reached in the early 2020s. This is in addition to the £15 to £35 Thames Water will increase bills by, by 2020 as I mentioned earlier.

DISPLAY FOLLOWING IF Q5=2 or 3
IF Q11=2 SAY

“increase in line with inflation between 2015 and 2020 in a business plan which will see:

- *Resolution of queries first time in 90% of cases, an increase in the number of customers who are satisfied or very satisfied that the service meets your individual needs and achieves platinum rating for corporate responsibility*
- *A 25% reduction in flooding inside people’s homes, no increase in the number of blockages in their sewer system, no increase in flooding outside peoples properties and reduce complaints about odour from treatment works.*
- *Improvements to the quality of river and coastal bathing water, improvements to the sustainability of water and wastewater and maintenance of current levels of carbon emissions*
- *Improvements in information on saving water, avoiding blocked drains, your bill and where your money goes*
- *Help to make bills more affordable through greater efficiency, water saving advice and support for vulnerable customers.*

DISPLAY FOLLOWING IF Q5=2 or 3: Having told you about what **Q11=1 SAY** “Thames Water” **ELSE Q11=2 SAY** “Southern Water” will do about sewerage services which you must keep in mind, can I go back and ask you about South East Water’s plan which will increase by no more than inflation between 2015 and 2020. **DISPLAY TO ALL** On a scale of 1 to 4 where 1 is ‘Completely unacceptable’ and 4 is ‘Completely acceptable’, how acceptable is this to you? Refer to your sheet to read the plan again if you need to.

1. Completely unacceptable
2. Unacceptable
3. Acceptable
4. Completely acceptable
5. Don’t know/Not sure **DO NOT READ**

Q23. If Q22= 1 or 2 ASK ELSE SKIP: Why is the effect on bills unacceptable to you?
DO NOT PROMPT; CODE VERY CAREFULLY & CHECK THEIR ANSWER

Water bill increasing by inflation

DISPLAY FOLLOWING IF Q5=2 or 3 AND IF Q11=1 Sewerage bill increase

DISPLAY FOLLOWING IF Q5=2 or 3 AND IF Q11=2 Sewerage bill increasing by inflation

Bill increase generally/water & sewerage bill should remain static

Water bill should increase further to allow for more improvements

DISPLAY FOLLOWING IF Q5=2 or 3 Sewerage bill should increase further to allow for more improvements

DISPLAY FOLLOWING IF Q5=2 or 3 Water & sewerage bills should increase further to allow for more improvements

Water bill should go down

DISPLAY FOLLOWING IF Q5=2 or 3 Sewerage bill should go down

DISPLAY FOLLOWING IF Q5=2 or 3 Water & sewerage bills should go down

Other **SPECIFY**

Q24. If Q22= 1 or 2 ASK ELSE SKIP: What would make this proposed bill impact acceptable? **PROVIDE PRE-CODES AFTER PILOT**

SPECIFY

Q25. Could you now please look again at the detail of South East Water's proposed plan. I am going to take you through each element of their plan and ask you how acceptable each is to you. Please again use a scale of 1 to 4 where 1 is 'Completely unacceptable' and 4 is 'Completely acceptable'. Using this scale, how acceptable is South East Water's plan to.... **READ OUT EACH ELEMENT:**

DP PROGRAMME IN GRID FORMAT

Completely Unacceptable	Unacceptable	Acceptable	Completely Acceptable
----------------------------	--------------	------------	--------------------------

(A) Continue to meet demand for water including the additional demand from population and housing growth, population is forecast to increase by 20% by 2040.

(B) Help to manage demand for water by completing our customer metering programme with the installation of 170,000 meters, increasing the number of customers with a meter to over 90%

(C) Maintain the protection of our network from extreme weather events and the impacts of climate change.

(D) Reduce our leakage by a further 2 million litres per day by 2020, as part of our 25 year leakage reduction strategy to achieve our leakage target of less than 10% of all water we supply. This compares to the current company performance of 17% and industry average of 19%.

(E) Improve our water treatment works to meet new legislation, ensuring we continue to meet water quality health standards for drinking water

(F) Deliver physical security improvements at critical sites to meet the Government security requirements under the Security and Emergency Measures Direction.

(G) Reduce our carbon emissions by 1% every year

(H) Maintain our ageing infrastructure to ensure current levels of operational service are maintained for current and future customers.

(I) Reducing our borrowing costs and returns to shareholders by £30m by 2020, to reduce the overall bills to customers, balancing the needs of our customers and investors

(J) Provide support for customers in financial need and have difficulty paying their bill through the introduction of a social tariff.

(K) Provide better information, an improved online service and clearer bills

(L) If customer satisfaction with our services falls, we will reduce bills.

Q26. Now looking at the plan as a whole which we've just discussed, including the bill impact which will increase by no more than inflation between 2015 and 2020, **DISPLAY FOLLOWING IF Q5=2 or 3** and bearing in mind the proposed changes that your sewerage supplier will be making, **DISPLAY ALL** please can you tell me how acceptable the overall plan is to you as a household, using a scale of 1 to 4 where 1 means 'completely unacceptable' and 4 means 'completely acceptable'? **DISPLAY FOLLOWING IF Q5=2 or 3 REPEAT SEWERAGE SUPPLIER PLANS, AS SHOWN IN ITALICS BELOW, IF NEED BE. DISPLAY FOLLOWING IF Q5=2 or 3 AND SHOW IF Q11=1**

Thames Water is proposing to increase the sewerage element of your bill by £15-£35 by 2020. This increase will pay for the following investment:

- *Maintenance of an extra 40,000km of private sewers and 5,000 pumping stations, which are now Thames Water's responsibility following a change in the law.*
- *Around 1,000 Thames Water customers' properties are affected each year by sewer flooding. This is less than 1% of the total number of properties they serve (this equates to approx. 2 properties in every 10,000 served). The proposed investment by Thames Water will reduce this by around 150 properties.*
- *Around 20,000 Thames Water customers' properties are affected each year by unpleasant smells from sewage treatment. This is less than 1% of the total number of properties served (this equates to approx. 40 properties in every 10,000 served). The proposed investment by Thames Water will reduce this by around 2,400 properties.*

This increase in your sewerage bill does not include inflation or the costs of building the Thames Tideway Tunnel – which you may have heard about – which will start to be paid by Thames Water sewerage customers after 2015. The initial impact on bills will be small, but will increase as the work is carried out. Figures for each year are not yet known, but the maximum impact of up to £70-80 is likely to be reached in the early 2020s. This is in addition to the £15 and £35 Thames Water will increase bills by, by 2020 as I mentioned earlier.

DISPLAY FOLLOWING IF Q5=2 or 3 and IF Q11=2 SHOW THE FOLLOWING:

“Southern Water will increase your sewerage bill in line with inflation between 2015 and 2020 in a business plan which will see:

- *Resolution of queries first time in 90% of cases, an increase in the number of customers who are satisfied or very satisfied that the service meets your individual needs and achieves platinum rating for corporate responsibility*
- *A 25% reduction in flooding inside people's homes, no increase in the number of blockages in their sewer system, no increase in flooding outside peoples properties and reduce complaints about odour from treatment works.*
- *Improvements to the quality of river and coastal bathing water, improvements to the sustainability of water and wastewater and maintenance of current levels of carbon emissions*
- *Improvements in information on saving water, avoiding blocked drains, your bill and where your money goes*

- *Help to make bills more affordable through greater efficiency, water saving advice and support for vulnerable customers.*

1. Completely unacceptable
2. Unacceptable
3. Acceptable
4. Completely acceptable
5. Don't Know/Can't say

Q27. If Q26= 1 or 2 ASK ELSE SKIP: Why do you think this plan is unacceptable? PROVIDE PRE-CODES AFTER PILOT

SPECIFY

Q28. If Q26= 1 or 2 ASK ELSE SKIP: What would make this plan acceptable? PROVIDE PRE-CODES AFTER PILOT

SPECIFY

Q29. If Q26= 3 or 4 ASK ELSE SKIP: Why do you think this plan is acceptable? DO NOT PROMPT - MULTICODE

Service from South East Water is good
Inflationary increase is acceptable
Seems like a good plan
Like the improvements mentioned
Like the support for paying bills

Other – **SPECIFY**

Q30. What % of household customers do you think need to find this business plan acceptable for South East Water to deem it acceptable to their household customers?

%
Don't know / Not sure

Follow-up Questions

I would now like to ask you a few questions about the ratings you have just made.

Q31. Did you feel you had enough information to make your decisions about the acceptability of the business plan?

1. Yes
2. Mostly
3. No
4. Don't know./not sure

Q32. Using a scale of 1 to 4, where 1 = "Very unclear" and 4 = "Very clear", can you tell me how clear is the information we have shown you regarding the business plan.

1. Very unclear
2. Unclear
3. Clear
4. Very clear

Q33. Do you have any further comments you would like to add?

1. No
2. Yes, **SPECIFY**

Demographics

Q34. Which one of these statements best describes your current employment status? Stop me when I've reached the category which best describes you.

- 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 (please specify).....

Q35. Turn over your document and look at the table marked Z1. What is the highest educational qualification you have? If still studying, which level best describes the highest level of education you have got until now?

- 1 A: No qualifications
- 2 B: O levels / CSEs / GCSEs (any grades)
- 3 C: A levels / AS level / higher school certificate
- 4 D: NVQ (Level 1 and 2). Foundation / Intermediate / Advanced GNVQ / HNC / HND
- 5 E: Other qualifications (e.g. City and Guilds, RSA/OCR, BTEC/Edexcel)
- 6 F: First degree (e.g. BA, BSc)
- 7 G: Higher degree (e.g. MA, PhD, PGCE, post graduate certificates and diplomas)
- 8 H: Professional qualifications (teacher, doctor, dentist, architect, engineer, lawyer, etc.)

Q36. Thinking about all the people in your household, including yourself, how many people live here each of these age groups:

Up to 15 years	0.....1	2.....3	4.....5+
16 to 60 years	0.....1	2.....3	4.....5+
61+	0.....1	2.....3	4.....5+

Q36A Do you, or does anyone in your household consider themselves to have a disability or an increased reliance on using water? **MULTICODE**

- Yes, I have a disability
- Yes, someone in household has a disability
- Yes, I have an increased reliance on using water
- Yes, someone in household has an increased reliance on using water
- No

Q36B To help us analyse your responses can you tell me which of the following bands best describes your total annual household income, before tax and other deductions?

	Per Week	Per Year
A	Up to £300	Under £15,600

B	£301-£1000	£15,601 - £52,000
C	£1001+	£52,001+
D	Prefer not to say	DO NOT READ

Q37. Take a look at the table marked Z2. Are you a member of any of the following organisations? **MULTICODE**

Yes
No

A	Local community or volunteer group
B	RSPB (Royal Society for Protection of Birds)
C	Surfers Against Sewage/Marine Protection Society
D	Canoeing/Boating/ Windsurfing Club or similar
E	Angling Club
F	Ramblers Association
G	Friends of the Earth/Greenpeace
H	National Trust
I	Local Wildlife Trust or Environmental Organisation
J	Other national or international environmental organisation
K	Other
L	Not a member of any similar organisations

Q38. How long have you lived at your current address?

1. Less than one year
2. One to three years
3. Three or more years

Q39. We really appreciate the time that you have given us today. Would you be willing to be contacted again for clarification purposes or be invited to take part in other research for South East Water?

Yes, for both clarification and further research
Yes, for clarification only
Yes, for further research only
No

DP: INSERT HOUSEHOLD INCENTIVE DETAIL COLLECTION QUESTIONS

That was the last question. Thank you very much for your help in this research. Please can I take a note of your name and telephone number for quality control purposes?

Respondent name:

Telephone: Home:

MRS freephone number 0500 396 999

Thank you

I confirm that this interview was conducted under the terms of the Market Research Society code of conduct and is completely confidential

Interviewer's signature:

Debriefing Questions – to be completed by the interviewer when interview is over

Q40. In your judgement, did the respondent understand what he/she was being asked to do in the questions?

- Understood completely
- Understood a great deal
- Understood a little
- Did not understand very much
- Did not understand at all

Q41. Which of the following best describes the amount of thought the respondent put into making their responses?

- Gave the questions very careful consideration
- Gave the questions careful consideration
- Gave the questions some consideration
- Gave the questions little consideration
- Gave the questions no consideration

Q42. Which of the following best describes the degree of fatigue shown by the respondent when answering the questions?

- Easily maintained concentration throughout the survey
- Maintained concentration with some effort throughout the survey
- Maintained concentration with a good deal of effort throughout the survey
- Lessened concentration in the later stages
- Lost concentration in the later stage

SOUTH EAST WATER'S PLAN FOR 2015-2020

A	Continue to meet demand for water including the additional demand from population and housing growth, population is forecast to increase by 20% by 2040.
B	Help to manage demand for water by completing our customer metering programme with the installation of 170,000 meters, increasing the number of customers with a meter to over 90%.
C	Maintain the protection of our network from extreme weather events and the impacts of climate change.
D	Reduce our leakage by a further 2 million litres per day by 2020, as part of our 25 year leakage reduction strategy to achieve our leakage target of less than 10% of all water we supply. This compares to the current company performance of 17% and industry average of 19%.
E	Improve our water treatment works to meet new legislation, ensuring we continue to meet water quality health standards for drinking water.
F	Deliver physical security improvements at critical sites to meet the Government security requirements under the Security and Emergency Measures Direction.
G	Reduce our carbon emissions by 1% every year.
H	Maintain our ageing infrastructure to ensure current levels of operational service are maintained for current and future customers.
I	Reducing our borrowing costs and returns to shareholders by £30m by 2020, to reduce the overall bills to customers, balancing the needs of our customers and investors.
J	Provide support for customers in financial need and have difficulty paying their bill through the introduction of a social tariff.
K	Provide better information, an improved online service and clearer bills.
L	If customer satisfaction with our services falls, we will reduce bills.
	Your annual water bill from South East Water will increase in line with inflation between 2015 and 2020

SHOWCARD Z1

A	No qualifications
B	O levels / CSEs / GCSEs (any grades)
C	A levels / AS level / higher school certificate
D	NVQ (Level 1 and 2). Foundation / Intermediate / Advanced GNVQ / HNC / HND
E	Other qualifications (e.g. City and Guilds, RSA/OCR, BTEC/Edexcel))
F	First degree (e.g. BA, BSc)
G	Higher degree (e.g. MA, PhD, PGCE, post graduate certificates and diplomas)
H	Professional qualifications (teacher, doctor, dentist, architect, engineer, lawyer, etc.)

SHOWCARD Z2

A	Local community or volunteer group
B	RSPB (Royal Society for Protection of Birds)
C	Surfers Against Sewage/Marine Conservation Society
D	Canoeing/Boating/ Windsurfing club or similar
E	Angling Club
F	Ramblers Association
G	Friends of the Earth/Greenpeace
H	National Trust
I	Local wildlife trust or environmental organisation
J	Other national or international environmental organisation

APPENDIX B

Business Questionnaire and Show Cards

Recruitment Section

Good morning/afternoon/evening. My name is Could I please speak to whoever is responsible for paying your business/organisation's water bills and for liaising with your water company? **(INTERVIEWER PLEASE TARGET SOMEONE WHO KNOWS HOW MUCH THE BUSINESS/ORGANISATION PAYS BUT ALSO HAS AN UNDERSTANDING OF THE BUSINESS/ORGANISATION EG. OPERATIONS MANAGER, FACILITIES MANAGER, UTILITIES MANAGER ETC – IN SMALL BUSINESSES MIGHT BE MD/OWNER. WHEN SPEAKING TO APPROPRIATE CONTACT CONTINUE WITH EXPLANATION)**

My name is from Accent, an independent research consultancy, and we are carrying out an important research study for South East Water to investigate what customers think of their proposed business plan. This is a *bona fide* market research exercise. It is being conducted under the Market Research Society Code of Conduct which means that any answers you give will be treated in confidence. This is your opportunity to influence the company's future plans. Could you please spare a couple of minutes to see if you are the type of customer we need to speak to for this research?

Q1. Can you confirm that you are the person who is responsible for paying your business/organisation's water bills and for liaising with your water company?

Yes

No **ASK FOR REFERRAL**

Q2. And what business sector best defines the main activity of your company?

1. Agriculture, Forestry and Fishing
2. Mining and Quarrying
3. Manufacturing
4. Energy
5. Water service & supply **THANK AND CLOSE**
6. Construction
7. Wholesale and retail trade (incl motor vehicles repair)
8. Transport and storage
9. Hotels & catering
10. IT and Communication
11. Finance and insurance activities (incl real estate activities)
12. Business services
13. Government, health & education
14. Arts, entertainment and recreation
15. Other service activities
16. Other **SPECIFY**

Q3. Do you have more than one site in the South East Water area?

No, one site only

Yes, more than one site **SPECIFY NUMBER**

1. Completely unacceptable
2. Unacceptable
3. Acceptable
4. Completely acceptable

5. Don't Know/Not sure

Q10. If Q9= 1 or 2 ASK ELSE SKIP: Why do you think this is unacceptable? PROVIDE PRE-CODES AFTER PILOT

SPECIFY

Q11. If Q9= 1 or 2 ASK ELSE SKIP: What would make this acceptable? PROVIDE PRE-CODES AFTER PILOT

SPECIFY

Q12. If Q9= 3 or 4 ASK ELSE SKIP: Why do you think this is acceptable? DO NOT PROMPT – MULTICODE

Service from South East Water is good
Inflationary increase is acceptable
Seems like a good plan
Like the improvements mentioned
Like the support for paying bills

Other – **SPECIFY**

RECRUITMENT

Thank you for answering those questions. As I mentioned, we are carrying out an important research study for South East Water to investigate what customers think of South East Water's business plan for the 2015 to 2020 period. I would be very grateful if you could spare another **15-20** minutes – either now or at a more convenient time – to run through some questions with me.

This is your opportunity to influence the company's future plans.

You do need to have one table of information in front of you which I can either email to you now and we can carry on in 15 minutes or so or I can email or post them to you and we can make an arrangement to talk at a convenient time for you.

Email, now **SEND EMAIL THEN AND PROCEED**

Cannot continue with interview now **SEND EMAIL THEN RECORD APPOINTMENT ON NEXT SCREEN**

Do not have access to email **BRING UP APPOINTMENT/ADDRESS BOX**

No **ATTEMPT TO REASSURE & PERSUADE; IF STILL NO, THANK & CLOSE**

Continue without sending email (practise/design/completes)

IF 1 AT RECRUITMENT INTRO SAY: Thank you, if you have received my email we will now proceed with the main interview.

IF 2 OR 3 AT RECRUITMENT INTRO SAY: Thank you. We look forward to conducting the main interview with you at the agreed time.

Introduction to Main Survey

Thank you for agreeing to take part in this survey. As I said previously, we are conducting research for South East Water looking at what customers think of its business plan.

The questionnaire will take 15-20 minutes. You do not have to answer questions you do not wish to and you can terminate the interview at any point.

Can I check to see if you have your materials ready to refer to? These will have either been sent in the post or by email.

Hopefully you will have had time to read this material but we can always go through it again if not.

INTERVIEWER: CHECK SHOWCARDS CORRECT AND PROCEED OR RE-SCHEDULE AS APPROPRIATE.

Correct – **PROCEED**

Incorrect – **GO TO APPOINTMENTS SCREEN AND RE-SCHEDULE, RE-SENDING MATERIALS**

Background Questions

Q13. How do you feel about the amount that you pay for your water bill? Is it:

5. Too little
6. About right
7. Slightly too much
8. Far too much

Q14. And how affordable is this bill for your business/organisation? Please can you tell me using a scale of 1 to 4 where 1 is not at all affordable and 4 is easily affordable?

1. Not at all affordable
2. Not very affordable
3. Affordable
4. Easily affordable

Q15. **SKIP IF Q7=1 AND GOTO INTRO TO BUSINESS PLAN BEFORE Q17 ELSE ASK** You currently receive [**IF Q4 = 1 SAY** “one bill that covers both the water and sewerage elements of service” **IF Q4 = 2 SAY** “two bills: one for water from South East Water and one for sewerage from Southern Water”]: do you consider the water and sewerage service as one service or as two different ones from different providers?

- One service
- Two services
- Don't know

Q16. **IF Q15 = 1 AND Q4 = 2 ASK, ELSE GO TO “ INTRODUCTION TO BUSINESS PLAN OPTIONS”** As you consider the service as one, would you prefer to receive one bill?

Yes

No

Don't know

Introduction to Business Plan

South East Water has put together a preferred plan for investment from 2015 to 2020 period. This plan includes improvements in a number of areas, and would increase your bill in line with general inflation. It is estimated that inflation in 2015 will be in the region of 3.2%.

Please can you refer to the document that you have been sent. The different elements which make up the plan are described in the table. The bill change is shown along the bottom row in the shaded box.

Please read the information in the table, or take a moment to refresh your memory about the content on the document if you have already read it. **INTERVIEWER GIVE A FEW MOMENTS FOR REVIEW**

DO NOT READ – FOR INTERVIEWER INFORMATION
--

DP INSERT SHOWCARD INFORMATION

Do you need more time? **IF NO, PROCEED**

Q17. South East Water will deliver this plan by increasing your water bill in line with inflation between 2015 and 2020. **DISPLAY FOLLOWING IF Q7=2 or 3** At the same time, your sewerage bill from **Q11=1 SAY “Thames Water” ELSE Q11=2 SAY “Southern Water”** will:

**DISPLAY FOLLOWING IF Q7=2 or 3
IF Q4=1 SAY:**

“increase by between 10% and 24% by 2020 in order to:

- *Maintain an extra 40,000km of private sewers and 5,000 pumping stations, which are now Thames Water’s responsibility following a change in the law.*
- *Reduce the number of properties affected by sewer flooding each year. Around 1,000 Thames Water customers’ properties are affected each year by sewer flooding. This is less than 1% of the total number of properties they serve (this equates to approx. 2 properties in every 10,000 served). The proposed investment by Thames Water will reduce this by around 150 properties.*
- *Reduce the number of properties affected by unpleasant smells from sewage treatment. Around 20,000 Thames Water customers’ properties are affected each year by unpleasant smells from sewage treatment. This is less than 1% of the total number of properties served (this equates to approx. 40 properties in every 10,000 served). The proposed investment by Thames Water will reduce this by around 2,400 properties.*

This increase in your business/organisation’s sewerage bill does not include inflation or the impact of the costs of building the Thames Tideway Tunnel – which you may have heard about – which will start to be paid by Thames Water sewerage customers after 2015. The initial impact on bills will be small, but will increase as the work is carried out. Figures for each year are not yet known, but the maximum impact of up to 50% - 55% is likely to be reached in the early 2020s. This is in addition to the 10% to 24% Thames Water will increase bills by, by 2020 as I mentioned earlier.

**DISPLAY FOLLOWING IF Q7=2 or 3
IF Q4=2 SAY**

“increase in line with inflation between 2015 and 2020, in a business plan which will see:

- *Resolution of queries first time in 90% of cases, an increase in the number of customers who are satisfied or very satisfied that the service meets your individual needs and achieves platinum rating for corporate responsibility*
- *A 25% reduction in flooding inside properties, no increase in the number of blockages in their sewer system, no increase in flooding outside peoples properties and reduce complaints about odour from treatment works.*
- *Improvements to the quality of river and coastal bathing water, improvements to the sustainability of water and wastewater and maintenance of current levels of carbon emissions*

- *Improvements in information on saving water, avoiding blocked drains, your bill and where your money goes*
- *Help to make bills more affordable through greater efficiency, water saving advice and support for vulnerable customers.*

DISPLAY FOLLOWING IF Q7=2 or 3: Having told you about what **Q11=1 SAY** “Thames Water” **ELSE Q11=2 SAY** “Southern Water” will do about sewerage services which you must keep in mind, can I go back and ask you about South East Water’s plan which will increase by no more than inflation between 2015 and 2020. **DISPLAY TO ALL** On a scale of 1 to 4 where 1 is ‘Completely unacceptable’ and 4 is ‘Completely acceptable’, how acceptable is this to you? Refer to your sheet to read the plan again if you need to.

6. Completely unacceptable
7. Unacceptable
8. Acceptable
9. Completely acceptable
10. Don’t know/Not sure **DO NOT READ**

Q18. If Q17= 1 or 2 ASK ELSE SKIP: Why is this effect on bills unacceptable to you? DO NOT PROMPT; CODE VERY CAREFULLY & CHECK THEIR ANSWER

Water bill increasing by inflation

DISPLAY FOLLOWING IF Q7=2 or 3 IF Q4=1 Sewerage bill increase

DISPLAY FOLLOWING IF Q7=2 or 3 IF Q4=2 Sewerage bill increasing by inflation

Bill increase generally/water & sewerage bill should remain static

Water bill should increase further to allow for more improvements

DISPLAY FOLLOWING IF Q7=2 or 3 Sewerage bill should increase further to allow for more improvements

DISPLAY FOLLOWING IF Q7=2 or 3 Water & sewerage bills should increase further to allow for more improvements

Water bill should go down

DISPLAY FOLLOWING IF Q7=2 or 3 Sewerage bill should go down

DISPLAY FOLLOWING IF Q7=2 or 3 Water & sewerage bills should go down

Other **SPECIFY**

Q19. If Q17= 1 or 2 ASK ELSE SKIP: What would make this proposed bill impact acceptable? PROVIDE PRE-CODES AFTER PILOT

SPECIFY

Q20. Could you now please look again at the detail of South East Water's proposed plan. I am going to take you through each element of their plan and ask you how acceptable each is to you. Please again use a scale of 1 to 4 where 1 is 'Completely unacceptable' and 4 is 'Completely acceptable'. Using this scale, how acceptable is South East Water's plan to.... **READ OUT EACH ELEMENT:**

DP PROGRAMME IN GRID FORMAT

Completely Unacceptable Unacceptable Acceptable Completely Acceptable

(A) Continue to meet demand for water including the additional demand from population and housing growth, population is forecast to increase by 20% by 2040.

(B) Maintain the protection of our network from extreme weather events and the impacts of climate change.

(C) Reduce our leakage by a further 2 million litres per day by 2020, as part of our 25 year leakage reduction strategy to achieve our leakage target of less than 10% of all water we supply. This compares to the current company performance of 17% and industry average of 19%.

(D) Improve our water treatment works to meet new legislation, ensuring we continue to meet water quality health standards for drinking water

(E) Deliver physical security improvements at critical sites to meet the Government security requirements under the Security and Emergency Measures Direction.

(F) Reduce our carbon emissions by 1% every year

(G) Maintain our ageing infrastructure to ensure current levels of operational service are maintained for current and future customers

(H) Reducing our borrowing costs and returns to shareholders by £30m by 2020, to reduce the overall bills to customers, balancing the needs of our customers and investors.

(I) Provide support for customers in financial need and have difficulty paying their bill through the introduction of a social tariff.

(J) Provide better information, an improved online service and clearer bills

(K) If customer satisfaction with our services falls, we will reduce bills.

Q21. Now looking at the plan as a whole which we've just discussed, including the bill impact, which will increase by no more than inflation between 2015 and 2020, **DISPLAY FOLLOWING IF Q7=2 or 3** and bearing in mind the proposed changes that your sewerage supplier will be making, **DISPLAY ALL** please can you tell me how acceptable the overall plan is to you as a business, using a scale of 1 to 4 where 1 means 'completely unacceptable' and 4 means 'completely acceptable'? **DISPLAY FOLLOWING IF Q7=2 or 3 REPEAT SEWERAGE SUPPLIER PLANS, AS SHOWN IN ITALICS BELOW, IF NEED BE.**

**DISPLAY FOLLOWING IF Q7=2 or 3
SHOW IF Q4=1**

“Thames Water will increase your sewerage bill by between 10% and 24% by 2020 in order to:

- *Maintain an extra 40,000km of private sewers and 5,000 pumping stations, which are now Thames Water's responsibility following a change in the law.*
- *Reduce the number properties affected by sewer flooding each year. Around 1,000 Thames Water customers' properties are affected each year by sewer flooding. This is less than 1% of the total number of properties they serve (this equates to approx. 2 properties in every 10,000 served). The proposed investment by Thames Water will reduce this by around 150 properties.*
- *Reduce the number of properties affected by unpleasant smells from sewage treatment. Around 20,000 Thames Water customers' properties are affected each year by unpleasant smells from sewage treatment. This is less than 1% of the total number of properties served (this equates to approx. 40 properties in every 10,000 served). The proposed investment by Thames Water will reduce this by around 2,400 properties.*

This increase in your business/organisation's sewerage bill does not include inflation or the costs of building the Thames Tideway Tunnel – which you may have heard about – which will start to be paid by Thames Water sewerage customers after 2025. The initial impact on bills will be small, but will increase as the work is carried out. Figures for each year are not yet known, but the maximum impact of up to 50% – 55% is likely to be reached in the early 2020s. This is in addition to the 10% to 24% Thames Water will increase bills by, by 2020 as I mentioned earlier.

**DISPLAY FOLLOWING IF Q7=2 or 3
IF Q4=2 SAY**

“Southern Water will increase your sewerage bill in line with inflation between 2015 and 2020 in a business plan which will see:

- *Resolution of queries first time in 90% of cases, an increase in the number of customers who are satisfied or very satisfied that the service meets your individual needs and achieves platinum rating for corporate responsibility*

- *A 25% reduction in flooding inside properties, no increase in the number of blockages in their sewer system, no increase in flooding outside peoples properties and reduce complaints about odour from treatment works.*
- *Improvements to the quality of river and coastal bathing water, improvements to the sustainability of water and wastewater and maintenance of current levels of carbon emissions*
- *Improvements in information on saving water, avoiding blocked drains, your bill and where your money goes*
- *Help to make bills more affordable through greater efficiency, water saving advice and support for vulnerable customers.*

Completely unacceptable
 Unacceptable
 Acceptable
 Completely acceptable
 Don't Know/Can't say

Q22. If Q21= 1 or 2 ASK ELSE SKIP: Why do you think this plan is unacceptable? PROVIDE PRE-CODES AFTER PILOT

SPECIFY

Q23. If Q21= 1 or 2 ASK ELSE SKIP: What would make this plan acceptable? PROVIDE PRE-CODES AFTER PILOT

SPECIFY

Q24. If Q21= 3 or 4 ASK ELSE SKIP: Why do you think this plan is acceptable? DO NOT PROMPT - MULTICODE

Service from South East Water is good
 Inflationary increase is acceptable
 Seems like a good plan
 Like the improvements mentioned
 Like the support for paying bills

Other – **SPECIFY**

Q25. What % of business customers do you think need to find this business plan acceptable for South East Water to deem it acceptable to their business customers?

%
 Don't know / Not sure

Follow-up Questions

I would now like to ask you a few questions about the ratings you have just made.

Q26. Did you feel you had enough information to make your decisions about the acceptability of the business plan?

1. Yes
2. Mostly
3. No
4. Don't know./not sure

Q27. Using a scale of 1 to 4, where 1 = “Very unclear” and 4 = “Very clear”, can you tell me how clear is the information we have shown you regarding the business plan.

- 5. Very unclear
- 6. Unclear
- 7. Clear
- 8. Very clear

Q28. Do you have any further comments you would like to add?

- 1. No
- 2. Yes, **SPECIFY**

Demographics

Q29. How many employees are there at your business/organisation’s premises?

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

Q29A On a scale of 1 to 5 where 1 is very unimportant and 5 is very important, how important is your water supply to running your business? **INTERVIEWER NOTE 5 POINT SCALE**

- 1. Very unimportant
- 2. Unimportant
- 3. Neither important or unimportant
- 4. Important
- 5. Very important

Q30. We really appreciate the time that you have given us today. Would you be willing to be contacted again for clarification purposes or be invited to take part in other research for South East Water?

- Yes, for both clarification and further research
- Yes, for clarification only
- Yes, for further research only
- No

That was the last question. Thank you very much for your help in this research. Please can I take a note of your name and telephone number for quality control purposes?

Respondent name:

Telephone: Business:.....

MRS freephone number 0500 396 999

Thank you

I confirm that this interview was conducted under the terms of the Market Research Society code of conduct and is completely confidential

Interviewer's signature:

Debriefing Questions – to be completed by the interviewer when interview is over

Q31. In your judgement, did the respondent understand what he/she was being asked to do in the questions?

- Understood completely
- Understood a great deal
- Understood a little
- Did not understand very much
- Did not understand at all

Q32. Which of the following best describes the amount of thought the respondent put into making their responses?

- Gave the questions very careful consideration
- Gave the questions careful consideration
- Gave the questions some consideration
- Gave the questions little consideration
- Gave the questions no consideration

Q33. Which of the following best describes the degree of fatigue shown by the respondent when answering the questions?

- Easily maintained concentration throughout the survey
- Maintained concentration with some effort throughout the survey
- Maintained concentration with a good deal of effort throughout the survey
- Lessened concentration in the later stages
- Lost concentration in the later stage

SOUTH EAST WATER'S PLAN FOR 2015-2020

A	Continue to meet demand for water including the additional demand from population and housing growth, population is forecast to increase by 20% by 2040.
B	Maintain the protection of our network from extreme weather events and the impacts of climate change.
C	Reduce our leakage by a further 2 million litres per day by 2020, as part of our 25 year leakage reduction strategy to achieve our leakage target of less than 10% of all water we supply. This compares to the current company performance of 17% and industry average of 19%.
D	Improve our water treatment works to meet new legislation, ensuring we continue to meet water quality health standards for drinking water.
E	Deliver physical security improvements at critical sites to meet the Government security requirements under the Security and Emergency Measures Direction.
F	Reduce our carbon emissions by 1% every year.
G	Maintain our ageing infrastructure to ensure current levels of operational service are maintained for current and future customers.
H	Reducing our borrowing costs and returns to shareholders by £30m by 2020, to reduce the overall bills to customers, balancing the needs of our customers and investors.
I	Provide support for customers in financial need and have difficulty paying their bill through the introduction of a social tariff.
J	Provide better information, an improved online service and clearer bills.
K	If customer satisfaction with our services falls, we will reduce bills.
Your annual water bill from South East Water will increase in line with inflation between 2015 and 2020	