Our draft
Water Resources Management Plan

3: Customer and Stakeholder Engagement

Contents

3. Customer & Stakeholder Engagement

Document purpose:

This chapter sets out our approach to customer and stakeholder engagement. It describes our engagement to date, our plans to continue engagement as we finalise our WRMP, what we have learnt from this engagement and how we have used this to inform our plan.

Executive summary

Our goals

South West Water is committed to playing a leading role in a more holistic and integrated approach to water management, developing our plan in collaboration with customers and stakeholders to deliver cross-sector, mutual benefits for society and the environment (in line with EA guidance on 'Environment and society in decision-making').

Effective and comprehensive customer and stakeholder engagement helps organisations to plan effectively and proactively, ensuring that potential opportunities are identified early, and to understand how their changing goals align with those of others.

It is important that this engagement does not only involve one-directional communication but rather includes dialogue to help understand challenges, find common ground, and genuinely involve stakeholders in joint decision-making.

High quality, close collaboration with customers, partners and regulators has helped us to develop a full understanding of future water needs (challenges) and the potential options (solutions to the challenges) while building a strong consensus on our plans and their delivery.

We have developed an approach to customer and stakeholder engagement that is broad (inclusive), robust and effective, and we have consistently applied it throughout the development of our dWRMP.

Our goal was for this process to move beyond a traditional model of consultation and one-directional communication towards a truly co-productive approach that delivers all the benefits described.

During the delivery of the customer and stakeholder engagement programme, our specific objectives were to:

- Demonstrate effective and early engagement with regulators and stakeholders (including customers and internal stakeholders) throughout the process, identifying opportunities to benefit multiple water users and the environment, reducing the risk of issues being identified later, and resolving concerns early
- Be transparent in methods, data, assumptions, and decisions
- Actively engage with customers and stakeholders at a local or catchment level and take a 'catchment approach'
- Demonstrate that stakeholders' views have been considered (and acted on) in the development of the plan
- Include evidence of customer and stakeholder support for our environmental objectives and plan to meet the ambitions of the 25-Year Environment Plan
- Provide confidence to regulators, stakeholders, and customers that the Plan represents best value
- Align with and complement other planning processes, including River Basin Management, flood risk management, drainage and wastewater management and drought plans
- Ensure that this engagement is a continual process in which the long-term sustainability of the outcomes achieved is maintained through ongoing engagement activities

"Effective stakeholder engagement helps organisations to set direction, ensure potential problems are addressed, and understand any changes to goals. Stakeholder engagement is not only about pushing out messages, but understanding opposition, finding common ground and involving stakeholders in joint decision-making."

Ivey Business School, Network for Business Sustainability, 2010

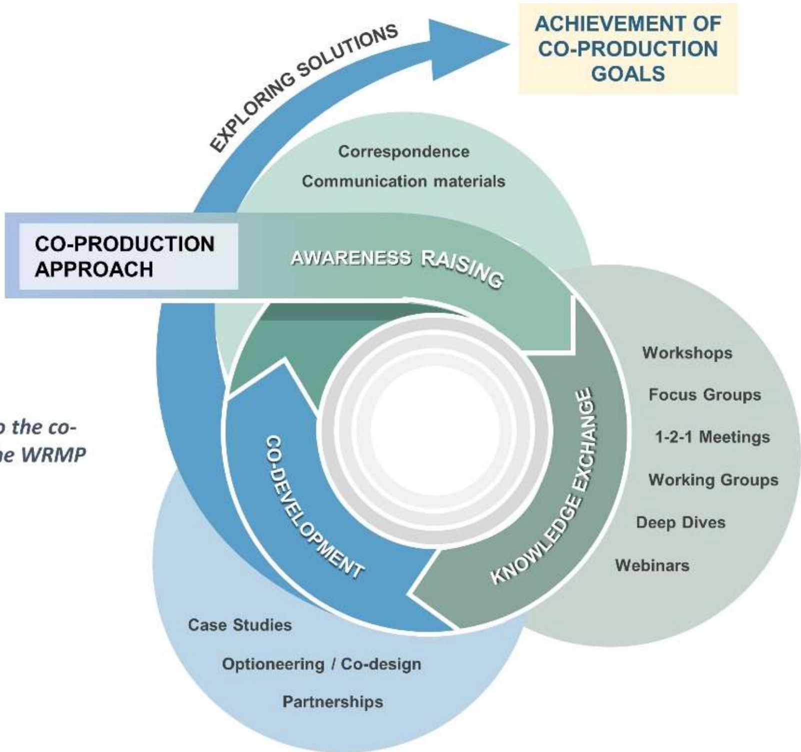
Our approach

We have a highly diverse range of stakeholders – from local authorities to charities, tourism and environmental groups to investors, and businesses to household customers. We aimed to engage with them inclusively and equitably, ensuring a rolling programme of engagement that was both timely and transparent. This could only be achieved by setting up a robust and inclusive participatory process that brought together all the various stakeholders who wanted to participate in the process. To ensure that our process was robust, we enlisted the services of a stakeholder engagement specialist from one of our partner organisations, who helped design and deliver a co-creation approach.

Throughout the WRMP development process, the views (concerns, attitudes, arguments, perceptions, preferences) of stakeholders have been captured, documented, and considered. These insights have helped us to develop our collective approach to water-resources planning and will also be used to inform the development of subsequent stakeholder-engagement campaigns.

Our aim was to consider the challenges for water-resources management and discuss the proposed measures in the WRMP to explore trade-offs or 'win-wins' associated with their implementation.

Our approach to the co-production of the WRMP



Our achievements

In line with our objectives, we have worked closely with our customers and stakeholders during the preparation of this dWRMP. They have helped to shape its strategic direction, its content, and the methodology we have adopted. Overall, we have successfully undertaken effective and early engagement with regulators and stakeholders (including customers and internal stakeholders) throughout the process to identify opportunities to benefit multiple water users and the environment, reduce the risk of issues being identified later and resolve concerns early.

Our dWRMP approach has been **transparent** in its methods, data, assumptions, and decisions, and it has been scrutinised and discussed with stakeholders throughout the process. We have also ensured that **stakeholders' views have been considered** (and acted on) in the development of the Plan.

We have also garnered strong **customer and stakeholder support** for our plan to protect and improve the environment in line with the ambitions of the 25-Year Environment Plan, and we have built the confidence of regulators, stakeholders, and customers that the Plan represents **best value**.

Throughout the WRMP and WCWRG stakeholder engagement activities, we have deliberately adopted a 'catchment approach' and have significantly increased our engagement and collaboration with the catchment partnerships across our region. This approach has allowed us to actively engage with customers and stakeholders at a local or catchment level and helped us to align our water resources plans with other processes and planning regimes, including River Basin Management, flood-risk management, drainage and wastewater management and drought plans.

The activities, outputs and outcomes achieved during this engagement programme are summarised below.

Summary of customer and stakeholder engagement outputs/activities for WRMP24 (includes activities undertaken to inform the development of the West Country Regional Plan).

16,207 CUSTOMERS ENGAGED

1,072 INCLUDING NON-HOUSEHOLD CUSTOMERS

1 Customer Forum formed

28 Focus groups & workshops

8 Deep dive research studies

STAKEHOLDERS CONTACTED **>400**

12 STAKEHOLDER WORKSHOPS

>25 1-2-1s, MEETINGS AND OTHER DIALOGUES

>300 ideas and comments contributed via Post-Its in workshops

>25 MEETINGS WITH REGULATORS

STAKEHOLDER FORUMS **2**

>100 Responses to feedback and evaluation surveys

>200 ACTIVELY ENGAGED

Representatives from all **15** key segments engaged

4 REGIONAL WORKING GROUPS ESTABLISHED

- 'AGRIFOOD' SECTOR
- WATER EFFICIENCY
- FISHERIES & RIVERS
- NATURE BASED SOLUTIONS

Significant changes in stakeholders' level of awareness and understanding achieved

Firm support garnered for supply and demand-side options (especially water efficiency and environmental solutions)

Natural England
NFU
National Trust
Devon Wildlife Trust
Westcountry Rivers Trust
Environment Agency
Cornwall Wildlife Trust
Devon County Council
The South West Tourism Alliance
Ofwat
Visit Cornwall
Visit Devon
South West Rivers Association
Historic England
Cornwall Council

What we have been told

Several key themes and messages have emerged during our customer and stakeholder engagement programme (see Section 4 of this report). These key insights and learning have been used to inform and influence the selection and refinement of our water resources management options - see Section 5 of this report and Sections 8-11 of the WRMP.

Customers and stakeholders do not always agree, as water-resources management issues can polarise opinion, but our ambition has been to hear and consider as many different points of view as possible and to use this information to refine and shape our plan.

Some of the key messages from our customers and stakeholders are summarised below:

- There is strong support among all stakeholders for SWW to adopt a collaborative approach, and there is high 'buy-in' from across all the main stakeholder groups.
- Customers and stakeholders see water in the environment as a precious resource, and there was a strong preference for the plan to go beyond the minimum requirements for environmental protection to provide even greater benefit for nature and wildlife. There is also strong support from stakeholders for catchment and nature-based solutions to be included in the water resources plan.

> *"Need to ensure 'solutions' are whole system, nexus-focused & institutionally integrated, as well as co-developed with communities where possible."*
>
> *Stakeholder at Regional Water Resources Workshop*

"I think it's really quite worrying, that by 2040 there could be only half the water from the River Avon … It's a bigger move on awareness and education; it's everyone's problem and responsibility to be careful with water." Customer, Aged 18-45

"[We] are hugely committed to landscape-scale transformation for nature and climate outcomes and are looking at all options to fund nature-based solutions – water is rapidly heading up the agenda and if our [land management activities] can align with water resources outcomes then it's definitely worth scoping out". Stakeholder correspondence after WRMP workshop

- There is a real sense of urgency among stakeholders for investment in solutions to the challenges faced, with many expressing their desire to see more actions delivered (greater scale of investment) and for these to be delivered sooner. In the research undertaken, customers also favoured earlier investment in new supply options, even if this carried an increased risk that they may not be needed or that they could be the wrong size. For customers, the benefits of acting early and being prepared outweighed the potential benefits of waiting for more certainty before acting.
- Customers are broadly supportive of the supply and demand options proposed in the plan, but they tended to see supply options as more reliable, because of the uncertainties associated with demand reductions and their reliance on sustained behaviour change by customers. Having said that, customers' support was highest for 'reducing leakage', closely followed by 'new or extended reservoirs'.

"I think my main concern is that they get me my clean water, and they do, so it sounds very selfish to say in a world where we're all very environmentally conscious. They do the job that I pay for so I'm just grateful that that keeps happening." Customer, Aged 31-55	*"I wouldn't mind paying more but I certainly would want to see the figures that it's actually making a difference, because if it's not I wouldn't want to pay it. You'd want to see the numbers going down wouldn't you, on the leaks and the emissions and pollution."* Customer, Aged 18-45

- Stakeholders tend to be sceptical that the demand-side reductions anticipated will be achieved using the current approaches, but many believe that they can play a role in developing and delivering water-efficiency outcomes. There is broad consensus that holistic social change, as well as behaviour change, should be the approach to demand reduction.

"Just looking at 'helping homes to use less water', and in today's environment I think it's really important that we start to limit our water usage and not have as much wastage." Customer, Age 56+.	*On the Demand-side, social practices, as well as behaviour change, must be part of the focus - people's behaviour is often limited by their domestic infrastructure (rather than or in addition to attitudes/willingness/ability etc).* Stakeholder at Regional Water Resources Workshop

- Many customers and stakeholders support the use of hosepipe bans, despite the potential inconvenience they can cause, if they contribute to keeping more water in the environment and protecting sensitive habitats. However, there are also many who disagree and think they could have been avoided and/or that they should not be necessary.

1 Customer Engagement

1.1 Current engagement

1.1.1 Household customers

Our approach

Our 2020-25 business plans laid the foundations for environmental improvements through our New Deal, with a Board pledge to deliver environmental leadership. These plans were developed in consultation with customers, stakeholders and regulators, and our level of engagement was one of the reasons why our PR19 plans received ‘fast track’ status.

We carried out significant customer research during PR19 planning, engaging over 27,000 customers. We have brought it all together into one place, pooling customer views on all investment areas. This independent synthesis was completed by Frontier Economics collating insight from around 40 separate reports to give a clear customer viewpoint on priorities for investment and preferences for solutions. It has helped to identify gaps in our knowledge which we will aim to fill with future research.

Our research around water resources, water restrictions and water use has continued. We have employed different research methods, such as workshops, interviews, surveys and focus groups, spanning across several years (2016-2020), including one study conducted during the COVID-19 pandemic to understand how that has shaped views.

We continue to engage with customers to fill any gaps in our understanding through our ongoing business-as-usual (BAU) tracking research and ad-hoc deep dives into emerging topics. Most recently, we have refreshed our Willingness to Pay (WTP) study for the South West Water (SWW) and Bournemouth Water (BW) regions - giving updated values for avoiding drought permits, reducing leakage, and reducing the risk of restrictions - and undertaken quantitative and qualitative research for the WCWRG.

To explore solutions for the water-stressed area of Bournemouth, we also held focus groups to gain views on possible supply and demand options for the area, including compulsory metering, water efficiency activities, effluent recycling and expanding resource options.

Our long-term tracking research programme monitors customer views on a range of our performance measures. We tested customer views on priorities for future investment at PR19 and have continued to track customer priorities as part of our BAU research. For 2022/23, we have added sentiment tracking questions to gauge customers’ views on the availability of water and changes to personal usage.

Research summaries

In preparation for our WRMP, we have undertaken more than 8 in-depth research or ‘deep dive’ studies that have involved several large-scale surveys and 28 focus groups. These studies are summarised here with the 3 flagship initiatives explained in greater detail below. In addition, detailed reports on each study are included in Annex A of this report.

Environmental leadership (June 2021) – We engaged customers to understand what it means to be an environmental leader and what they expect from SWW. Being an environmental leader means being a company that delivers leading levels of performance, has good plans in place for the future, takes the initiative to go beyond what is required and shares knowledge and innovations. Many of our customers do see us as an environmental leader. However, we learned that many customers do not know the full extent of our operations and services, and the more they do know the more satisfied they are with our performance and the more they trust their bills to be value for money.

Future long-term strategies (September 2021) – We consulted customers on the future pressures and tested proposed environmental and performance strategies, as well as asking customers to ‘build your own plan’ to show acceptable bill increases for each area. Among other areas, the sessions covered catchment management (including views on partnership working) and protecting assets from climate change. This has helped us to understand priorities for the pace, scale and profile of potential investment around key strategic themes – with climate-change resilience being the highest priority. This showed that customers want to see further improvements but are mindful of affordability, and those that can least afford to pay need to be protected.

Willingness to pay (WTP) refresh (January 2022 to May 2022) – We have undertaken WTP research as part of our ongoing programme to understand the benefits of investment and the maximum bill increases customers are willing to pay for improvements to service and the environment. This ongoing research ensures we can prioritise improvements, apply cost-benefit principles to our plans, and ensure we understand the overall envelope of bill increases customers will accept. Our latest study shows the WTP to be broadly stable over time. There were minor increases in values attributed to reducing the use of drought permits (protecting the environment), whereas there was lower WTP for water services such as further supply interruption reductions and short-term water-aesthetic issues. Overall, the study shows that customers do want to see plans that deliver a range of improvements, and most customers stating they are willing to pay for environmental improvements.

Long-term tracking survey (yearly) – Qualitative survey to track customer priorities for future areas of investment from 2019 onwards to identify any changes from PR19. Our priority tracking has shown that providing a clean, safe water supply remains the top priority for our customers. There has also been a shift in priorities towards environmental issues, with scores for habitats, catchment management and education on water saving and sewerage use showing the largest increases in scores from PR19. Our latest results around water resource options show that customers favour a mixed approach to future planning, split evenly between demand and supply options. 69% of customers say they are worried about the availability of water.

Water-efficiency messaging (December 2021) – Qualitative focus groups to test the messaging for our water efficiency campaign. This also included customer water use behaviours and views on personal changes they can make to support reductions. Most customers recognised that they could use a little less water, indicating that campaigns that target smaller reductions may lead to increased engagement and successfully target some reduction in water usage. Customers prefer simple, strong messages, especially water-saving tips. The environment and saving money are the most likely themes to elicit a positive response.

National sentiment tracker (October 2021 – March 2022) – This tracked over 2,000 views per month on a range of environmental issues across the South West and the UK overall, including awareness of and attitudes towards environmental issues such as river health. This showed that, nationally, customers are most concerned about climate change, deforestation, single-use plastics and ocean pollution. River quality was seen as the 6th biggest environmental issue with water companies perceived as a contributor to poor river health. Customers in our region were slightly more aware and concerned about environmental issues than those across the rest of the UK. The sentiment questions have now been incorporated into our monthly BAU tracking research.

Bournemouth Water - WRMP supply and demand options, July 2022

This study aimed to understand customer views on future pressures, including demand increases and environmental protection and improvement for the Bournemouth area. Establishing relative priority for demand and supply-side options within the WRMP.

In total, 32 participants were involved in the in-depth discussions with focus groups including a cross-section of BW customers (including a range of ages and socio-economic groups). All customers were responsible for their water bills.

Customers are largely unaware of the scale of the challenges facing BW.

- They find it worrying that there may not be sufficient water supply in future and encourage BW to act. Customers feel strongly that there should be greater awareness of future water-supply issues and that BW should be educating customers and planning for the long term.
- Even at an early stage of the discussions, customers recognised that interventions will be required to address the pressures on future water supplies. They also accept some usage restrictions when necessary.

Support for compulsory metering and reducing usage increases when customers are informed of the water-supply challenges

- Customers consider metering to be a fair method of charging, although managing affordability is a key part of ensuring customer support.
- They agree that there is a collective responsibility for conserving water and feel it is realistic for most people in the country to reduce their daily water usage, especially if they can monitor usage.

Of the supply options presented during the research, a new reservoir is customers' most preferred option.

- Customers are willing to accept the higher short-term impact of a new reservoir for a long-term benefit.
- They are less accepting of effluent recycling, due to concerns about chemicals, carbon, and increased energy usage. Some customers also feel it is unpleasant. Direct effluent recycling polarised views more than indirect recycling.
- Sharing water is seen as a fair option – customers feel it 'makes sense' providing that the region giving the water is not left lacking supply.

Customers support a balance between supply and demand solutions.

- They feel that BW should invest and plan as soon as possible. They consider there may be more challenges in the future, such as inflation and increased material costs, so it is better to start early.
- Customers are worried about affordability, especially within the context of the rising cost of living. Some would not support early investment for this reason.
- Customers would also like BW to consider and investigate desalination and grey-water use

Green Recovery, 2021

We tested SWW's plans for a green recovery from Covid, setting out a suite of initiatives to support the people and businesses of the region. Our research helped to develop and test options for our plans and then confirm support for the overall plan. The research was split over 3 phases:

- Phase 1 involved qualitative research with 44 customers to explore if and how SWW should be involved in a Green Recovery which, alongside previous customer insight, has helped shape and develop a draft plan
- Phase 2 involved quantitative research with 632 customers (including future customers) to test support for the developed plan and proposed initiatives
- Phase 3 qualitative research with 35 customers to test whether they continue to support the Green Recovery plan and find the bill impacts acceptable

The plans set out 10 initiatives, including:

- Smarter, healthier homes - 89,000 properties (36,500 households dumb to smart) given smart meters, water-saving devices and advice; with leakage and lead issues addressed
- Storing more water in winter - North Devon properties benefiting from less risk of severe restrictions; flow released to rivers in dry periods to protect wildlife

Overall, the proposed plan was seen to be acceptable, with initiatives that provide value for money and affordable. Customer willingness to pay for the investment was considerably higher than the proposed bill impacts from April 2025.

West Country Water Resources Customer Research

The WCWRG companies have already engaged with customers and stakeholders – through PR19 - and as part of their BAU activities. This study built on this existing insight to further develop customer and stakeholder evidence to inform the development of the regional water resource plan. The overall purpose was to support WCWRG in formulating the best-value regional plan for the South West.

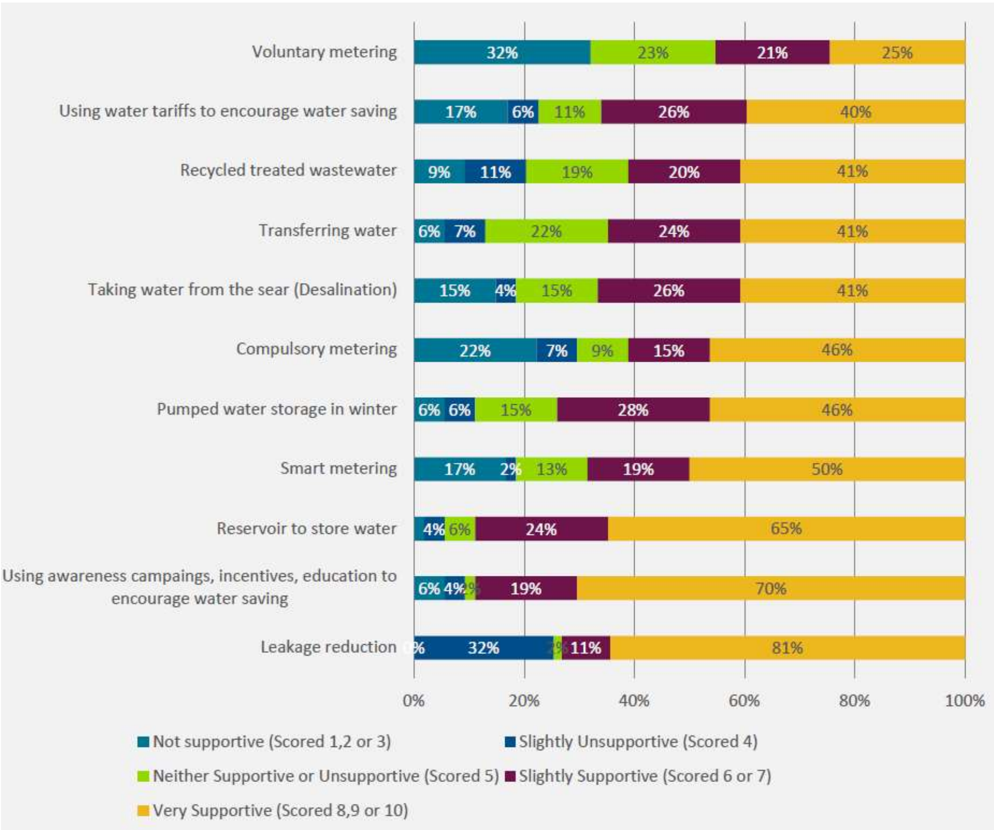
The study used a combination of qualitative (deliberative groups) and quantitative research (online survey) methods – carried out between June 2021 and March 2022 - to develop the evidence base on customer priorities and preferences for the regional plan. It provides a sound basis for understanding customer views, including support for the plan and insight on the refinements and adjustments that could make it more appealing, particularly in relation to the trade-off between risk/resilience – environment – and cost.

Overall feedback from customers participating in the research was positive. There was a high level of interest in the topic area and findings from both components of the research show a good level of support for the outcomes and targets that the regional plan is aiming to achieve:

- **Drought resilience.** Customers were aware of the future water supply challenges in the South West, although they had limited understanding about the impacts of extreme drought. Severe water use restrictions like rota cuts were perceived as difficult to cope with and generally unacceptable.
- **Environmental ambition.** Customers see water in the environment as a precious resource and there was a strong preference for the plan to go beyond the minimum requirements for environmental protection to provide even greater benefit for nature and wildlife.
- **Trade-offs.** Most customers supported higher frequency of less severe restrictions, such as hosepipe bans, and the potential inconvenience it would cause, if this would contribute to keeping more water in the environment and protecting sensitive habitats.

- **Timing of investment.** Customers favoured earlier investment in new supply options, even if this carried an increased risk that they may not be needed or could be the wrong size. For customers, the benefits of acting early and being prepared outweighed the potential benefits of waiting for more certainty before acting.
- **Option types.** No supply and demand options for the plan were unacceptable to customers. However, supply options were seen as more reliable, because of the uncertainties associated with demand reductions and their reliance on sustained behaviour change by customers. Support was highest for reducing leakage, closely followed by new or extended reservoirs.
- **Transfers.** Customers were supportive of sharing water at both national and regional levels particularly if this helped to better protect the environment in water-scarce areas. However, the support was conditional on maintaining the aesthetic quality of water for 'donors' along with leakage and water saving levels in 'recipient' areas being critical considerations.

Household (range)	Importance (%)	Non-Households (range)	Importance (%)
Increase in bill from 2025 (£0 - £100/yr)	57%	Increase in bill from 2025 amount (0 - +50%/yr)	54%
Protect and improve the environment (no action – enhance action)	20%	Protect and improve the environment (no action – enhance action)	17%
Risk of severe water use restrictions (1-in-100 – 1-in-500)	11%	Risk of severe water use restrictions (1-in-100 – 1-in-500)	15%
Reduce leakage from pipes (2050 target vs. current investment)	8%	Reduce the amount of water people use (140l/p/d – 100/p/d)	6%
Reduce the amount of water people use (140l/p/d – 100/p/d)	2%	Reduce leakage from pipes (2050 target vs. current investment)	4%
Reduce carbon emissions (2040 vs 2050 net zero)	1%	Reduce carbon emissions (2040 vs 2050 net zero)	4%



Summary graphics from Regional Customer Research Study – from qualitative study (top) and quantitative study (bottom).

We have continued to build on this research by undertaking further in-depth research in our region following the drought to see the impact of the summer 2022 weather on customer perspectives.

What customers have told us

Throughout this engagement and research work, we have learnt a huge amount about our customers' points of view: what they value about water, their perception of the challenges and solutions in water-resources management, how they prioritise the different approaches and options we are considering, and their expectations for the performance of their water company.

All the key insights and learning gained through this process have been used to inform and influence the selection and refinement of our water resources management options, which can be seen in Sections 8-11 of the WRMP.

Customers do not all agree on what the best course of action should be, as water-resources management issues can polarise opinion, but our ambition throughout has been to hear and consider as many different points of view as possible and to use this information to refine and shape our plan.

Some of the key messages from our customers are summarised below –

- Overall, our customers have told us that demand-side activities should be prioritised, with a particular focus on tackling leakage, metering, and educating customers on water conservation measures.
- 69% of customers in BW and SWW are worried about the availability of water. However, when ranked against other future concerns for the region, this falls behind population growth and the impacts of climate change.

"I think it's really quite worrying, that by 2040 there could be only half the water from the River Avon … It's a bigger move on awareness and education; it's everyone's problem and responsibility to be careful with water." *Customer, Aged 18-45*

- Many customers support extending metering, as it is seen as the fairest way to charge. Support for compulsory metering has increased slightly since PR19, with it being seen as more acceptable in the WCWRG and BW focus groups. **However, questions remain around the affordability for larger families and high users, so it is important to offer affordability measures to help these customers.**

"Two-pronged attack … we should look at reducing our consumption, through education … perhaps water meters might be the way forward, although I have concerns about it targeting less financially able people. And then they should invest also in alternative sources such as reservoirs and sharing of water." *Customer, Aged 18-45*

- Water restrictions are seen to be an occasional necessity that can cause minor inconveniences. Because of this, they tend not to be a priority for customers, who are generally happy with current service levels and do not want to pay to further reduce the risk of restrictions.
- When discussing future challenges, customers stated that they want to be told about the scale of the issues as they are more likely to support investments when they know the reasons for them.
- Customers hope that SWW is doing all it can to ensure supply can meet demand in the future and believe that if they are being asked to reduce their demand, then SWW/BW should be leading by example and doing all they can to preserve supplies/fix leaks themselves as well as encouraging tourists to be water efficient too.
- When it comes to engaging customers about future challenges around availability, we need to be open, clearly communicating what the current situation is and what the future could hold.
- Customers give increased support and acceptability is higher for initiatives and investments when they are given the full picture, and any messaging around reducing customer demand should be presented alongside what SWW is doing as well, so that the onus does not entirely fall on the customer.
- One of our flagship customer research studies was in relation to the Regional Water Resources Plan. Overall, this research showed that there is a good level of support for the outcomes and targets that the regional plan is aiming to achieve and, particularly in relation to the environmental ambition, a preference for companies to go beyond the minimum requirements. The bill impact from 2025 onwards is, however, a key factor for customers. The tipping point, in terms of support for the plan from the majority of customers, appears to be around £30 per year for water resources. Below this, a larger proportion of the customer base is likely to see the plan as 'value for money'.

"It's one of our lower bills. It's essential, we need it, so I imagine it's inevitable like all energy, it's going to go up over time, especially if they're putting in more infrastructure, but again, if the public are seeing a breakdown of what their money's being spent on, how it's improving the infrastructure and not just paying big bonuses, I'm sure the people wouldn't mind." *Customer, Aged 18-45*

1.1.2 Non-household customers

Demand management through water efficiency is an integral element of our water-resource management planning and work with our household customers is well established. Given that non-household (NHH) customer use represents c.24% of SWW total water demand we also recognise that work with our NHH customers is equally important.

The National Framework for Water Resources, MOSL guidance on retailer involvement in water resource planning, and collaboration through the Retailer Wholesaler Group Water Efficiency Subgroup and the West Country Water Resources Group all contribute to the development and evolution of our NHH water-efficiency activities.

In line with MOSL guidance for water resources planning, we are building on several initial discussions with the water retailers to establish a programme of collaborative water-efficiency opportunities across the SWW area. The focus of these conversations has been to ensure that retailers and NHH customers are aligned and active regarding water efficiency.

In our engagement with water retailers, we are promoting and encouraging the use of our Bid Assessment Framework for water-demand innovations and initiatives. We have also used these engagement opportunities to encourage collaboration from retailers in developing our WRMP and our NHH customer engagement and influencing strategy.

In addition, we have begun to collate a data set of NHH customers with >1Ml/annum consumption to segment and then develop and deliver tailored customer communications.

We are seeking to engage with retailers both in planning and implementation of NHH demand management proposals. This is illustrated in the case studies below.

Focus Groups with Non-Household Customers to discuss demand-side initiatives – August 2022

We instigated focus groups with SWW and BW NHH customers to gain views on future pressures, availability of water and potential initiatives offered by SWW to help reduce business use. A range of business types were represented within the groups: farmers, developers, restaurant owners, café owners, schools, hoteliers, bed and breakfast owners, bar owners and healthcare.

Non-household customers are open and willing to consider decreasing demand but need support to do so. Education and guidance are needed to help businesses reduce their water consumption, but education is also required to change consumer attitudes and behaviour towards water usage in general. Non-household customers welcome plans to increase rainwater harvesting and recycling and are pleased that SWW/BW are looking at doing more things like this. Greater communication about plans such as this as well as work and plans relating to leakage will help get non-household customers on board and engaged with the cause.

Co-designing a water resources management solution for the ‘agrifood’ sector in the South West

The ‘agrifood’ sector (agriculture, horticulture, food and drink supply-chain businesses) is a vital contributor to the South West Region’s economy, but it also represents a key group of stakeholders in the management of water resources.

As a large group of non-household water users, these users have the potential (individually or collectively) to make a significant contribution to the delivery of water resources management outcomes. At present this potential contribution is most significant in relation to demand-side outcomes (e.g., reduced reliance on potable water use, water efficiency, increased resilience to drought), but the sector also has huge impact potential in relation to supply-side outcomes (e.g., nature-based solutions, effluent re-use, decentralised water storage) and to our environmental ambitions (e.g., increased resilience, biodiversity enhancements, carbon sequestration, etc).

We have recognised how important it is to engage and collaborate with these stakeholders (and with their water retailers) to develop a clear understanding of their issues and concerns, and to explore with them how they may be able to contribute to both the design and delivery of our water resources plans.

To this end, during the pre-consultation phase of SWW’s WRMP and the West Country Regional Water Resources Plan, we have been in dialogue with key stakeholders from the agrifood sector (NFU, land management organisations/advisors, landowners, regulators, water retailers, environmental NGOs, practitioners) to establish a working group that will co-design a water resources management approach for the ‘agrifood’ sector across the South West region.

This Working Group, which was established in July 2022, will be meeting early in 2022 to design and initiate a programme of engagement with farming, horticultural and food and drink supply-chain businesses (non-household water customers).

This programme is closely aligned with our catchment management work, our proposed approach to the co-design and delivery of nature-based solutions, and our highly innovative Water Net Gain approach to deliver water resources outcomes, which are described in **Chapter 4** of our dWRMP.

Engagement of the tourism sector in the South West

The tourism sector, which includes **tourism/leisure businesses** (NHH customers) and **tourists/visitors** to the region (residential users), encompasses another key group of stakeholders that make a vital contribution to the South West Region's economy, and which were also a key target group for us during our pre-consultation on our water resources management plan and our response to the drought situation during 2022.

As with the agrifood sector, this large group of non-household water users have the potential (individually or collectively) to have a significant impact on our achievement of water resources management outcomes. This potential impact is most significant in relation to demand-side outcomes (e.g., reduced reliance on potable water use, water efficiency, increased resilience to drought, water recycling and reuse, etc).

In light of this, it has been vital for us to engage with as many representatives of tourism sector as possible and we have sought to include them in our pre-consultation engagement activities, the co-development of our demand-side (water efficiency) approach and in our targeted drought communication campaigns.

This sector has been a particular focus of this engagement work in our most water stressed and drought impacted areas, such as the Isles of Scilly and Cornwall, where there has also been a concerted campaign to communicate the importance of water efficiency to tourists and other visitors to the region.

1.2 Our plans for further engagement

Building on the successes of the customer engagement activities already undertaken, we will continue to engage with our household and non-household customers in a variety of ways over the coming months and years.

Ongoing household customer research and engagement

We continue our long-term tracking research programme, which monitors customer views on a range of our performance measures and water-resources sessions are being planned with the newly established Customer Board to raise their awareness and understanding of the water-resources challenges we face, and their solutions.

Non-household customers

Over the coming months, we will continue to review and refine our NHH customer engagement programme, our NHH customer research activities and our newly created **NHH Water Efficiency Strategy**.

As a wholesaler, we are an integral part of the regional business community. We plan to extend and further develop our NHH customer engagement through collaboration with regional trade associations and business, sustainability, and energy management forums. We will use this engagement to refine our understanding of customer drivers and blockers in relation to efficient water use.

Water is vital to the success of our region's businesses but is often an undervalued resource. Through collaboration with retailers and the business community, we will seek to educate and identify opportunities to expose the embedded costs of inefficient water use for NHH users, for example in terms of carbon, energy, added process costs or disposal/waste costs.

We will continue to collaborate with other wholesalers to share experiences and seek out best practices for incentivising retailers and maximising return on investment (ROI) to effectively implement and deliver NHH water efficiency measures.

We will deliver our planned pilot activity of water-efficiency measures with schools and review options for direct delivery of water-efficiency measures to NHH customers, targeted by user type, area, and effectiveness of ROI.

2 Stakeholder Engagement

2.1 Current engagement

2.1.1 Approach

We have engaged with a highly diverse range of stakeholders – from local authorities to charities, tourism and environmental groups to investors, and businesses to household customers.

We have aimed to engage with them in an inclusive and equitable manner, ensuring a rolling programme of engagement sessions and one to one meetings, that have been both timely and transparent. This could only be achieved by setting up a robust and inclusive participatory process that brought together all the various stakeholders who wanted to participate in the process.

In developing our strategy for stakeholder engagement, it was vital that all the potential individuals, groups, organisations and networks that we wanted to engage with were identified and that analysis was undertaken to characterise the outcomes sought and to determine the best approach for engaging with each of them.

Following the initial 'mapping' exercise, stakeholders were segmented into target groups and then analysis of these segments was undertaken. This analysis aimed to characterise their current levels of engagement and prior knowledge, how influential over the successful delivery of each project or scheme, how we want them to respond to our engagement (awareness, attitude, advocacy, action), and what they might expect to gain from engaging with us.

Throughout the WRMP development, the views (concerns, attitudes, arguments, perceptions) of stakeholders have been captured, documented, and considered. These insights have helped us to develop our collective approach to water-resources planning and will also be used to inform the development of subsequent engagement campaigns.

Our aim was to consider the challenges for water-resources management and discuss the proposed measures in the WRMP to explore trade-offs or 'win-win's associated with their implementation.

To achieve these aims, we have adopted a wide range of methods to connect with and engage our customers and stakeholders, including correspondence campaigns, one-to-one meetings, focus groups, workshops, dissemination events, formal research and the huge number of formal and informal conversations which take place between our employees, partners and customers on a daily basis.

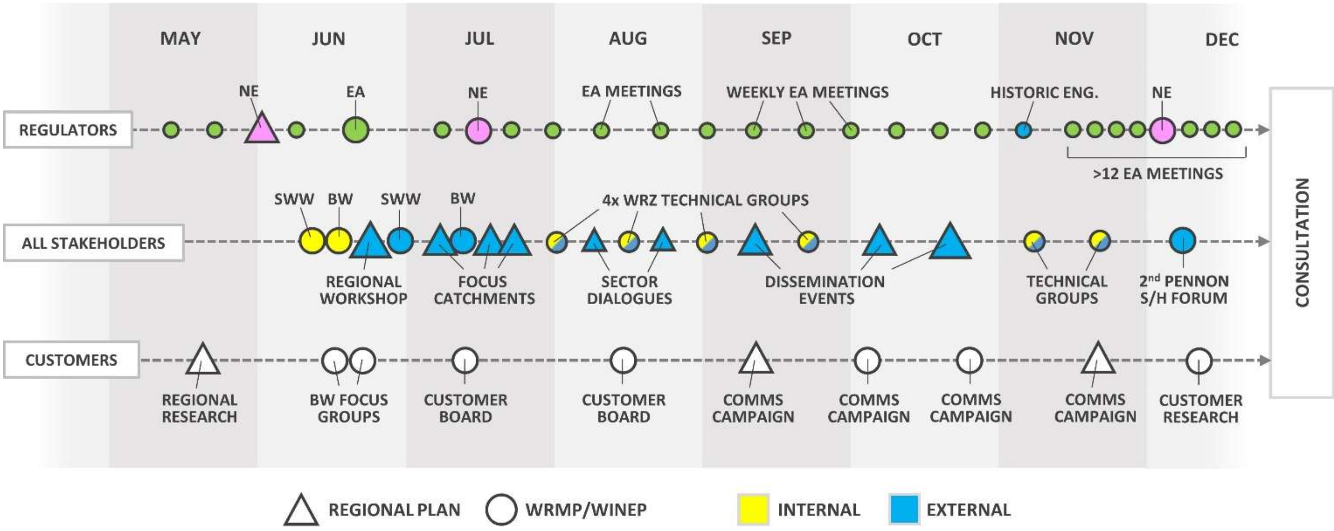
SWW WRMP stakeholder segments engaged in relation to water resources management planning

The programme of stakeholder and customer engagement we have undertaken during the development of our dWRMP is illustrated below.

As this shows, we undertook a blended and tailored approach to contact, engage and collaborate with all our key stakeholder groups (both internal and external). It also illustrates that, while the bulk of this pre-consultation engagement was undertaken between April and September 2022, intensive additional pre-consultation activity was also carried out in November and December 2022 (with a particular focus on dialogue with our regulatory stakeholders).

SWW WRMP and WCWRG activities were aligned to ensure that they were complementary, as were the customer and stakeholder engagement activities.

WRMP and WCWRG stakeholder engagement programme



Over and above the day-to-day programme of customer and stakeholder engagement, we have also convened a series of flagship activities which were intended to deliver significant and far-reaching impact for the participants.

These included a West Country Water Resources Regional Workshop, the first meeting of the SWW Stakeholder Forum, the commissioning of a Regional Customer Research Study into household and non-household customer perceptions of the Emerging Regional Plan, and the collaborative co-creation of five Focus Catchment Water Resources Action Plans.

West Country Water Resources Regional Workshop

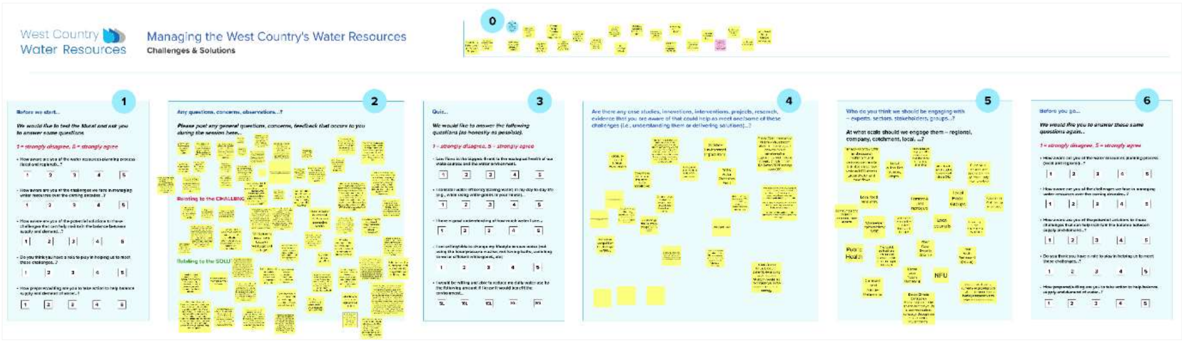
This region-wide online workshop was the first in a series of events during the Summer of 2022 to support and inform the development of the West Country Regional Water Resources Management Plan 2024, to be published in draft for consultation in November 2022.

The aims of the event, which was entitled 'Managing the West Country's Water Resources - Challenges & Solutions', were to develop a shared understanding of the future water management challenges we face (especially in relation to the environment), explore the different options for water resources management solutions, and build a strong consensus around the plan (for both its design and delivery). We also used the event to promote the Focus Catchment Action Planning workshops that followed it.

During this process, we wanted to hear and understand the points of view of as many people as possible and collaborate to develop a Regional Water Resources Plan that delivers the best possible value for everyone in the West Country.

Over 300 stakeholders were invited to the event, and it was also circulated to several stakeholder networks and groups (catchment partnerships, climate action networks, SW Business Board, water retailers, etc). Around 100 people registered to attend and some 70 participated in the 2-hour event representing 14 different sectors/areas of interest. During the discussion and workshop, over 100 comments, notes and points of feedback were contributed by the participants.

Mural completed by attendees at the WCWRG Regional Online Workshop.



Results of the evaluation showing how the workshop attendees' awareness of water resources planning (1), water resources challenges (2) and water resources solutions (3) was significantly increased during the event.

Co-production of Focus Catchment Action Plans

Following the consultation on its 'Emerging Plan' in January 2022, the West Country Water Resources Group undertook the collaborative creation of Catchment Action Plans for water resources management in five focus catchments across the region.

The catchments chosen for this participatory 'action learning' approach to the development of pilot plans were the Dorset Stour, Poole Harbour, Rural Bristol Avon, Tamar and East Devon. These catchments were chosen by the WCWR Steering Group (WSWRSG) to give a distribution across catchment types and the three water companies who are partnered in the Regional Water Resources Group (Wessex Water, South West Water and Bristol Water), together with the Environment Agency and Natural England.

To facilitate this co-creation approach, a series of stakeholder catchment workshops were convened to review all the evidence relating to water resources management challenges and solutions in each of the focus catchments. The engagement of stakeholders in the catchments relied heavily on the robust collaborations already established with the catchment partnerships in each area and with a wide array of other stakeholders engaged by the regional group and the water companies across the region.

The workshops were successful in achieving their goals, which were to build a common understanding of the current and future availability of water resources in the catchments, the needs of all water users (including public and non-public supply users), the factors likely to affect water supply and demand in the future, and to explore options for improving water supply-demand balance (cross-sector solutions, collaboration, holistic approach, strategic options at a regional-scale, etc).

Mural completed by attendees at the WCWRG Focus Catchment Workshops

Stakeholder Forum – Let's Talk Water

To increase the breadth and depth of our engagement with stakeholders across the region, we have established a Stakeholder Forum. The first meeting of the Stakeholder Forum was held at Roadford Lake in July 2022, with over 75 stakeholders and regulators attending and participating in the workshop activities and discussions.

The agenda included:

- Welcome from SWW's CEO and an introduction to South West Water by the Director of Natural Resources
- Examples of the positive environmental work we are delivering in partnership (Upstream Thinking, South West Peatland Partnership and Invasive Species)
- Overview of the plans we are developing – focusing on DWMP, WRMP, WINEP and Drinking Water
- Workshops to explore where our priorities align, what good stakeholder engagement looks like and how we can enable effective collaboration in the future.

The event was highly successful, and we received some very positive feedback. The information gathered at the event has been processed and used to feed into the workstreams developing the DWMP, the WRMP and the WINEP.

Building on the success of the first event, we are now planning monthly meetings of the Let's Talk Water Forum, and the 2nd Stakeholder Forum was held on 8 December 2022. This 90-minute online workshop was attended by ~100 stakeholders from all areas of the region (SWW, Bristol Water and Bournemouth Water) and produced very valuable feedback and insights that will be used to inform the short and long-term strategic planning of the company.

2.1.2 Achievements

Overall, we have successfully undertaken effective and early engagement with regulators and stakeholders (including customers and internal stakeholders) throughout the process to identify opportunities to benefit multiple water users and the environment, reduce the risk of issues being identified later and resolve concerns early.

Our WRMP approach has been **transparent** in its methods, data, assumptions and decisions, and it has been scrutinised and discussed with stakeholders throughout the process. We have also ensured that **stakeholders' views have been considered** (and acted on) in the development of the plan.

We have also garnered strong **customer and stakeholder support** for our plan to protect and improve the environment in line with the ambitions of the 25-Year Environment Plan, and we have built the confidence of regulators, stakeholders, and customers that the plan represents **best value**.

Throughout the WRMP and WCWRG stakeholder engagement activities, we have deliberately adopted a 'catchment approach' and have significantly increased our engagement and collaboration with the catchment partnerships across our region. This has allowed us to actively engage with customers and stakeholders at a local or catchment level and helped us to align our water-resources plans with other processes and planning regimes, including river basin management, flood risk management, drainage and wastewater management and drought plans.

During our pre-consultation stakeholder engagement work, we have contacted over 400 stakeholders from across all 15 of our key segments and over 200 of these have become actively engaged in the process (through attending events, completing surveys or by engaging in the dialogue via 1-2-1 meetings or working group meetings). We have also convened 12 stakeholder workshops, held our first Stakeholder Forum event, and established 4 initial regional working groups to discuss key water resources issues at a regional level.

The achievements of our programme are summarised in the infographic in the summary on page 5 of this chapter.

During our engagement work, we have had extremely valuable interactions with many of our key stakeholder groups (sectors, communities of interest, place-based). The key conversations we have been having are summarised below.

Consultation with Regulators: statutory consultees

We have engaged with all our regulators and statutory consultees throughout the development of our WRMP and the West Country Regional Water Resources Management Plan (in line with section 3.3 of WRMP guidance).

This pre-consultation engagement programme has included numerous technical meetings with the **Environment Agency**, such as fortnightly/weekly updates throughout 2022, specific technical meetings on all aspects of the WRMP (e.g., Environmental Destination workshop in May 2022) and a further 12 additional WRMP-focused meetings in November and December 2022.

In addition, we have convened **pre-consultation meetings** (for WRMP and the Regional Plan) with senior representatives of the **EA**, **Natural England** and **Ofwat**, and representatives of these organisations have been involved in SWW and regional water resources management planning workshops held during 2022. We also undertook a very positive **consultation on the 'Emerging WCWRG Regional Plan'** in January 2022 and have made significant contribution to the ongoing pre-consultation engagement with regulators in relation to the Regional Plan since then. Furthermore, we have also established a robust and very positive collaborative approach with our regulators during the drought response in 2022.

Our annual reporting process to Ofwat and the EA, including the annual performances report, has provided updates to regulators on progress since WRMP19.

These engagement activities have stimulated strong working relationships with these key stakeholders as we work to co-develop the WRMP. This collaboration has also helped us to develop our long-term destination for environmental improvement and sustainable abstraction.

We have also actively engaged with regulators via the regional planning process (including the Environment Agency, Natural England, Historic England, and Ofwat), and have sought to build the confidence of regulators, stakeholders and customers that our preferred programme represents best value. We are grateful for the input from our regulators, particularly given the time required to support our WRMP planning in addition to meeting the challenges of responding to the current drought.

We have formally responded to questions raised by the EA and Ofwat through development of plan, particularly during autumn 2022. This includes sharing details on our problem characterisation, approach to adaptive planning, provisional preferred schemes and indicative supply-demand balance at a resource zone level.

Collectively these activities have delivered enhanced pre-consultation with Ofwat and the Environment Agency.

Environmental groups

During our WRMP stakeholder engagement programme, we have strengthened our engagement with the catchment partnerships, local nature partnerships and other environmental groups. This has been through attendance at partnership meetings and through targeted correspondence and meetings with key members of these groups.

In addition, we have also continued our dialogue about water-resources management (WRM) with the environmental NGOs who comprise the long-established Upstream Thinking Project partnership, and with Natural England and other stakeholders involved in the creation of Local Nature Recovery Strategies.

These interactions have successfully raised the awareness and understanding of water-resources management (WRM) challenges and solutions among these stakeholders and have facilitated a collaborative approach to the development of options and the gathering of significant amounts of feedback on our approach to WRM. They have also allowed us to secure their firm support for the level of our environmental ambition for the dWRMP (and the Regional Plan) and our proposed approach to achieving it.

A further direct outcome from these conversations has been the co-development of the Water Net Gain initiative by SWW and Westcountry Rivers Trust. The aim of the Water Net Gain Project (submitted as a £1m proposal to the Ofwat Breakthrough Challenge Fund) is to explore the governance and technical aspects of planning, designing, creating and trading of a water bank through a distributive network of ecologically connected ponds and other nature-based solutions. These features could increase resilience by passively contributing to base flows, deliver demand management benefits or actively release water to the river to dilute pollution, resulting in supply-side benefits.

Agrifood sector

- Members of the agricultural (or 'agrifood') sector (farming, horticulture, land management, supply chain, etc) are critical stakeholders in the water resources management process.
- Landowners and land managers have significant potential (individually or collectively) to contribute to the challenges and solutions on the supply side of water resources management.

- As a large group of non-household water users, they also have the potential (individually or collectively) to contribute to the challenges and solutions on the demand side of water resources management.
- In periods of water shortage, there is a risk that the supply of water to farm businesses (whether from public supply or the environment directly) may not be resilient, resulting in significant negative impacts. Farmers do have the potential to take actions that make their businesses more resilient, but only if the required evidence, advice, financial support and other enablers are in place.

In recognition of this pivotal role, we have undertaken a focused engagement campaign with these stakeholders. This has included detailed and ongoing dialogue with

- Upstream Thinking partners, and other catchment management stakeholders (e.g., in Dorset), to explore how water resources outcomes (supply, demand, farm/environmental resilience) could be achieved through our various farmer-engagement, advice and investment programmes
- NFU (locally and nationally) to explore how the challenges and solutions identified in the WRMP and the WCWR Plan relate to the agricultural and horticultural sectors in the SW
- Key water retailers in the SW region to explore how we could collaborate with them to deliver support to their non-household customers in the agricultural and horticultural sectors
- The National Trust, who have engaged very positively in both the WRMP WCWRG engagement events and signalled their commitment to exploring potential opportunities to collaborate on the design and delivery of catchment or nature-based solutions – an exciting evolving opportunity

As a result of this focused campaign, these stakeholders are now highly engaged (especially NFU and National Trust) and clearly see both the WRMP and WC Regional Plan as great opportunities for them to get involved in and make a significant contribution to water resources planning in the region. This collaboration has the potential to be highly mutually beneficial as it is well aligned with our ambition for the water resources plans to be 'multi-sector' and could give us access to a wide array of other stakeholders and networks that we may not otherwise be able to engage.

Building on this stakeholder support, we are now working to establish an Agrifood Sector Working Group under the auspices of the WCWRG. This group would co-design a strategy for the long-term engagement and collaboration between the agrifood and water resources sectors across the region.

Local government (planners, flooding, DCE and DCIoS Climate Impacts Group)

We have established very strong working relationships with local government stakeholders and both the regional plan and the SWW WRMP have been informed by strong local authority engagement. This includes extensive engagement with staff and elected members from both Cornwall and Devon Councils, as well as with the district councils and urban unitary authorities of Devon, and with representatives from numerous town and parish councils across the region.

We have engaged with planners, environmental and flood risk management sections of these authorities and have also secured representation on several key groups and bodies that fall under local authority governance, for example, the **Council of the Isles of Scilly**, the **Devon, Cornwall and Isles of Scilly Climate Impacts Group** and the **Local Nature Partnerships**.

Fisheries and riparian interests

SWW has always had a very close association with fisheries and riparian interest groups across the region, in particular the South West Rivers Association (and the local associations and groups it represents), the Westcountry Rivers Trust, and fisheries experts from the Environment Agency. During the Summer of 2022, this engagement has been reinforced through regular and robust dialogue with these groups in relation to mitigation funding, fish bank releases from reservoirs, the Green Recovery Scheme in the Tamar, the drought response (including drought permit consultations) and through the WRMP and regional plan pre-consultation process.

Building on the active participation of several key representatives of this sector in both the WRMP and Regional Plan Stakeholder Engagement Workshops, we have continued our dialogue with these stakeholders, and they have drafted a 'statement of intent/ambition' for fisheries and riparian interests/owners that will be fed into both the regional planning process and the development of our WRMP. In this statement, they strongly voice their support for a Fisheries and Riparian Interests Working Group to be established under the auspices of the WCWRG.

Community groups and networks

SWW have established many long-term and strong partnerships with community groups and civil-society networks across the region. This has received fresh impetus in 2022 following the arrival of a new Partnership and Community Coordinator. These partnerships give us access to a wide array of customers and a stakeholder audience that we may not otherwise find it easy to engage with.

The Water-Saving Community Fund was established to enable a more meaningful way to promote water efficiency at a community level. Following the launch of the fund in March 2021, SWW received 62 bids from local community groups, with bids totalling £333,491.37.

Each application was assessed according to its water-saving benefits, benefits to the community, and innovation potential. To date, funding has been awarded to 22 community groups totalling over £73,000. This approach is building experience and insight for the future delivery of water-efficiency schemes.

Successful proposals ranged from small bids to install water butts or rainwater harvesting equipment in a local school and other community buildings, through to a highly ambitious community and stakeholder engagement project called Voices of the Dart (see below).

Water Saving Community Fund – Voices of the Dart

Funded by SWW's Water Saving Community Fund and delivered by the Bioregional leaning Centre, Voices of the Dart was designed as a prototype of how to connect local communities with rivers at a time when freshwater and related ecosystems are under increasing stress from climate change and human activity. The focus was on ways to cut water use in private households, businesses and communities, and to work out how this could be replicated elsewhere and lead into catchment-wide projects.

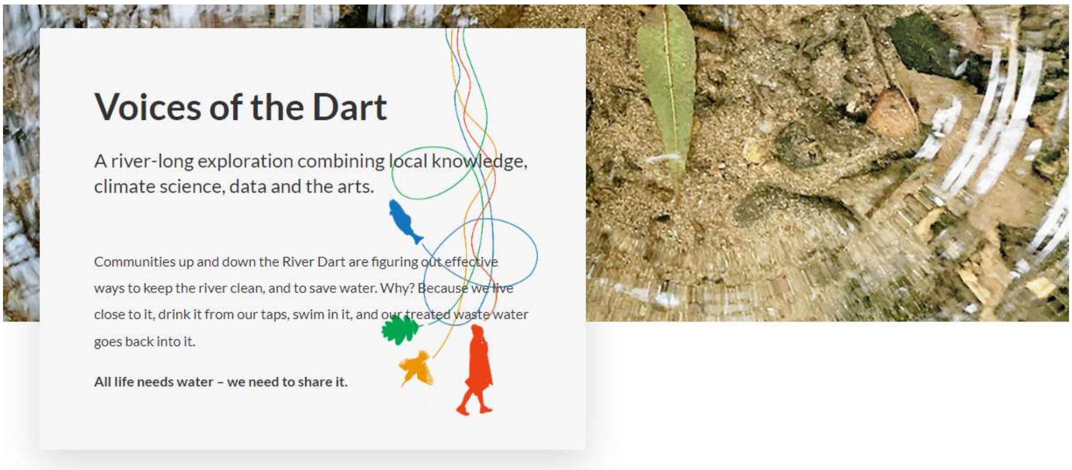
The project also aimed to determine how communities can be supported to learn, change and adapt, because adapting faster than the rate of climate change is becoming imperative. During the six-month project, the team tested a range of ways to engage heads, hearts and hands with the River Dart.

These included listening to local communities about their concerns and designing future collective action; teasing out the river experiences of individuals by getting hands into river clay and sharing river experiences with each other; gauging the response to data about the river, population growth and climate change; explaining the current situation as a shared dilemma in which we are all implicated and we need to work together to solve; and, of course, posing the question 'If Water could speak, what would it say?'.

The project is estimated to have reached at least 26,804 people in the Dart Valley and actively engaged with over 100 stakeholders that included 79 students and 6 teachers from 5 schools in the area.

www.bioregion.org.uk/project/voices-of-the-dart

https://youtu.be/6ubZT7ee5EA



Place-based activities – Isles of Scilly

Since taking over responsibility for the provision of water supply and wastewater services on the Isles of Scilly in 2020, SWW has undertaken a significant amount of stakeholder engagement in this small island community.

Pre-2020, SWW visited the islands in 2018 and met all the individuals responsible for operating the islands at that time. This engagement continued throughout 2018 and 2019 prior to SWW taking over in April 2020. There was also extensive consultation with all key stakeholders (including regulators) in relation to a series of new licence applications and the new Isle of Scilly Drought Plan, which has now been submitted to the EA and Defra.

In early 2022, in response to a condition placed on the abstraction licences, a Monitoring Plan for the islands has been developed in consultation with EA, NE and IoS Wildlife Trust. Having received feedback from all three organisations, delivery of this plan will begin in Winter 2022.

In addition, the SWW operations manager and programme manager for the islands are leading the development of a stakeholder engagement strategy that will consolidate and formalise the excellent relationships with key island stakeholders that have already been established. These include strong engagement with customers (household and non-household), the farming community, the Duchy of Cornwall, the Wildlife Trust, the Council of the Isles of Scilly, the Tresco Estate and the Area of Outstanding Natural Beauty.

To help bring insight into our engagement we have also started to build links with other island communities – meeting with Guernsey Water in Summer 2022.

Place-based activities – Tamar Catchment – Green Recovery and Upper Tamar Lake

Following the period of prolonged dry weather, a drought permit application was prepared to change water management in the Upper Tamar catchment. An exercise was undertaken to identify local organisations and individuals who might have an interest in and views on the application. A range of people was contacted and invited to attend an online briefing session to receive an explanation of what we are proposing to do and why. The evidence base supporting the proposed action was presented. The briefing was attended by local authority elected members and staff, Parish Councils, environmental charities, and statutory nature bodies such as the Environment Agency.

2.2 Our plans for further engagement

We recognise that effective and robust stakeholder engagement is a continual process, in which the long-term sustainability of the outcomes achieved is maintained through ongoing engagement activities. Considering this, we have also developed a long-term engagement strategy to ensure the long-term sustainability of the outcomes achieved during the pre-consultation phase.

Consultation – promotion and ongoing dialogues

Our customer and stakeholder engagement activities will continue to progress up until and following the publication of the draft plan in February 2023. We are planning a programme of communication and awareness-raising activities to promote the plan and the consultation.

As with the draft WRMP, we are also fully committed to the co-production of the final WRMP with customers and stakeholders. To this end, many of the stakeholder conversations we have initiated will continue throughout the consultation period and beyond the publication of the final Plan in mid-2023. We will actively seek stakeholder feedback on all aspects of the draft plan and work hard to ensure that this is taken into consideration as the final Plan is prepared. We remain open to new ideas, different approaches, evolution and challenge and will change our plans to reflect the input we receive.

Co-delivery of the WRMP24

SWW is also fully committed to the co-delivery of the WRMP with stakeholders. As we move towards our final plan, we will increasingly be discussing with stakeholders how we can build schemes together bringing contributions from different organisations to improve outcomes. As part of this, we will also be looking at further community funds and the opportunity to deliver planning gains through our investment.

3 What have we been told?

Several key themes and messages have emerged during our customer and stakeholder engagement programme (see Section 4 of this report). These key insights and learning have been used to inform and influence the selection and refinement of our water resources management options, which can be seen in Sections 8-11 of this dWRMP.

Customers and stakeholders do not always agree, as water-resources management issues can polarise opinion, but our ambition has been to hear and consider as many different points of view as possible and to use this information to refine and shape our plan. Some of the key messages from our customers and stakeholders are summarised below:

- There is strong support among all stakeholders for SWW to adopt a collaborative approach, and there is high 'buy-in' from across all the main stakeholder groups.

> *"We strongly support a collaborative approach, but we recommend tailoring your methods to co-design and co-production to the needs of different groups – do not take a 'one size fits all' approach as this will not be inclusive."*
> *Stakeholder at Regional Water Resources Workshop*

- Customers and stakeholders have some awareness of the water-supply challenges in the future in the South West, with their focus remaining largely on water quality issues. They also have only limited insight into the impacts of drought on the provision of drinking water and the environment, although this has improved following the drought in 2022 and the awareness-raising work of the water companies, the regional group and water resources-focused projects such as PROWATER (in which SWW is an observer partner)
- Customers and stakeholders see water in the environment as a precious resource, and there was a strong preference for the plan to go beyond the minimum requirements for environmental protection and to provide even greater benefits for nature and wildlife. There is also strong support from stakeholders for catchment and nature-based solutions to be included in the water resources plan and for there to be significant investment in activities that are regenerative, and which increase the resilience of the environment to low flows/drought.

> *"My children are 5 and 6, but already they talk about climate change in school and they're aware of issues with the environment, so I think that it's only a thing that's going to continue to be discussed." Customer, Aged 18-45*

> *"Water in the environment is a precious resource, and your plans should go beyond the minimum requirements for environmental protection to provide even greater benefit for nature and wildlife". Stakeholder at Regional Water Resources Workshop*

> *"I'd say probably increasing water resilience is quite important, because the weather can obviously be quite bad in England, so if there's like storms and things then it's quite good that that's ahead of target, because you don't want to be without water for any period of time." Customer, Aged 18-45*

- There is strong support for the 'catchment approach' and for much closer collaboration with local environmental partnerships such as catchment partnerships, local nature partnerships, estuary groups, and other local environmental networks. Many stakeholders point to the groups, activities and programmes already established and encourage SWW to engage more consistently and robustly with these, rather than seeking to establish new processes or groups. In line with this, many stakeholders want SWW to adopt a more holistic and integrated approach to water resources management, which is also collaborative, evidence-based, and adaptive.
- As a result of this focused campaign, these stakeholders are now highly engaged (especially NFU, National Trust) and clearly see both the WRMP and Regional Plan as good opportunities for them to get involved in and make a significant contribution to water resources planning in the region. This collaboration has the potential to be highly mutually beneficial, as it is aligned with our ambition for the water resources plans to be 'multi-sector' and could give us access to a wide array of other stakeholders and networks that we may not be able to engage.

- There is a real sense of urgency among stakeholders for investment in solutions to the challenges faced, with many expressing their desire to see more actions delivered (greater scale of investment) and for these to be delivered sooner. In the research undertaken, customers also favoured earlier investment in new supply options, even if this carried an increased risk that they may not be needed or that they could be the wrong size. For customers, the benefits of acting early and being prepared outweighed the potential benefits of waiting for more certainty before acting.
- Customers are broadly supportive of the supply and demand options proposed in the plan, but they tended to see supply options as more reliable, because of the uncertainties associated with demand reductions and their reliance on sustained behaviour change by customers. Support was highest for 'reducing leakage', closely followed by 'new or extended reservoirs'.

"I think they could invest in this to save lots of water whether the pipes belong to them or not."
Customer, Aged 18-45

"Two-pronged attack … we should look at reducing our consumption, through education … perhaps water meters might be the way forward, although I have concerns about it targeting less financially able people. And then they should invest also in alternative sources such as reservoirs and sharing of water." Customer, Aged 18-45

- Stakeholders are less supportive of supply-side options where they perceive that they may pose a threat to the environment, but they are reassured to some degree by the measures proposed to ensure these risks are mitigated. Environmental groups strongly advocate the building of capacity (resources and expertise) to deliver environmental solutions and resilience measures.
- Stakeholders tend to be sceptical that the demand-side reductions anticipated will be achieved using the current approaches, but many believe that they can play a role in developing and delivering water-efficiency outcomes. There is broad consensus that holistic social change, as well as behaviour change, should be the approach to demand reduction (e.g., people's ability to change their behaviour is often limited by other factors, such as domestic infrastructure, rather than or in addition to their attitudes/willingness/ability to change). In line with this, many suggest that water companies and water retailers may not be best placed to deliver demand reduction solutions and that social scientists and social change specialists should be included in the process.

"On the Demand-side, social practices, as well as behaviour change, must be part of the focus - people's behaviour is often limited by their domestic infrastructure (rather than or in addition to attitudes/willingness/ability etc)."
Stakeholder at a WRMP Workshop.

"We need to take a holistic approach - solutions should address all aspects of water management. Supply-side solutions are important, but demand-side solutions (increased efficiency in use) are also vital. How to reduce consumption will be critical." Stakeholder at a Regional Water Resources Catchment Workshop

- Many customers and stakeholders support the use of hosepipe bans, despite the potential inconvenience they can cause, as long as they contribute to keeping more water in the environment and protecting sensitive habitats. However, many also disagree and think the bans could have been avoided and/or that they should not be necessary.
- Deeper engagement and collaboration with water retailers in our region, to explore how we can work with them to deliver support to their non-household customers, is extremely important if significant and far-reaching usage reductions are to be achieved. Retailers are supportive of initiatives that help NHH customers to be more water efficient, or which encourage/empower them to become more water resilient, but significant barriers remain in place to their broad-scale delivery.

4 How this engagement has shaped our plan

The following table summarises the key findings from our engagement which have been used to inform our dWRMP.

Theme of engagement	What our customers have told us
Protecting our Environment	We garnered strong customer and stakeholder support for our plan to protect and improve the environment in line with the ambitions of the 25-Year Environment Plan, and we have built the confidence of regulators, stakeholders, and customers that the plan represents best value. In addition to setting out our destination for environmental sustainability and resilience, we have ensured that our dWRMP will meet the other ambitions of the 25-Year Environment Plan, which requires WRMPs to • Take a catchment approach • Adopt a natural capital approach in decision making • Support nature recovery and deliver net gain for the environment There is strong support for the 'catchment approach' and for much closer collaboration with local environmental partnerships such as catchment partnerships, local nature partnerships, estuary groups, and other local environmental networks. SWW has fully embraced the catchment approach and has become an active member of the Catchment Partnerships operating across the region. In addition, we have helped the West Country Water Resources Group to establish its Focus Catchments approach to collaboratively develop Water Resources Catchment Action Plans for 5 catchments across the region. Through our ongoing stakeholder and customer engagement, we are looking to identify catchment-based solutions that both protect the environment, provide sustainable sources of water, and have wider benefits to society.
Metering	Customers support extending metering, as it is seen as the fairest way to charge. Support for compulsory metering has increased slightly since PR19, with it being seen as more acceptable in the WCWRG and BW focus groups. SWW continues to have some of the highest levels of metering across the country, with over 82.4% of our customers already metered. By 2025 we will have increased meter penetration to 83.5% and our plans currently include increasing our Advanced Metering Infrastructure coverage, i.e., smart meters (AMI). As part of our Green Recovery programme, we are piloting our 'Smarter, healthier homes' initiative across our North Devon supply region, which is representative of SWW as a whole, with a mix of urban and rural areas. Ultimately, it will move all metered customers in the North Devon region, approximately 70,000 customers, to Smart Meters by 2025. Our other regions continue to deploy AMR (Automated Meter Reading) technology which is also a form of "smart" metering but without the daily feedback of data. The proactive, and compulsory, metering programme is a key option to deliver the demand reduction for the 110 l/p/d PCC target, and the profile of demand savings has been combined with different timings of individual water efficiency programmes to ensure the company can achieve its performance target. We are targeting 100% smart metering across homes to support water efficiency.
Leakage	Customers tended to see supply options as more reliable, because of the uncertainties associated with demand reductions and their reliance on sustained behaviour change from customers. Support was highest for 'reducing leakage'. The leakage delivery programme has been built based on the ranked cost-benefit and wider customer benefits of the scheme. We are confident that our plan aligns with the feedback given by our customers, with an increased focus on demand-side savings such as leakage. We will be looking at ways to target leaks using new technology, thereby fixing our leaks more quickly. We are also looking at new technology to help us target areas at risk of future leaks, preventing more leaks from occurring.

Theme of engagement	What our customers have told us
	Our Plan sets a stretching, long-term target in accordance with the industry-wide commitment to deliver a 50% reduction in leakage by 2050. Against our 2017/18 levels, the planned 50% reduction will reduce leakage by over 34 Ml/d in the next 25 years, which is an important part of ensuring resilience in our water resources in the future. In the short term, we will be reducing leakage by 15% from the 2024/25 forecast position.
Water efficiency: HH	Our customer research has shown that water efficiency is regarded as being a higher priority than developing new water resource options. We support this and believe that water efficiency is fundamentally the 'right thing to do'. We therefore include this approach in our long-term Plan and will undertake targeted improvements in water efficiency to complement the leakage reduction profile. While a plan with no water efficiency measure could be justified on the grounds of minimising overall cost, we rejected this option, because it does not mitigate future demand-side risks, which are important to meet customer priorities. Most customers recognised that they could use a little less water, indicating that campaigns that target smaller reductions may lead to increased engagement and successfully target some reduction in water usage. Customers prefer simple, strong messages, especially water saving tips that help residents and tourists to use less water.
Water efficiency: Non-HH	Deeper engagement and collaboration with water retailers in the SW region, to explore how we can work with them to deliver support to their non-household customers, is extremely important if significant and far-reaching usage reductions are to be achieved. Retailers are supportive of initiatives that help NHH customers be more water efficient, or which encourage/empower them to become more water resilient, but significant barriers to their broad-scale delivery remain in place. We are proposing a water efficiency scheme to target non-household consumption. This will be comprised of a partnership with non-household retailers to encourage the delivery of more water efficiency audits to their customers.
Water use restrictions	Water restrictions are seen to be an occasional necessity that can cause minor inconveniences. Because of this, they tend not to be a priority for customers, who are generally happy with current service levels and do not want to pay to further reduce the risk of restrictions. Most customers and stakeholders support the use of hosepipe bans, despite the potential inconvenience they can cause, if they contribute to keeping more water in the environment and protecting sensitive habitats.
Supply vs demand side options	Customers are broadly supportive of the supply and demand options proposed in the Plan, tending to see supply options as more reliable because of the uncertainties associated with demand reductions and their reliance on sustained behaviour change by customers. Despite this, our customers have told us that demand-side activities should be prioritised with a particular focus on tackling leakage, metering and educating customers on water conservation measures. Stakeholders are less supportive of supply-side options where they perceive that they may pose a threat to the environment, but they are reassured to some degree by the measures proposed to ensure these risks are mitigated. We will continue to develop new demand and supply options to ensure we can maintain the supply-demand balance in a way that maximises societal and environmental benefits.

5 Consultation process for our dWRMP

Our Chapter 1 sets out the process for submission of formal consultation feedback on our draft WRMP. There will be a 12-week consultation period running between February and May. Through our Statement of Response, we will reply to the feedback we receive.

Some questions for the reader's consideration are:

Our Adaptive Planning Approach	• In our dWRMP we have set out an adaptive planning approach that enables us to have plans across a large range of future scenarios. Are there any other future scenarios that you think we should consider? • Given the large range of future uncertainties that exist as described in our Plan, does our adaptive approach enable us to address your main concerns looking into the future? Do you think that there is a different approach that we could follow?
Best value for our customers and the community	• Do you think that our plan represents the best value for you and your community?
Our approach to improve the environment	• Do you agree with our various approaches to protecting the environment across our area of operations? • How do you feel about the potential impact of the combination of regulatory requirements and our own environmental aspirations as reflected in our Environmental Destination?
Our approach to reducing demand for water	• Our dWRMP24 sets out our preferred options for addressing a forecast supply/ demand deficit. How supportive, or unsupportive, are you of our options for reducing water demand? Are there other options that you think we should be considering for decreasing water demand? • Our plan has a significant focus on demand side reductions by 2050. Some of the options adopted are not within our direct control. Do you think this is the right approach? Should we plan for more additional new sources of water in case these measures do not deliver the water we have forecast? • How should we prioritise demand management? Are there other assumptions or risks (in addition to relying on government policy) that we should factor in to our plan? • Our ambition is to help to reduce customer water use to 110 litres per person per day by 2050. Achieving this will not only require significant investment by us, but also require government interventions, for example the labelling of water-using products. What is your view on this approach?
Demand/ Supply Balance	• To address the forecast supply/ demand deficit our dWRMP includes both options that will reduce demand and options that give us additional water supplies. Do you think our plan strikes the right balance between demand and supply solutions? • Are there any other significant risk factors that you feel could impact our supply-demand balance in future?
Water recycling	• Do you agree that water recycling should be a part of the solution for securing water supplies for the future? • Do you think that we should look at water recycling options where recycled water is stored in reservoirs, lakes or other water bodies? And where recycled water is released back into nearby rivers and then abstracted again downstream?

Water Network Resilience	• Do you agree that we should develop our water network so that we can move more water between our supply areas and share supplies with our neighbouring water companies?
Droughts and Levels of Service	• What are your views on our levels of service in the event of a drought? • According to requirements from the government, we must be resilient to a 1 in 500-year drought event by no later than 2039. How supportive or unsupportive are you of this goal?
General	• Do you have any additional comments on any of the plans we have proposed in our dWRMP?

Our consultation period on our draft Water Resources Plan will be open for 12 weeks from the 14 February until 9 May 2023.

All responses to this consultation should be sent to the Secretary of State for the Environment, Food and Rural Affairs (Defra). You can respond by e-mail to water.resources@defra.gov.uk

Please carbon copy (cc) wrmp@southwestwater.co.uk and title your e-mail 'South West Water Resources Management Plan'.

You can respond by letter to:

Secretary of State,
Water Resources Management Plan Water Services,
Department for Environment, Food and Rural Affairs
Seacole 3rd Floor
2 Marsham Street
London
SW1P 4DF

Annex A – WRMP Customer Research Summaries

Title: Green Recovery

Objectives: A mix of qualitative and quantitative research was undertaken to aid with the development of initiatives for our Green Recovery Plan to support the people and businesses of the region.

Format	Households (number)	Non-households (number)	Vulnerable customers	Future customers	Retailers	Stakeholders	SWW	BW
Quantitative	700		✓	✓	-	-	✓	✓
Focus groups	4 (n33)		✓	-	-	-	✓	✓

Key messages – What Matters Most

What we did

- The plan was informed by qualitative customer research undertaken between October 2020 and January 2021
- Customers, including some future customers, were consulted on the Green Recovery Plan and Initiatives
- Qualitative research was carried out via focus groups during the Covid-19 pandemic to test how the pandemic was shifting customers' relationship with nature, and the increased support for green infrastructure to support the economy and the environment.

What matters most

- Customers agree with a green recovery to address the economic and social impact of Covid-19 that targets investment in the South West
- 100% of customers thought that SWW's plans to support a green recovery were acceptable
- The initiatives were viewed as the right direction with the right focus
- Customers continue to think the broad aims of increased effort around the environment, climate change and supporting the economy during the pandemic are priorities
- There was particularly strong support for sewer separation and for land restoration and biodiversity enhancement of the Dartmoor National Park
- Customers were also pleased to see the impact of the investment on jobs, especially given the impact of the current pandemic on job losses
- Customers did not want the implementation of the green recovery plan to impact the delivery of the existing targets for 2025.

Next steps

- The changing priorities will continue to be tracked via our BAU research.

Impact on the plan:

The research demonstrated the heightened customer relationship with the environment and a shift in priorities for future investments.

The results from this engagement helped to shape the approach to solutions for the DWMP, with the need for natural solutions to play a larger part in future options.

Reference:
ICS Consulting "Green Recovery Customer Research". June 2021.

Title: **Environmental Leadership**

Objectives: This research aims to underpin how customers consider that SWW can best meet its pledge to be an environmental leader in the South West region. What do customers think it means to be an environmental leader and how does a regional business like SWW demonstrate environmental leadership?

Format	Households (number)	Non-households (number)	Vulnerable customers	Future customers	Retailers	Stakeholders	SWW	BW
Focus groups	6 (n46)		✓	-	-	-	✓	✓

Key messages – What Matters Most

What we did

- The qualitative groups were used to investigate how customers currently perceive SWW and its position on environmental issues and what being an environmental leader means to customers
- The key questions explored were:
    - What makes an environmental leader?
    - Is South West Water seen by its customers as an environmental leader, and if not, how is South West Water's environmental leadership best demonstrated.

What matters most

- Being an environmental leader was described by customers in terms of:
    - Having the right environmental behaviours and culture in place within the business – e.g., recycling and minimising waste, minimising carbon footprints
    - Targeting and delivering stretching performance on environmental measures (including leakage)
    - Being a good neighbour in the region, helping to support tourism and recreation by improving bathing waters and river quality
    - Supporting national environmental challenges, e.g., climate change
    - Innovating and pioneering environmental changes – and sharing knowledge with others (within and outside the water industry).
- There was a good level of understanding about SWW's impacts on the environment. This was clearest in respect of its direct impacts on rivers and coastal waters
- There was however less awareness of the 'non-core' activities that SWW takes leadership on (e.g., habitat protection) and less appreciation of SWW's impact as a consumer of energy
- The groups increased customer views of SWW as an environmental leader following the discussions about our non-core activities
- For a position as an environmental leader to be credible with customers there are two foundations:
    - Demonstrating action – Doing what you say
    - Communicating effectively – Saying what you do

Next steps

- These findings have been key to improving our communications approach for future campaigns and initiatives.

Impact on the plan:

The research helped to highlight the critical importance of explaining and demonstrating SWW's performance on environmental measures as well as communicating clearly and consistently about SWW's commitment to improving its performance on the environment.

Feedback from the groups has led to the development of the WaterFit engagement campaign to clearly set out the work we complete in the region to protect and enhance the natural beauty of the South West.

Reference:
ICS Consulting "Environmental Leadership Customer Research". June 2021.

Title: **Future Long-Term Strategies**

Objectives: This customer research project builds on current customer insight to start to develop the evidence base specifically for PR24 in the context of SWW's longer-term investment needs.

Format	Households (number)	Non-households (number)	Vulnerable customers	Future customers	Retailers	Stakeholders	SWW	BW
Focus groups	4 (n31)		✓	-	-	-	✓	✓

Key messages – What Matters Most

What we did

- Four initial online focus groups were undertaken in September 2021 to explore customers' priorities for the pace, scale and profile of potential investment around six themes:
    - Connecting properties served by private supplies to the public water mains supply
    - Reducing the impact of storm overflows on rivers and the sea
    - Working in partnership with others to manage land use
    - Addressing the impacts of climate change
    - Replacing customer supply pipes
    - Reducing carbon emissions from SWW's operations
- This included activities to gauge appetite for bill changes over the 25-year time frame up to 2050.

What matters most

- Climate change and protecting the environment are viewed by customers as the most significant issues requiring transformational change
- Customers fully support investment around land management, implying that it should be a feature of any SWW plan. Many customers held views that this area was not just South West Water's responsibility and that others should also be contributing to the costs (such as the government)
- Customers think that investment addressing the impacts of climate change and storm overflows is essential
- Investment should be targeted to deal with the highest priorities first (high spills) or in the case of climate change, as the needs arise, to manage the affordability impacts and realise the greatest benefits upfront
- Reducing company contributions to climate change by achieving net zero is viewed as important, urgent and good value for money. Many customers insisted that changes should be made as soon as possible
- Bill increases to pay for improvements are acceptable as long as the needs of those who struggle to pay their bills are considered.

Next steps

- The research is the first step in an ongoing programme of customer engagement that will develop a greater understanding of the acceptability of future bill pressures as the business plan is developed.

Impact on the plan:

The results from this engagement helped to understand views on emerging topics such as the reduction or elimination of storm overflows and the need to protect assets from climate change.

It showed that customers want to see further improvements, but are mindful of affordability, and those that can least afford to pay need to be protected.

Reference:
ICS Consulting "Informing Board Strategy Customer Research". September 2021

Title: Supply and Demand Options – BW region

Objectives: This study aimed to understand customer views on future pressures, including demand increases and environmental protection and improvement for the Bournemouth area.

Format	Households (number)	Non-households (number)	Vulnerable customers	Future customers	Retailers	Stakeholders	SWW	BW
Focus groups	4 (n32)		✓	-	-	-	-	✓

Key messages – What Matters Most

What we did

- Four online focus groups were undertaken in June 2022 to understand customer views on the balance of supply and demand, given future challenges, including demand increases and environmental protection for the Bournemouth area.
- This included views on options for the WRMP for the Bournemouth area and their relative priority, including:
    - demand-side options – acceptability of compulsory metering including potential affordability impacts.
    - supply-side options - Acceptability of effluent recycling (indirect and direct and a new reservoir.

What matters most

- Customers are largely unaware of the scale of the challenges facing the Bournemouth Water region. They find it worrying that there may not be sufficient water supply in future and encourage BW to take action.
- Customers feel strongly that there should be greater awareness of future water supply issues and BW should be educating customers and planning for the long term.
- Support for compulsory metering and reducing usage increases when customers are informed of the water supply challenges
- Customers consider metering to be a fair method of charging, although managing affordability is a key part of ensuring customer support.
- They agree that there is a collective responsibility for conserving water and feel it is realistic for most people in the country to reduce their daily water usage, especially if they are able to monitor usage
- They feel that BW should invest and plan as soon as possible.
- They think there may be more challenges in the future, such as inflation and increased material costs, so it is better to start early.
- Customers would also like BW to consider/investigate desalination and greywater re-use.

Next steps

- The research will aid with the development of the draft Water Resource Management Plan.

Impact on the plan:

The results from this engagement have helped us to understand the specific needs of the Bournemouth Water region.

It developed greater understanding of customers' support for potential supply options being considered for the region, demand options particularly compulsory metering, and how SWW can address any customer concerns.

Reference:
ICS Consulting "Bournemouth Water Resources Management Plan". July 2022

Title: Long Term Tracking survey

Objectives: Our long-term tracking survey enables us to understand customers' views and priorities over time. We track customer satisfaction overall and by service area, as well as value for money each quarter.

Format	Households (number)	Non-households (number)	Vulnerable customers	Future customers	Retailers	Stakeholders	SWW	BW
Quantitative (CATI)	c. 1200 per year	-	✓	-	-	-	✓	✓

Key messages – What Matters Most

What we did

- Each quarter we engage c. 300 customers to understand their views. We use the same survey variant to understand trends in customer views over time.
- Customers are asked their views on customer satisfaction with overall service; and by service area: sewage treatment and disposal, drinking water quality, quality of bathing waters, leakage, metering and billing, communications, value for money and affordability
- customers are not provided with any information on which to base their views – the findings are the uninformed views on how we are performing.

What matters most

- Overall satisfaction with service remains high with over 1 in 8 customers satisfied.
- Three-quarters of customers are satisfied with the value for money, showing an upward trend over the last two years.
- Satisfaction with drinking water quality and frequency of interruptions is consistently high with 9 in 10 customers satisfied in this area.
- Customer satisfaction with sewage treatment and disposal, care about the environment and bathing water quality have declined since 2020/21.
- Satisfaction with affordability support has increased by 10% over the last year, with stated affordability maintaining a steady level with three quarters finding bills affordable.
- Our priority tracking has shown that providing a clean, safe water supply remains the top priority, followed by preventing pollution. Customers are also putting a higher priority on sewer resilience in extreme conditions, catchment management and partnership working, and safeguarding bathing waters.
- 9 in 10 customers state they have trust and confidence in SWW overall.

Next steps

- For 2022/23 we are incorporating sentiment tracking questions around environmental issues into the survey and will be using this for the development of our long-term strategies and business plans for PR24.

Impact on our plan and ways of working:

Our long-term tracking research allows all parts of the business to understand trends in customers' views over time and helps us to understand what is important for our customers.
We have a detailed and comprehensive understanding of what matters to our customers, and we have used this information to shape our plans.

Reference:
ICS Consulting "South West Water LTTS report" – reports provided quarterly

Title: Customer willingness to pay update	FAIR CHARGING AND AFFORDABLE BILLS FOR ALL · RELIABLE WASTEWATER SERVICE · CLEAN, SAFE AND RELIABLE SUPPLY OF DRINKING WATER · RESPONSIVE TO CUSTOMERS · AVAILABLE AND SUFFICIENT RESOURCES · BENEFITING THE COMMUNITY · RESILIENCE · PROTECTING THE ENVIRONMENT

Objectives: The purpose of this study is to update our PR19 WTP research, as part of our ongoing programme of assessing WTP and establishing long term priorities.

Format	Households (number)	Non-households (number)	Vulnerable customers	Future customers	Retailers	Stakeholders	SWW	BW
Quantitative survey	660		✓	-	-	-	✓	✓

Key messages – What Matters Most

What we did

- Survey-based stated preference (SP) approach with a representative sample of household customers from SWW and BW regions, using a similar survey to PR19, with updated performance, service level and bill attributes
- Respondents were presented with 'simulated' choices designed to measure their preferences and valuations for maintaining and improving SWW services

What matters most

- There has been little change in customer values compared to PR19, with overall willingness to pay down, but with slightly elevated willingness to pay for environmental improvements
- SWW customers showed higher levels of trade-off behaviour compared to 2017: around 60% of respondents opted for "no change" in any given choice (vs. around 70% in 2017)
- Around 30% of SWW customers reported difficulty in paying monthly bills and around 40% stated their household financial position had worsened in the last 12 months, and a similar expected it to get worse in the next 12 months
- This potential effect of pressure on household budgets was seen in the SWW package choice question, with lower overall WTP compared to 2017
- BW customers have shown a lower overall WTP compared to 2017, the exception being drought permits where BW customers placed a significantly higher value on improvement from 2017.
- Around 20% of BW respondents reported difficulty in paying monthly bills, whilst 44% stated their household financial position had worsened in the last 12 months. 50% expect it to get worse in the next 12 months
- Overall, the lower package values could indicate that customers have a limited budget for service improvements and placed higher values on some select service areas with less appetite for increased bill amounts for improvements elsewhere.

Next steps

- These findings inform the triangulation of customer values for PR24 investment planning.

Impact on the plan:

The research has helped us to understand the benefits of investment and the maximum bill increases customers are willing to pay for improvements to service and the environment.

Testing these values with customers ensures we can prioritise improvements, apply cost-benefit principles to our plans, and ensure we understand the overall envelope of bill increases customers will accept.

Overall, the study shows that customers do want to see plans that deliver a range of improvements, with most customers stating a WTP in the range £0 to £50 a year.

Reference:
ICS Consulting "Willingness to Pay Research". May 2022.

Title: Water Efficiency Messaging

Objectives: To understand how customers feel about where they might save water, what messages are likely to trigger positive behaviours and how messaging can be best targeted across the range of channels available.

Format	Households (number)	Non-households (number)	Vulnerable customers	Future customers	Retailers	Stakeholders	SWW	BW
Focus groups	6 (n41)	-	✓	-	-	-	✓	✓

Key messages – What Matters Most

What we did

- Four online focus groups were undertaken in April 2021 to test the effectiveness of messaging.
- The first four groups tested materials that were used during the summer of 2020 alongside new example materials.
- Following these groups, the materials were further revised based on customer feedback and suggestions. The latter two groups tested these new materials and potential communication channels.

What matters most

- Discussions highlighted low levels of awareness, suggesting that South West Water will have to work hard to convey its messages effectively, specifically:
  - Few customers recalled seeing any SWW adverts or water efficiency messaging
  - SWW newspaper was highlighted by some customers
  - None of the participants followed SWW on social media
- Most customers recognised that they could use a little less water, indicating that campaigns that target smaller reductions may lead to increased engagement and successfully target some reduction in water usage
- Customers are drawn to money-saving tips and messages that are relevant to them
- Environmental messages need to clearly show how saving water helps protect the environment
- Customers are more supportive of campaigns that target smaller reductions, particularly when the reduction is put into the context of their overall usage

Next steps

- The study has helped us to gain an understanding of the effectiveness of SWW water efficiency messaging to inform future campaigns, highlighting how best to reach customers.

Impact on our plan and ways of working:

The findings from this research reinforce findings from previous research, in particular, that customers prefer simple, strong messages, especially water-saving tips. The environment and saving money are key hooks, a mix of channels is required and clear images of the amount of water used (e.g., bottles) are the most likely to lead to action.

Reference:
ICS Consulting “Water Efficiency Messaging report” – May 2021

Title: NHH WRMP Research

Objectives: The objective of the research was to explore non household customer views of demand-side options and water efficiency measures.

Format	Households (number)	Non-households (number)	Vulnerable customers	Future customers	Retailers	Stakeholders	SWW	BW
Focus groups	-	4 (n41)	✓	-	-	-	✓	✓

Key messages – What Matters Most

What we did

- Four online focus groups were convened in August 2022 to understand business customer views on demand-side options and water efficiency measures.
- A range of business types were represented within the groups – farmers, developers, restaurant owners, café owners, schools, hoteliers, bed and breakfast owners, bar owners and healthcare.

What matters most

- There was little knowledge or experience of the business retail market. Most were still with their incumbent suppliers.
- Although water is taken for granted by the majority steps have been taken to ensure water is not wasted, dual flush toilets, more economical taps etc. Many believe that they are doing all that they can but would welcome help and advice to save more.
- Money saving would be the biggest motivator to be more efficient but there is a growing sense of social responsibility to be more conscientious and use water sparingly.
- They hope that SWW/BW are doing all they can to ensure supply can meet demand in the future and believe if they are being asked to take steps themselves to help get demand down then SWW/BW should be leading by example and doing all they can to preserve supplies/fix leaks themselves.
- Education and guidance are needed to help businesses reduce their water consumption, but education is also required to change consumer attitudes and behaviour towards water usage in general.
- Non-household customers welcome plans to increase rainwater harvesting and recycling and are pleased that SWW/BW are looking at doing more things like this.

Next steps

- The research will aid with the development of the draft Water Resource Management Plan.

Impact on our plan and ways of working:

Findings from this research have helped us to understand the views and concerns of our business customers in the South West.

This will help us to tailor our offerings and take the best approach when developing initiatives and support reduced usage.

Reference:
Turquoise “SWW NHH WRMP Research” – August 2022

South West Water

Bournemouth Water

South West Water Limited, Peninsula House, Rydon Lane, Exeter EX2 7HR, Registered in England No 02366665

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