
Severn Trent Water

Evaluation of the Draft Business Plan

Final Qualitative Report

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Executive Summary

The key finding from the qualitative stage of research is that customers support Severn Trent Water's (STW) draft business plan (DBP) in terms of the bill increases. Respondents did not find an average increase for 'new' investment of just under £13 a year difficult to afford, with many saying that that only works out at an extra £1 a month. These findings were particularly reinforced when it was understood that there were efficiency savings to trade off here also so that the real impact on bills would be only £2.65.

Respondents also supported the emphasis of the DBP as it impacted on them. They believe that the focus on the operational aspects of the business in terms of delivering a continuous supply of quality water and ensuring an efficient and effective sewerage service are of paramount importance to STW's future plans. There was consensus from most business respondents that these Key Strategic Intentions were the correct ones for Severn Trent Water to focus on.

In particular, customers spontaneously focused on three or four specific areas of the key strategic intentions. These were leakage, water conservation and metering. The Gloucester groups, unsurprisingly, felt that eradicating the risk of being without water by improving the resilience of the network was crucial to STW's plans. Business respondents also mentioned areas of improvement that included dealing speedily with leaks, consumer water conservation, having adequate contingency water provision and responding in a timely fashion to any complaints received.

Some people also spontaneously mentioned customer service as an area that required attention with many registering their concern about the delays in STW coming out to fix problems, especially leaks, and the difficulties people have when trying to read their meters. In the main however, most people said the customer contact experience was positive once they got through to a person. Overall, people were quite satisfied with STW as most gave it a 7 out of 10 rating. The majority of business respondents also made very positive remarks about STW, in particular its communications.

Respondents welcomed the variety of communication channels that STW is offering and many said they would carry out basic transactions on line, such as change of address and setting up direct debits. However, people would generally use the phone if they have a problem and prefer to speak to a person as opposed to going through an automated system.

A minority of business respondents did have some problems with STW where they had reputedly failed to follow up on a problem that they felt needed resolving. Hence, these respondents felt that Severn Trent Water could be more proactive and vigilant regarding responding to outstanding queries.

On the whole customers struggled to understand how STW's operations could impact on the carbon footprint. Indeed, people expressed surprise when they were told that the water industry is the fifth largest carbon producing industry in the country. The implication of this is that more education may be required to help customers understand the extent of STW's potential impact on the environment.

However, once respondents understood the magnitude of STW's operations they considered any measures to reduce carbon emissions as worthwhile, as long as they were cost effective and not at the expense of carrying out its core service of ensuring a continuous supply of water and the effective removal and treatment of waste.

Customers, residential and business alike, were generally quite impressed with the current service levels and, although having nothing to compare with, when told what the average water and sewerage bill was they thought the current level of service represented value for money.

Given the number of households in the STW region many customers said the proportion of people affected by various problems was very small. While they were not necessarily affected by these problems, they acknowledged that they would not like to experience some of the issues, particularly sewer flooding, which was felt to be an appalling experience for anyone.

The major concern for customers was the extent of leakage. There was incredulity at the perceived high levels of leakage because of what was seen to be a waste of resource as well as a feeling of injustice that 'this is water that we have paid to be treated and distributed, and it's just going to waste'.

Despite being reasonably satisfied with the current levels of service there was unanimity about the need for continuous improvement and 'always striving to do better'. The same was true of businesses where most respondents were happy with the current service levels although this was tempered by an acknowledgement that there was still room for improvement.

When customers were presented with the improvements there was an overall sense that, while any improvement is better than nothing, if anything the DBP lacked ambition, especially as the improvements were over five years. Businesses took a more pragmatic view saying that although the proposed improvements to service levels were modest they were content that they were still moving in the right direction. The perspective from these respondents is that STW is supporting slight incremental progress that will be both manageable and achievable in the future and hence likely to succeed.

They recognised some improvements as being significant like improving river quality, the network being more resilient to ensure water supplies could be maintained in the event of severe events and interruptions to supply.

However, customers quickly focused on two issues which they felt needed more improvement than is being planned for. Already being quite frustrated at the current leakage levels respondents started to become angry at what was perceived to be a paltry improvement. This was further exacerbated when it was revealed how much it would cost to reduce leakage by four litres per household per day compared to three times the cost for getting customers to reduce their consumption by the same amount.

Respondents also believed that improving internal sewer flooding by 100 and no improvement to external sewer flooding over five years was not acceptable. There was a feeling that £4 over the five years to stop 100 properties being flooded was not enough and that some of the monies could be redistributed to improve internal sewer flooding further.

The overall bill increases were deemed to be acceptable. For most, an extra £12 a year or £1 month would hardly be noticed and respondents were surprised that the bill impacts were not more, especially given the current trend with the rise in the cost of living. This feeling was even more strongly felt when it was appreciated that there were real efficiency bill savings to balance against much of this investment based increase.

Although people were largely supportive of the average £12 increase in bills there was a strong sense that too much was being spent on river ecology. While customers were in favour of environmental improvements, many queried why such a huge improvement was required and therefore why so much, over half of the £12, had to be spent in this area. They would rather see less improvement on rivers and see the investment go elsewhere, for example into improving sewer flooding and leakage.

The extra expenditure planned for on resilience, where 1.4 million customers would be provided with alternative sources of water, was fully supported.

An alternative scenario with a slightly increased investment (to £16) was also tested out. Most people would have no issues with a £16 average bill increase either and, although customers raised the same issues around leakage and water conservation mentioned above, they felt that the extra £4 was being targeted in the right areas.

Overall then while people felt they could afford the extra £12 or £16 a year, they felt a better balance could be achieved in terms of how the expenditure was being divided up between each of the improvements.

The 'modest' bill increases do not appear to unduly concern the majority of businesses and there was much support for the balance of price increases in relation to the recommended service improvement levels. Respondents feel that Severn Trent Water has adopted the correct balance between raising prices and service level improvements

Finally, whatever the outcome of the DBP in terms of improvements and bill increases, customers were keen to receive some simple and clear information about what improvements had been made on an annual basis so that they can see where their money has gone. This supports the main willingness to pay qualitative research where customers wished for more transparency and accountability from STW.

1. INTRODUCTION

1.1 Background

Severn Trent Water (STW) has drawn up its draft business plan for the next quinquennium in which it is seeking to modestly increase bills between 2010 and 2015. STW's proposed plan takes into account a programme of improvements which it considers to be necessary and feels is supported by customers.

The planned capital expenditure for AMP5 is primarily in the following areas:

- network resilience
- increased maintenance
- increased supply capacity
- meeting new sewage treatment standards
- reducing sewer flooding.

As part of the ongoing consultation process STW commissioned Accent to undertake further research with the main objective of achieving stakeholder support for its proposed business plan, both in terms of its planned bill increases and the planned programme of improvements outlined above.

1.2 Objectives

The objectives of the qualitative study were to ensure the following:

- customers understood the improvements presented to them
- customers understood the impact on their bills in terms of each improvement
- what level of support there was, in broad terms, for the draft business plan (DBP)
- what aspects of the DBP might be changed to better reflect customer requirements
- test and develop the details of the questions, as well as the descriptions to be used, for the quantitative survey

1.3 Report Structure

The report is based on the following structure.

- Executive Summary – highlights the key issues to emerge from the focus groups
- Section 1 – provides detail about the background and objectives
- Section 2 – explains the methodology and sampling strategy
- Section 3 – details the findings from the focus groups
- Section 4 – conclusions and recommendations
- Appendices – copies of topic guide and showcards

2. METHODOLOGY

2.1 Introduction

Focus groups were recommended to explore these issues with residential customers and business tele-depths with business customers.

Focus Groups

Accent recommended eight group discussions in total, believing this allowed for good coverage across STW's region. The group structure is shown in the table below.

Table 1: Focus Group Structure

Location	SEG	Age	Gender
Birmingham 1	ABC1	18-45	Mix – 50:50
Birmingham 2	C2DE	46+	Mix – 50:50
Nottingham 1	ABC1	46+	Mix – 50:50
Nottingham 2	C2DE	18-45	Mix – 50:50
Gloucester 1	ABC1	18-45	Mix – 50:50
Gloucester 2	C2DE	46+	Mix – 50:50
Shrewsbury 1	ABC1	46+	Mix – 50:50
Shrewsbury 2	C2DE	18-45	Mix – 50:50

The groups were 90 minutes in length, with two held per evening. The Nottingham and Birmingham groups were held in viewing facilities, allowing for both the client and representatives of the Environment Agency, CC Water and Ofwat to observe. Light refreshments were supplied for all attendees and incentives of £40 were provided to respondents as a thank you for their time.

Business Tele-Depths

Accent also recommended conducting 10 business telephone depths as this would be sufficient to ensure a reasonable spread by business sector. It also enabled us to conduct interviews with contacts from different company sizes, ie small, medium and large, based upon the size of customers' bills

The tele-depths were carried out by experienced staff at Accent's telephone unit and lasted approximately 30 minutes each. Incentives of £40 were offered to the respondent as a thank you for their participation in the research.

Recruitment

A recruitment questionnaire was drafted by Accent to include all the necessary questions to meet the group/depth structure agreed with STW. In addition, for group recruitment, other questions were included to ensure that:

- no one was recruited who had taken part in a focus group in the past six months
- no one was recruited who had taken part in more than three focus groups in the past two years

- no one was recruited who had taken part in a group discussion on the same subject matter in the past two years
- at least one third of the group had never taken part in a group discussion before.

Topic Guides

The topic guides were drafted following the set up meeting with STW and were provided to STW for comment and final approval. The topic guides followed the structure outlined below:

- general impressions of Severn Trent Water – what STW does well, what could be improved and whether it provides value for money
- coverage of key strategic intentions including
 - providing a continuous supply of quality water
 - dealing effectively with waste water
 - responding to customers' needs
 - minimising its carbon footprint
- an evaluation of the current levels of service across a range of water and sewerage attributes where STW was planning improvements from 2010-2015
- an evaluation of the proposed improvements across each attribute in STW's draft business plan, both in terms of the scale of the improvement and the likely bill impacts
- an evaluation of other potential improvements beyond what is in the DBP; and
- the overall level of support of for the company's DBP.

3. RESIDENTIAL FINDINGS

3.1 Introduction

This section reports on the main issues to emerge from the focus groups and discusses what people feel about Severn Trent Water in general terms before exploring specific issues related to the draft business plan and whether people support it or not.

3.2 General Perceptions

On the whole customers have quite positive impressions of Severn Trent Water and, in some cases were pleasantly surprised by the level of service saying that they thought prices might be higher given that there is no competition.

I believe that Severn Trent Water has been testing and comes out better tasting and better quality than a lot of bottled water. I think the water they do sample is excellent.

Gloucester C2DE

The quality of the water I think is fantastic, I drink it all the time, it's beautiful stuff

Gloucester C2DE

I would give them a 10 (out of 10)- in 12 years I have never had to call them, I have never had any problems, I think it is quite cheap to get fresh water to your house.

Birmingham ABC1

I think the water is alright, very good quality generally, compared to most other areas.

Birmingham ABC1

I've never had a problem with Severn Trent at all, I've just taken it as written, they're my water company, they always have been since I've lived up here. But I find them incredibly annoying when they dig up the same piece of road going into my village, 5 times in one year. And it causes horrendous jams...and that is the only thing that's ever made me even think about Severn Trent.

Nottingham ABC1

I'd go for a 10 because they haven't upset me and the increase, compared to the other energy suppliers is not that much

Nottingham ABC1

Basically water is undervalued isn't it. Anybody accepts the fact they're going to turn the tap on they're going to get water, decent drinkable value.

Shrewsbury ABC1

Many customers also take their water and sewerage service for granted, that is until something goes wrong. The floods in Gloucester last year were a classic case where people began to appreciate what a valuable service is provided by the water industry, and in this case Severn Trent Water.

I think it's a service we take for granted, until last year, that made us all realise I think how much, we do take it for granted, as I say with the climate the weather and things we've got going on I think these floods are just going to get more and more frequent, we have always had them but they are just going to come more often and I think Severn Trent need to look into that and be prepared for that.

Gloucester C2DE

This feeling of taking it for granted could also be perceived as apathy towards the water company and is compounded by an 'out of sight, out of mind mentality' where people don't fully appreciate the fact of..

...never had to contact them. Never had any problems. No problems with my bills...

Nottingham C2DE

There were some who were less impressed with STW's operation citing various issues like the lack of competition and specific areas of customer service that can cause irritation to customers. One such area is customer meter readings where there were several tales of how difficult it was to read meters.

The only time I've ever had contact with Severn Trent is when I moved from my last house. They were pretty unhelpful actually. They wouldn't come out and do my water meter reading, because I was on a water meter in my last house. And I had to go down the drain and find my meter reading myself which I've not ever done before. So I was a bit annoyed...

Nottingham C2DE

The other specific area that respondents did not find STW very helpful over was leaks, especially in terms of response times and general attitude

There was a burst water main on my property out on the street and it took them over a week to come and sort it out and it was just. I was like what a waste of water. I rang several times and reported it. It wasn't small either it was a big leak and it was flooding the road

Shrewsbury C2DE

I had a leak in the drive and I was not able to afford a private contractor at that time. And they did do just that, dug a trench... and it was a right mess and they did not want to know. They were not helpful at all

Shrewsbury ABC1

Some of the problems were related to contractor workmanship and almost a sense of not really caring about the customers. The incident below refers to a stop tap replacement

They turned the water off, the work was done, when they come to turn it back on they couldn't and they broke it. So we were without water for about 24 hours. They then came out and got the water back on. When I woke up in the morning the garden was flooded. After many phone calls I got to the right person they come out about 10 o'clock at night and said that the men would be coming back tomorrow. They come and done a repair on it which didn't repair it and it was still leaking the following

day. Eventually another superior team did come, they dug an horrendous hole outside our house, there was mud 6 foot high and they were down in the hole and they put a plastic device in which is supposed to be the new type that they fit now. And they re-tarmac it and made it good.

Shrewsbury ABC1

Another incident referred to a burst pipe where the initial speed of response was good but the attitude of the contractors was perceived not to be up to standard..

'look, I am doing my job, get lost, I will do what I can, don't talk to me, get your utility bill out and phone the Customer Care', which I did and I complained, but again, it was a waste of time because they were like 'the guys will do it when they have to do it, tough'.

Birmingham ABC1

With specific reference to the Gloucester floods in 2007 there was a feeling that, while STW could not be blamed for the 'freak' weather, it could have done better in providing alternative sources of water

We were severely flooded, to be honest I felt they didn't do a great deal as regards to supplying fresh water, because there is a lot of elderly and vulnerable down there.

Gloucester C2DE

We had no water for three weeks, they put out bowsers which was a good thing, but they did not allow for the fact you have to carry it back and people live in flats. I think they could be better prepared for floods as it looks like this weather is here to stay now.

Gloucester C2DE

One person thought that, as a result of the Gloucester floods, there was going to be a price increase

To be honest I was anticipating price rises after the flood cause of the damage caused and the knock on effect. But it's not happened yet.

Gloucester ABC1

For some who had contacted STW there was often a sense of frustration because it felt like their problem was not being taken seriously

They were just yes we'll pass it on to this departments, yes we'll pass it on to this. Just go round in a vicious circle.

Shrewsbury C2DE

Most of the time they are very good. It's just on major things, like on road works things like that, that you do see the problems, or the customer service, trying to get through to the right department and not just getting, press 3, press 4.

Shrewsbury C2DE

We have found their admin not brilliant in the few issues that we've had in a couple of our houses, not particularly on the ball. Difficult to be specific ...

Nottingham ABC1

A few people were concerned by STW's lack of visibility as it made them think what are we actually paying for; they felt the 'lack of communication' was a negative thing in that there was never any interaction with the company. The other side to that coin, and where there was a general consensus was that if STW were not visible they were doing a good job. On the whole people felt STW had quite a difficult balance to strike because the perception was that if they were in the news, it would be for the wrong reasons, however...

...if Severn Trent's doing a really good job with renewing all the sewers and the water pipes and reducing the leakage and stuff like that, you'd expect to hear about it, wouldn't you, and we don't. I suppose it's quite difficult to get that sort of news across isn't it, because it's not news that anybody particularly would pay attention to

Gloucester ABC1

The experiences outlined above show there is still room for improvement in certain areas but, while there is no room for complacency, the majority of STW respondents were positive towards the company and gave them good ratings.

3.3 Strategic Intentions

People were invited to comment on what they thought the focus of STW's business plan should be. There were several areas of service consistent with STW's overall plan that emerged which are discussed below.

Customer service

People wanted reassurance that if there's a problem with a customer then it should be a priority to sort it out and in many cases they wanted to talk to a person not go through an automated process of pressing various options.

Most people when you get there you just put the phone straight down because you know you're going to be on the phone at least an hour and a half.

Shrewsbury C2DE

A speedy and efficient response. Analyse what the problem is and address it.

Nottingham ABC1

People would use the internet for simple transactions like change of address and on-line billing, but some people would still prefer to talk to someone on the phone even for these interactions. For most people it depends on the situation. If people are contacting STW about a problem they want to speak to someone. What they do not appreciate is having to trawl through the website to find a phone number or fill in a form on-line.

In terms of people interacting with STW using different communication channels the main issue was not going down one single route but rather allowing customers to choose which way they wanted to contact STW.

I think you've got to have an option. I'd like to see a lot more options of different ways of communicating, email, text, on the website. Give a good selection of options because I think if we're always going down the internet route, there are many people still out there, especially in rural areas that can't even get broadband, and elderly people who don't want to do it. I think we need a good variety and you should be able to opt into whichever you feel is best for you.
Shrewsbury ABC1

Leakage

Respondents had seen a lot of negative press coverage about leakage and this was a major concern for them

I think the important issue for me is the leakage really because you often see on the news the amount of waste that there is.
Nottingham C2DE

I remember before the flooding last year, hearing that there is certainly issues of leakage from pipes and Severn Trent are losing a lot of I can't remember the figures but it was a lot of water was being lost from old pipework, you know, a lot of money was being needed to be spent to upgrade the system and make it more efficient.
Gloucester ABC1

I'd like to see them doing a lot more about leakage. We're always being told to conserve water, conserve water, but I don't think they're conserving water.
Shrewsbury ABC1

Water conservation

On the whole respondents were quite motivated about the idea of conserving water. This manifested itself with people explaining water efficient behaviours they practised, what water conservation devices and products they had and how these could be incentivised to increase take up.

Make people aware of what they are using and compare to what they waste, leaving the tap running while you are cleaning your teeth and things like that. Last year I only just realised how much water it takes to flush the toilet. You wouldn't believe how much water it takes to flush the toilet; and filling your kettle, just for your needs. When it's all on hand you take it your granted.
Gloucester C2DE

I was very grateful for my water butt, we actually went out and bought a second water butt, I mean thank goodness we had one already, but yeah I went out and bought a second one and it was just great. I would be giving customers more of an incentive to be more efficient with water, like water butts.
Gloucester ABC1

Our dishwasher water broke down, and we bought a new dishwasher, but the new one we've bought has got more programmes and functions than the previous one, and you can do a quick wash, which is, you know, takes half an hour and uses I don't know a fifth of the water or something, so it's things like that which people should be more incentivised to do that.

Gloucester ABC1

The bottom line was that installing such appliances had to be economically sound for customers.

I think you're whistling in the wind if you reckon that people will go out spend maybe hundreds of pounds on or maybe even spend a premium for something a bit more wash efficient. It's not that expensive a deal. So all else being equal, one washing machine was more water efficient and more energy efficient, then yeah fair enough. I wouldn't spend £50 more for it.

Nottingham ABC1

As far as using water conservation devices in toilets there was some take up of hippos or save a flush bags but in a lot of cases people did not know what these were or where they could be obtained from, so there is an opportunity for STW to promote the benefits of these devices. Many of the respondents had dual flush cisterns which they thought was a sensible way of conserving water and those that didn't felt it would be good for STW to incentivise these and other devices

...get an efficient toilet tank cistern installed with a double flush button' or whatever - if there was something that - we still have to pay towards, but you feel that the company is investing to some proportion of that instrument being installed and in your mind paying towards that and you feel that they are looking after your interest and they are trying to cut your bills as well

Birmingham ABC1

I am totally in favour of reducing the water we use, I was a maintenance manager of a very large hotel for 10 years and I did an exercise, it was 140 bedrooms so that's 140 toilets plus public toilets, I put a Hippo in and it's amazing how much money we saved, literally thousands of pounds over the years, so I am totally sold on saving money, energy that the way to go

Gloucester C2DE

Maybe more advice about how to avoid waste. I don't know whether Severn Trent do, I know a lot of other water companies send you out like the Hippos that you put in your toilet that save you how ever many litres a flush

Nottingham C2DE

I think they are already doing it, but to me the really most sensible thing is what they call harvesting water, I understand they are doing it in the new MOD building down at Bristol, the rain water from the roof is actually channelled into a lake on the site, but to me every house should have it's rain water coming off the roof and going into a tank which

feeds the toilets. We do not need to spend a fortune making drinking water to put down the toilet. The drinking water you need for the taps, its not Severn Trent's job to , but they influence the government making building regulations and new houses should be built with a dirty water tank which is used for flushing the loos.

Gloucester CDE

Another way to push the water conservation was through schools and educational programmes.

You're never going to convince people not to waste it (water). I think education in schools is absolutely vital. Schools are usually on the ball regards water wastage. It's metered quite closely how much water you use per year in a school. All the taps are short flush taps, they can't leave them running to overflow. Toilets are short flush.

Shrewsbury ABC1

Schools are actually quite environmentally friendly. My daughter's always coming home from school, we can't do this because it's not good for the environment. We can't do this. Or upstairs I've been to the toilet and she'll shout, don't flush, I need to go next.

Nottingham C2DE

As well as these initiatives customers also wanted STW to do all they could to store water given that the 'amount of rain we get in this country'

I think they should conserve water. Like this summer we've had, like you were saying, we could have a bad winter, wet winter, and come next summer we'll have a hose pipe ban, because they've never saved any water. They should look at different ways of storing water, and conserving large amounts of water, because we always seem to run out.

Nottingham ABC1

Although metering is discussed in the next section as a means of fairer charging and benefitting consumers in terms of lower bills, there was also a conservation rationale for metering

I do think if you are on a water meter though you would be more efficient. And I think I know that I am guilty of the fact I am not on a meter, so I am probably not as efficient.

Birmingham ABC1

I think if we are all talking here about conservation and reducing the waste of water one way to do it is to charge people for what they use, it all means poor people, pensioners who are having a hard time can actually save money by cutting down how much they use, without having to subsidise others. I think generally metering is going to come in just to reduce the overall usage of water.

Gloucester C2DE

Metering

There was a strong feeling that metering would impact on peoples' behaviour, more for economic reasons than for altruistic environmental reasons.

I would be completely different if I was on a meter because I think my bills would be astronomical

Birmingham ABC1

I think it does make you think about how much water you're using, if you're on a meter, I always turn the tap off when I'm brushing my teeth and you might save a bit of money

Gloucester ABC1

I think if we are all talking here about conservation and reducing the waste of water one way to do it is to charge people for what they use, it all means poor people, pensioners who are having a hard time can actually save money by cutting down how much they use, without having to subsidise others. I think generally metering is going to come in just to reduce the overall usage of water.

Gloucester C2DE

I think if you've got a water meter you're probably, I think I would anyway, be really conscious of using it then. I occasionally have a bath instead of a shower, but I would knock the bath on the head.

Shrewsbury ABC1

There is some concern about pushing the metering programme too far, too fast. One was rather sceptical about increasing meter penetration.

I think they are treading a very, very dangerous game by trying to enforce meters upon people and it is sort of a slightly veiled, to me, threat to people who struggle to keep up with payments or people that they can use these kind of methods to put them on there. I think they have got to incentivise people to do it.

Birmingham ABC1

Maintenance

Surprisingly, because people always focus on water supply issues, quite a few people mentioned sewerage issues and specifically the limited capacity of sewers to deal with heavy rainfall.

I think they should be spending more on improving the sewerage systems. My own experience of sewers is fairly recent in the bad weather on Friday my sewer packed up and I spent the afternoon. The problem really coming from the fact that the house I'm in is of a certain age and the regulations when they built it were different, so the piping's inadequate.

Shrewsbury ABC1

With all the flooding I think obviously a lot of it has to come down to the fact of the drains obviously not being maintained
Birmingham ABC1

They have a limited capacity for treating sewage water and of course when there are big storms and there is a lot of rain water, rain water drainage comes in with the sewage they haven't got the capacity they couldn't hold it back, they dump it in the river, it is a capacity issue really isn't it. They would need to build in more capacity which would of course all be extra costs. When you start putting in storm sewers...millions of gallons going down the sewers, if we get some strange weather systems, a lot of the rain falling onto houses isn't going into drains it is actually being held back, so that actually reduces the capacity that is required, all these things add up together.
Gloucester C2DE

Upgrade of treatment works

The upgrade of treatment works was a major theme for Gloucester customers, who felt this should be a key area of investment going forward given the experience of the 2007 floods and the treatment works not being operational.

They have got to look into have a long term plan, updating their plants like the one that went down this time last year.
Gloucester C2DE

They need to build in more capacity to the sewage network so that when there are big storms there is enough capacity in the sewers to deal with the storm water.
Gloucester C2DE

I think everyone's beef about Severn Trent is the fact that they didn't protect their water treatment plants
Gloucester ABC1

Carbon footprint

On the whole customers struggled to understand how STW's operations could impact on the carbon footprint. Indeed, people expressed surprise when they were told that the water industry is the fifth largest carbon producing industry in the country. The implication of this is that more education may be required to help customers understand the extent of STW's potential impact on the environment.

There was however a strong sense that the carbon footprint was a big issue and that big companies like Severn Trent should be leading the way.

People like Severn Trent should be setting the standard shouldn't they
Shrewsbury ABC1

I think carbon footprint is very important. It's not a very tangible thing at the moment but it's going to be isn't it. I personally think that should be a high priority, but that's only my personal opinion.
Shrewsbury ABC1

They probably ought to focus a bit on that. (a) for the good of the environment, (b) for the good of our pockets. Because presumably some of the £20 odd or £30 odd a month that we're spending goes on energy costs
Nottingham ABC1

It's very much the responsibility of everybody, the issue, and as much as the individuals can make a difference, the big companies can make a much bigger impact and obviously a lot of them are working towards becoming carbon neutral through whatever means but it would certainly be nice to know what Severn Trent were doing as part of the bigger picture, to offset their carbon footprint.
Gloucester ABC1

A small number of people remain to be convinced about the effects of the carbon footprint and that some companies are 'just jumping on the bandwagon'. Some queried what difference the UK could make given that countries like India and China 'are kicking out millions of CO₂'. There was however an overall sense that more could be done to harness alternative sources of energy especially being a water company, they thought there might be potential hydro-electric opportunities.

Environmental Quality

There was little mention of river water quality although it was acknowledged that the rivers had improved over several years.

Pollution a lot of difference to the environment doesn't it if you've got a lot of pollution in the rivers. We've got a lot of fishermen haven't we locally and that makes a lot of difference. One thing to their credit, the state of the waterways over the last 20 years has dramatically improved.
Shrewsbury ABC1

But they seem to be doing fairly well with that anyway because the Trent is way cleaner now than it was when I was young.
Nottingham ABC1

Concluding this section it is encouraging to note that many of the issues raised by customers were areas that STW are focusing on in their draft business plan. Without question customers believe that the focus on the operational aspects of the business in terms of delivering a continuous supply of quality water and ensuring an efficient and effective sewerage service are of paramount importance to STW's future plans.

Although water supply issues and effective sewerage services were the main priorities moving forward, people did feel that STW had also pinpointed two other key areas of concern, namely customer contact and response issues as well as climate change factors.

3.4 Business Plan Scenarios

Following the discussion about what aspects of service STW should be focusing on for future improvement, respondents were then asked to look at three different scenarios, each containing a set of service attributes where STW was planning some improvement over the five years 2010-2015. The first scenario represented the current service levels for each of the attributes, the second scenario comprised STW's draft business plan and the third scenario contained extra improvements beyond what it had submitted in its draft business plan. The attributes were as follows:

- Leakage
- Encouraging water conservation
- Interruptions to water supply
- Avoiding water supplies being disrupted by severe floods
- Taste and smell of water
- Internal sewer flooding
- External sewer flooding
- Odour and flies
- Pollution incidents
- Change to river ecology

In the first instance, customers were asked what they thought of the current service levels. On the whole customers were quite impressed with the current service levels and, although having nothing to compare with, when told what the average water and sewerage bill was, they thought the current level of service represented value for money.

To think that you get all your water, everything that you use water for a year, £290, less than £1 a day. I think that's good value for money.
Shrewsbury ABC1

Leakage - The Big Issue

The major concern for customers was the extent of leakage. There was incredulity at the perceived high levels of leakage because of what was seen to be a waste of resource as well as a feeling of injustice that 'this is water that we have paid to be treated and distributed, and it's just going to waste'.

As a company it's quite irresponsible to waste that much water per day. There's 3.5 million households, that's like, that's just immense amounts of water a day. And we're being told off for wasting all the water we waste when to be fair the water companies are, I never thought of them wasting a hell of a lot more. You know how you're told to turn your tap off when you brush your teeth, well it seems insignificant now.
Nottingham C2DE

A quarter of all water going into supply is lost through leakage?
Gloucester ABC1

Phenomenal that is...that's an extortionate amount.
Shrewsbury C2DE

Interesting that leakage is still over a quarter; I'm really concerned about it. It is quite startling really.

Shrewsbury ABC1

The other thing that hit you was leakage - 25% out of 150 litres per day. How does a business tell someone to reduce their carbon footprint by 10% or whatever, when they are actually creating 25% themselves. They need to get that down big time. Who pays for that 25%? Is that cost passed on to the customer or is it swallowed by the company?

Birmingham ABC1

The biggest thing that strikes me is an appallingly high figure for leakage; I'm amazed that of all the water that is purified and made into drinking water and 25% of it is lost. I don't know whether there are technical issues, I mean when the Victorians first built the water supply did they lose 25% then because it's the nature of the beast, or did they lose virtually nothing and is this because of decay of 100 year old water pipes, 25% is an extremely high figure in my view.

Gloucester C2DE

Some thought that leakage only became a major issue in prolonged dry periods

Nobody is saying anything about it now because there's that much rain, that much water about but as soon as there's a drought they go on about it. It won't even be on the news probably saying that they lose 140 per customer because everybody's saying oh we've had that much water it's not a problem. But next year it might be a drought again and then they'll be saying oh you've got to cut down. It blows hot and cold.

Shrewsbury C2DE

In terms of improving leakage

The one I've just gone straight to was the leakage one. They're saying they've reduced the leakage by 4 litres per customer per day. So it's down to 146 litres. It's barely worth worrying about is it. On the grand scale of things that's 'nowt' is it for trying to save 4 litres.

Nottingham C2DE

I just think everyone made a big thing about the whole environmental issues and the leakage thing, their carbon footprint is in treating and processing the water and 25% of that they throw away, so they're treating it for absolutely no benefit and to reduce it by 4 litres per customer per day; seems miniscule. I know you can never contain the whole system, but all of that stuff, they're just treating it for no reason. Especially when they're making millions of pounds profit.

Gloucester ABC1

The other point to note about leakage is that when the Economic Level of Leakage (ELL) was explained people still believed there was almost moral and environmental obligation to go further than ELL and find some alternative way, apart from asking customers, to fund this improvement. There was a sense of unfairness that customers would be asked to fund something that is considered poor management of the system.

In their economic terms, but in our opinion as users and customers, 20% to me still sounds far too high. So it becomes an environmental issue.
Gloucester ABC1

Not only did people struggle with what was perceived as a paltry improvement in leakage, they also strongly queried the point of encouraging greater water conservation by customers when it cost more than reducing leakage by that amount, four litres.

When they're saving us 4 litres a day and it's costing us 20p and they're asking us to reduce our use by four and we're paying an extra 58p. How does that work?
Gloucester ABC1

They're saying here, encourage water conservation, reduce water use by four litres per day. How can it cost 58p to reduce the water use of customers per day, but it costs less to reduce leakage? It's better not to encourage us isn't it. It's cheaper for them to save four litres of water than it is for them to get us to save 4 litres of water. It's easier for them to try and save eight litres a day so we can carry on using our four.
Nottingham C2DE

There's nearly three times the amount of money being spent on conservation of 4 litres as there is on reducing leakage by 4 litres. Could they not spend a bit more money of that 38p and get better benefit that way?
Nottingham ABC1

Sewerage Concerns

Given the number of households in the STW region many customers said the proportion of people affected by various problems was very small. While they were not necessarily affected by these problems, they acknowledged that they would not like to experience some of the issues, particularly sewer flooding and to a much lesser odour and flies, which were felt to be an appalling experience for anyone.

I wouldn't have ever thought about it because it hasn't affected me, but the odour and the flies, that must be awful, that really would be foul wouldn't it
Gloucester ABC1

I would think that internal sewer flooding is pretty horrendous; I'd like to think it would never happen to me, but you know.
Gloucester ABC1

This sewer flooding in peoples houses that just seems horrible to me. That is the one area where I would think you would want to come down really hard. People in the 21st century in the UK shouldn't be getting their houses flooded with sewage, that's horrible, for me, I think
Nottingham ABC1

The internal flooding - the 850 properties? That's terrible, I think I would be very disgusted if I was one of those. I think that's really bad.

That shouldn't happen. it is probably not a very big percentage of their overall is it? But that's a lot though, a lot of people.

Birmingham ABC1

And it has - one of my friends that has flooded and that weekend together it is all we went in - that was in there, like fluid, like sewage and things - they are like homeless now for the next like 3 months. So if - I know I have just been through that, but I know how serious an issue that is for them and I think it would be for a lot of people really.

Birmingham ABC1

Having said that some thought it was still a small proportion and expressed surprise that it was not worse.

When it says 850 properties flooded, that's quite good. For the size of the company all the numbers are not that bad they could be a lot worse

Shrewsbury C2DE

The improvement for internal sewer flooding, a reduction of 100, was not regarded as that ambitious especially as it was over a five year period and there was a sense more could be done here especially given that it was only 80p a year to make this improvement. Indeed, people were prepared to see an extra 80p spent to stop another 100 properties being affected by internal sewer flooding.

Well I don't think the sewerage internal is a good thing, in five years they're only trying to reduce it by 100. To be fair the target should be zero, whether they hit the target or not is a mute point, but the target should be zero.

Gloucester ABC1

I just think that 100 properties, if you are looking at that so if you are looking at that say about 12 - 13% improvement is it or something - over 5 years - if you take that net improvement per year, that's about a couple of per cent per year isn't it really?

Birmingham ABC1

I don't think there's enough focus on internal sewage. This doesn't affect me, but anybody who got flooded internally by their sewerage. I think they should be aspiring to greater than that because they know the houses that are at risk. think they should stop it altogether. They know what properties are at risk.

Shrewsbury ABC1

I think if you had been flooded with sewage you'd be prepared to pay a bit more than 80p to get that sorted out.

Gloucester ABC1

Respondents therefore believed that improving internal sewer flooding by 100 and no improvement to external sewer flooding over five years was not acceptable. There was a feeling that £4 over the five years to stop 100 properties being flooded was not enough and that some of the monies could be redistributed to improve internal sewer flooding further.

It's interesting they don't care about flooding peoples' gardens at all
Gloucester ABC1

Other Service Areas

Despite being reasonably satisfied with the current levels of service there was unanimity about the need for continuous improvement and 'always striving to do better'. When customers were presented with the improvements there was an overall sense that while any improvement is better than nothing, the DBP lacked ambition, especially as the improvements were over five years.

They recognised some improvements as being significant like improving river quality and the network being more resilient to ensure water supplies could be maintained in the event of severe events

I suppose if you kind of, it's kind of important I suppose to look at the bigger picture, if not all of it's, for example the river ecology. That if £7.10 a year for everybody to pay to ensure that our rivers remain safe and able to provide water and habitat for animals for however many years to come, it's not that bad really is it. I can't understand why they haven't gone the whole hog and charged another 40p more and cleared it all up, instead of just leaving 400 kilometres.
Nottingham C2DE

Others took a different view on river water quality despite the significant improvement.

You know, I just don't get the fishing thing - so nice rivers and looking at river banks - to me, it is a bit of water that flows past me with a few reeds and whether there is fish in there or not I really don't care, no sorry. So in a time of economic melt down and that, forget about that, concentrate on the core issues, like leakages, like getting clean water into people's house - forget about the rivers. If you are in economic good times then maybe you can look at that, but at the moment...
Birmingham ABC1

The river bit at the end, I don't give a monkey's about, £7 a year, they should do that as a matter of course anyway, I don't want to pay extra for it.
Gloucester ABC1

People were also impressed with the improvement to greater resilience to the water supply network. Indeed, the extra expenditure planned for on resilience, where 1.4 million customers would be provided with alternative sources of water, was fully supported.

The one with the flood (resilience) issues. That's really good because obviously you're paying for a continuous supply of water. And if you are in a flood the last thing you want to worry about is not being able to get clean water, so that's quite good. Commitment to dealing with that, especially with flooding.
Nottingham C2DE

I'd pay the £2.60 a year to ensure supplies are maintained during severe floods.

Gloucester ABC1

Other areas like interruptions to supply, taste and odour complaints, pollution incidents and odour and flies were not perceived as important as the issues discussed above and even though the current service levels seemed reasonable it was felt that more could be done. Some thought the improvements being aimed for in these areas were acceptable while others said they were unacceptable.

Pollution's not as bad as I thought it would be, reduced it by a third haven't they.

Nottingham C2DE

... it's not good enough for pollution, going down by 100 over the five years.

Gloucester ABC1

I thought it was bad, I didn't realise it was so bad there is so many miles involved, just the Severn.

Shrewsbury ABC1

What jumped out to me first but now I don't compared to the other things that people have mentioned was taste and smell. 12% of customers find the taste of water unacceptable

Nottingham C2DE

I'm amazed that 12% of the people find the taste of the water unacceptable. I've never even thought about it. I know it tastes different when you move around the country but it's just water, some tastes slightly different to others.

Nottingham ABC1

There seems to be a relatively large amount on the taste issue. That's not an issue with me, but it's twice as much as the leakage

Nottingham ABC1

The thing about the interruptions to water supply, the 15,000 interruptions, I think the thing about that, is if you know it's coming, and you know it's going to be for a limited time, then that's not the problem, the problem we had last year was (a) we didn't know it was coming and (b) there was absolutely no indication as to when things were going to change, that was the problem last year

Gloucester ABC1

As a figure, when compared to the 3.5 million - if that was down as a percentage you probably wouldn't notice it as much, but because it is actually 15,000 it seems quite a lot. Also, I think when it is a scheduled disruption then you can also plan for the downtime. But obviously if it is going to be over 6 hours, it is not going to be scheduled, it is going to be something that's happened out of an emergency. So how do you cope with that? Especially, in my case where I have got a disabled mother and it was a weekend where we were at home, what do you do?

Birmingham ABC1

I think though really, if you just don't get water for 6 hours it is not the end of the world is it? but if it floods your house that's completely different.

Birmingham ABC1

I don't know. 3.5 million customers, 4,500 complaints that's not a lot really is it

Shrewsbury C2DE

People were sometimes at odds in the same group.

I find that quite high too that odour and flies from sewage and treatment works 4,500 complaints per year that quite high isn't it.

Gloucester C2DE

I would have thought that was quite good really considering there are 3.5 million customers. If you work it on a percentage.

Gloucester C2DE

3.5 General View of the DBP Improvements

Overall there was a belief that the DBP should have been aiming for bigger improvements, especially as they were over five years

I don't think it's acceptable; they should always trying to improve on years before

Shrewsbury C2DE

Well over 5 years they're not that good; some of them are small. They don't seem to be setting their sights too high let's put it that way, they could perhaps try setting their sights a little higher on certain issues

Shrewsbury C2DE

There is nothing really major that they are planning to do in that time really. The reductions aren't really drastic

Birmingham ABC1

If this was a private sector company and you were comparing other networks, I think they would be completely unacceptable and wouldn't be accepted.

Gloucester ABC1

I don't think the figures warrant it, I don't think they've got a big enough agenda, they haven't made enough promises to warrant taking that amount of money.

Gloucester ABC1

3.6 Overall Bill Impacts of DBP

The overall bill increases were deemed to be acceptable. For most, an extra £12 plus a year or £1 month for the 'new' investment would hardly be noticed and respondents were surprised that the bill impacts were not more, especially given the current trend

with the rise in the cost of living. This was reinforced with the realisation that these increases would be largely offset by real efficiency based price decreases.

I suppose the £12.74 is probably less than I was expecting. I thought the bills would go up more than that
Nottingham ABC1

There's a bit of everything and I would say that's a reasonable balance.
Nottingham ABC1

Although people were largely supportive of the average £12 increase in bills there was a strong sense that too much was being spent on river ecology. While customers were in favour of environmental improvements, many queried why such a huge improvement was required and therefore why so much, over half of the £12, had to be spent in this area. They would rather see less improvement on rivers and see the investment go elsewhere, for example into improving sewer flooding and leakage.

I think it almost seems fairly reasonable except for the river ecology which seems a massive amount of the budget.
Nottingham ABC1

When you look down this list though with the exception of the alternative water source and the river bits at the bottom, the rest of it doesn't look too bad,
Gloucester ABC1

I think some of them, you're talking about less than the cost of a Mars bar, you know, let's be realistic. But like John said about the rivers are £7.10, you know, you could double it for me (because of double the average bill) cause my bill's more, so let's say it's £12, £14, do I want to pay that, no.
Gloucester ABC1

I think there is a balance across this because I would rather get rid of the £7.10 on the river improvements and spend maybe the 60p on the leakage and maybe the flooded areas - so just get the rivers out of there mate - is probably my attitude to that or reduce that and then maybe look at issues that do affect households and people actually in dwellings and families who have got expenditure, rather than playing around with some semantics and the nice little - sort of vague - the rivers and all of that.
Birmingham ABC1

I think it is a lot - £7.10 is a lot of money in relation to the amount of money that they are spending it on perhaps the real things that we will see. I am not saying that they should spend £7.10 on conserving the river ecology - but just in relation to like - I mean the initial £12.74 didn't actually include any sort of improvements to the sewers
Birmingham ABC1

I think the proposed plan in general consensus seems to be reasonably acceptable except for, as the chap was saying over there. If you want about 850, I would say to hell with the birds, let's get rid of no-one having their house flooded with sewage, to be quite honest. You could

wipe out on one's spending on the birds, anyone's house getting flooded ever again with sewage.
Nottingham ABC1

I have to say I disagree. The sewer flooding. If you've got internal sewer flooding you can sort it, you know you're going to be flooded and you're consorted, but as far as I'm concerned, the future's far more important.
Nottingham ABC1

If it's only 20p extra a year to reduce leakage by 4 litres per customer per day. I'm sure if people realise how much water was being wasted you wouldn't mind paying like I don't know 60p, even £1
Nottingham C2DE

In terms of 20p, we're not talking about huge amounts of money but when it's actually a bit more, we're talking over a tenner, you know you start to feel that. At that reduction rate, it's going to take them so long to get the figures to any sort of reasonable amount of improvement I'd be prepared to spend more
Gloucester ABC1

Some respondents, especially in Shrewsbury, were a little more cautious about the impact on their water bills especially as they all seemed to have higher than average bills

I think these extra amounts that you're going to have to pay, along with all the other utilities and everything else that's going on. I think it's not to sniff a. If you're on a fixed income or you're on a low income then I think it's all very well, yeah it looks alright, £12 you get a lot for that per year that's great. But on top of everything else I think it's a lot of money. And on top of the fact that we are all over that average bill, then we're talking about £27-£30. And I think that's an awful lot of money.
Shrewsbury ABC1

It says £12.74 per year on the average... take that in conjunction with the rest of the level of taxation in this country I think it's absolutely... Because... we have to pay income tax we have to pay national insurance we have to pay council tax we have to pay water rates we have to pay VAT, but we're taxed on existence anyway.
Shrewsbury ABC1

Well no in the long term if you're struggling especially with the cost of everything going through on the wage and everything all these little bits do add up over years. You may be paying an extra £50 after 5 years on your water bill but actually...
Shrewsbury C2DE

This is a basic, basic thing and for those of us who are working fine, but for those people who are on a fixed income, pension, or something like that, why are they being hit with above inflation increases when they don't really have the scope to do anything about it. That doesn't seem quite right to me.
Nottingham ABC1

3.7 Beyond the DBP

Most people had no issues with a £16 average bill increase either and, although customers raised the same issues around leakage and water conservation mentioned above, they felt that the extra £4 was being targeted in the right areas.

I would rather pay £4 towards that than my energy bills.
Birmingham ABC1

I think they've picked the right four areas, from what everyone's said earlier about what our priorities are. They're the right 4 but the wrong amounts.
Gloucester ABC1

Well £12 seems enough. £1.60 and you're only knocking down 300 gardens that get flooded. I think because you've already got an increase that's slightly above inflation anyway, to then tag the other one on which makes it recognisably above inflation is pushing it a bit. And especially when nearly half (of the extra £4) is for 300 gardens.
Nottingham ABC1

There was still a strong feeling of antipathy towards the balance between improvements to leakage and water conservation and the respective bill increases.

For the record I can't believe that they're going to charge us 90p to save a further 5 litres and it cost 58 to save 4. It's quite unbelievable. I'll just have 4, they can keep their 1 litre. That's incredible.
Gloucester ABC1

3.8 Altruism

It is worth noting that there was a good level of support for these improvements despite most people not being affected and that they were prepared to see improvements made for the benefit of everyone, although this should not be taken as reason alone to make the improvements. People still wanted a balance between a good service for all but not at any expense. These findings support the earlier willingness to pay work carried out some 18 months ago.

It is just a fine balance isn't it? Social conscience and what's best for your pocket - you don't mind offsetting a bit a cost if it is going to please your social conscience and that sort of thing - but it is a fine balance at the end of the day
Birmingham ABC1

When you see on the news that properties are getting flooded and people are having that problem you don't think that it's down to you to put an extra £2 on your bill to sort that out. You think it should be down to the local authority or that company to sort out that area. You don't necessarily think that then like you say people who aren't relevant to that area should then be paying for it I suppose. I think that's out of order.
Shrewsbury C2DE

The demographics of our group is quite, we're all a bit older. If I'd been asked these questions 10 years ago, well I've got 3 kids at home now but they're all starting to move out. My wife's going back to work and you know £5 a year really won't make a difference to me. But 10 years ago and I think that maybe there should be some kind of help for people with young families because they're going to use more water.

Shrewsbury ABC1

All of these things people shouldn't be suffering for it. We should be contributing to it and it's the whole system, I think.

Nottingham ABC1

3.9 Accountability

Whatever the outcome of the DBP in terms of improvements and bill increases, customers were keen to receive some simple and clear information about what improvements had been made on an annual basis so that they can see where their money has gone. This supports the main willingness to pay qualitative research where customers wished for more transparency and accountability from STW.

You'd have to see proof that those improvements were happening. That cost would be fine as long as you could see that those changes were happening.

Shrewsbury C2DE

There was also a desire for more transparency about the process after five years to understand what happens to bills in the future.

Maybe stick a flyer in your bill just to say we're going to be spending so many millions whatever on replacing pipes from here to here which were put in 1850. It's telling you what your money's paying for otherwise you can be resentful that you're paying that much money. If you don't know what it's going to. If you know that it's actually helping them to change things.

Shrewsbury C2DE

Eventually it should reduce your bills. If you're paying more to try and improve the system you should, if it does pay off, you should then get reduced bills once that business plan works. There's never any return there is there. At the end of them 5 years they probably hit the target but then we'll be stung again because we've got to reach a better target, so then we'll be paying out for that as well. The thing is a lot of it is sustaining it. Once they've got it to that level it's going to keep more and more money to keep it at that level.

Nottingham C2DE

4. BUSINESS FINDINGS

4.1 Perceptions of Severn Trent Water

The majority of these respondents made very positive remarks about Severn Trent Water. In particular respondents mentioned that the provision of potable water was good, communication was good, and that the layout of their bills was clear, accurate and unproblematic. Although a few respondents mentioned that water as a commodity was expensive, with ever increasing bills, there with a pragmatic acceptance that all such bills are expensive today and this did not deter from the high regard these respondents felt for Severn Trent Water.

“I have absolutely no problems with STW as a provider and as a company. They are efficient and helpful and very good at keeping us informed about what they are doing. [It is] a good relationship.”

(Male, Food drink/large)

“I have absolutely no qualms with STW. No disagreements. [I have] no problems with supply. I’m very happy.”

(Male, Small/Retail)

“I like that my bill is accurate and arrives on time and that I receive a good quality supply of water.”

(Male, Agriculture/Small)

“I like the fact I have had very little problems with the company from both the water supply and billing point of view. [I have] no major complaints so I’m satisfied with the service they provide. I have used their website on several occasions and it’s very good as well. Also from a business perspective you don’t have the hassle of automated messages and redirecting as you always go through to a person.”

(Male, Small/Retail)

“We have a specific contact for all our enquiries so we go to them direct which is great. [It] provides assurance and makes you feel like you are being treated as important.”

(Male, Public/Mega)

However, a minority of respondents did have specific unresolved issues with Severn Trent Water regarding communication or their perception that Severn Trent Water had reputedly failed to follow up on a problem that they felt needed resolving. Hence, these respondents felt that Severn Trent Water could be more proactive and vigilant regarding responding to outstanding queries. For example, one respondent had had some problems regarding incorrect invoicing that had caused them a lot of time trying to resolve, whilst another had requested that their water meter be moved onto their property from a neighbour’s adjoining property.

“[I dislike] being ignored when I make enquiries...I have been waiting a year to have my meter moved....Their customer services [could be improved). [They need to ensure that] enquiries are followed up and not ignored or forgotten. My meter is too far away from my property and is

actually on someone else's property and STW have done nothing to help me with this after I enquired."

(Male, Agriculture/Small)

"Only negative thing is that it takes them an awful long time to get back to you regarding any query or fault although I haven't needed to contact them for many years now. It has been about 4 years since last contact."

(Male, Public/Medium)

"I dislike the fact that we constantly get different invoices and red letter demands when we have already paid the bill. This leads to us wasting time by checking the account has cleared the money and it's frustrating when we are in the clear and it is STW's office admin not functioning correctly."

(Female, Public/Medium)

4.2 Areas for Improvement

For those few respondents who had problems with Severn Trent Water their recommended areas for improvement related directly to the unresolved issues including the incorrect location of a water meter and erroneous bills being sent.

"[Improvement needs to come in the form of] STW's administration so we don't keep getting duplicate bills through the door and red letter demands when we've already paid."

(Female, Public/Medium)

For the other respondents who did not have such specific issues with Severn Trent Water the areas they mentioned that needed improvement included dealing speedily with leaks, consumer water conservation, having adequate contingency water provision and responding in a timely fashion to any complaints received. One respondent also suggested that Severn Trent Water should move to an e-billing system to curtail the wasting of resources.

"The only thing that I think should be initiated by STW is to proactively make sure all business and organisations are aware of issues with leaks and any actions that the business themselves can take and what STW can do to help. Sometimes external contractors are used to repair leaks and that can be costly so they should work at eliminating the need for external sources, therefore cutting down both the business and STW spending."

(Male, Manufacturing/Medium)

"They are already taking the action to improve the only things that concern me – leaks and pollution. So as long as they continue down this path and show improvement I'm very happy."

(Male, Public/Mega)

"The only thing I can think of is there a contingency plan for adequate water resources as we are in an area where water levels are worryingly low. I read somewhere that STW could effectively filter water down from North Wales where their levels are healthy down to here in the Midlands"

where we are struggling and I think that if this is being pursued it is a fantastic idea. Team that with water conservation actions and that's me completely satisfied."

(Male, Food and drink/ large)

"Lots of utility suppliers are switching over to email billing for green movement and efficiency. I think STW should switch to email billing also."

(Male, manufacturing /large)

4.3 Key Points in Dealing with Severn Trent Water

When offered the opportunity to discuss their direct experiences of dealing with Severn Trent Water a few more respondents than had previously now took this opportunity to mention that Severn Trent Water could take time to resolve queries. A few more respondents now mentioned that any outstanding queries should be conducted more speedily.

"I have dealt with them a few times. There are no instances that stick out really. [They were] mostly billing queries. Mostly handled very well and quickly but it can sometimes take up to a week to reply. So they should work on their timeframes a little bit."

(Male, manufacturing/large)

That said, the majority of these respondents considered Severn Trent Water offer them good value for money. Again there were a few respondents who detracted from this opinion and their discontent related to issues of problematic billing or unresolved queries.

"I would say it's very good value for money. I have had absolutely no problems. STW is providing me with a constant, quality water supply. Therefore I am receiving what I pay for."

(Male, small/retail)

"Very good value for money. I haven't had a problem with my bills. The supply I receive is good quality. The one time we had a problem with supply it was dealt with quickly and very satisfactorily."

(Male, small/retail)

"I would say good value for money overall. I have very little to say about them which proves that very little has gone wrong. [I have] nothing to complain about and the water supply is excellent. So therefore it's good value for the money."

(Male, public sector / mega)

"Pretty average. Not spectacular. Bills are excessively high in my view – going up 12% a year. So an extra increments in cost but we aren't seeing any changes to the service."

(Female, manufacturing/large)

“Good because I get good quality of water. Poor because a year has passed since I initially made an enquiry and have had no feedback from the company whatsoever.”
(Male, agriculture/small)

4.4 Strategic Intentions

There was consensus from most respondents that these Key Strategic Intentions were the correct ones for Severn Trent Water to focus on. There was also the observation from most respondents that these KSI's were comprehensible, concise and well laid out. Whilst one respondent queried the inclusion of 'carbon footprint' in this list he conceded that he also would include it but would make it a lower order priority than the others.

“Yes. I think so. Can't think of or see anything they are missing. The four KSIs seem to cover all areas that they need to look into. Yes. All laid out very well and seems to have been planned to make sure they are actively pursuing areas that need the attention in order to fully improve their services to the customer.”
(Male, public sector/mega)

“Yes. Dubious about carbon footprints as I don't think it's as high an issue in the water industry as it is in other utilities. More tempted to concentrate on first 3 KSIs as this will help the carbon footprint naturally if they work at better leak detection. That's what I'd be going for if I worked at STW. I would be looking at the carbon footprint also but I would make that the least important in terms of the progress I'd want to make.”
(Male, Manufacturing/ large)

“Yes. They seem to have covered the key areas that you would think of... The components are simply laid out and clear for anyone to understand.”
(Male, Food and Drink/ Small)

“Yes they are the main areas that you would want STW to focus on but some more detail on how they aim to achieve these KSIs is needed. The wording is very clever as it reassures you and is simplified but I would want to see more in-depth data on this. I like that they are looking into renewable electricity generation projects as this is crucial for the future and should be more advanced than what STW currently operates with.”
(Male, public/ medium)

“As well as trying to reduce the carbon foot print overall STW should be working to inspect leaks and analyse the water consumption in order to report that back to the companies so both sides are being proactively effective at reduction. Everything seems to be covered from customer relations to reducing environmental damage. I don't think areas have been excluded but there is an imbalance within the areas in the proposed plan. Resources aren't evenly spread.”
(Male, manufacturing, medium)

Two respondents as an aside mentioned that this list omitted river ecology but one conceded that the list he had been sent has included this and protection of wildlife and so he was not perturbed by this.

“Nothing [omitted] that I can think of except they don’t mention anything about river ecology as this is important in relation to leakages and the conservation of water. We need to ensure we are not being ruthless with the water we take from rivers, estuaries and boar holes because if we damage the nature of those areas it will lead to worse conditions and shortages.”

(Male, food and drink/large)

“The only thing I can think of is pollution in rivers etc and the effect on wildlife which has not been addressed in the above points but river ecology is mentioned in the show material I have been sent.”

(Male, small/retail)

According to these respondents the most important KSI’s were reducing leakages, maintaining a continuous supply of water, encouraging water conservation and, to a lesser extent, monitoring river levels and reducing episodes of internal sewerage and flooding.

“I feel that attention should be focused on monitoring river levels, leakages and encouraging water conservation because if we get people to be frugal then costs will reduce overall and water efficiency is extremely important in the current climate.”

(Male, food and drink / large)

“No. Not really. All these areas are important and none should take more priority over another except maybe ensuring the loss of water supply is cut down as this is the one that most readily affects businesses on a day to day basis.”

(Male, food and drink/ small)

“No not particularly for me but I’m sure there will be differentiations from different people as each individual case is unique. For me personally I think promoting water efficiency is important. If everyone did their little bit then the difference would help. Also effectively monitoring leaks is a step in the right direction and should be focused on as this wastes water.”

(Male, small/retail)

“Well to some extent they are all important but for me personally I would say leaks and attention to the customer are more important / a happy customer who has things dealt with efficiently and effectively will not complain as much if prices go up than someone who is unhappy with this side of the company. Leaks are a waste and if these are eliminated everybody wins”

(Male, agriculture, small)

“They are all important but the most obvious one is ensuring a continuous, quality water supply. Losing supply can cost a company thousands if they have to shut down so this should be a priority. Leaks

also as this is where the major losses are and should be addressed imminently to cut down waste.”

(Male, retail/small)

“Flooding – specifically internal sewerage. Leakages and flooding creates a big impact individually for the business affected and I think more of the budgeted changes should be spent on reducing properties flooded per year by more than 100, especially in this well publicised climate and the fears of flooding due to the last few years increase. I would try to get more focus on that.”

(Male, manufacturing/medium)

4.5 Current level of service

There was a mixture of opinions from respondents in relation to STW’s current levels of service. Whilst some respondents were happy with the current service levels this was tempered by an acknowledgement that there was still room for improvement. For some respondents the current service levels were considered unsatisfactory and in need of improvement such as the figures relating to leakages. A few respondents also queried how some of these figures might actually be reduced; for example, relating to complaints as they felt that there were always people willing to complain whatever the service level. There was also a query as to whether some of these measures, for example, water conservation were actually within Severn Trent Water’s powers to control and hence improve. Finally, a minority of respondents felt that the figures actually expressed the negative rather than focusing on the positive of what Severn Trent Water had achieved.

“It’s pretty good. I can’t think of anything. Obviously the current service levels can be improved, and should always be improved, but I think the current figures are still better than what I would have imagined they would be.”

(Male, public sector/mega)

“Obviously these current figures can be improved otherwise what is the point in this survey? Looking at the levels of service currently provided and taking into consideration the amount of customers STW supplies to I would have to say that they are not as bad as I would’ve maybe assumed. Obviously some of them are questionable as you aren’t ever really going to satisfy every customer and each person’s own view on satisfaction differs so I think that figure is questionable and in reality the “real complaints” are less than those illustrated here. Overall though the current level of service is satisfactory but could be improved.”

(Male, small/retail)

“The figures are not as bad as I would’ve thought they could be in this particular climate. There is always room for improvement and obviously all of these areas can be improved upon. The main changes needed in the areas of flooding, pollution and leakages.”

(Male, manufacturing/medium)

“It’s a thing I’ve never followed closely or looked into because I have had no problems but some of the figures are pretty high and I know if I

was one of those affected I would have plenty to say so I am looking at this objectively as I could be one of those in the future. Odour and flies complaints per year seem high and that would worry me as that is insanitary and also I would hope the leakages will improve quite significantly because that is where the main problems are”

(Male, small/ retail)

“The 12% taste and smell figure needs to be improved as I would find that distressing if it was me. Also the 25% leakage is disgraceful and wasteful and being paid for through our billing charges. Can you really attempt to propose to reduce the levels of complaints as that is clearly an individual thing and even if STW reduce all the other aspects there are still going to be those annoying people who like to moan. Leakage and water conservation is good but again STW cannot control how much water companies use so this figure is purely guess work.”

(Male, food and drink, small)

“To me these figures seem illogical. The figures seem to have been plucked from nowhere and it would be nice to know how many customers STW supplies to so we know the % of customers affected by each area because that would probably read a lot more positively than this current document / I would be irate if I didn’t have any water for 6 hours, I’d be irate if it was interrupted for less as we use water in our manufacturing so it is vital to our business. STW need to efficiently show customer it’s improving rather than being negative which these figures are / this should be laid out like this is what we’ve achieved from this timeframe and this is what we achieved from the next timeframe and on and on so we see they are always improving. 25% leakage is appalling but I’m sure STW know that and will make every effort to sort this out.”

(Male, manufacturing/large)

In relation to Severn Trent Water’s current service levels and the current bill, five respondents thought that they had received fairly good value for money whilst a further respondent declared that he had received very good value for money. This leaves three remaining respondents who rated the current service level neutrally and a further respondent who felt that the current service level was fairly poor value for money.

Eight of these respondents felt that to continue with the current level of service would be unacceptable, whilst a further two felt that it would be acceptable. Therefore, most respondents felt that it would be insufficient if Severn Trent Water were to simply continue with the current service levels with particular regard to leakages as the natural expectation is that improvements to service levels happen over time. Rather Severn Trent Water should aspire not simply to maintaining the current level of service, which some are unhappy with anyway, as that would be to permit stagnation. Instead, over time the general expectation is that things progress, change and ultimately improve. Respondents primarily would expect that if Severn Trent Water were to increase its bills then the resulting increased income should be invested astutely thus leading on to higher service levels for the customer.

“Nothing can stay the same. Changes and higher costings are imperative. Hopefully outcome will mean a better service for the

majority and a levelling of pricing afterward if money is no longer being lost in the areas that have or will have been improved.”

(Male, public sector/mega)

“Like I said, people aren’t going to keep paying higher bill charges if the company is throwing the money at the wall and not actively trying to conserve water by changing its levels of service. They need to proactively tackle known problems and eliminate and reduce them as far as is possible.”

(Male, Manufacturing/Medium)

“Staying with this current service level would be detrimental to both customers and STW as we need to address the problems that are clear to all such as leaks and water supply interruptions.”

(Male, Public/Medium)

“We must move forward in order to improve the service. We can’t stay the same and hope these issues go away”

(Male, Agriculture/ small)

“The service needs to be strengthened to a stronger level which will help all these issues pan out in the future.”

(Male, Food drink/Small)

“We need to conserve water and successfully promote lower levels of use in order to save ourselves and STW money in the long run. Improvements need to be made and paid for in order for the service to improve.”

(Male, food drink/Large)

“Commercial company needs to keep striving for better standards and the current level of service is not acceptable when you see how much water is being wasted.”

(Male, manufacturing/large)

However, even for the two respondents who felt that it would be ‘acceptable’ if the current service levels were to be maintained the caveat was that improvements should still continue and that bills should not increase thereby penalising the customer.

It’s acceptable for the customer which is why I gave it a 3 and improvements can still be made from profits without penalising the customer.”

(Male, small/Retail)

“It is acceptable because STW will still be trying to achieve these things without increasing the bills or at least they should. It’s acceptable because I’m satisfied.”

(Male, small/retail)

4.6 Proposed Plan

The majority of respondents felt that although the proposed improvements to service levels were modest they were content that they were still moving in the right direction. The perspective from these respondents is that Severn Trent Water is supporting slight incremental progress that will be both manageable and achievable in the future and

hence likely to succeed. Indeed from some respondents there was a satisfaction that Severn Trent Water were not trying to ‘dazzle’ with their targets and that as a consequence their realistic goals were reassuring.

From a minority of respondents there is also a willingness to pay more in order to help improve the service level.

“Quite good. I can’t disagree. [It is] taking the right steps rather than wrong steps in the proposed improved level and it does seem realistic. It’s only a case of a difference of 100 in most cases or slightly less water being used (4 litres less leakage and 4 litres less used by customers) but at the end of the day those little figures add up if everyone is adhering to them.”

(Male, Public sector/Mega)

“Internal Flooding – I think STW should aim to half this current figure not just reduce it by 100 properties especially when you see on the showcards the money that gets ploughed into some other areas. Flooding issues are never going to be perfect as some of the aspects are outwith anybody’s control but should definitely aim for a smaller figure.”

(Male, Manufacturing/medium)

“What’s good is they’re making a big % change in relation to interruption to water supply which is great from my point of view and it’s good that they are aiming to provide an alternative source of water (although I thought that that sort of network would have already been in place by STW which is worrying!)”

(Male, Manufacturing/Large)

“First two measures dealing with sewer flooding. There is no significant improvement in internal flooding which is a shame but it makes sense not to worry about external flooding for the time being. The reduction in leakage is appalling and you can’t possibly propose any sort of figure for encouraging water conservation as STW has no control over people using their supplies whatsoever. Looking at the whole page – the amount of reduction or improvement isn’t ambitious enough.”

(Male, public/medium)

“The specific improvements are relatively small in the sense of achievement that will be achieved over a 5 year period but looking at it on a wider scale every improvement helps / reducing by 100 may not seem like a grand number but if it inevitably leads to a better service and bills averaging out rather than fluctuating then it can only be a good thing / daunting task to monitor all these things for STW and I feel they know what they are doing / the figures are very honest and don’t seem to be coddling the customer but just showing them the massive tasks ahead. I don’t think they have missed anything.”

(Male, Small/Retail)

“[They are] modest figures moving in the right direction. Obviously any improvement has a cost attached to it. So long as STW is moving in the right direction I’m happy as obviously STW can’t satisfy everybody and they will probably continue to get complaints about charges. 15,000

down to 8,000 for interruptions is good. I don't know if doing any of these changes will be noticeable to the public [as they are] small, gradual reductions which may mean people get annoyed because they pay extra but don't see the benefits straight away."

(Male, agriculture/small)

"Very clear targets that they have gone for and they don't seem to be reaching too far from what is achievable. Reducing both leakage and conservation of water by 4 litres each per day per customer would make a huge impact in the widest sense so although it seems a small difference it really isn't and any and all conservation is a winner. Good to provide an alternate water source so customers do not have to go without water if supply is lost. Seems to be catering to the customers needs very well. I'm happy with these proposed levels of improvement."

(Male, Food and drink/Large)

4.7 Bill Increases

The 'modest' bill increases do not appear to unduly concern the majority of respondents and there is much support for the balance of price increases in relation to the recommended service improvement levels. These respondents feel that Severn Trent Water has adopted the correct balance between raising prices and service level improvements. However, that said Severn Trent Water still need to illustrate that their proposals are cost effective as respondents want to ensure that their money is being spent prudently.

"Overall I am pleased as I was expecting a much bigger increase. 4.5% additional to the bill over and above inflation is pretty reasonable considering it won't be in effect for several years. The figures aren't exactly balanced between the individual improvements within the plan but obviously something has to take priority and I think river ecology is extremely important because if we help nature, nature will help us. However it is strange that the area where the majority of the increases are going isn't addressed in the KSIs."

(Male, small/retail)

"No. I have not changed my view. Most of the bill impacts are not a great increase..... It's a good balance – increased prices by minimum with a plan for good improvements / the figures proposed against the improvement levels aiming to be achieved adds up in my opinion"

(Male, public sector, mega)

"Overall I'd say they've come up with a minimal plan to ensure they can improve the service and keep additional costs for customers at a minimal so I'm all for it."

(Male, Manufacturing/Medium)

4.8 Value for money

Most of the respondents felt that the proposed plans represented good value for money. However, there was some consternation expressed over the extent of the bill increase in

relation to river ecology. Four respondents specifically mentioned the levy imposed on river ecology which they felt was disproportionately high compared to the other figures and were annoyed that this should have to be paid for by customers. A further three respondents alluded to the price increase associated with river ecology but were not overly perturbed by it, relying on Severn Trent Water to allocate resources appropriately and assuming that legislation required them to fulfil this obligation. Hence, any allusion to the consumer cost of river ecology will need quite sensitive handling.

“Well I get good value for money now and I am not annoyed by the bill increases so I think I would get great value for money as those improvements could mean I am one of the lucky ones who doesn’t have a problem with supply again.”

(Male, Small/Retail)

“Good value for money if they pull it off. The hardest area is where the charges are highest ie pollution of river ecology. So it makes sense more funds are needed there than say for halving the amount of complaints STW receives per year. Correct decision to concentrate on ecological concerns and conservation of water foremost and worry about complaints later as if you fix the main problems, others will become more manageable and reduce naturally.”

(Male, Public sector/Mega)

“Extra charges teamed with proposed improved level means we are getting good value for money because they’ll reduce a high proportion of the problematic areas. Slight increase in bills to decrease wasting water and ecological concerns is worth it in my opinion therefore its good value for money.”

(Male, Manufacturing/Medium)

“I assume so. It is hard to answer until we see it in action but I think they need to balance out their funds better to cover all areas rather than just one, which is river ecology.”

(Female, Manufacturing/Large)

“Overall it does not represent good value for money. Pumping money into an area that could effectively be sorted out (river ecology) by eliminating that proposed budget and moving it into other areas (internal flooding, leaks, odour, taste and smell).”

(Male, public/medium)

“A 4.4 % increase overall isn’t too bad. [It is a] modest figure. River ecology is strange as all the others are relatively modest increases in reflection with the improvements but this one has the biggest price tag yet doesn’t make much of a difference. Yet the cleaner the rivers the better in my view... so if it takes that figure to help river ecology .. but I would like to see bigger results with that price tag. Everything else seems modest both in targets and price tags.”

(Male, agricultural/small)

“Good value for money except the river ecology as I am unsure about the figure to pay in relation to improvement we will see from it.”

(Male, small/retail)

All good value for money except change to river ecology which is poor value for money because of the results that will be seen for the price and also it should be an issue that STW should finance along with the government or local council.”

(Male, food and drink/small)

4.9 Improved bill with bill impacts

Seven of the ten respondents supported these bill increases. These respondents liked the fact that the bills were increasing modestly. They also liked the onus on minimising leakages and reducing flooding.

“Again more emphasis here on leakage which I like and for a small cost of 60p, additional to the current bill. Obviously reducing flooding is an issue for those who are most vulnerable and it’s good that steps are being taken to ensure their protection. Although it doesn’t apply to us I’m happy with those charges because I wouldn’t like to be flooded and empathise with people at risk.”

(Male, public sector/mega)

“Obviously flooding, leakages and water consumption needs to be acted on year on year to continually drive down consumption and keep it there. Focusing on that which is good [these are] definitely the right areas for businesses ie reducing their own bills which should be focused on. STW and customers working together.”

(Male, manufacturing/medium)

However, this means that three respondents detracted from this support due to their ambivalence with support for some measures and annoyance at others. They felt that certain aspects of the proposition represented good value for money, such as the concentration on leakage and water conservation figures, but that others represented poor value for money, for example, external flooding.

“Fair value for money for the leakages and improving incidents of internal flooding. The other two (ie external flooding and water conservation) are stupid and wasteful in my view and very poor value for money.”

(Male, Public/Medium)

Therefore the bill increases were felt to represent good value for money for the majority of respondents but clearly not for all.

“It’s a clear plan with achievable targets at minimal cost increases.”

(Male, Public Sector/Mega)

“Overall no it is not good value for money. It could be and I would happily pay more if they just changed the areas of focus but currently they are covering the same problems from different avenues and leaving a big chunk of concerns that will only improve by the slightest of figures.”

(Male, Public/Medium)

“Showcard D is focusing on leakage, water conservation and flooding issues which are my main concerns as a customer without charging a fortune to put money into an area that I feel I should not be paying for (river ecology)”

(Male, food and drink/ small)

“It’s good value because they are tackling the issues that need to be tackled modestly, both in their price increases and in their targets for improving.”

(Male, Agriculture/Small)

“Yes good value for money. The charges aren’t as massive as I would have thought and targets are good for amounts payable to each measure. The service will improve and chances of problems will reduce which should level out bills in the future.”

(Male, food and drink, large)

“From our business perspective, we’d be paying increases for things that wouldn’t affect the running of the company. So [it is] not good value for money.”

(Female, Manufacturing/Large)

“Showcard D as a whole doesn’t represent good value for money as these further improvements seem to be spending more money overall for less improvements overall.”

(Male, manufacturing/large)

Consequently seven of the ten respondents found the suggested improvements to be acceptable, with two respondents saying they were very acceptable, and the remaining three respondents stated that they were unacceptable.

“Changes need to happen. STW have come up with a scheme that isn’t too complicated, can be achieved and will hopefully lead to a balance of price in the future.”

(Male, public sector/mega)

“To some up it’s basically the proportioning of how the increases in bills are going to be spent which I disagree with as the plan currently stands.”

(Male, public/medium)

“[These improvements are] acceptable because they have a plan in place that tackles everything we need them too with realistic objectives and minimising cost implications for the customer.”

(Male, small/retail)

“As I’ve said before it’s acceptable because they are continually trying to improve the service without creating a huge financial burden for the customer.”

(Male, Agriculture/Small)

“I can see no major fault with it except my concerns about river ecology improvements compared with additional billing costs. [It is] clear and concise about it’s proposed plans and I am in support of improving the

service and promoting water efficiency which will balance out cost in the long run.”

(Male, Small/Retail)

“Even more increases here over and above inflation – expensive and difficult to pay in this economic climate.”

(Female, Manufacturing/Large)

5. CONCLUSIONS AND RECOMMENDATIONS

The key conclusion from the qualitative stage of research is that customers support Severn Trent Water's (STW) draft business plan (DBP) in terms of the bill increases. Respondents did not find an average increase for 'new' investment of just under £13 a year difficult to afford, with many saying that only works out at an extra £1 a month.

Respondents also supported the emphasis of the DBP as it impacted on them. They believe that the focus on the operational aspects of the business in terms of delivering a continuous supply of quality water and ensuring an efficient and effective sewerage service are of paramount importance to STW's future plans. There was consensus from most business respondents that these Key Strategic Intentions were the correct ones for Severn Trent Water to focus on.

Customers, residential and business alike, were generally quite impressed with the current service levels and, although having nothing to compare with, when told what the average water and sewerage bill was, they thought the current level of service represented value for money.

Given the number of households in the STW region many customers said the proportion of people affected by various problems was very small. While they were not necessarily affected by these problems, they acknowledged that they would not like to experience some of the issues, particularly sewer flooding, which was felt to be an appalling experience for anyone.

The major concern for customers was the extent of leakage. There was incredulity at the perceived high levels of leakage because of what was seen to be a waste of resource as well as a feeling of injustice that 'this is water that we have paid to be treated and distributed, and it's just going to waste'.

Despite being reasonably satisfied with the current levels of service there was unanimity about the need for continuous improvement and 'always striving to do better'. The same was true of businesses where most respondents were happy with the current service levels although this was tempered by an acknowledgement that there was still room for improvement.

When customers were presented with the improvements there was an overall sense that while any improvement is better than nothing, the DBP lacked ambition, especially as the improvements were over five years. Businesses took a more pragmatic view saying that although the proposed improvements to service levels were modest they were content that they were still moving in the right direction. The perspective from these respondents is that STW is supporting slight incremental progress that will be both manageable and achievable in the future and hence likely to succeed.

Generally, people felt they could afford the extra £12 or £16 a year but that they felt a better balance could be achieved in terms of how the expenditure was being divided up between each of the improvements. The 'modest' bill increases (particularly in light of the offsetting efficiency based real price decreases) do not appear to unduly concern the majority of businesses and there was much support for the balance of price increases in relation to the recommended service improvement levels. Respondents feel that STW has adopted the correct balance between raising prices and service level improvements.

APPENDIX A

Residential Topic Guide

APPENDIX B

Business Topic Guide