

PR19 Customer Challenge Group – Research Methodology Sub-Group

Meeting number: 9

Meeting Date: 25th April 2018

Paper No: 4

Agenda No: 7

Title: Bill profile and resilience research

Author: Alison Lee

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What is this paper about:	The proposed research methodology for our additional tracker survey
Action needed from the CCG:	The CCG research subgroup is asked to comment on the research concept

Criteria	Description / Explanation	Actioned - Y / N
Core Framework		
Project ref: number	PR19_12	Y
Project name	Bill profile and resilience research	Y
Project driver	Ofwat wants companies to understand customer preferences for different bill profiles, both now and in the longer term	Y
Objectives	To understand customer views: - on bill profiles over 5 and 20 years - do they want a flat bill profile or something more varied - on resilience priorities in respect of various investment options	Y
Precursory work	Previous bill profile research at PR14	
Timing	May - June 2018	Y
Process Management		
Brief	SEW preparing a questionnaire which will be sent out following the same methodology as the annual tracker survey	Y
Proposal	N/A	Y
Nature of tender - competitive or single source	Internally developed, managed & implemented by SEW regulation team	Y
Approvals process		
Internal consultee(s)	SEW regulation & asset management teams; Frontier	
CCG inputs		
Quality		
Timeliness (inputs)		
Timeliness (sign-off)		
Risk identification		
Research design & implementation		
Methodology proposed by providers	N/A	Y
Methodology selected by SEW	Quantitative: postal survey and will be available	Y
Rationale	The subject matter is something that will be more fully captured as part of the customer acceptability survey, where bill profiles will be set in the wider context of SEW's PR19 business plan. In addition, there is also previous research from PR14 which can be used as base evidence. Having consulted internally and with Frontier, we therefore believe that the topic did not merit an externally commissioned research study. That said, we thought it would be useful to capture people's opinions in some way. So, it was decided to utilise a postal survey to generate responses to the questions outlined in the objectives above. This is something that SEW has used successfully in previous years where it has generated a 10+% response rate. In 2017, 20,000 questionnaire were sent out and 3,000 were returned.	Y
Sample structure		
Customer type / segment	Household customers across the SEW region	Y
Size	25,000 surveys are being distributed, so if past experience is anything to go by we would expect to see 2,500 responses.	Y
Sample construction	Self-completion survey, so sample is completely random of who completes the survey. However, given the expected response rate, we would expect a strong cross section of SEW customers across the different customer segments, as well as age & whether metered or not	
Implementation		
Milestones & activities	Questionnaire distributed in May Analysis - late May, early June Results - early to mid June	Y
Programme/research changes		
Key deliverables	A presentation of the research findings	Y
Key learnings summary		
How do they inform/influence the business plan?		

Tell us your views – and you could win £1,000!

Your water, your say

We are currently preparing our next five-year business plan and would really like to get your views.

Our plan needs to set out the investment we want to make to meet your priorities for water and deliver the service you expect. Whatever decisions are made will influence what your water bills are for the 2020 to 2025 period - which is why we need your input.

For a chance of winning the top prize of **£1,000**, or one of four runners up prizes of **£250**, please take a moment to complete this survey and return it in the pre-paid envelope provided.

You can also complete this survey online at southeastwater.co.uk/yoursay

Thank you and good luck!

Terms and Conditions of prize draw

1. Only one entry per South East Water account holder.
2. In order to be eligible to receive a prize you cannot be an employee of South East Water.
3. By taking part in the survey, you agree to be bound by these terms and conditions and the decisions of South East Water are final in all matters relating to the prize.
4. By entering the prize draw you agree that South East Water may use your personal information as set out below and in accordance with South East Water's Privacy Policy www.southeastwater.co.uk/resources/legal/privacy-policy.
5. South East Water reserves the right to suspend or withdraw the promotion or amend the prize draw or these terms and conditions without prior notice. Any changes will be posted either within the prize draw information or these terms and conditions.
6. The promoter of this prize draw is South East Water Limited (registration number: 02679874), Rocfort Road, Snodland, Kent, ME6 5AH.
7. The survey must be completed online or returned in the post to South East Water by Wednesday 2nd May 2018. No surveys will be included in the prize draw received after this date, regardless of when you post them. Please therefore leave enough time for posting.
8. Winners will be drawn at random at South East Water's head office in Snodland on Monday 14th May 2018. The first prize is £1,000, there are four runners up prizes of £250. The winners shall be notified by post, telephone or email.
9. South East Water account holders with an outstanding balance of £200 or over on their account at the time of the prize draw (Monday 14th May 2018) will not be eligible to participate in the prize draw.
10. If you are a winner:
 - a. the receipt by you of any prize is conditional upon you complying with any and all applicable laws, rules and regulations including, without limitation, these terms and conditions
 - b. you acknowledge and agree that South East Water may choose to publish details of the winners, to include a photograph of the winners if required, in its publicity material, including but not limited to press releases or on its website
 - c. your prize shall be delivered in the form of a cheque to your usual address as stated on your bill with South East Water. The date of delivery shall be determined by South East Water at its discretion
 - d. you agree that if upon notification of your prize you do not respond to South East Water within 30 days to accept your prize, South East Water shall be entitled to pick another winner at random.

Full terms and conditions are available online at southeastwater.co.uk

Customer No:

For each question please put an 'x' in one box only – unless specified otherwise

Section A – Resilience

Resilience is the ability to cope with, and recover from, disruption when it happens. It's also about being prepared for future disruption too that could impact your water supply. All water companies need to make sure they are resilient businesses in the long term.

We want to know your priorities on resilience too so we can make the right investment decisions – not just today but for future generations too.

Please rank the below in order of importance to you from 1 (the most important issue we need to address) to 10 (the least important issue we need to address)

*** Please note that the first seven options would all include linking up pipes across the region so water can be pumped to the areas that need it most.*

Events that could cause disruption to water supplies	Possible solutions to make the water supply more resilient against these events	Customer ranking (1-10)
Water use restrictions being introduced during severe droughts	<ul style="list-style-type: none">· Building new reservoirs to store additional water· Increase water supply transfers from other water companies **	
Less water being available in the environment for drinking water supplies due to new laws to protect the environment	<ul style="list-style-type: none">· Providing tailored water efficiency advice and water saving devices to help customers to reduce their demand **	
Interruptions to customers' water supplies if they are reliant on a single water treatment works for their tap water, which then fails	<ul style="list-style-type: none">· Further improve the treatment works with better reserve/standby equipment, to reduce the chance of it shutting down.· Increase the number of water storage reservoirs so customers' water supplies can switched around	

	<ul style="list-style-type: none"> · Increase water supply transfers from other water companies <p>**</p>	
Interruptions to customers' water supplies from a burst water mains	<ul style="list-style-type: none"> · Replace more of the older water mains each year to reduce the likelihood of them bursting <p>**</p>	
Interruptions to customers' water supplies due to power cuts (water is heavy and needs power to move it)	<ul style="list-style-type: none"> · Increase the number of back-up power generators <p>**</p>	
Loss of water supply transfers from other water companies	<ul style="list-style-type: none"> · Increase in South East Water developing more of its own sources of water so it is less reliant on others ** 	
Population growth leading to an increase in customer demand for water	<ul style="list-style-type: none"> · Increase in South East Water developing more sources of water · Providing tailored water efficiency advice and water saving devices to help customers to reduce their demand <p>**</p>	
Cyber-attacks affecting key business systems / terrorism and/or vandalism of water supply sites resulting in disruption to customers	<ul style="list-style-type: none"> · Enhance IT systems with improved security · Improvetraining of staff, and increase customer awareness of potential issues · Improve security at all operational sites to deter, detect and secure sites from terrorism or vandalism 	
Water supply sites unable to operate due to being flooded	<ul style="list-style-type: none"> · Improve protection at water supply sites so they can keep running even if the local area around them floods 	
Risk of cryptosporidium (a naturally occurring organism found in the guts of animals) getting into water supplies which can cause	<ul style="list-style-type: none"> · Work closely with farmers and other land users to reduce the risks of cryptosporidium getting into the water environment. · Upgrade our water treatment works to improve the treatment of cryptosporidium 	

sickness and diarrhoea		
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Section B – Your water bill

Every five years, water bills are agreed between South East Water and Ofwat, the water industry regulator. The bills take into account future savings we can make, as well as any investment required to maintain and improve the level of service you receive.

We've set out some different ways of how we can applying water bills from 2020 to 2025. In each scenario, the amount you pay for your water will be no different over the five years – what we want to know is which of the following scenarios you would prefer:

- a bill decrease in the first year before bills increase in the following four years
- a bill increase in the first year before bills decrease in the following four years
- stable bills across all of the five years

Thumbnails similar to the below

What about the next 20 years? Again, the amount you pay for your water will be no different over the 20 years. Please select which of the following scenarios you would prefer:

- a bill decrease in the first 5 years before bills increase in the following 15 years
- a bill increase in the first 5 years before bills decrease in the following 15 years
- stable bills across all of the 20 years

Thumbnails similar to the below

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	+/- Year 1	+/- Year 2	+/- Year 3	+/- Year 4	+/- Year 5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Year 1	Year 2	Year 3	Year 4	Year 5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Year 1 + -	Year 2	Year 3	Year 4	Year 5

About you

Supply type: Metered Not metered

Age Group: 16-24 25-34 35-49 50-64 65-75 75+ --

Which one of the following statements most closely applies to your use of water?

I don't know how much I use and I don't think about it

I don't know how much I use but I am conscious about it

I'm careful about how much I use to keep my bill down

I'm careful about how much I use because I don't want to waste water

How strongly do you agree or disagree with the following statements and how they apply to you and your life generally?

1= strongly disagree, 2 = disagree, 3 = neither agree or disagree, 4 = agree and 5 = strongly agree

I am conscious of the world around me and want to look after it for future generations

I'm happy to pay a bit more for products and services that are environmentally friendly

I consider the impact of my actions on the environment

If you'd like to give us more detailed feedback to any of these questions or about the service we provide you can contact us at yourwateryoursay@southeastwater.co.uk