

## **RESULTS OF FURTHER JOINT INDUSTRY RESEARCH INTO CUSTOMERS' VIEWS ON WATER AND SEWERAGE SERVICES PUBLISHED TODAY**

Results of the latest joint research into water and sewerage customers' views on the services they could receive in 2005-2010 are published today. Major stakeholders in the water and sewerage industry have co-operated on a joint customer research project in preparation for the next review of water and sewerage prices. The research was undertaken by consultants, MVA.

The research was commissioned jointly by:

Department for Environment, Food and Rural Affairs  
Welsh Assembly Government  
Office of Water Services  
WaterVoice  
Water UK  
Environment Agency  
Drinking Water Inspectorate  
English Nature  
Wildlife and Countryside Link

In October 2002 Ofwat began the process of reviewing the price limits for water and sewerage companies in England and Wales for the period 2005-2010. Price limits are the amount by which average bills can change each year.

The results of this research will provide key stakeholders and the Government with a better understanding of customers' views of the water industry and their priorities for the scope of programmes of work in their area, in the context of the potential impact on their bills. Customers commented on service levels in the water environment, drinking water quality, water and sewerage services and customer services in their water and sewerage company areas.

Customers were given details of the service they currently receive and the average bill in their area. They were shown details of their water company's draft business plan, and potential associated costs for the period 2005-2010, including proposals related to the company's preferred strategy and Reference Plans A and B, which were plans with different service levels defined by water regulators.

Key results from the survey showed that:

### *Customer current satisfaction and value for money*

- Satisfaction with current water and sewerage services is generally high (67% to 89% across the companies; with an average, nationally of 79%).
- Over half (55%) of customers in England and Wales consider the current service offers good value for money (37% to 71% across companies).

### *Importance of maintaining services*

- When shown the current service levels in their area, a large majority of customers consider it either 'important' or 'very important' that these are maintained and not reduced (nationally, at least 83% for all service elements). "Maintaining the quality and safety of drinking water" and "ensuring a reliable and continuous water supply" were given the highest levels of support nationally.
- There was also strong customer support for maintaining service levels on:
  - maintaining water pipes, treatment works and reservoirs;
  - avoiding the risk of sewer flooding;
  - improving the appearance, taste and smell of tap water; and
  - maintaining sewers and sewage treatment works, ensuring the network can meet new demand and controlling smells from sewage works.

Though still important to an overall majority of customers there was slightly less support for:

- managing the pressure of water in taps and interruptions to supply;
- managing the effect of water companies' activities on rivers, wetlands and coastal waters;
- managing the amount of water taken from the environment to supply customers; and
- handling customers' accounts, complaints and customers with special needs.

### *Importance of improving services*

- When asked the importance of improving service elements, without being told the associated costs, most customers thought it was "important" or "very important" to improve in all areas. However, this was considered slightly less important than maintaining current services.
- The top two areas for improvement, without any additional costs, were "improving the appearance, taste and smell of tap water" and "drinking water quality/safety of tap water".
- There was also strong support for improvements in the other areas. Improving "handling customers' accounts, queries, complaints and customers with special needs" had the lowest level of support of the 10 elements of service, although this was still supported by a majority of customers (62%).

### *Appeal of individual elements of each plan*

- Customers were shown the plans proposed by companies in their own area (company preferred plans), and the associated costs of proposals for 10 service areas. They were also shown similar details of service elements under Reference Plans A and B. Just over four in ten of all customers wanted to see all of the proposals in the plans implemented, about four in ten wanted some and about two in ten wanted none.

- The area of service delivery in the plans most supported by customers nationally was “ensuring the safety of tap water”. “Managing the appearance, taste and smell of tap water” and “ensuring reliable and continuous water supply” were the next most supported service elements.
- The next most supported group of service areas were “maintaining sewers and sewage treatment works, ensuring the network can meet new demands and controlling smells from sewage works”, “maintaining water pipes, treatment works and reservoirs”, “avoiding the risk of homes and gardens being flooded with sewage” and “managing the pressure of water in your taps and the number of unplanned interruptions”.
- Service elements wanted by fewer customers, though still, in most cases, the majority (49-55%) across all companies were: “managing the amount of water taken from the environment to supply customers”, “managing the effect of water company activities on the water quality of rivers, wetlands and coastal areas” and “handling customers’ accounts, queries, complaints and customers with special needs”
- Responses to individual company plans varied among the customers of different companies. Support for various service elements varied from 30% to 90% in different company areas.

#### *Value for money of each plan*

- Companies preferred plans and proposals under Reference Plan A were generally considered better value for money than Reference Plan B. Just under half (45%) of customers nationally felt that their company’s preferred plan offered good value for money. Customers gave a similar rating for Reference Plan A, but a significantly lower proportion felt that Reference Plan B proposals offered value for money.
- Customers in all but three out of 23 company areas indicated that the current service from their company offers better value for money than their company’s preferred plan, or either of the reference plans.

#### *Willingness to pay for each plan*

- Customers were asked if they would be willing to pay for the proposals. Nationally 41-46% of customers said they were “probably willing” and 14% that they were “definitely willing” to pay for the proposals in the three plans. 19-22% were “probably not willing”, and 14% “definitely not willing” to pay. They were slightly more willing to pay for their companies’ preferred plans and Reference Plan A than for Reference Plan B.
- When those who were not willing to pay were asked why, about half said the cost was too much for the improvements provided, and about a third said that they could not afford it. Customers on low incomes, in socio-economic group D or E, and living in rural areas were least willing to pay for any of the plans.

### *Concern over delay in delivery*

- Customers were asked if they would be concerned if the proposals they supported were delayed to keep bills down. Four in ten indicated they would be concerned, but half said they would not.
- The service element which would cause most concern if delayed was drinking water quality. This element of service was most important to customers throughout the survey, who supported proposals in this area, regardless of cost.

### *Preferred bill profile*

- When asked if they would prefer to see bills change gradually, in one go or up and down in line with company costs, customers strongly indicated that they would prefer to see steady changes every year throughout the period.

### Editor's Notes

1. The joint market research involved 6,036 quantitative face to face interviews of about 20 minutes across England and Wales. Fieldwork took place in September and October 2003. The 23 water and sewerage company areas across England and Wales were covered.
2. Customers answered questions about services in their own water and sewerage company area. They were shown the level of current services and their average household bill for their area. The future proposals contained in the company draft business plans for their own water and sewerage company area and the increase in the average bill were also set out. The outputs and costs used were agreed with the water companies as suitable for use in the survey. These plans (and therefore the outputs and costs used in the survey) are subject to change in the next part of the Periodic Review process, which the results of the survey will inform.
3. It should be noted when looking at national figures that the outputs customers were commenting on and the costs attached varied from company to company. The national figures should be viewed in this context and readers should refer to the company specific volume of the report for responses related to individual companies. Readers should also note the range of responses between companies, which is detailed throughout the report alongside the nationally aggregated figure.
4. The executive summary from the report will be available on each of the stakeholders' websites listed below. A full copy of the report is also available from each website. The report is in two volumes, the first covering national findings and technical issues, the second containing the results for individual companies. A Welsh version of the questionnaire is also available. Hard copies of the report will be available from the Ofwat library 0121 615 1300 in the next few days. Data tables will also be available for examination at the Ofwat library.

5. The Joint Stakeholder group consisted of the following organisations:

**Department for Environment, Food and Rural Affairs (Defra) and the Welsh Assembly Government**

Responsibility for regulation of drinking water quality and environmental standards and for setting the overall policy framework and vision for the price review, lies, in England, with the Secretary of State for Environment, Food and Rural Affairs, and in Wales with the Welsh Assembly Government.

All media enquiries to: Matt Conway  
Press Office  
DEFRA  
Nobel House  
17 Smith Square  
London SW1P 3JR  
Tel: 020 7238 6698  
Fax: 020 7238 5529  
[www.defra.gov.uk](http://www.defra.gov.uk)

All media enquiries to: Rebekah Reid  
Communications Directorate  
Welsh Assembly Government  
Cathays Park  
Cardiff CF10 3NQ  
Tel: 029 2089 8490  
Fax: 029 2089 8560  
[www.wales.gov.uk](http://www.wales.gov.uk)

**Office of Water Services (OFWAT)**

The Director General of Water Services supported by Ofwat is the economic regulator. Ofwat's primary role is to ensure that licensed companies can carry out and finance their functions to supply water and treat sewage, and to set price limits for all the water and sewerage companies in England and Wales. Ofwat also acts to protect customers by ensuring there is no undue discrimination in the way companies fix and recover charges, and that standards of service that customers receive are safeguarded.

All media enquiries to: David Brittin  
Press Officer  
Office of Water Services  
Centre City Tower  
7 Hill Street  
Birmingham B5 4UA  
Tel: 0121 625 1496  
Fax: 0121 625 1346  
[www.ofwat.gov.uk](http://www.ofwat.gov.uk)

## **WaterVoice**

Customers' interests are represented by WaterVoice. WaterVoice operates through nine committees in England and a committee for Wales with statutory duties to represent the interests of all customers of the water and sewerage companies. The ten WaterVoice committee Chairmen form the WaterVoice Council, which deals with issues at national and European level.

All media enquiries to: Andrew Marsh  
Senior Communications Officer  
WaterVoice  
Centre City Tower  
7 Hill St  
Birmingham B5 4UA  
Tel: 0121 625 3637  
Fax: 0121 625 1444  
[www.watervoice.org.uk](http://www.watervoice.org.uk)

## **Water UK**

Water UK is the industry association that represents all the UK water and sewerage organisations at national and European level.

All media enquiries to: Barrie Clarke  
Director of Communication  
Water UK  
1 Queen Ann's Gate  
London SW1H 9BT  
Tel: 0207 344 1804  
Fax: 0207 344 1853  
[www.water.org.uk](http://www.water.org.uk)

## **Environment Agency**

Environment Agency is the non-departmental public body that champions the protection of the environment, with vested legal duties, responsibilities and powers. The Environment Agency regulates many activities and processes that impact on the environment, including industrial and business activities that cause, or have the potential to cause, pollution to air, land and water. At the same time it must have regard to the conservation of features of special interest. The Environment Agency also regulates the abstraction and storage of water, the exploitation of freshwater fisheries and the use of certain river navigations.

All media enquiries to: National Press Office  
Environment Agency  
Millbank Tower  
25<sup>th</sup> Floor

21-24 Millbank  
London SW1P 4XL  
Tel: 0207 863 8710  
Fax: 0207 863 8650  
[www.environment-agency.gov.uk](http://www.environment-agency.gov.uk)

### **Drinking Water Inspectorate (DWI)**

The Drinking Water Inspectorate is responsible for regulating the public water supplies in England and Wales. It assesses the quality of drinking water and takes enforcement action if standards set in the Water Supply (Water Quality) Regulations are not met.

All media enquiries to: Jane Allen  
Inspector  
Drinking Water Inspectorate  
Floor 2/F3  
Ashdown House  
123 Victoria Street  
London  
SW1E 6DE  
Direct line: 0207 082 8035  
Fax: 0207 082 8028  
[www.dwi.gov.uk](http://www.dwi.gov.uk)

### **English Nature**

English Nature is the statutory body that champions the conservation and enhancement of the wildlife and natural features of England. English Nature does this by advising on nature conservation issues; regulating activities on special nature conservation sites in England; and helping others to manage land for conservation.

All media enquiries to: Alison Giacomelli  
Freshwater Policy Officer  
English Nature  
Phoenix House  
32-33 North Street  
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East Sussex  
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Tel: 01273 476595  
Fax: 01273 483063  
[www.english-nature.org.uk](http://www.english-nature.org.uk)

### **Wildlife and Countryside Link (WCL)**

Wildlife and Countryside Link brings together environmental voluntary organisations in the UK united by their common interest in the conservation and enjoyment of natural and historic environment. WCL represent 34 organisations supported by over 6 million people.

All media enquiries to: Philip Burston  
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Fax: 01273 220236  
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