CCWater Charging Research 2007

Submitted to

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Contents

1 Executive Summary

1.1 Background

The Consumer Council for Water (CCWater), which represents the interests of consumers in the water industry in England and Wales, and Ofwat, the economic regulator of privatised water and sewerage companies in England and Wales, commissioned ORC International to conduct research into consumer views of water charging.

The overall research business objective was to inform CCWater and Ofwat on the development of water charging policy by identifying what consumers perceive as the principles that should underpin fairness in charging for water and sewerage services.

- To understand consumers' attitudes to a range of alternative tariffs.
- To understand consumers' perceptions on an extension of metering.

1.2 Methodology

1,665 face-to-face interviews were completed. The sample was structured so that equal numbers of respondents were interviewed for each of the areas covered by the ten water and sewerage companies (WASCs) across England and Wales. In addition the sample was structured so that robust numbers of interviews were conducted within each of the 5 priority groups that CCWater and Ofwat identified, namely:

- People living in areas with higher than average levels of water metering.
- People living in areas with stretched water resources.
- People living in areas with no water resource issues.
- People living in areas with high water and sewerage bills.
- People living in areas with higher than average social deprivation.

The views of the 5 priority groups were in some cases quite distinct from those of the rest of the sample. These statistical differences have been highlighted in the report and summarised in chapter 8.

1.3 Key Findings

1.3.1 Bills, value for money and affordability

The most common services people associated with their water and sewerage bill were water services (e.g the supply of clean water, removal of dirty water and customer service) (67%), followed by water metering (e.g. reading, maintenance, billing) (58%) and maintaining pipes and treatment works (43%).

25% of respondents stated that they thought their annual water and sewerage bill was roughly between £200 and £299. This was followed by 18% of respondents who believed that their bill cost between £300 and £399. Almost a third of respondents either did not know or refused to answer.

60% of bill payers agreed that the services that they received represented value for money, 23% disagreed and 15% stated they neither agreed nor disagreed.

59% of bill payers thought that their water and sewerage charges were affordable, whilst 19% stated they are unaffordable and 16% stated they were neither affordable nor unaffordable. AB (71%) and C1C2 respondents (61%) were more likely to think their charges were affordable than DE respondents (51%). 25% of DE customers thought their charges were not affordable, compared with only 9% of AB customers.

1.3.2 Cross subsidies and social tariffs

48% of respondents considered the current rural/urban cross subsidy[1] reasonable, whilst 32% considered it to be unreasonable with 14% stating it was neither reasonable nor unreasonable.

39% thought the high rateable value, low use, low rateable value, high use cross subsidy[2] was reasonable, but 42% considered it unreasonable, with 14% stating it was neither reasonable nor unreasonable.

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[1] It typically costs more to provide rural customers with water and wastewater services than those in urban areas. This is because rural customers usually live further from water treatment works and they typically have more infrastructure connecting them to water treatment works than urban customers. Therefore there is a cross subsidy from urban customers to rural customers.

[2] Amongst un-metered households, customers in households with a high rateable value but low consumption may pay more than it costs to provide their water and sewerage services. These customers will subsidise households with a low rateable value but high consumption who may pay less than it costs to provide their water and sewerage services.

In terms of the current vulnerable groups tariff, now known as 'Watersure'[3], it was found that:

- Just under a fifth of respondents (19%) were aware and over three quarters of respondents (76%) were unaware that this sort of help was available.

- 48% agreed and 28% disagreed that in principle eligible households should be helped by increasing other customers' water bills with 1 in 5 stating they neither agreed nor disagreed.

- 69% thought it was reasonable that households currently pay about an extra £1 per year in their bill to provide assistance to these 2 groups, with 18% stating it was unreasonable.

- Respondents identified that other groups of people that could be helped through social tariffs were pensioners (68%), disabled (58%) and low income households (34%).

- When respondents were asked if they would find it acceptable to pay more than the current £1, in order to extend help to other groups through the social tariff, the proportion of participants responding positively declined as the amount of the proposed charge increased. 39% would support it increasing to £2 and 19% would support it increasing to £5 with support declining to 3% for more than £10.

- Respondents were asked if they could think of any better ways to support other customers, aside from increasing water bills. The most popular were:

    - Water companies paying out of their profits (30%).

    - Government help through benefits (29%).

    - Government pays monies to water companies to allocate (19%).

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[3] This provides help for metered households that are in receipt of certain benefits and are either classed as large households (3+ children under 19) or as households where someone has a medical condition which requires high water usage.

1.3.3 Metering

35% of respondents said their household water and sewerage bill was based on the rateable value of their home, 30% said they were billed based on a metered charge, 25% of respondents did not know what their bill was based on, and 10%, incorrectly, thought it was based on their council tax.

47% of respondents with a water meter had moved into a house with one already fitted, 31% of respondents had asked to be switched to a water meter. 13% of respondents had moved house and the water company put in a water meter and 6% had remained in the same house and their water company had switched them over to a meter.

Impact of having a water meter:

- 56% of respondents who had asked for a water meter to be fitted stated that they paid a lot less for their bill than before whilst 24% said that they paid slightly less.
- 10% of all respondents with a water meter stated that they now used a lot less water, 36% used a bit less and 43% used about the same amount.

Switching to metering:

- 21% of respondents in an un-metered house had considered switching to a meter, but 78% had not.
- Those who would consider switching but had not yet done so were asked why. The most common reasons were that they had not had time (18%), they wanted more information before switching (17%) or they thought their bill would go up (17%).
- Those who would not consider switching were also asked why. Common reasons were that they thought they would end up paying more (31%), they had not thought of switching (17%) or they did not want a meter (14%).

Fairness of metering:

- 57% thought that the fairest billing option was charging people based on how much water they used (i.e. through using a water meter). Only 16% of respondents felt that charging people based on the rateable value of their homes was the fairest option and 12% stated both were equally fair.

- 58% supported the trend for increased water metering[4], 20% opposed it and 17% stated they neither supported nor opposed the trend.

- 43% thought that compulsory metering[5] was fair in areas where there are water resource problems, whilst 28% thought it was unfair and 17% stated they thought it was neither fair nor unfair.

- 40% would support the policy of compulsory metering, whilst 27% would oppose it. 23% stated they would neither support nor oppose and 10% did not know.

1.3.4 Alternative metered tariffs

58% of respondents considered the current metered tariff[6] to be reasonable. This compares favourably with 48% who considered that a rising block tariff[7] would be reasonable and 36% who thought a seasonal tariff[8] would be reasonable.

Replacing current metered tariff with rising block:

- Opinion was divided about replacing the current metered tariff system with a rising block tariff, with 33% supporting, 31% opposing and 36% either having no opinion or not knowing.

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[4] Since 2005 all new build houses have had water meters fitted. Unmeasured customers can ask to switch to a meter free of charge. Customers in households with a high rateable value but low consumption may pay more than it costs to provide their water and sewerage services. When these customers switch the remaining unmeasured customers, who have been paying less than the cost of supply, may pay more. This means that over time, more and more customers will have water meters and pay for the amount of water they use.

[5] In areas of stretched water resource, water companies can apply to move customers to a water meter, with the aim of reducing the amount of water used by households.

[6] The current metered tariff typically consists of a fixed standing charge and then a charge based on the volume of water used.

[7] The charge for water in a rising block tariff would be in two blocks; the first block would cover essential water use and would be charged at a low rate per unit of water used. The second block of water (any water used above the first block level) would be charged at a higher cost per unit of water used.

[8] The seasonal tariff would consist of units of water used in winter charged at a lower than standard volumetric rate, and units of water used in the summer charged at a higher than standard volumetric rate.

- Common reasons for supporting the rising block were that it would mean that the consumer would pay for what is used, with the more used the more it cost (30%), and that it would make people save water and economise (20%).

- Common reasons for opposing it were that it would make water too expensive (21%) and that the current system was better (13%).

- 41% thought the rising block tariff would make them use less water, 22% disagreed and 24% neither agreed nor disagreed.

Replacing current metered tariff with seasonal tariff:

- Support was lower for the seasonal tariff, with only 27% supporting its introduction and 45% opposing and 18% neither agreed nor disagreed

- The most common reasons for supporting the seasonal tariff was that it would save water (27%) and that it was a good idea (19%). Common reasons for opposing it was the belief that the cost of water should be the same all year round (18%) and that it did not reflect the weather (10%).

- When respondents were asked if it would make them use less water opinion was divided; 33% thought it would, 31% disagreed and 27% neither agreed nor disagreed.

1.3.5 Providing more information

It was explained to respondents that more information could be provided on water bills, including pattern of water use over time or the impact on the environment:

- 28% thought this would be very useful and 44% that it would be of some use.

When asked whether this information would have an impact on their water consumption, only 9% thought it would cut it a lot and 33% thought it would reduce it slightly.

It was explained to respondents that new technology could give real time information about usage and charges to consumers through a monitor on their wall[9].

[9] This information could include the amount of water used, the cost of it and when they would move up to a higher charge at their present level of usage. The cost of this would be passed onto metered customers.

- 30% thought provision of new technology would be very useful and 43% thought it would be of some use.
- However, only 13% thought this new technology would make them cut their water usage a lot and 35% thought it would cut their water usage slightly. 41% stated it would not make any difference.

1.3.6 Conclusion

It is clear from the results of this survey that affordability is a bigger issue for customers of lower socio-economic groups. Only half of the lowest SEG category considered their water and sewerage charges to be affordable, compared with over 70% of the AB group. Therefore a key question will be how to support these households effectively with water charging based on water usage rather than the rateable value of a house becoming more widely used. Whilst there was support for the current Watersure tariff, there was little support for increasing the current subsidy of £1 per household to extend this help to other households. The government was identified as the most appropriate source of help for vulnerable households.

Metering was considered the fairest approach to water charging, but there was less support for this from lower socio-economic groups. There was clear evidence from the survey that people who choose to have a meter fitted saved money, and some evidence that metering also encouraged customers to use less water.

Finally the current metered tariff system was favoured by customers, followed by rising block and seasonal tariffs.

2 Background and Methodology

2.1 Background

The Consumer Council for Water (CCWater), which represents the interests of consumers in the water industry in England and Wales, and Ofwat, the economic regulator of privatised water and sewerage companies in England and Wales, commissioned research by ORC International into consumer views of water charging.

The research had several aims:

- To test consumers' understanding of the current basis for bills.
- To understand consumers' views on the extension of metering.
- To understand consumers' views on the fairness and acceptability of alternative metered tariffs.
- To understand consumers' perceptions and attitudes towards the acceptability of cross subsidies in household bills.
- To understand consumers' attitudes towards incentives to use water wisely.
- To understand what information consumers may require to support water use and efficiency measures.

2.2 Methodology

From our discussions with CCWater and Ofwat we confirmed there were two important criteria for our sampling approach:

- The sample needed to be structured to ensure we got equal numbers of respondents for each of the ten water and sewerage companies in England and Wales.
- The sample needed to be structured to ensure we got robust numbers of respondents from each of the 5 priority groups identified by CCWater and Ofwat so that we could compare attitudes and views on charging across the groups. The priority groups are as follows:
    - People living in areas with higher than average levels of water metering.
    - People living in areas with stretched water resources.

- People living in areas with no water resource issues.
- People living in areas with higher than average social deprivation.
- People living in areas with high water and sewerage bills.

The aim of using priority areas is to see whether these factors seem to influence views on charges and metering.

Each respondent sampled may fall into one or more of the priority area groups, so their views are a combination of these influences.

For those sampled in water stretched and non water stretched areas everyone in the sample is subject to these external conditions.

For those sampled in areas with higher than average levels of bills, areas with higher then average social deprivation and areas with higher than average levels of metering – not all the respondents meet these conditions e.g. in the area with higher than average levels of metering, not everyone picked up in the sample for the area is metered, but there are a proportionately higher number of metered respondents in this part of the sample than in the rest of the sample. We are testing to see if there are differences in views in different types of areas.

Sampling for the pilot

For the pilot exercise the questionnaire was tested on 10 respondents from each of the 5 priority groups. This was to make sure that the questionnaire worked for each of the different groups to be included in the mainstage fieldwork. CCWater and Ofwat provided ORC International with locations to be included in the pilot. The pilot areas surveyed are shown in figure 2.1. In addition, of the 50 interviews, 40 were conducted with bill payers and 10 with non-bill payers. This was again to see how the questionnaire worked in practice with these two groups. Whether the respondent was a bill payer or not was found from a screener question on the questionnaire.

Figure 2.1 Sampling for pilot

Area	Priority Group	Number of interviews
Norwich	People who lived in high metered areas	10
Maidstone	People who lived in areas with stretched water resources	10
Darlington	People who lived in areas with no water resource issues	10
Bradford	People who lived in areas of high social deprivation	10
Newquay	People who lived in areas with high water and sewerage bills	10
Total		**50**
Bill payers		40
Non bill payers		10
Total		**50**

Sampling for the mainstage fieldwork

Sample points were selected to ensure that 150 interviews were achieved in each of the nine English water and sewerage company regions and Wales, and that at least 250 interviews were conducted with each of the priority groups. A quota based sampling approach was used with quotas set by area and for each of the priority groups. The 1500 interviews completed overall across England and Wales are *not* representative of the population by virtue of concentration and quotas on specific groups. However, the data was weighted by the number of households in each region to eliminate this known bias.

For each water and sewerage company (WASC) and water only company (WOC), CCWater and Ofwat provided ORC International with data on whether interviews in the area would meet priority group quotas. Any one WASC or WOC could be in more than one of these priority quotas. This is indicated in figure 2.2:

Figure 2.2 Quota selection

Water and Sewerage Company	Higher than average levels of water metering	Stretched water resources	Not stretched water resources	High water and sewerage bills
Anglian	✓			✓
Dŵr Cymru (Welsh Water)				✓
Northumbrian: North East			✓	
Severn Trent				
South West	✓			✓
Southern		✓		
Thames		✓		
United Utilities			✓	
Wessex			✓	✓
Yorkshire			✓	
Water only companies				
Anglian (formerly Hartlepool Water)			✓	
Bournemouth & W Hampshire	✓	✓		
Bristol			✓	
Cambridge	✓	✓		
Dee Valley	✓			
Folkestone & Dover	✓	✓		✓
Mid Kent	✓	✓		
Northumbrian: Essex & Suffolk	✓	✓		
Portsmouth		✓		
South East		✓		
South Staffordshire				
Sutton & East Surrey		✓		
Tendring Hundred	✓			✓
Three Valleys		✓		

The exact number of interviews we wanted to conduct in each WASC or WOC area was determined to ensure we met the desired quotas.

It is also worth noting that, for the quota on deprived areas, it was necessary to be more specific than simply the broad area served by the WOC or WASC. Local authority areas with a high income deprivation index were selected and then within each of the local authority areas selected, super output areas[10] with high levels of deprivation were selected.

Water and Sewerage Company	**Local authorities to be surveyed**	**Income deprivation index**
Dŵr Cymru (Welsh Water)	Cardiff	19.50%
Northumbrian: North East	Middlesborough	26.98%
Severn Trent	Nottingham	24.64%
South West	Penwith	17.38%
Thames	Tower Hamlets	33.51%
Thames	Hackney	31.83%
Thames	Islington	27.28%
Thames	Haringey	27.09%
Thames	Newham	30.05%
United Utilities	Liverpool	30.59%
United Utilities	Knowsley	30.25%
United Utilities	Manchester	29.31%
Yorkshire	Barnsley	18.56%
Yorkshire	Kingston upon Hull	25.50%
Yorkshire	Bradford	19.98%
Severn Trent	Birmingham	24.64%

[10] Super Output Areas are a statistical geography published by the Office for National Statistics. There are 34,378 Lower Super Output Areas in England and Wales each with a population of about 1,500. Using smaller sampling points increased the likelihood that a deprived household would be interviewed.

Other quotas

In addition to the quotas for areas and priority groups, there were quotas on gender, age, rural/urban area and bill payer/non bill payer. This was to ensure that the 1500 interviews included a spread of different types of respondent.

The minimum quotas set are shown in the table below. Note that the quotas for gender and age are based on ONS mid-2006 population estimates for England and Wales.

Gender	**Proportion**	**Min quota**
Male	49%	600
Female	51%	600
Age		
18-34	28%	350
35-60	30%	350
61+	42%	500
Area type		
Rural	na	300
Bill payer or non bill payer		
Bill payer	na	1200
Non bill payer	na	300

Weighting

Our sample structure deliberately includes households in some areas as opposed to others, dependent on whether or not they are in a priority group area. Since this is a known bias that was necessary for analysis of the priority groups and we know how many households are served by each WOC and WASC, we are able to weight the data to account for this.

The table below shows the number and proportion of interviews achieved by WOC and WASC and the number and proportion of households served by each WOC and WASC. From this we have been able to calculate a weighting factor, which divides the desired number of interviews which would have been achieved had the sample been structured proportionately to WOC and WASC by the actual number achieved.

WASC Area	Total number of interviews achieved	Proportion of total number of interviews achieved	Total number of households ('000s)	Proportion of households	Weighting factor
Anglian	174	10%	2659	12%	1.16
Severn Trent	159	10%	3618	16%	1.73
United Utilities	151	9%	2773	13%	1.39
Northumbrian	173	10%	1094	5%	0.48
South West	167	10%	669	3%	0.30
Southern	168	10%	2069	9%	0.93
Thames	151	9%	4713	21%	2.37
Dŵr Cymru	164	10%	1309	6%	0.61
Wessex	167	10%	1127	5%	0.51
Yorkshire	191	11%	1925	9%	0.76
Total	*1665*	*100%*	*21956*	*100%*	

Data handling

The data in this report has been weighted as explained above.

Only statistically significant differences between sub-groups have been reported in this report.

Where percentages do not add up to 100, this may be due to computer rounding, or multiple questions. Throughout the report an asterisk (*) denotes any value more than zero but less than 0.5%.

Differences between socio-economic groupings (SEG) have been referred to in the report. For a definition of each SEG please see section 9.5.

3 Bills, value for money and affordability

Key findings:

The most common services people associated with their water and sewerage bill were water services (e.g. the supply of clean water, removal of dirty water and customer service) (67%), followed by water metering (e.g. reading, maintenance, billing) (58%) and maintaining pipes and treatment works (43%).

25% of respondents stated that they thought their annual water and sewerage bill was roughly between £200 and £299. This was followed by 18% of respondents who believed that their bill cost between £300 and £399. Almost a third of respondents either did not know or refused to answer.

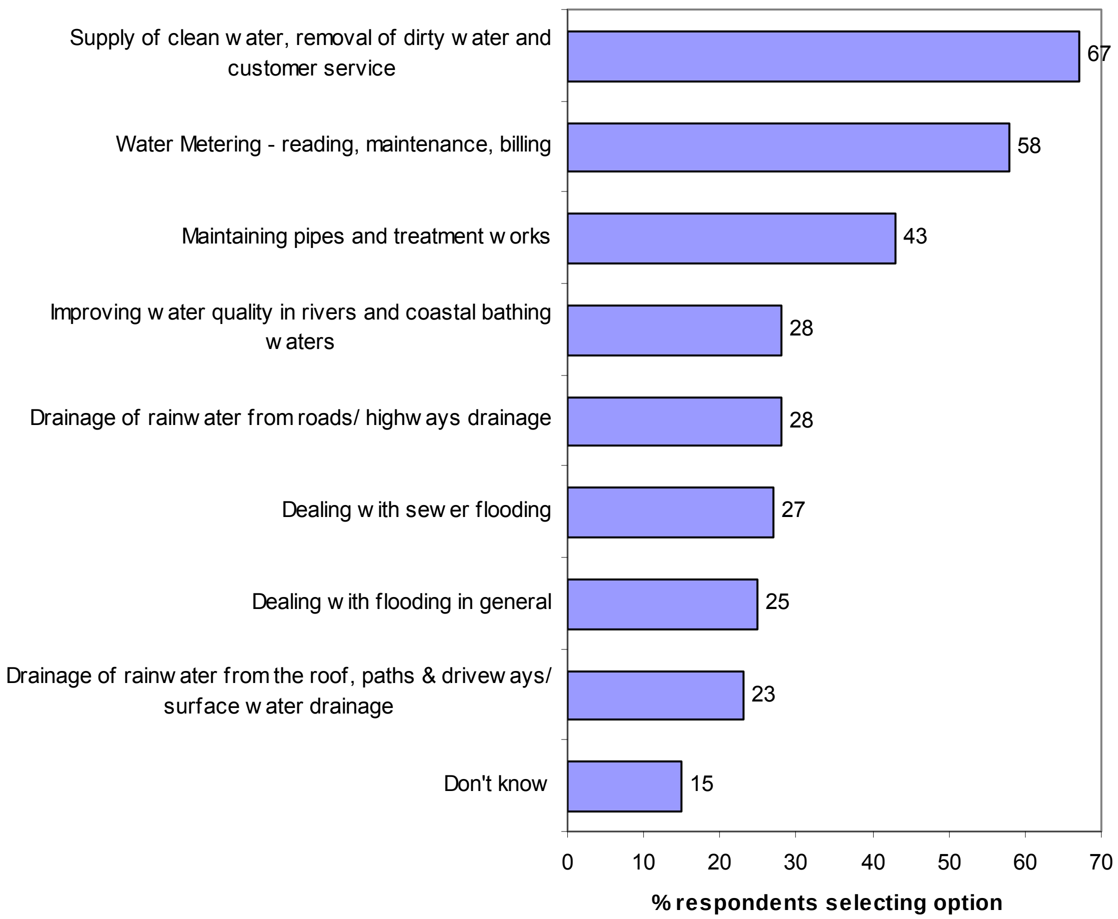
60% of bill payers agreed that the services that they received represented value for money, 23% disagreed and 15% stated they neither agreed nor disagreed.

19% of bill payers thought that their water and sewerage charges were unaffordable, whilst 59% stated they are affordable and 16% stated they were neither affordable nor unaffordable.

3.1 Awareness of water bill

Respondents were asked a series of questions about their water and sewerage bill. The first of these assessed whether the respondent was aware of what their water and sewerage bill covered. As figure 3.1 shows, the most common services people associated with their water and sewerage bill were the supply of clean water, removal of dirty water and customer service (67%), water metering (58%) and maintaining pipes and treatment works (43%). 'Dealing with flooding in general' although not the responsibility of water companies was included as an option for this question to test consumer perceptions of responsibilities at a time when serious flooding had occurred in several locations in England in the few months before the survey took place.

Figure 3.1 What the water and sewerage bill covers



Base: all respondents (1665)

People who lived outside high metered areas were more likely to assume that their water and sewerage bill covered a much broader range of services. These included water metering (64% vs. 43%), maintaining pipes and treatment works (47% vs. 32%), improving water quality and in rivers and coastal bathing waters (31% vs. 19%), drainage of rainwater from roads (30% vs. 24%) and dealing with sewer flooding (29% vs. 23%).

People who lived in areas with high water bills were more likely than other priority groups to report that their bill covered the supply of clean water, removal of dirty water and customer service (71% vs. 66%). Conversely, those who lived in lower water bill areas were more likely to think that their water and sewerage bill covered every other aspect listed in figure 3.1, with the exception of drainage of rainwater from roofs and drainage of rainwater from roads, than their high bill paying counterparts.

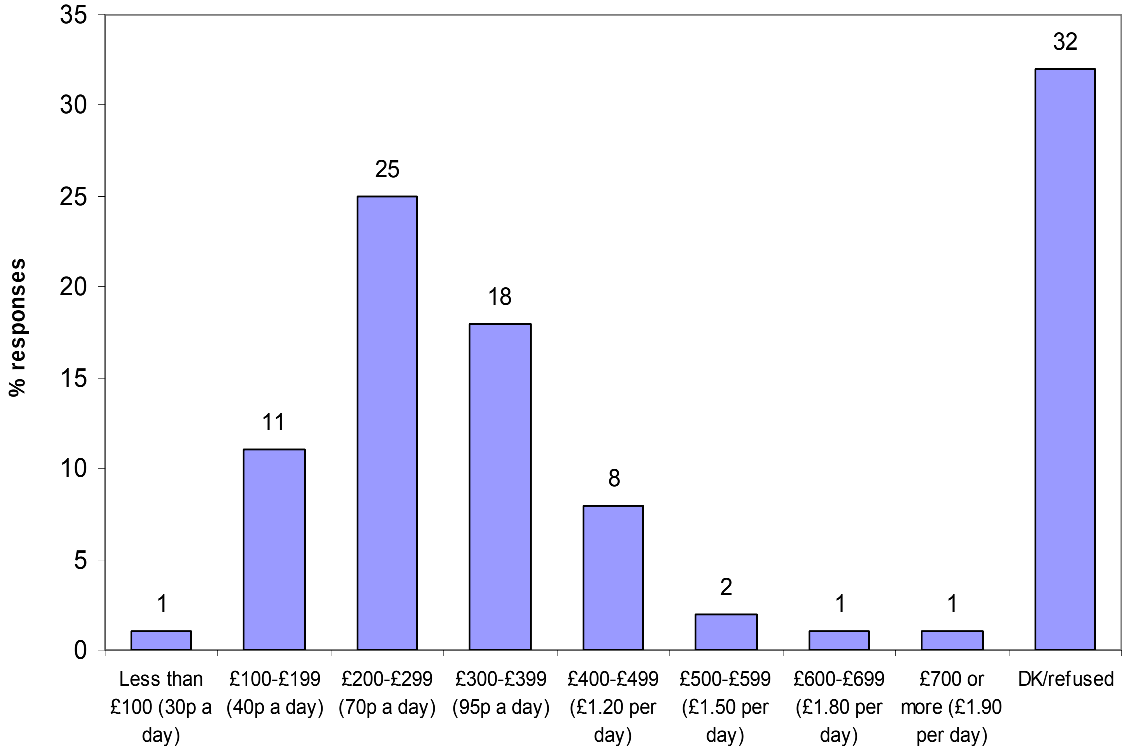
Similarly, respondents who were AB or C1C2 were more likely than DE respondents to think that their bill covered a wide range of services.

When awareness was looked at by WASC, those covered by South West Water were more likely than those covered by any other water and sewerage company to report that their bill covered:

- The supply of clean water, removal of dirty water and customer service (88%).
- Maintaining pipes and treatment works (67%).
- Improving water quality in rivers and coastal bathing waters (58%).

To explore respondents' awareness of the amount of money they spent each year for water and sewerage services, they were asked to estimate the cost of their bill. Figure 3.2 shows 12% thought they paid less than £200 per year, 25% between £200 and £299, 18% between £300 and £399, and 12% more than £400. 32% did not know what they paid for their water and sewerage charges each year.

Figure 3.2 Estimated annual household bill for water and sewerage services



Base: all respondents (1665)

Respondents in areas which had a high proportion of water meters were more likely than respondents who lived in areas with lower numbers of water meters to estimate their annual water and sewerage bills to be higher (43% estimated it to be £300 or more compared with 25%).

Unsurprisingly, bill payers who reported that their water and sewerage charges were value for money were more likely to think that they paid less each year than those who thought otherwise:

- £100 to £199 – 20% of bill payers who agreed that they received value for money compared with 10% of those who disagreed.
- £400 to £499 – 9% of bill payers who agreed that they received value for money compared with 16% of those who disagreed.
- £600 to £699 – Less than 1% of bill payers who agreed they received value for money compared with 5% who disagreed.

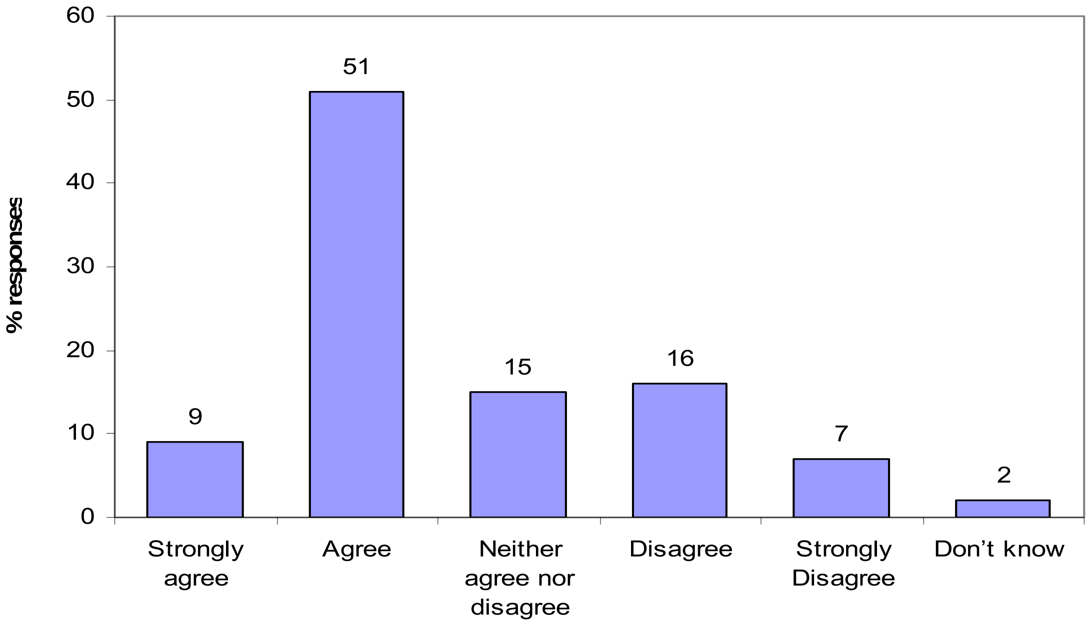
Respondents who lived in the area covered by South West Water were more likely than respondents covered by any other water supplier to estimate that their annual water and sewerage bills cost £500-£599, £600-£699 and £700 or more (11%, 10%, and 17%, respectively).

3.2 Value for money

Bill payers

Bill payers were asked whether they agreed or disagreed that their water and sewerage services provided value for money. 60% agreed that they provided value for money, 23% disagreed and 15% stated they neither agreed nor disagreed.

Figure 3.3 Value for money of water and sewerage services – bill payers



Base: all bill payers excluding don't know/refused - annual expenditure on water and sewerage services (1076)

In terms of the priority groups:

- People who lived in areas with higher than average levels of water metering were less likely to think that their water and sewerage services provide value for money than those who lived in areas with lower levels of water metering (54% vs. 62%).

- People who lived in deprived areas were less likely to think that their water and sewerage services were value for money (50% vs. 63%).

Other significant differences of opinion were:

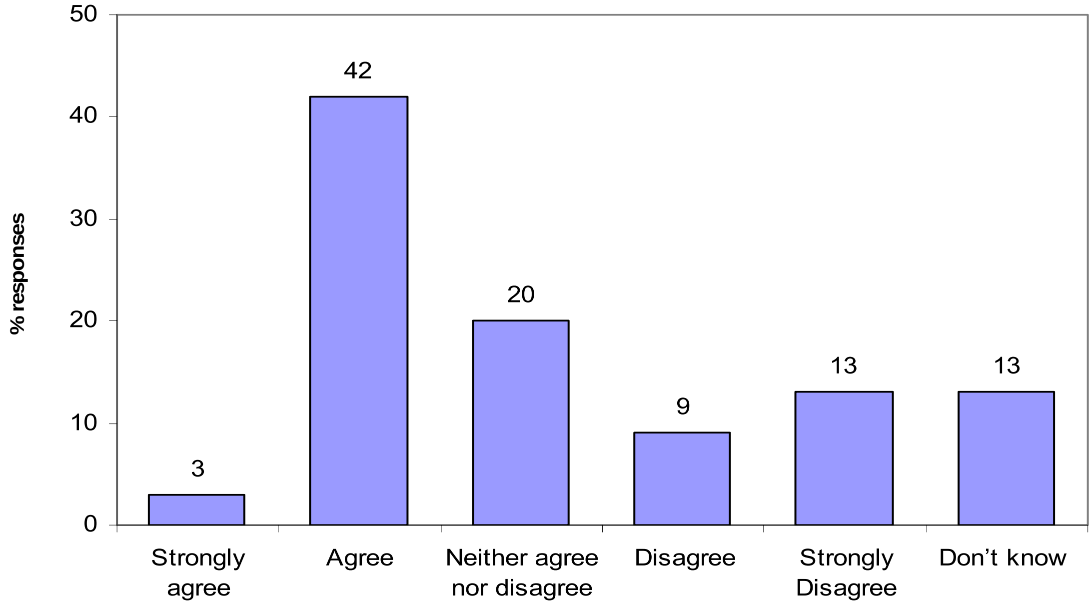
- Younger respondents were less likely to think that their water and sewerage bill provides value for money; 51% of bill payers aged 18 to 34 thought this, compared with 60% of those aged 35-60 and 65% of those aged 61 or over.
- Bill payers in the DE socio-economic group were less likely to think they received value for money than those in the C1C2 socio-economic group (56% vs. 64%).

Respondents from South West Water estimated their annual water and sewerage bills to be higher than any other WASC. Over half of South West bill payers (54%) disagreed that their water and sewerage services provided value for money with 36% agreeing.

Non bill payers

45% of non bill payers agreed that water and sewerage services in their area provided value for money, 22% disagreed and 20% neither agreed nor disagreed.

Figure 3.4 Value for money of water and sewerage services (non bill payers)



Base: all non bill payers excluding don't know/refused - annual expenditure on water and sewerage services (78)

Respondents (bill and non bill payers) were asked what had influenced their views on value for money. The three most common reasons for thinking it provided value for money were that water quality was good (39%), the overall service provided by the water company was good (29%) and they get a constant water supply all the time (25%).

Figure 3.5 Common reasons for thinking water and sewerage services provide value for money

Reason stated	% of responses
Water quality is good	39
Overall service provided by water company is good	29
We take water for granted/we can have constant water all the time	25
My bill is low	21
Customer service is good	11
Pipe maintenance is good	6

The three most common reasons for thinking it did not provide value for money were that their bill was high (50%), the bills have increased but the level of service was the same (13%) and water quality was poor (11%).

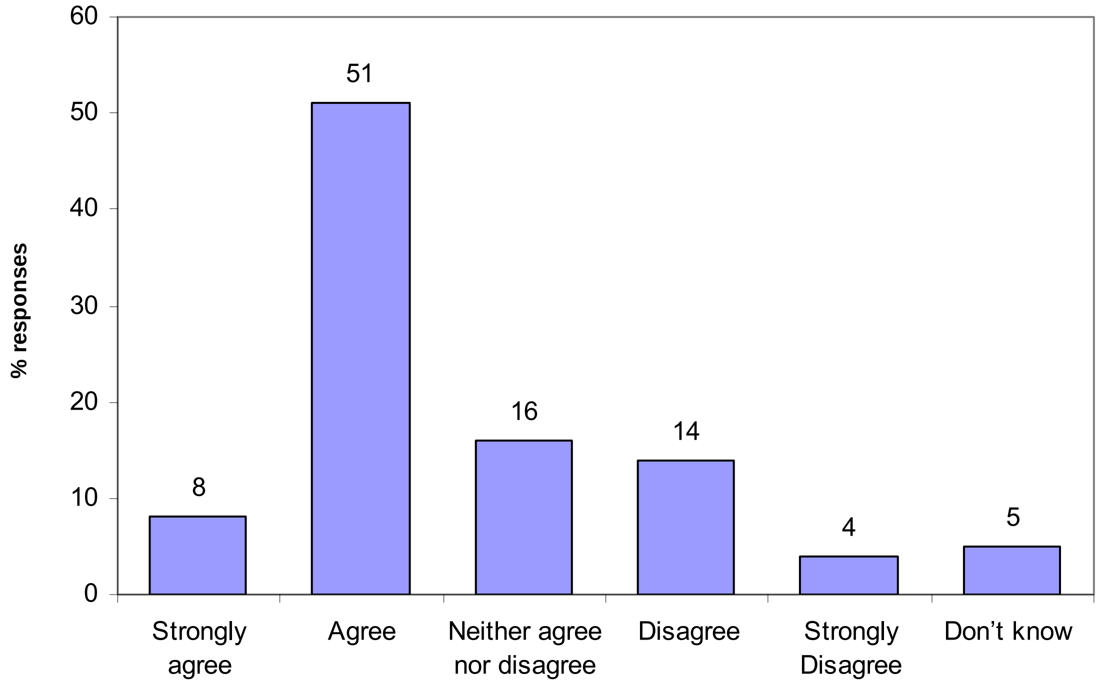
Figure 3.6 Common reasons for thinking water and sewerage services did not provide value for money

Reason stated	% of responses
My bill is high	50
The bills have increased but my level of service is the same	13
Water quality is poor	11
Water is free so why should I pay	10
Overall service provided by water company is poor	10
Water profits too high	8
High levels of leakages from pipes	8
Drinking water tastes unpleasant	6
Water bosses are paid too much	5
Customer service is poor	5

3.3 Affordability

Bill paying respondents were asked to what extent they agreed or disagreed that their water and sewerage charges were affordable. 59% thought they were affordable but 19% thought they were not and 16% stated they neither agreed nor disagreed that they were affordable.

Figure 3.6 Affordability of water and sewerage charges (bill payers)



Base: all bill payers (1345)

Significant differences included:

- Metered households were more likely to think that their charges were unaffordable than unmetered households (67% vs. 60%). Note that the majority 78% of unmetered households in this survey also report that they have yet to consider switching to a water meter. Of those that have switched to a water meter, the majority 80% have reduced their bills. (Details reported in section 5.1).

- Customers who lived in deprived areas were less likely to think their charges were affordable (48% vs. 62%) and more likely than other customers to think they were unaffordable (30% vs. 16%).

- Younger bill-payers were less likely to find their charges affordable. 51% of those aged 18-34 thought they were affordable, compared with 61% of those aged 35-60 and 62% of those aged 60 and over.

- DE respondents (51%) were less likely to think their charges were affordable than AB (71%) and C1C2 respondents (61%). 25% of DE customers thought their charges were not affordable, compared with only 9% of AB customers.

- Households with adults and children were less likely to think their charges were affordable than adult only households (55% vs. 62%).

- Respondents from ethnic minority groups were less likely to think they were affordable than those from non-ethnic minority groups (48% vs. 61%).

4 Cross subsidies and social tariffs

Key findings:

48% of respondents considered the current rural/urban cross subsidy[11] reasonable, whilst 32% considered it to be unreasonable with 14% stating it was neither reasonable nor unreasonable.

39% thought the high rateable value, low use, low rateable value, high use cross subsidy[12] was reasonable, but 42% considered it unreasonable, with 14% stating it was neither reasonable nor unreasonable.

In terms of the current vulnerable groups tariff, now known as 'Watersure'[13], it was found that:

- Just under a fifth of respondents (19%) were aware and over three quarters of respondents (76%) were unaware that this sort of help was available.
- 48% agreed and 28% disagreed that in principle eligible households should be helped by increasing other customers' water bills with 1 in 5 stating they neither agreed nor disagreed.
- 69% thought it was reasonable that households currently pay about an extra £1 per year in their bill to provide assistance to these 2 groups, with 18% stating it was unreasonable.
- Respondents identified that other groups of people that could be helped through social tariffs were pensioners (68%), disabled (58%) and low income households (34%).

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[11] It typically costs more to provide rural customers with water and wastewater services than those in urban areas. This is because rural customers usually live further from water treatment works and they typically have more infrastructure connecting them to water treatment works than urban customers. Therefore there is a cross subsidy from urban customers to rural customers.

[12] Amongst un-metered households, customers in households with a high rateable value but low consumption may pay more than it costs to provide their water and sewerage services. These customers will subsidise households with a low rateable value but high consumption who may pay less than it costs to provide their water and sewerage services.

[13] This provides help for metered households that are in receipt of certain benefits and are either classed as large households (3+ children under 19) or as households where someone has a medical condition which requires high water usage.

- When respondents were asked if they would find it acceptable to pay more than the current £1, in order to extend help to other groups through the social tariff, the proportion of participants stating it is acceptable to pay more declined as the amount of the proposed charge increased. 39% would support it increasing to £2 and 19% would support it increasing to £5 with support declining to 3% for more than £10.

- Respondents were asked if they could think of any better ways to support other customers, aside from increasing water bills. The most popular were:

  - Water companies paying out of their profits (30%).

  - Government help through benefits (29%).

  - Government pays monies to water companies to allocate (19%).

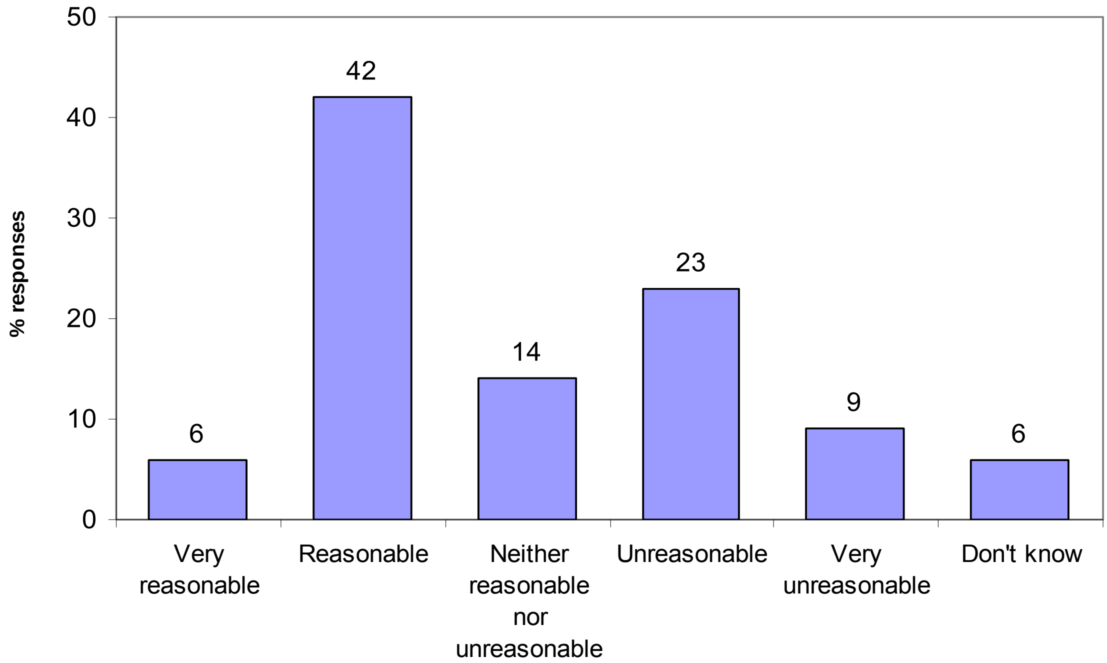
4.1 Rural/urban cross subsidy

We presented a number of current cross subsidy concepts to respondents, whereby water bills for certain households were subsidised by other households.

Our first scenario, the rural/urban cross subsidy, presented the case where customers who lived in urban areas subsidised the cost of water for customers who lived in rural areas, who would otherwise pay more because they lived much further away from a water treatment works.

Respondents were asked to what extent they felt the principle of this cross subsidy was reasonable; 48% thought it was reasonable, but 32% felt it was unreasonable and 14% stated it was neither reasonable nor unreasonable.

Figure 4.1 Rural/Urban subsidy



Base: all respondents (1665)

People who lived in areas where there were high levels of metering were less likely to consider this subsidy reasonable (42% vs. 50%).

In terms of the profile of respondents:

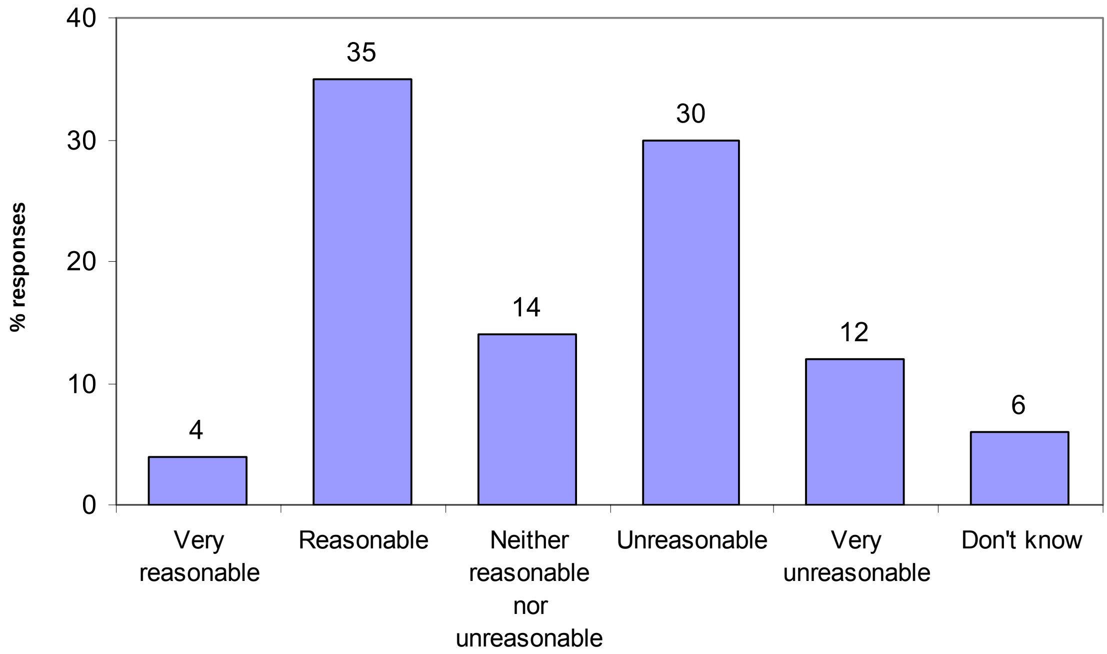
- Those aged 61 or over were more likely to feel that this subsidy was reasonable than younger respondents aged 35-60 (52% vs. 45%).

- AB (55%) and C1C2 SEG (51%) were more likely to think it was reasonable than DE (40%).
- Those in the WASC areas of Yorkshire Water and Wessex Water were the most likely to state that the rural/urban subsidy was unreasonable, 40% and 46% respectively.

4.2 High RV, low use, low RV, high use cross subsidy

We then explained to respondents that people who lived in a high rateable value home but used a low amount of water, subsidised households that were of low rateable value and used a large amount of water. We asked respondents how reasonable they felt this cross subsidy was. Opinion was divided, with 39% who felt it was a reasonable cross-subsidy, and 42% who thought it was unreasonable. 14% stated they thought it was neither reasonable nor unreasonable.

Figure 4.2 High RV, low use, low RV, high use cross subsidy



Base: all respondents (1665)

There were statistical differences across the priority groups:

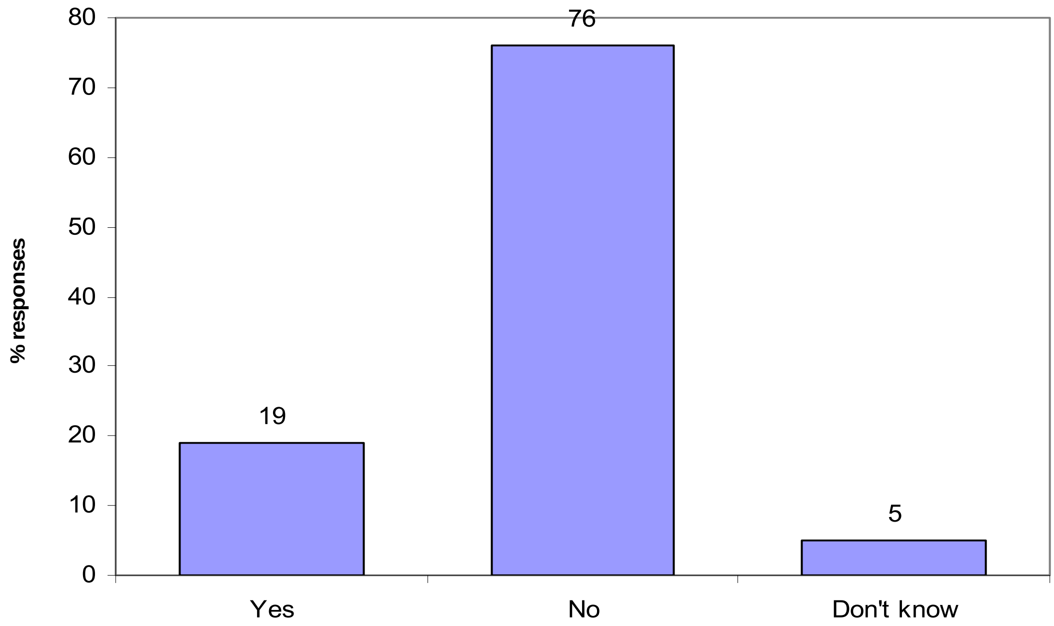
- Those who lived in areas of stretched water resources were more likely to think that it was reasonable (44% vs. 36%).
- Those who lived in areas with high levels of metering were less likely to consider it reasonable (33% vs. 41%).
- Those who lived in areas where there were high water bills were less likely to consider it reasonable (33% vs. 40%).

In terms of the SEG of the respondent, half of those who were AB social group thought this cross-subsidy was unreasonable but only 38% of those who were C1C2 social group felt it was unreasonable.

4.3 Social Tariffs

The Watersure tariff, formerly known as the vulnerable groups tariff, provides help for metered households that are in receipt of certain benefits and are either classified as large households (3+ children under 19) or as households where someone has a medical condition which means they need to use large amounts of water. Respondents were asked whether they were aware that this type of help was available.

Figure 4.3 Awareness of Watersure tariff



Base: all respondents (1665)

- People in areas with high levels of metering were less likely to be aware of the Watersure tariff (14% vs. 20%).
- Those in high bill areas were also less likely to be aware of this tariff than those who lived in other areas (15% vs. 20%).

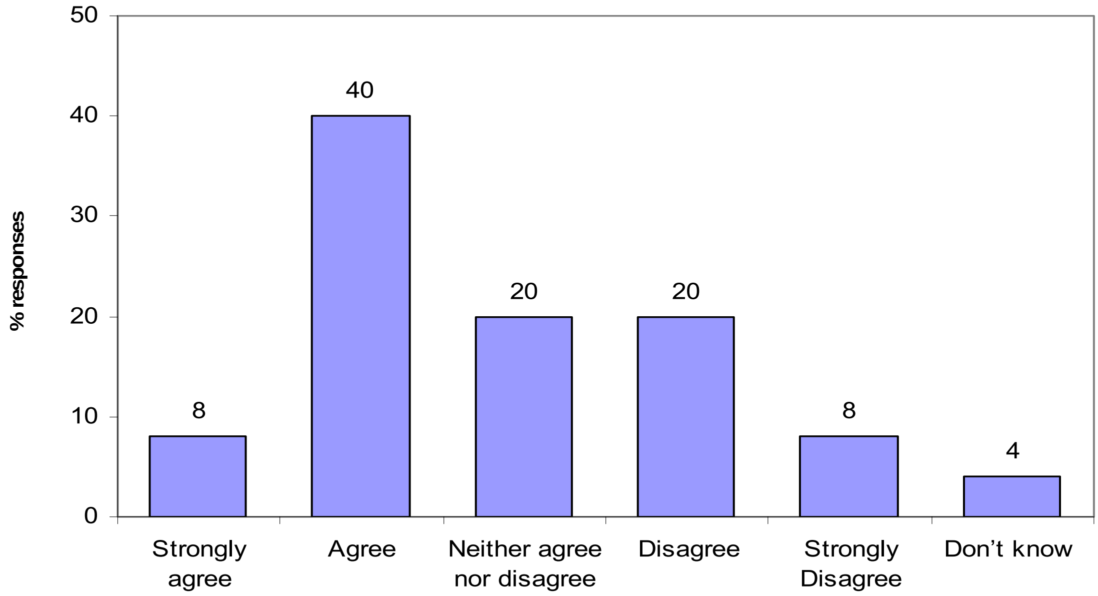
In terms of household profile:

- Older participants were more likely to be aware of the Watersure tariff; 20% of respondents aged 35 to 60 and 61 or over were aware, compared to 15% of those aged between 18 and 34.
- Households with adults and children were more aware of the Watersure tariff than those which contained only adults (21% vs. 16%).
- 25% of respondents who were AB social group were aware of the Watersure tariff; this was higher than for C1C2 (17%) and DE social group (18%).

Respondents were asked whether they agreed or disagreed that certain metered households should be given help with their water and sewerage bills.

48% of respondents agreed and 28% disagreed that these households should be helped by increasing other customers' water bills. 20% stated they neither agreed nor disagreed with it.

Figure 4.4 Helping people through the use of social tariffs



Base: all respondents (1665)

In terms of the priority groups:

- People who lived in areas with high levels of metering were less likely than those in other areas to agree with this social tariff (44% vs. 50%).

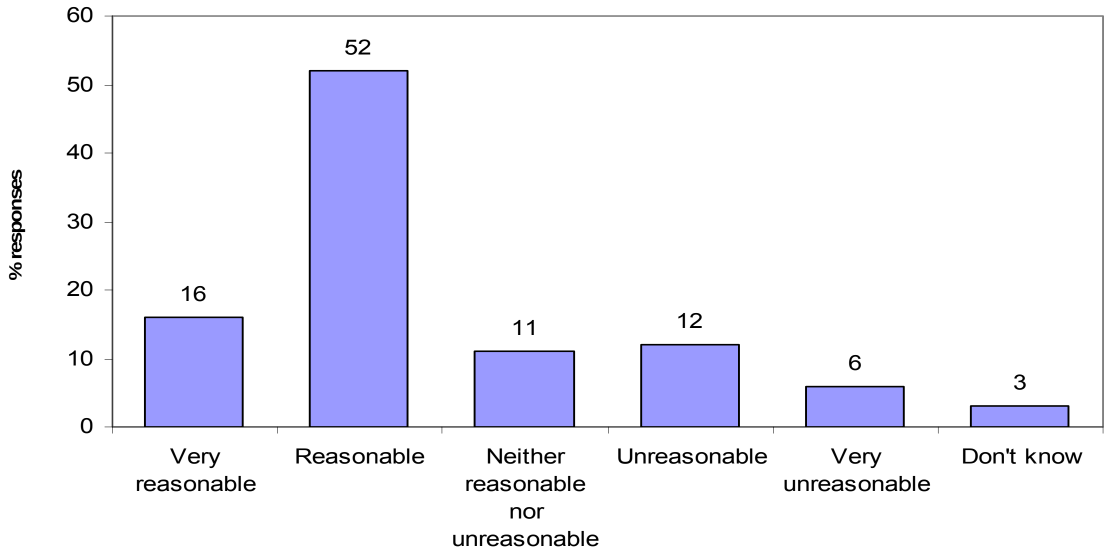
- Those who lived in areas with stretched water resources were more likely to agree with the tariff than those who lived in areas where water resource was not a problem (51% vs. 45%). There was no significant difference in opinion between households in deprived areas and those in other areas.

Respondents who were already aware of the social tariff were much more likely than those who had not previously been aware of it to agree with the principle of the tariff (61% vs. 46%).

In terms of WASC areas, those served by Wessex Water (42%), South West Water (41%) and Anglian Water (40%) were the most likely to disagree with the principle of the social tariff. It is of note that respondents served by Wessex Water were also one of the most likely to report that they were not aware of the social tariff (83%).

After exploring the cross subsidy concepts, we then explained to the respondents that to assist the two groups of households, under the current Watersure tariff, households currently pay approximately £1 per year in the water bill. We asked respondents how reasonable they felt this was. 69% thought this was a reasonable cost, but 18% thought it was unreasonable. A further 11% stated it was neither reasonable nor unreasonable.

Figure 4.6 Reasonable annual cost per household?



Base: all respondents (1665)

- People who lived in high metering areas were less likely to consider it reasonable than those who did not live in such areas (61% compared with 71%).

- Customers who felt that their water and sewerage charges were unaffordable were much less likely than those who thought they were affordable to see the £1 charge as reasonable (51% vs. 78%).

- Those aged 35 to 60 were less likely to think it was reasonable than those aged 61 or over (65% vs. 72%).

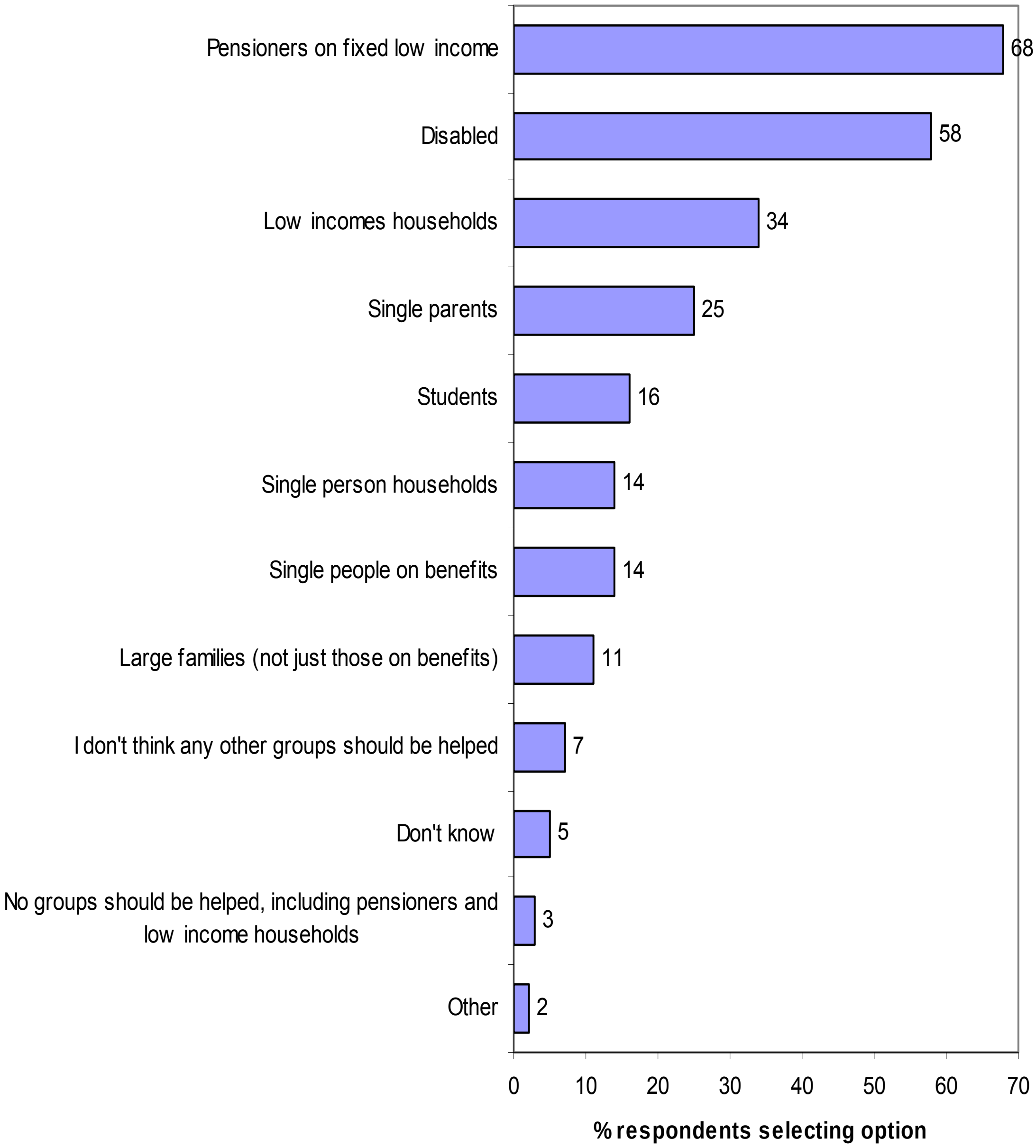
- DE SEG customers were least likely to consider the charge to be reasonable (63% compared with C1C2 (72%) and AB (74%)).

The three WASC companies with the largest proportion of customers who disagreed with the principle of the 'Watersure' tariff also had the largest proportion of customers who felt the £1 cost was unreasonable; 28% of Anglian Water, 24% of South West Water and 23% of Wessex Water customers felt it was unreasonable.

Somewhat unsurprisingly, respondents who agreed with the social tariff in principle were more likely to see the charge as being reasonable. Indeed, 91% of those who agreed with it in principle stated that the charge was reasonable. However, interestingly, a considerable proportion of those who had previously stated that they disagreed with the social tariff, considered the subsidy reasonable once it was explained to them that it cost approximately £1 extra on their water bill (40%).

All respondents were then asked whether there were any other types of people that they thought should be helped by a social tariff.

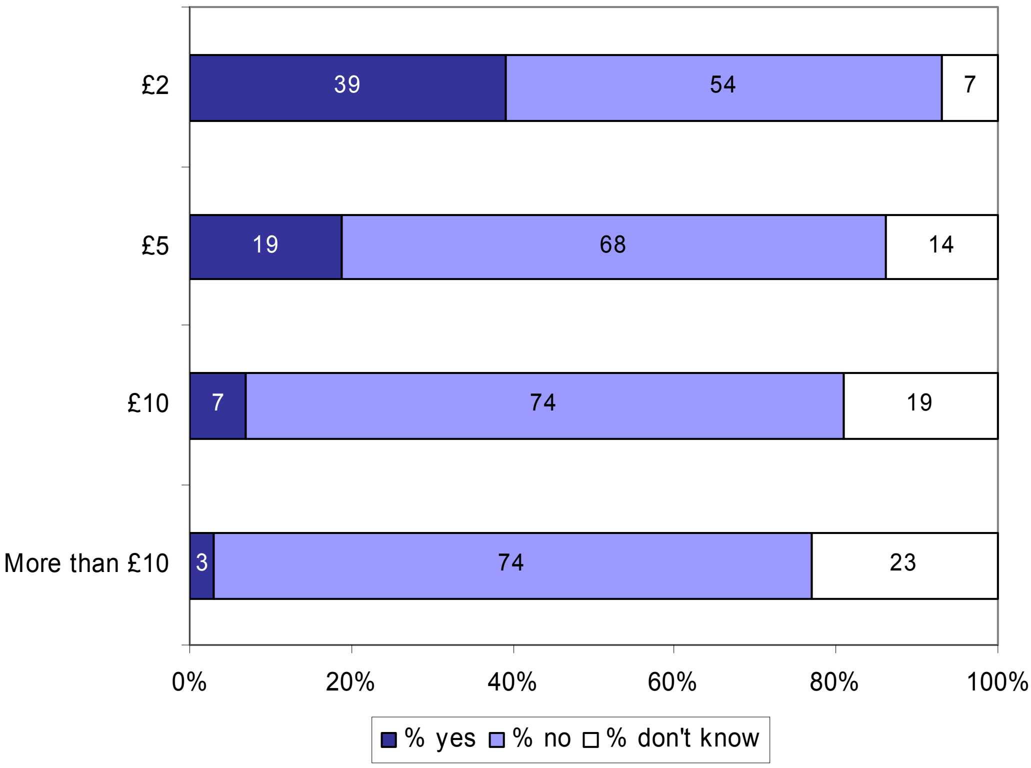
Figure 4.7 Other people that should be helped



Base: all respondents, multicode (1665)

Respondents were asked their opinions on the possibility of increasing the £1 charge each year so that other groups of people could be helped. Even though there was considerable support for extending the range of eligibility, as shown in figure 4.8 there was little support for increasing the subsidy in order to pay for this. Unsurprisingly, support for increasing the subsidy decreased as the subsidy became larger; indeed 39% supported a £2 subsidy but only 3% supported more than £10. Opposition and uncertainty increased as the subsidy became larger; whilst 54% opposed and 7% did not know whether they supported or opposed a £2 subsidy, 74% opposed and 23% did not know whether they supported or opposed more than £10.

Figure 4.8 Acceptance of proposed increases in charges



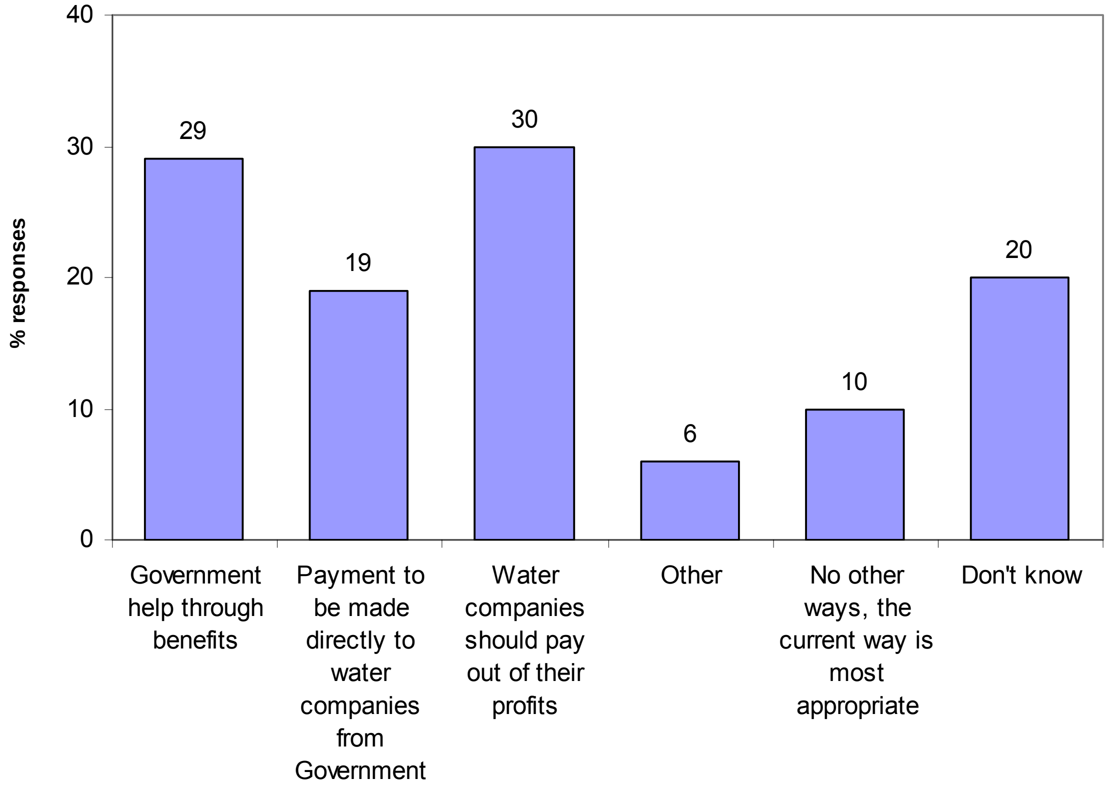
Base: all respondents (1665)

The following groups of respondents were more likely to state ‘no’ to any of the proposed increases:

- Those who lived in high metered areas.
- Those who resided in areas with high bills.

In order to examine the views of respondents on other ways to fund social tariffs, we asked if they could think of any better ways to support households, aside from increasing water bills. Making water companies pay out through their profits (30%) and government help through benefits (29%) were the most popular alternative methods of support.

Figure 4.9 Aside from increasing water bills, how should these households be supported



Base: all respondents, multicode (1665)

In terms of the priority groups:

- Customers who lived in deprived areas were more likely to think that the water companies should pay directly from their profits (37% vs. 29%).

- Those who lived in areas of higher than average water metering were less likely to suggest payment through water company profits than those who lived in other areas (26% vs. 31%).

- People who lived in areas with no water resource issues were less likely than those who lived in areas of stretched water resources to state that the government should help households as necessary through benefits (25% vs. 31%) and that the government should make payments directly to water companies (9% vs. 28%).

In terms of difference by the WASC area of respondent:

- Severn Trent customers (45%) were more likely than respondents from any other area to suggest that the water companies should support social tariffs through their profits.

- Those in the Thames Water area (39%) and Dwr Cymru (Welsh Water) (35%) were most likely to think that households should be helped through government benefits.

- Respondents in Southern Water (39%), Thames Water (29%) and Severn Trent (24%) areas were the most likely to suggest that payments should be made directly to water companies from Government in order to support the social tariff.

Other significant differences of opinion included:

- Bill paying respondents who thought they did not receive value for money were more likely than non-bill payers to think that water companies should pay for it out of their profits (40% vs. 28%).

- Un-metered households were more likely than metered households to state that the government should pay water companies directly to support households (22% vs. 17%).

- Respondents who were DE SEG were most likely to suggest that the government should provide help through benefits (32%, vs. C1C2 (26%)). However, they were least likely to think that payment should be made directly to water companies by the government (17% vs. AB (23%)).

5 Metering

Key findings:

35% of respondents said their household water and sewerage bill was based on the rateable value of their home, 30% said they were billed based on a metered charge, 25% of respondents did not know what their bill was based on, and 10%, incorrectly, thought it was based on their council tax.

47% of respondents with a water meter had moved into a house with one already fitted, 31% of respondents had asked to be switched to a water meter. 13% of respondents had moved house and the water company put in a water meter and 6% had remained in the same house and their water company had switched them over to a meter.

Impact of having a water meter:

- 56% of respondents who had asked for a water meter to be fitted stated that they paid a lot less for their bill than before whilst 24% said that they paid slightly less.
- 10% of all respondents with a water meter stated that they now used a lot less water, 36% used a bit less and 43% used about the same amount.

Switching to metering:

- 21% of respondents in an un-metered house had considered switching to a meter, but 78% had not.
- Those who would consider switching but had not yet done so were asked why. The most common reasons were that they had not had time (18%), they wanted more information before switching (17%) or they thought their bill would go up (17%).
- Those who would not consider switching were also asked why. Common reasons were that they thought they would end up paying more (31%), they had not thought of switching (17%) or they did not want a meter (14%).

Fairness of metering:

- 57% thought that the fairest billing option was charging people based on how much water they used (i.e. through using a water meter). Only 16% of respondents felt that charging people based on the rateable value of their homes was the fairest option and 12% stated both were equally fair.

- 58% supported the trend for increased water metering[14], 20% opposed it and 17% stated they neither supported nor opposed the trend.
- 43% thought that compulsory metering[15] was fair in areas where there are water resource problems, whilst 28% thought it was unfair and 17% stated they thought it was neither fair nor unfair.
- 40% would support the policy of compulsory metering, whilst 27% would oppose it. A substantial proportion (23%) stated they would neither support nor oppose and 10% did not know.

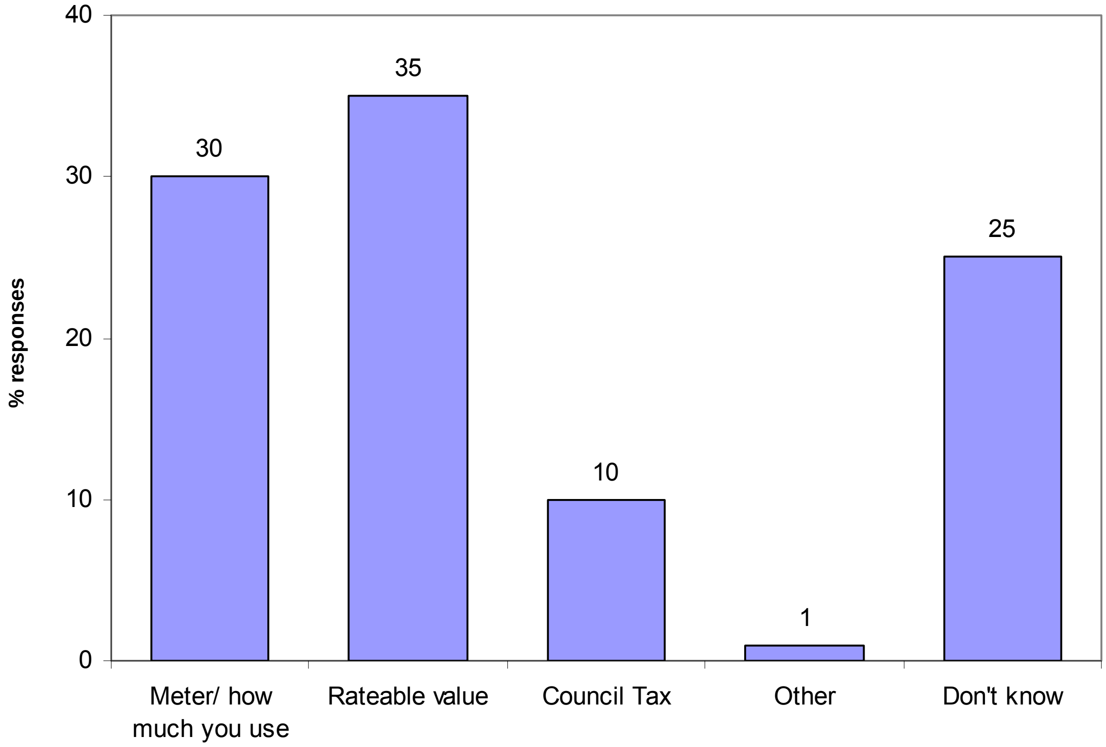
[14] Since 2005 all new build houses have had water meters fitted. Unmeasured customers can ask to switch to a meter free of charge. This means that over time, more and more customers will have water meters and pay for the amount of water they use.

[15] In areas of stretched water resource, water companies can apply to move customers to a water meter, with the aim of reducing the amount of water used by households.

5.1 Household metering

Respondents were asked a series of questions about household billing and metering, the first of which determined whether the respondent knew what their water and sewerage bill was based upon. As figure 5.1 shows, over a third of respondents' (35%) thought their household bills were based on the rateable value of their home, 30% thought bills were based upon metering and how much they used. Of some concern, 25% did not know what their bill was based on and 10%, incorrectly, thought it was based on their council tax.

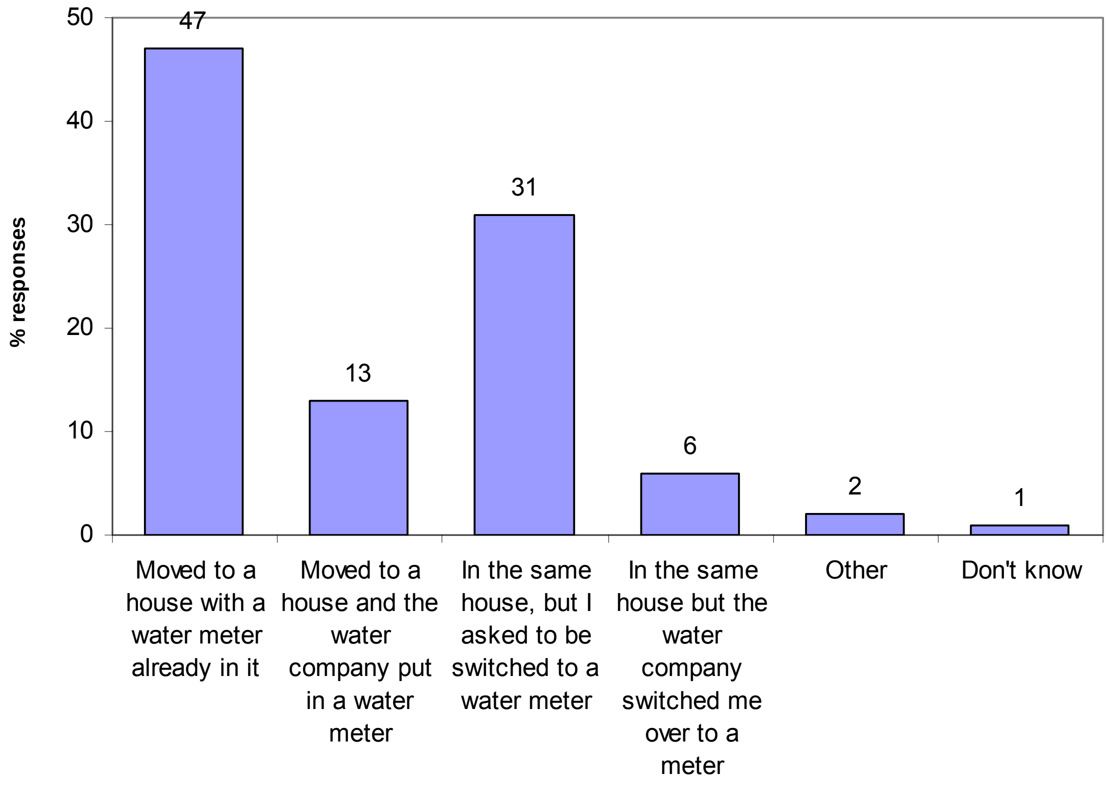
Figure 5.1 Household bill based on



Base: all respondents (1665)

Respondents from metered households were asked how their home came to be fitted with the meter. 47% moved to a house with a water meter, 31% were in the same house but asked to switch to a meter, 13% moved to a house and their water company put in a water meter, and 6% were in the same house and the water company switched them to a water meter.

Figure 5.2 Situation of respondent

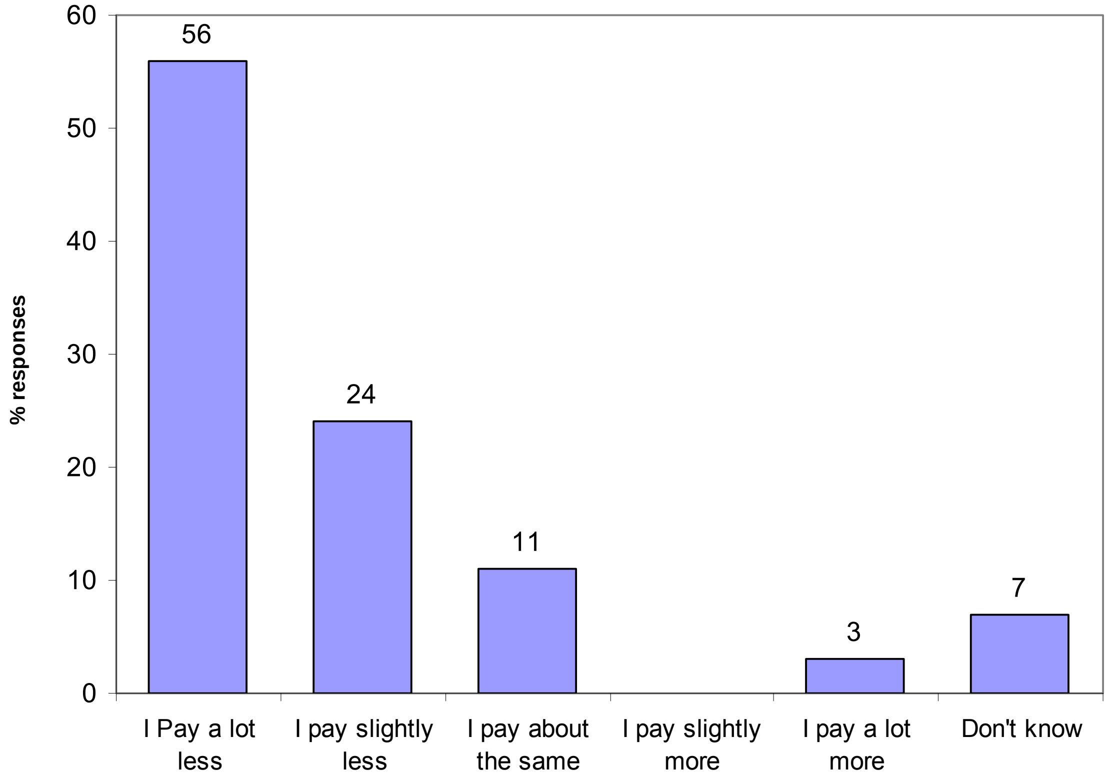


Base: all respondents who have a water meter (507)

People who lived in areas of stretched water resource were more likely to have moved into a house and their water company had put in a water meter without them asking than those who lived in areas with no water resource problems (20% vs. 8%).

Respondents who had remained in the same house and switched to a water meter were asked what impact switching had on how much they paid for their water services. 56% thought they now paid a lot less and 24% paid slightly less for their water services after switching to a metered water supply. Only 3% reported they paid slightly or a lot more for their water services.

Figure 5.3 Cost impact of switching to a water meter



Base: all respondents who lived in the same house and have switched to water meter (203)

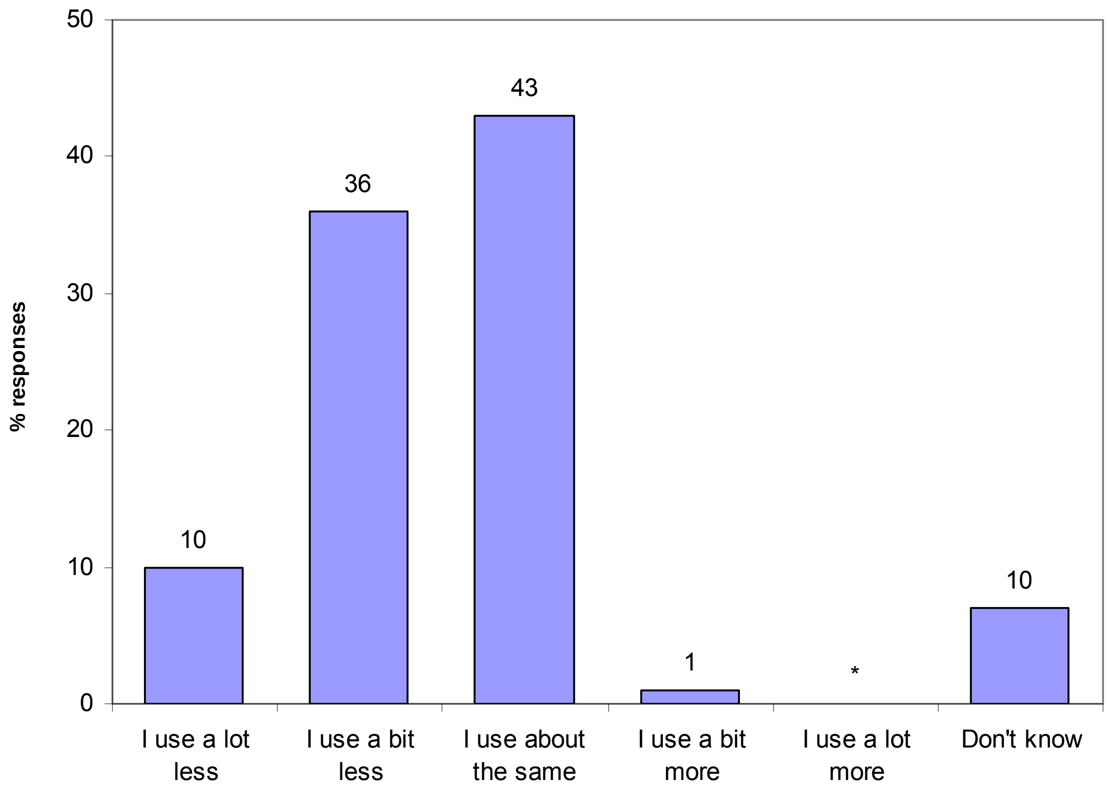
In terms of the priority groups:

- Those who lived in areas with stretched water resources were less likely than those who lived in areas with no water resource issues to report that they paid a lot less for their water services since switching to a water meter (37% vs. 69%).

- Those who lived in high metering areas were less likely than those who lived in other areas to state that they paid a lot less for their water services since installing a meter (44% vs. 64%).

It was also important to understand the effect water meters had on the amount of water used, therefore people with a water meter were asked what impact metering had on the amount of water they used; 10% used a lot less and 36% used a bit less water, with 43% using about the same.

Figure 5.4 Impact on water usage of having a water meter



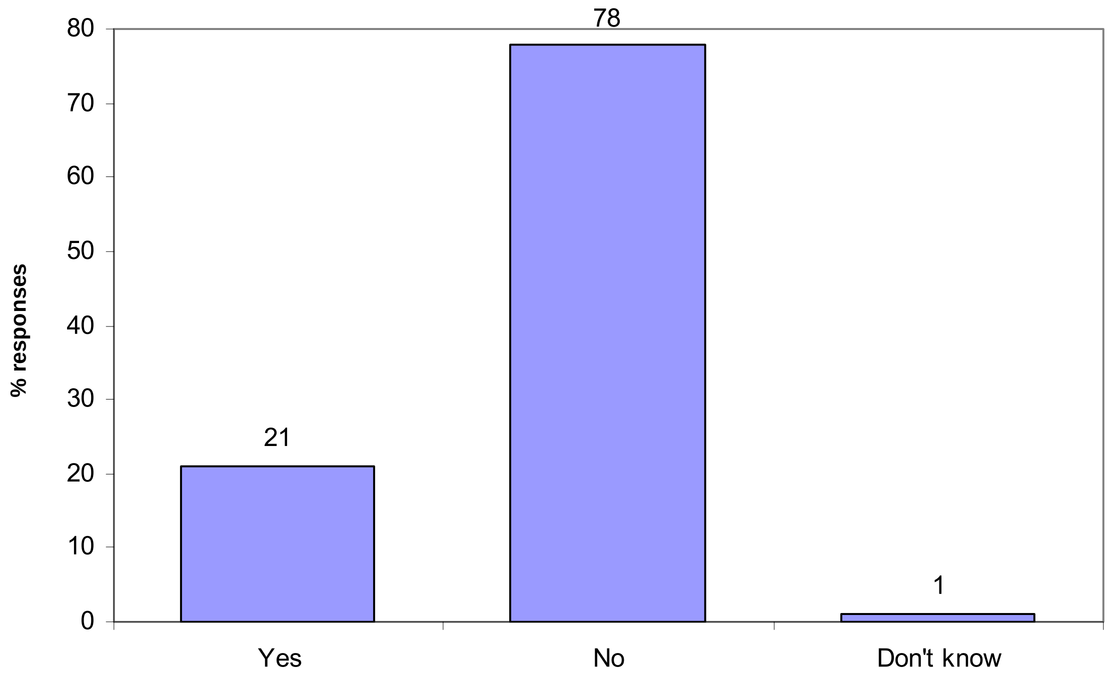
Base: all respondents who have a water meter (507)

In terms of the priority groups:

- People in deprived areas were more likely to think that they used less water (60% vs. 42%).
- People in high bill areas were less likely to think they used less water than those in areas with lower average bills (40% vs. 49%).

When respondents who did not have a water meter were asked whether or not they had considered switching to a metered water supply, 78% said no and 21% said yes.

Figure 5.5 Considered moving to a metered water supply



Base: all respondents who do not have a water meter (713)

In terms of the priority groups:

- People in areas with high levels of water metering were more likely to have considered switching to a metered water supply than those who lived in other areas (32% vs. 18%).

- Those who lived in areas with high bills were also more likely to have considered having a meter installed than those who did not live in high bill areas (33% vs. 18%).

Significant differences in terms of household profile included:

- Older respondents were more likely to have considered switching; 26% of those aged 61 and over, compared with only 15% of those aged 18-34.

- Households consisting of only adults were more likely to have considered switching their water supply to a meter than households containing both adults and children (25% vs. 16%).

- Respondents from AB SEG (28%) were more likely to have considered switching than those from C1C2 SEG (18%).

Respondents in South West Water area were more likely than respondents in any other WASC area to have considered switching to a metered water supply (64%).

It is somewhat unsurprising to find that bill payers who disagreed that their water and sewerage service represented value for money, and respondents who did not find their water and sewerage services affordable, were more likely to have considered switching to a metered water supply:

- 36% of bill paying respondents who did not agree that they received value for money had considered a water meter compared with 19% who agreed.

- 30% of respondents who did not agree that their water and sewerage charges were affordable had considered a water meter compared with 21% who agreed.

Respondents' views on water metering also affected the likelihood of them considering opting for a water meter:

- Those who supported the trend for increased water metering were more likely to have considered a water meter than those who opposed this trend (32% vs. 7%).

- Respondents who said that it was fair to meter customers where there were resource problems, were more likely than those who felt that this policy was unfair to have considered switching (33% vs. 10%).

Respondents who had considered switching to metering but had not yet done so, were asked why. The most common reasons were that they had not had time (18%), they wanted more information before switching (17%) and they thought their bill would go up (17%).

Figure 5.6 Why haven't you switched?

Reason for not switching	% of responses
Haven't had time	18
Wanted to get more information before I decided to switch	17
I thought my bill would go up	17
I don't want to reduce how much I use	7
Didn't want to pay to get the meter installed	7
Decided it wouldn't make much difference to my bill	7
Didn't want the inconvenience of the meter being installed	6
Apathy	5
Couldn't fit the meter because of technical reasons	4
Landlord/council wouldn't let me	4
Not sure if I can (eg. have shared supply to flats)	3
If I decided to sell it may be a problem	1

Base: all respondents who have considered switching to water meter (180)

Those respondents who had not considered switching were asked why. Common responses included that they thought they would end up paying more (31%), that it was not something they had thought of (17%) and that they did not want a meter (14%).

Figure 5.7 Why haven't you considered switching?

Reason	% of responses
Think I'd end up paying more	31
Just not something I've thought about	17
I don't want a meter	14
Not my responsibility/decision	9
Not sure how much it will cost	9
Don't know anything about it, would need information before deciding	8
I don't agree with metering	8
Have heard mixed reports about how much it would cost	8
I like having a set charge each year	7
I don't think it will make any difference to my bill	7
I don't want to have to pay for the meter	6
I don't want to use less water	5
Wouldn't be able to have it removed in the future/I won't be able to switch back	3
I don't want the water company to know my usage	2

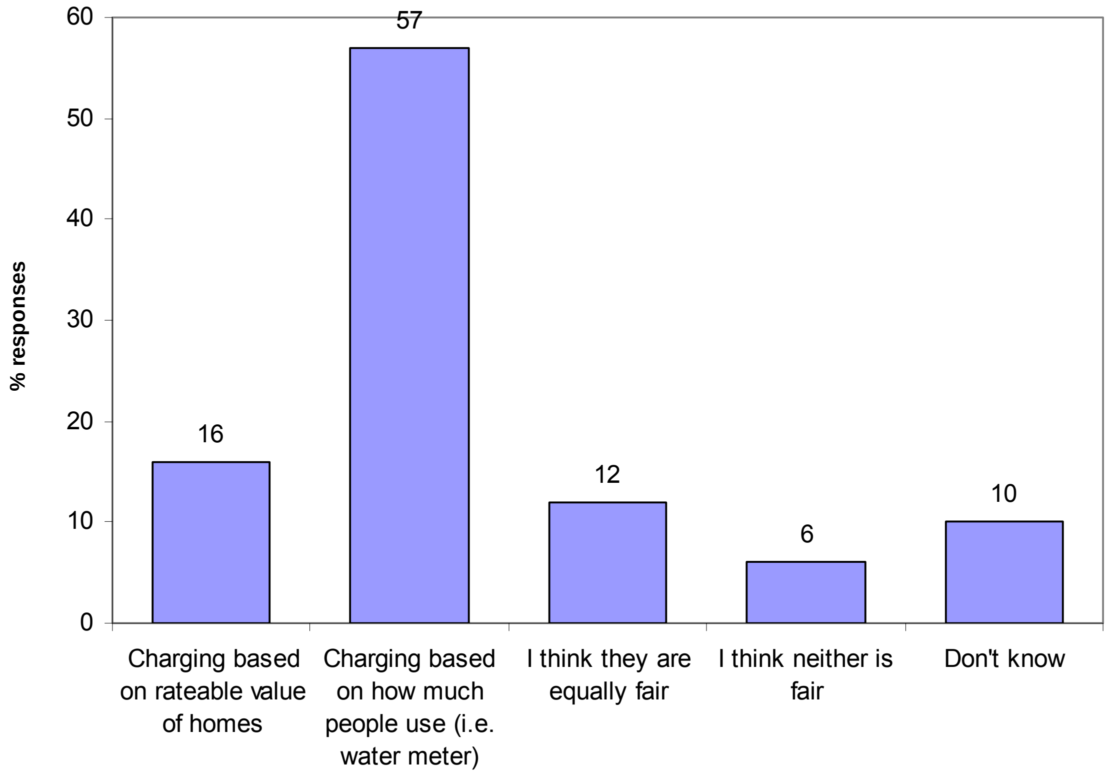
Base: all respondents who have not considered switching to a water meter (523)

5.2 Fairness of metering

Respondents were told that some customers' water bills are based on the rateable value of their house, whilst other customers' bills are based on a water meter. They were informed that paying by rateable value means that these customers pay a fixed bill amount each year whilst paying by meter means that customers' bills are based on how much water they use.

As shown in figure 5.8, the majority of respondents (57%) thought the fairest option was charging people for how much water they use (i.e. through using a water meter), but 16% thought charging based on the rateable value of the house was the fairest method.

Figure 5.8 Perception of fairest charging system



Base: all respondents (1665)

There were notable differences in views on the fairness of metering across the priority areas:

- Customers in areas with high levels of water metering were more likely than those in other areas to see water metering as the fairest option (64% vs. 54%).

- Customers who lived in areas of stretched water resource were more likely than those from areas with no water resource issues to think that water metering was the fairest system (62% vs. 55%).

- Customers who lived in areas with higher than average bills were more likely than those in other areas to think water metering was the fairest option (72% vs. 53%).

Other significant differences included:

- Those who were AB social group (65%) or C1C2 (59%) were more likely to suggest that water metering was the fairest system when compared with those who were DE social group (49%).

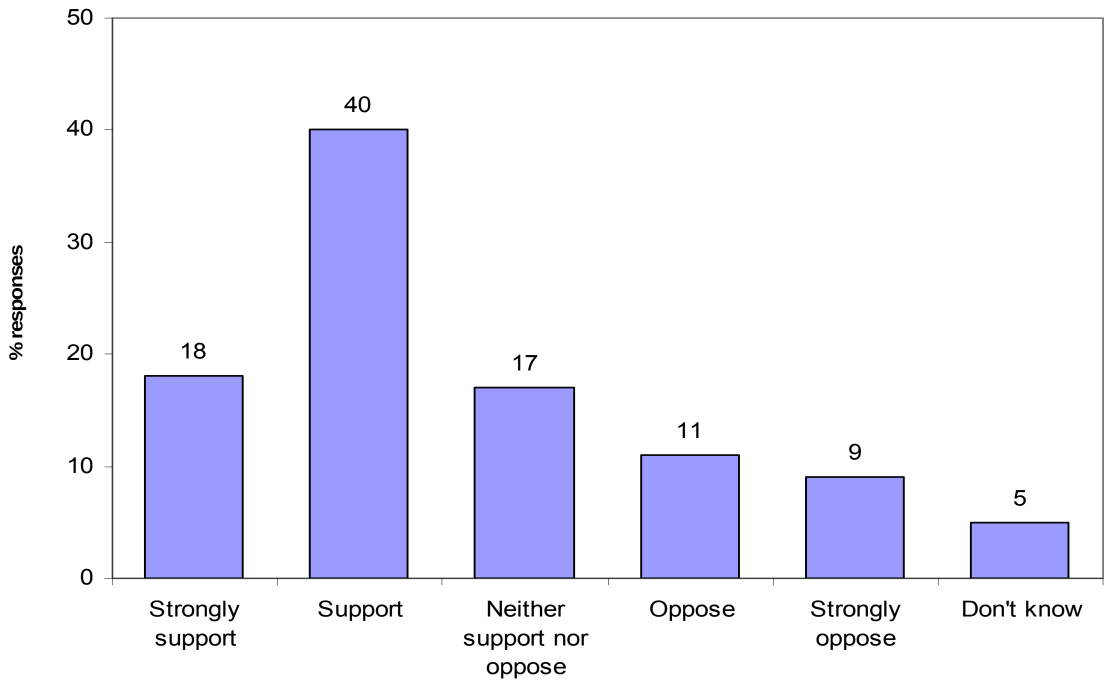
- Households containing solely adults were more likely than those consisting of both adults and children to think that charging through the use of water meters was the fairest method (62% vs. 48%). Indeed, the latter group were more likely than households containing only adults to state that charges based on the rateable value of homes was the fairest option (21% vs. 14%). This is likely to be because households with both adults and children are generally bigger than adult only households (i.e. single occupier or couple) and use more water.

In terms of WASC differences, South West Water (77%), Southern Water (71%) and Thames Water (66%) respondents were the most likely to report that charging people for how much water they actually used was the fairest method of charging.

Increased water metering

It was explained to respondents that since 2005 all new build houses have had water meters fitted. It was also explained that customers could ask to switch to a meter if they did not already have one. All respondents were asked whether they supported or opposed the trend for increased water metering; 58% supported the trend, 20% opposed it and 17% stated they neither supported nor opposed it.

Figure 5.10 Trend for increased water metering



Base: all respondents (1665)

There were differences in attitude towards the trend for increased water metering across the priority groups:

- Customers who lived in areas with high levels of water metering were more likely than those in other areas to support this trend (64% vs. 56%).
- Customers who lived in areas of stretched water resource were more likely than those from areas with no water resource issues to support this trend (63% vs. 53%).
- Customers who lived in areas with higher than average bills were more likely than those in other areas to support the trend (75% vs. 54%).

There were also notable differences in terms of the respondents' profile:

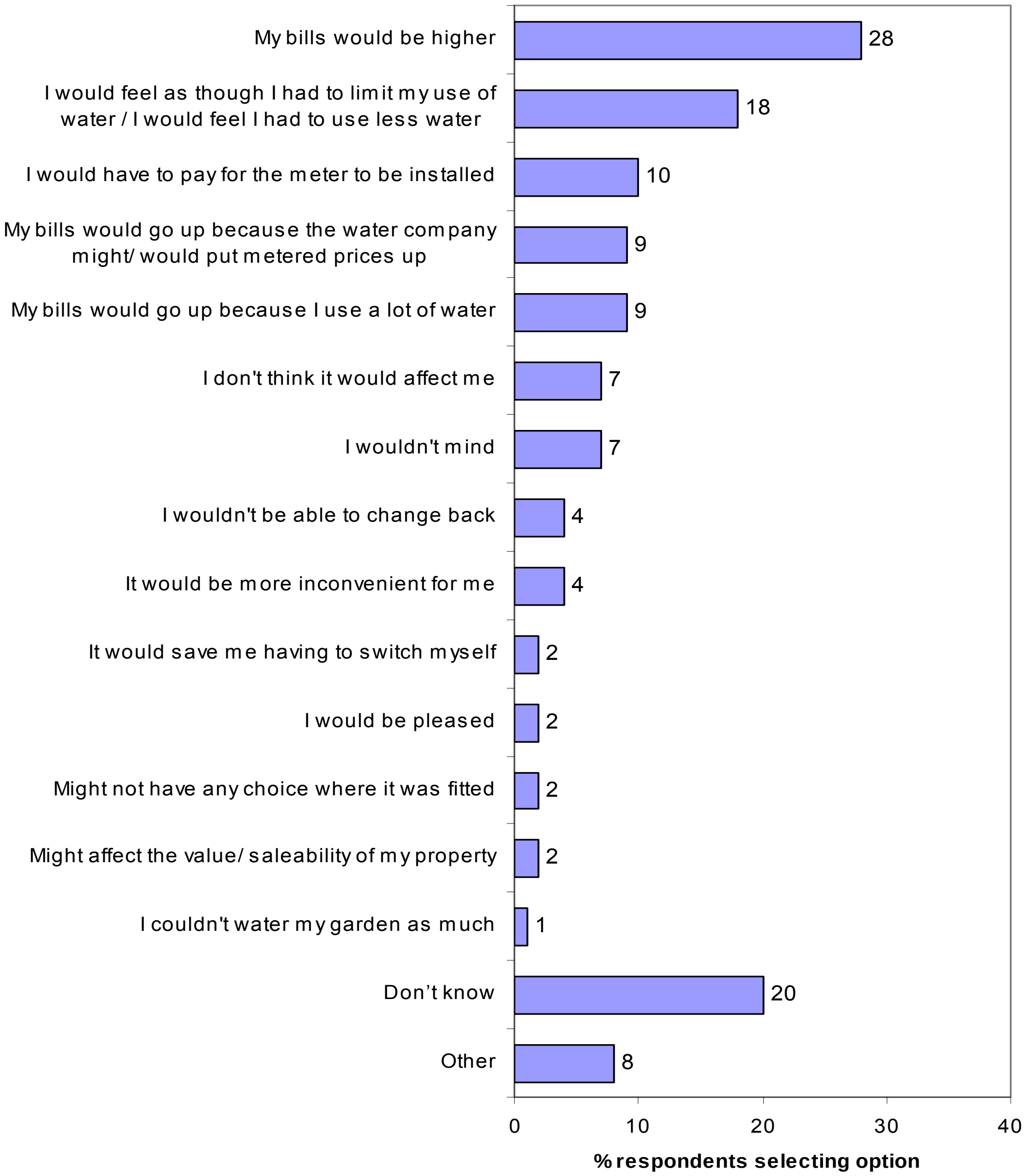
- Households containing solely adults were also more likely than households with both adults and children to support this trend (63% vs. 49%).
- Those from AB SEG (74%) were more supportive than C1C2 (58%) and DE (51%) respondents.
- Bill payers were more supportive than non bill payers (60% vs. 50%).

Unsurprisingly, respondents who thought that water metering was the fairest charging option were the most likely to support the trend for increased water metering. 83% of those who thought charging based on usage was fairest, supported the trend, compared with 22% who thought that charging based on the rateable value of home was the fairest method.

5.3 Compulsory metering

Unmetered participants and those who did not know whether they had a water meter or not, were asked how they thought being obliged to have a water meter might affect them. The most common responses from respondents were that their bills would be higher (28%) and that they would feel that they would have to use less water (18%).

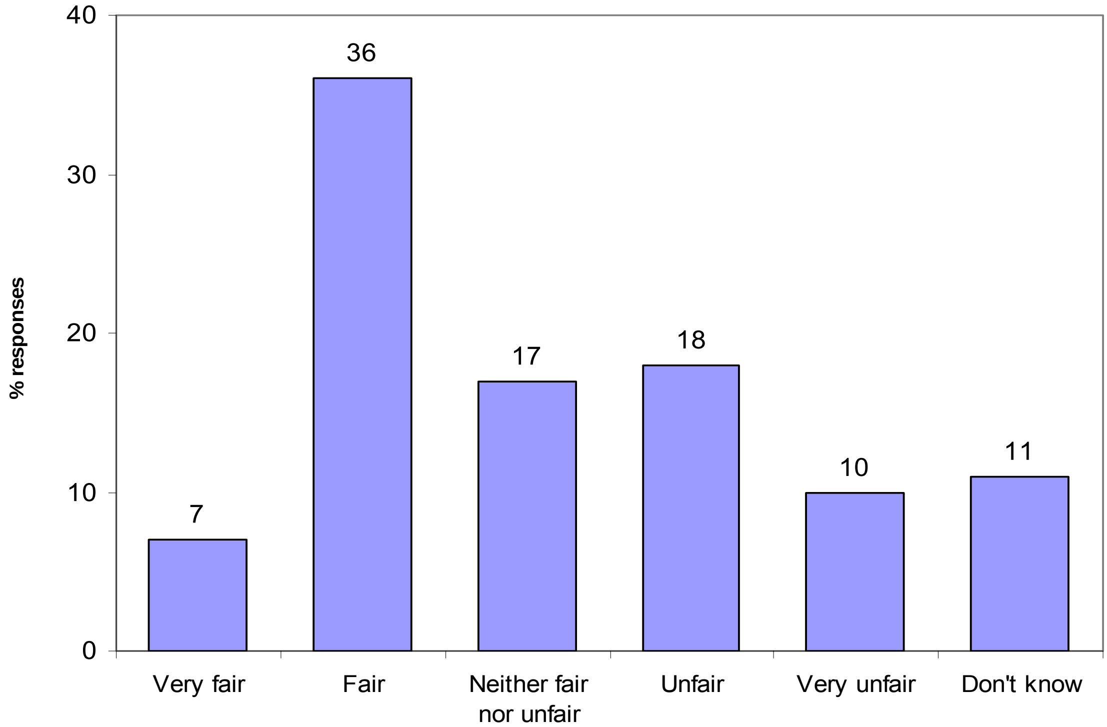
Figure 5.12 Effect of being obliged to have a water meter



Base: all respondents, who do not have a water meter or do not know if they have a water meter, multicode (1140)

It was explained to all respondents that in areas of stretched water resource, water companies could apply to move customers to a water meter, with the aim of reducing the amount of water used by households. All respondents were asked how fair or unfair they thought this was. 43% thought this was fair but 28% thought it was unfair. A further 17% stated it was neither fair nor unfair, and 11% did not know.

Figure 5.13 Fairness of compulsory metering



Base: all respondents (1665)

Significant differences included:

- Those who lived in areas with high levels of metering were more likely to think compulsory metering was fair than those who lived in other areas. (51% vs. 41%).

- Those who lived in areas with higher than average bills were more likely than other areas to consider it to be fair. (57% vs. 40%).

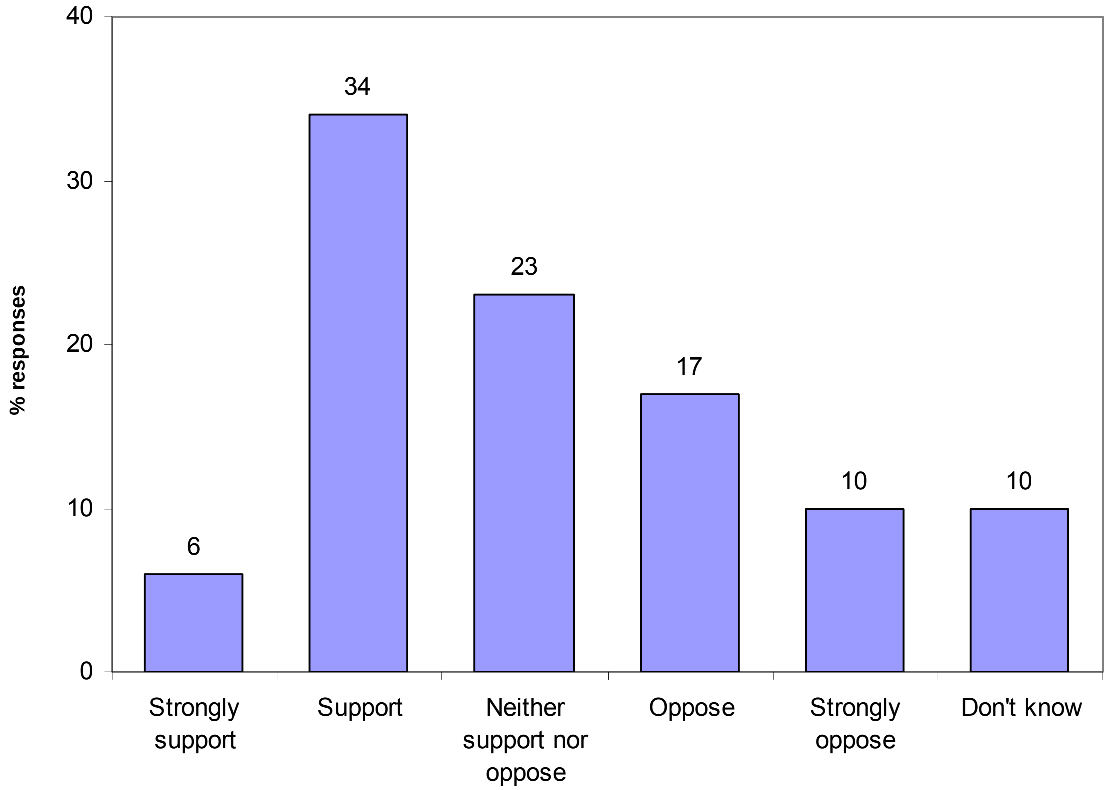
- Those who lived in areas with stretched water resources (35%) were less likely to consider it fair than those who lived in areas with no water resource problems (47%).

- Customers who lived in deprived areas were less likely to think it was fair (34% vs. 45%) and more likely to think it was unfair (44% vs. 24%).

- DE respondents were less likely than AB respondents to think it was fair (39% vs. 50%).

Respondents were then asked whether they would support or oppose this policy of compulsory water metering in water stretched areas. Opinion was mixed, with 40% supporting, 27% opposing, and a substantial number neutral (23%) or stating they don't know (10%).

Figure 5.14 Support of compulsory metering



Base: all respondents (1665)

Support for the policy was segmented in a similar way to views on the fairness of the policy:

- Those who lived in high metering areas were more supportive than other areas (50% vs. 37%).
- Those in areas with no water resource problems were more supportive than areas with stretched water resources (42% vs. 35%).
- People in high bill areas were more supportive than those in lower bill areas (59% vs. 36%).
- People in deprived areas were more likely to oppose (42% vs. 24%) and less likely to support it (31% vs. 42%).
- AB respondents were more likely to support than DE respondents (48% vs. 32%).

6 Alternative Metered tariffs

Key findings:

58% of respondents considered the current metered tariff[16] to be reasonable. This compares favourably with 48% who considered that a rising block tariff[17] would be reasonable and 36% who thought a seasonal tariff[18] would be reasonable.

Replacing current metered tariff with rising block:

- Opinion was divided about replacing the current metered tariff system with a rising block tariff, with 33% supporting, 31% opposing and 36% either having no opinion or not knowing.
    - Common reasons for supporting the rising block were that it would mean that the consumer would pay for what is used, with the more used the more it cost (30%), and that it would make people save water and economise (20%).
    - Common reasons for opposing it were that it would make water too expensive (21%) and that the current system was better (13%).
    - 41% thought the rising block tariff would make them use less water, 22% disagreed and 24% neither agreed nor disagreed.

Replacing current metered tariff with seasonal tariff:

- Support was lower for the seasonal tariff, with only 27% supporting its introduction and 45% opposing.
- The most common reason for supporting the seasonal tariff was that it would save water (27%). Common reasons for opposing it was the belief that the cost

[16] The current metered tariff typically consists of a fixed standing charge and then a charge based on the volume of water used.

[17] The charge for water in a rising block tariff would be in two blocks; the first block would cover essential water use and would be charged at a low rate per unit of water used. The second block of water (any water used above the first block level) would be charged at a higher cost per unit of water used.

[18] The seasonal tariff would consist of units of water used in winter charged at a lower than standard volumetric rate, and units of water used in the summer charged at a higher than standard volumetric rate.

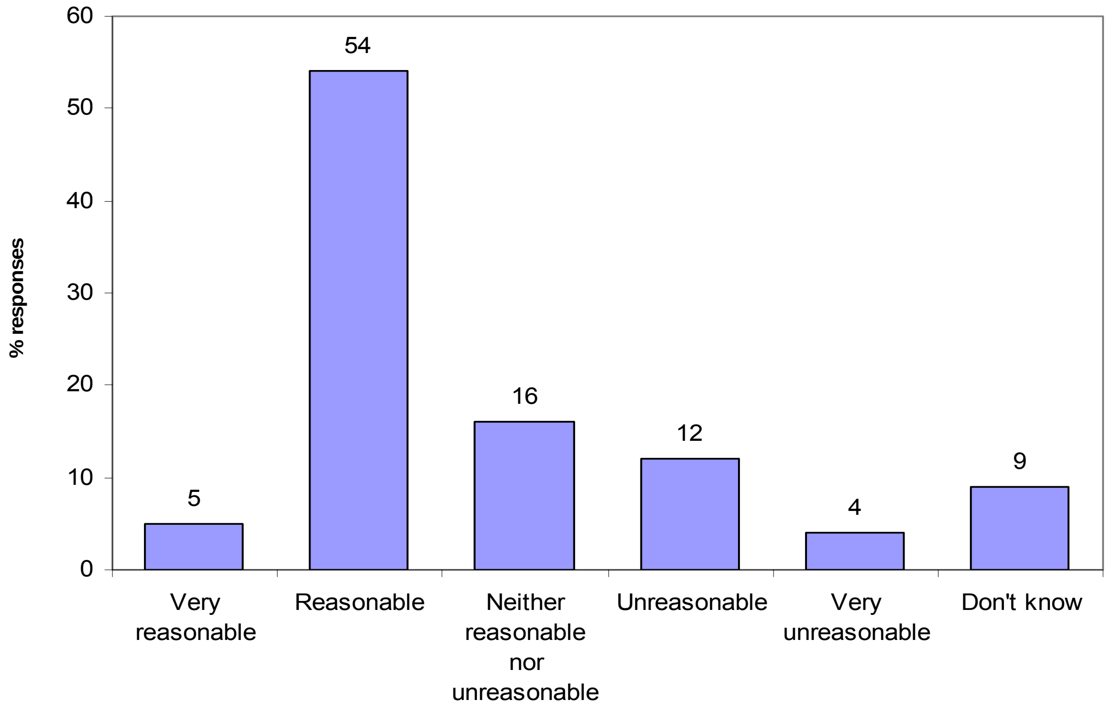
of water should be the same all year round (18%) and that it did not reflect the weather (10%).

When respondents were asked if it would make them use less water opinion was divided; 33% thought it would, 31% disagreed and 27% neither agreed nor disagreed.

6.1 Current tariff

Participants were asked for their views on different types of metered tariff. They were firstly asked about the current metered tariff (which typically consists of a fixed standing charge and then a charge based on the volume of water used) and asked how reasonable or unreasonable they thought it was. 58% thought it was reasonable and 17% thought it was unreasonable, with 16% stating it was neither reasonable nor unreasonable.

Figure 6.1 Current tariff



Base: all respondents (1665)

The following groups were more likely to consider the current tariff to be reasonable:

- Those who lived in high bill areas, as opposed to those in lower bill areas (64% vs. 57%)
- Bill payers compared with non-bill payers (60% vs. 52%).

- Those who lived in metered homes compared with those who lived in un-metered housing (74% vs. 54%).

- Adult only households, as opposed to adult and children households (62% vs. 54%).

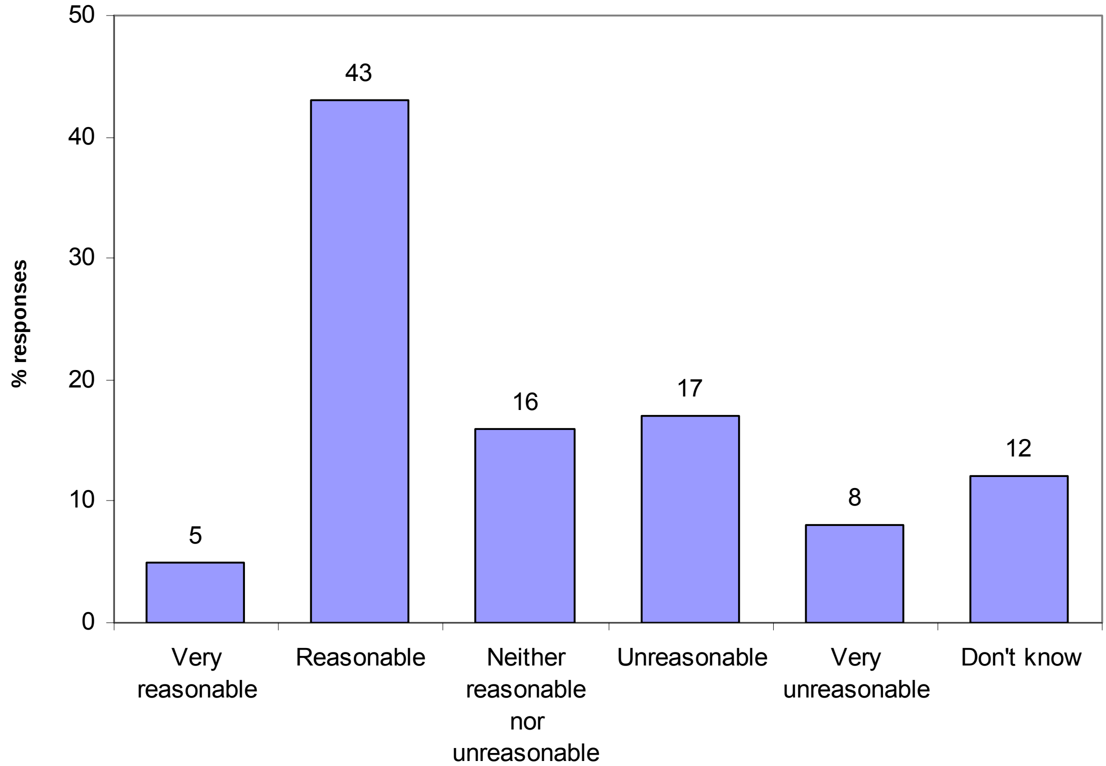
- AB SEG (70%) compared to C1C2 (60%) and DE respondents (51%).

6.2 Rising Block Tariff

Respondents were asked for their views about a rising block type metered tariff. In this tariff, the charge for water would be in two blocks; the first block would cover essential water usage and would be charged at a low rate per unit of water used. The second block of water (any used over the first block level) would be charged at a higher cost per unit of water used.

Having received an overview of the rising block tariff, respondents were asked to what extent they thought it was a reasonable or unreasonable tariff. 48% considered it reasonable, 24% unreasonable, and 28% either did not know or did not express an opinion.

Figure 6.2 Rising Block tariff



Base: all respondents (1665)

People who lived in areas with high bills were more likely to state that the rising block tariff was reasonable than those in other areas (58% vs. 45%). Customers who lived in areas with higher than average social deprivation were less likely to think it was reasonable (34% vs. 51%).

Significant differences according to the respondents' profile included:

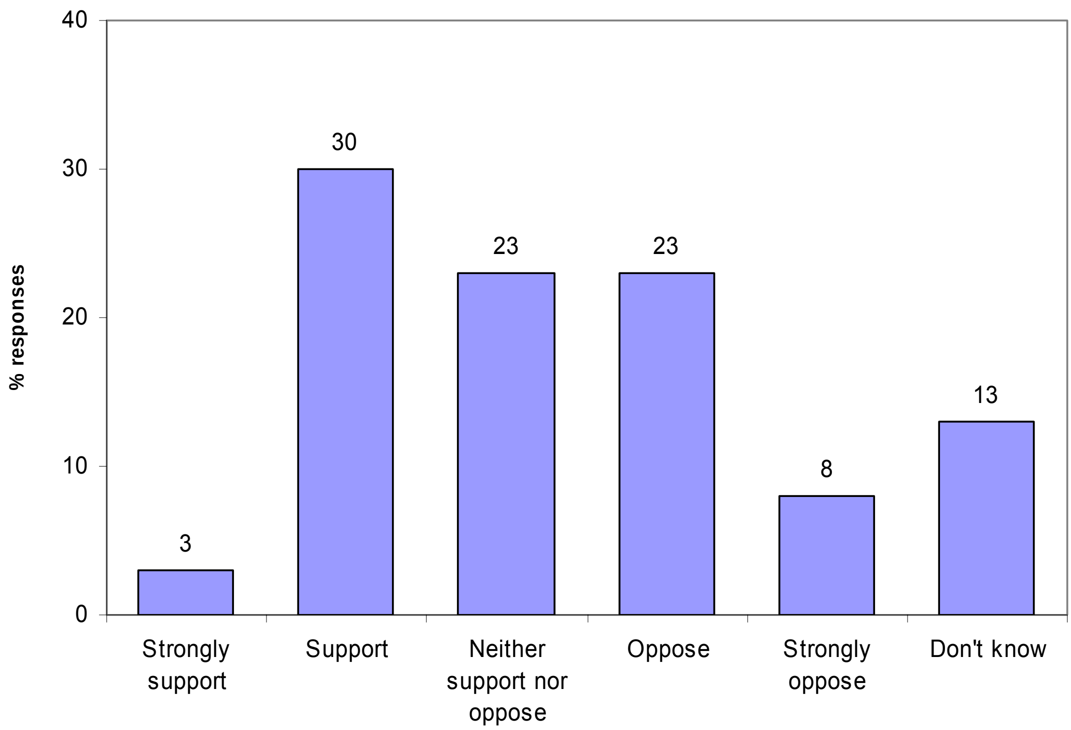
- AB SEG (59%) were more likely than C1C2 (50%) and DE (43%) respondents to state it was reasonable.
- Bill payers were more likely than non-bill payers to think the rising block tariff was reasonable (50% vs. 40%).
- Non-ethnic minority respondents were more likely than ethnic minority respondents to think it was reasonable (49% vs. 39%).

There were notable differences according to respondents' views on water metering:

- Those who stated it was fair to meter customers where there are resource problems, were more likely than those who felt that this policy was unfair to see the rising block tariff as reasonable (60% vs. 34%).
- Respondents who stated the current tariff used for water metering was reasonable were far more likely than those who thought it unreasonable, to suggest that the rising block tariff was reasonable (64% vs. 25%).

Respondents were asked whether they support or oppose the introduction of the rising block tariff instead of the current metered tariff. Opinion was very mixed, with a third supporting it (33%), about a third opposing it (31%), and about a third either having no opinion or not knowing (36%).

Figure 6.3 Support for rising block tariff



Base: all respondents (1665)

People who lived in areas with high bills were more likely to support the introduction of the rising block tariff than those in other areas (41% vs. 31%). Support was also higher amongst those who lived in areas where water was not a stretched resource (40%) than those where it was stretched (30%). Support was lower amongst those who lived in more socially deprived areas (22% vs. 36%), and opposition was higher (40% vs. 29%).

Significant differences according to the respondents' profile included:

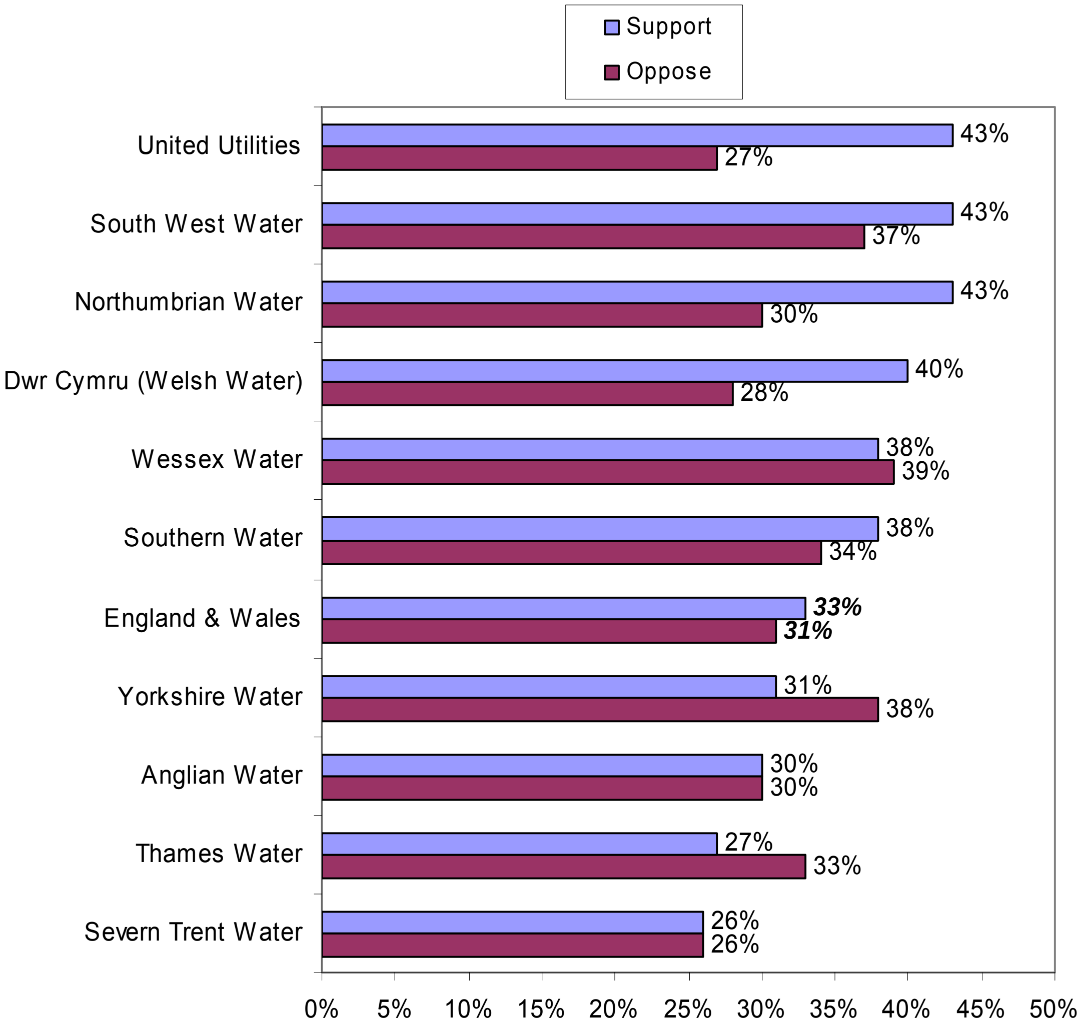
- Bill payers were more likely to support it than non-bill payers (36% vs. 24%), with non-bill payers more likely to state that they 'don't know' (21% vs. 11%).
- Those aged 61 and over were more supportive than those aged 18-34 (37% vs. 30%).
- AB SEG (47%) were more likely than C1C2 (33%) and DE (29%) respondents to state that they would support it replacing the current metering tariff.

There were also notable differences according to respondents' views on water metering:

- Respondents, who said that it was fair to meter customers where there were resource problems, were more likely than those who felt that this policy was unfair to support the rising block tariff (44% vs. 22%).
- Respondents who believed the current metered tariff to be reasonable were far more likely than those respondents who thought it unreasonable, to state that they would support the rising block tariff replacing it (44% vs. 18%).
- Those who lived in metered housing were more likely than those in unmetered housing to support the rising block's introduction (40% vs. 33%).

South West, Northumbrian and United Utilities (all 43%) customers were more likely to support the rising block tariff than Anglian (30%), Severn Trent (26%) Yorkshire (31%) and Thames Water (27%) customers. A full breakdown is detailed in figure 6.4.

Figure 6.4 Support for rising block tariff by WASC area



Base: all respondents (Anglian Water, 174; Severn Trent, 159; United Utilities, 151; Northumbrian Water, 173; South West Water, 167; Southern Water, 168; Thames Water, 151; Welsh Water, 164; Wessex Water, 167; Yorkshire Water, 191)

All respondents were asked why they held the position they did. The most common reasons for supporting the rising block tariff were that the more people use the more they should pay (30%) and that it would make people use less water (20%). Other reasons given are shown in figure 6.5.

Figure 6.5 Reasons for supporting the introduction of a rising block tariff

Reason	% of respondents
Pay for what you use/the more you use the more you pay	30
Saving water/economising/using less water/less waste/using water more efficiently	20
Fair system/it seems fair	13
Good idea/sounds okay/sensible	8
Would make people think about what they use	7
Could work out cheaper	5
Larger families use more water	3
Don't use much water	2

Base: all respondents who support rising block tariff (598)

The most common reasons that respondents gave for opposing the rising block tariff were that it would make it too expensive (21%) and that they were happy with the current tariff (9%). Other reasons stated are detailed in figure 6.6.

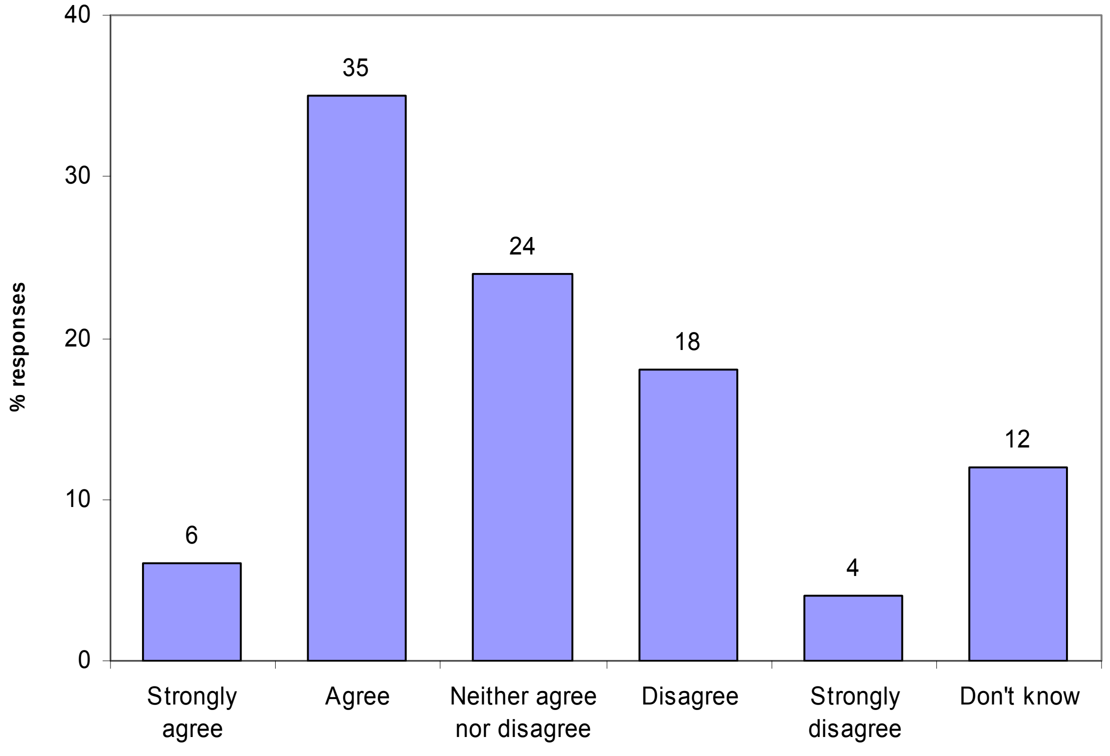
Figure 6.6 Reasons for opposing the introduction of a rising block tariff

Reason	% of respondents
It will make it too expensive/cost is too high	21
Happy as it is/don't want it changed/current system is better	13
Water should not be prioritised/shouldn't be penalised/everyone is entitled to use water/it is essential	9
It wouldn't be fair/current system is fairer	7
It is just a way for the water company to make money	6
Everyone should pay the same/should not be charged for the amount you use/should be able to use what you like	5
Need more information/details / not sure how it would work	4
Don't want to worry about how much water I use	4
Pay for what you use/the more you use the more you pay	3
Should be a fixed amount/prefer to know what I am paying	3
Prices should be the same for all blocks	3
Wouldn't be fair on large families	3
Too complicated/needs to be kept simple/would make the bill too confusing	2
Don't want a water meter	2
Larger families use more water	2

Base: all respondents who oppose rising block tariff (538)

Respondents were asked whether they thought the rising block tariff would make them use less water. 41% agreed it would make them use less water, 22% disagreed, 24% neither agreed nor disagreed, and 12% did not know.

Figure 6.7 Would a rising block tariff make you use less water?



Base: all respondents (1665)

Differences in opinions were found in terms of the priority groups:

- People who lived in areas with high bills were more likely to think it would make them use less water than those in lower bill areas (48% vs. 39%).
- People who lived in areas with stretched water resource were less likely to think it would make them use less water than those who lived in areas where there were no water resource issues (34% vs. 51%).
- People who lived in deprived areas were less likely to think that it would make them use less water (31% vs. 43%).

Respondents who were AB SEG (51%) were more likely to think it would make them use less water than C1C2 (40%) and DE (40%) respondents.

Customers of Northumbrian (53%), South West (56%), Yorkshire (54%), United Utilities (49%) and Southern Water (55%) were more likely to agree that it would make them use less water than Anglian (29%), Severn Trent (38%) and Thames Water (34%) customers.

Metered respondents were less likely to think that the rising block tariff would make them use less water than unmetered respondents (38% vs. 46%). There were also differences according to consumers' views on water metering:

- Respondents who support increased water metering were more likely to think that this tariff would make them reduce their water consumption (48% vs. 32%).
- Those who thought it was fair to meter where there were water resource problems also said that it would make them use less water (53% vs. 32%).

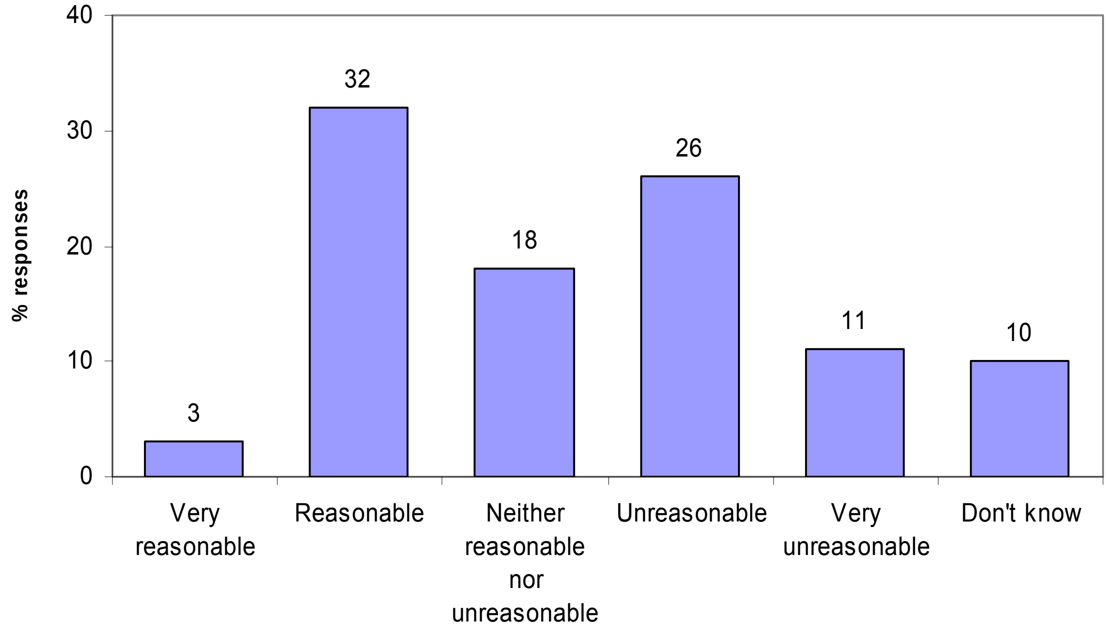
6.3 Seasonal Tariff

Respondents were asked for their views on a seasonal metered tariff. It was explained to them that this would consist of:

- Units of water used in winter ('off peak') charged at a low rate e.g. between October and May (typically wetter months) and;
- Units of water used in summer ('peak') charged at a higher rate, e.g. between June and September.

Having received an overview of the seasonal tariff, respondents were asked to what extent they thought it was reasonable or unreasonable. Opinion was divided; with approximately equal proportions thinking it was reasonable (36%) and unreasonable (37%). A further 18% stated they thought it was neither reasonable nor unreasonable and 10% did not know.

Figure 6.8 Seasonal Tariff



Base: all respondents (1665)

People who lived in high bill areas were more likely to consider a seasonal tariff was reasonable than those in areas with lower bills (41% vs. 34%).

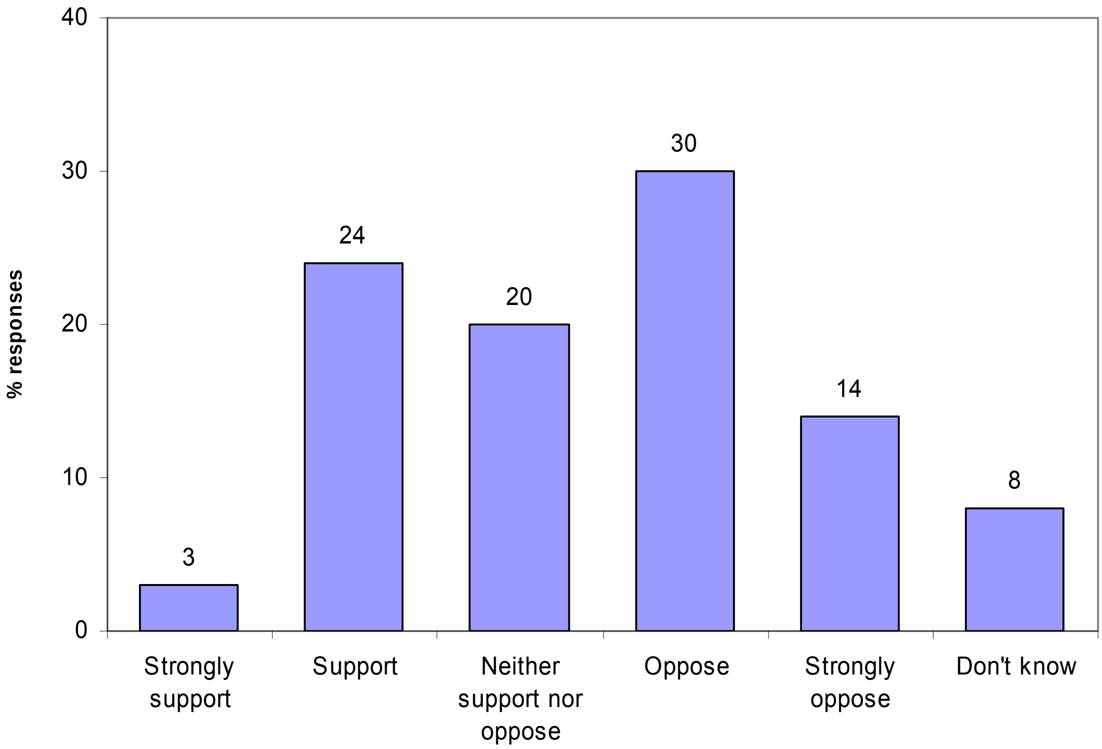
AB (41%) and C1C2 (39%) SEG respondents were more likely to think this tariff was unreasonable than DE respondents (33%).

Ethnic minority respondents were more likely to think the tariff was unreasonable than those from non-ethnic minorities (50% vs. 35%).

Those who lived in the WASC areas of United Utilities (40%), Southern Water (46%) and Dwr Cymru (Welsh Water) (42%) were more likely than those in Anglian Water (28%) and South West Water (27%) to consider the seasonal tariff reasonable. Those in South West were most likely to think it was unreasonable (61%).

Respondents were asked whether they would support or oppose the introduction of the seasonal tariff instead of the current metered tariff. Opinion was quite negative, with 30% opposing and 14% strongly opposing its introduction; 27% supported or strongly supported its introduction and 28% neither supported or opposed its introduction or didn't know. Full results are detailed in figure 6.9.

Figure 6.9 Support for seasonal tariff



Base: all respondents (1665)

In terms of the priority groups:

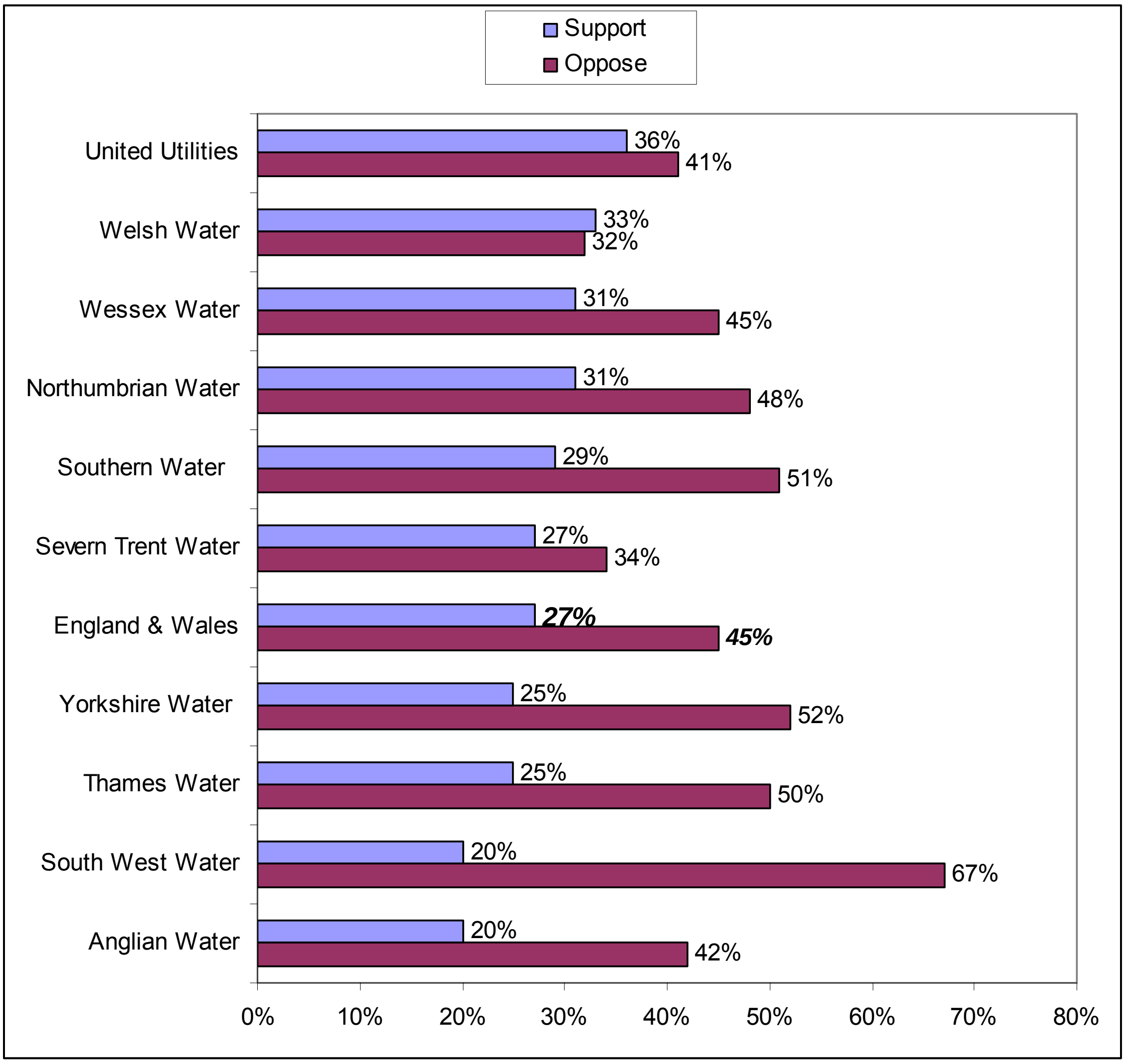
- People in areas of high water metering were less likely to support the seasonal tariff than those in other areas (23% vs. 29%).
- Those who lived in areas of stretched water resource were less likely to support the tariff than those in areas with no water resource issues (24% vs. 32%).

Other significant differences included:

- Respondents who were AB SEG (51%) were more likely to think it would make them use less water than C1C2 (40%) and DE (40%) respondents.

There were also differences depending on the water and sewerage company area. Those in the South West Water WASC area were the most likely to oppose the seasonal tariff (67%). About half of the respondents in the Yorkshire Water (52%), Southern Water (51%) and Thames Water (50%) WASC areas opposed the tariff. The full breakdown by WASC is shown in figure 6.10.

Figure 6.10 Support for seasonal tariff by water and sewerage company area instead of current tariff



Base: all respondents (Anglian Water, 174; Severn Trent, 159; United Utilities, 151; Northumbrian Water, 173; South West Water, 167; Southern Water, 168; Thames Water, 151; Welsh Water, 164; Wessex Water, 167; Yorkshire Water, 191)

There were differences in opinion towards the seasonal tariff based on how people viewed metering:

- Those who thought compulsory metering where there were water resource problems was fair were more likely than those who considered it unfair to support seasonal tariffs (34% vs. 22%).

- Those who considered the current metering system to be reasonable were also more likely to support the introduction of a seasonal tariff (33% vs. 21%).

Respondents were asked why they held the view they did. The most common reasons given for supporting the seasonal tariff were that it would save water and encourage people to use less (27%) and that it was a good idea (19%); all the common reasons are detailed in figure 6.11.

Figure 6.11 Reasons for supporting seasonal tariff instead of current tariff

Reason	% of respondents
It saves water/encourages people to use less/use less during the summer/less wastage/would make people think about what they use	27
Good idea / sounds okay/sensible	19
Could work out cheaper/would save money	10
Use more water in the summer/hot weather	8
Pay for what you use/the more you use the more you pay	7
Fair system/it seems fair	6
It would balance out between seasons	5
A lot of water is wasted during the summer/paddling pools/sprinklers/hose pipes	5
Use less water in the winter	3

Base: all respondents who support seasonal tariff (457)

The most common reasons for opposing the tariff were that there should be a fixed rate across the year (18%), and that it does not reflect the weather (10%).

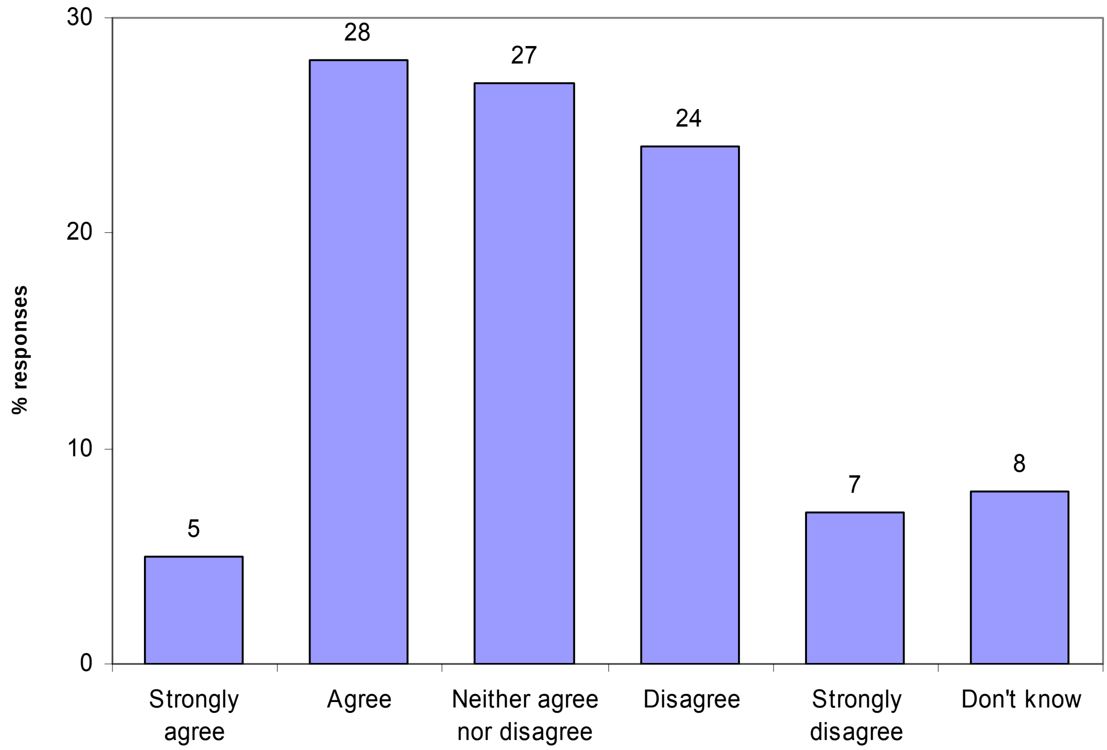
Figure 6.12 Reasons for opposing seasonal tariff

Reason	% of respondents
There should be a fixed/flat rate/costs should be the same all year round/not higher in the summer/no reason to pay more in the summer	18
It doesn't reflect the weather/winter can be dry/summer can be wet/there has been plenty of rain this summer	10
It would make it too expensive/costly	9
Prefer it the way it is/current system should not be changed	8
Unfair as it is the same usage/unfair system	7
Use the same amount winter/summer / all year/not everyone uses more in the summer	7
Prefer to pay the same every month/all year	7
Use more water in the summer/hot weather	6
It is just a way for the water company to make money/excuse to push up the cost of water/water costs the same all year round	4
Water should be available for everyone at any time/water is essential	3
A lot of water is wasted because of leaks/burst pipes/more money should be spent on repairs/water company should invest more	3

Base: all respondents who oppose seasonal tariff (773)

Respondents were asked whether they agreed that the seasonal tariff would make them use less water. Opinion was divided with a third agreeing, 31% disagreeing and 27% neither agreeing nor disagreeing.

Figure 6.13 Would a seasonal tariff make you use less water?



Base: all respondents (1665)

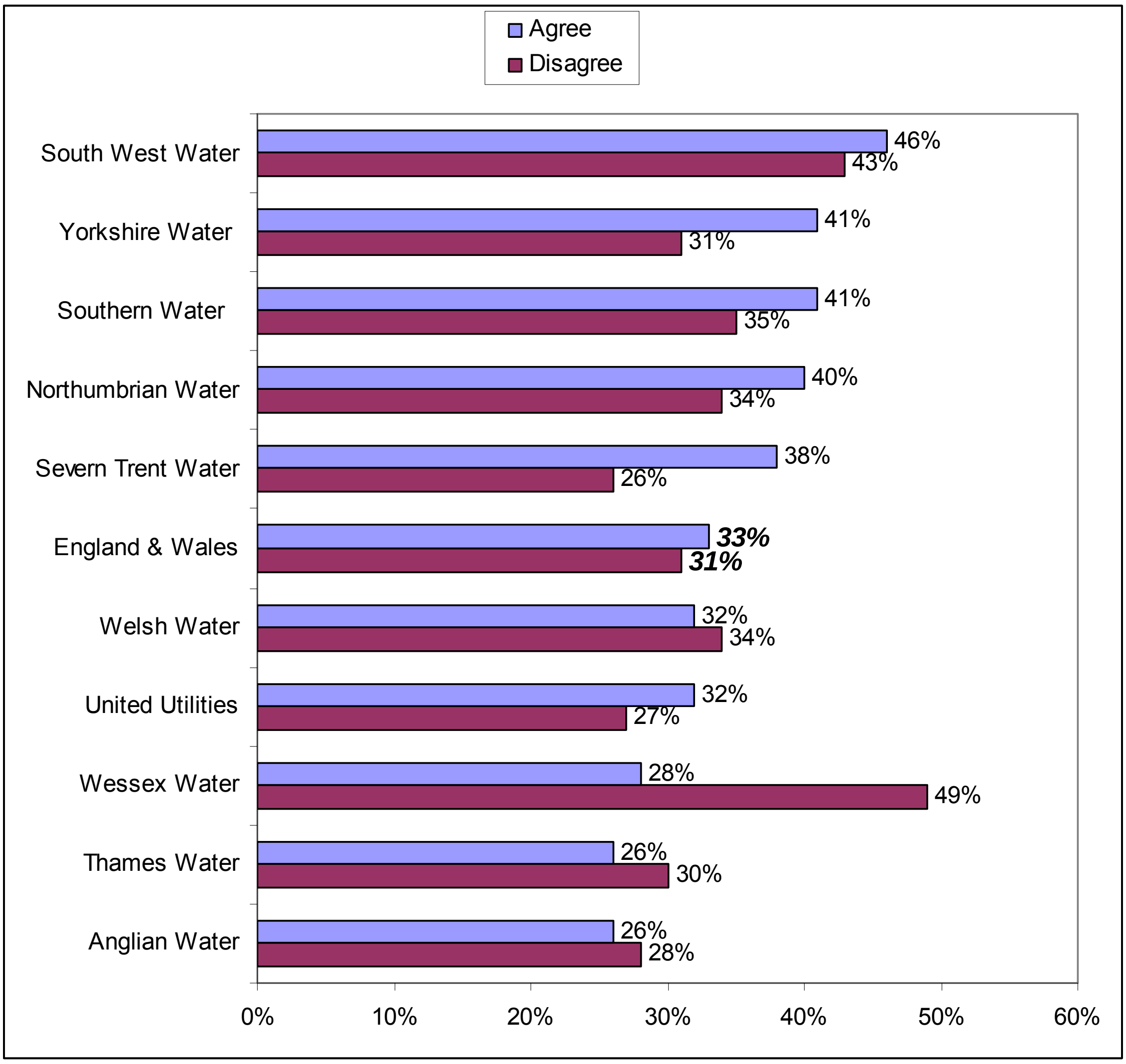
Significant differences included:

- Those who lived in areas with higher than average bills were more likely than people in other areas to think that the tariff would make them use less water (38% vs. 32%).
- Those who lived in deprived areas were less likely to think that it would make them use less water (25% vs. 35%)
- People who lived in stretched water resource areas were less likely than those in areas with no water resource issues to think the seasonal tariff would make them use less water (30% vs. 36%).

- Metered respondents were less likely than non-metered respondents to think it would make them use less water (28% vs. 37%).

There were differences in attitudes depending on the water and sewerage company area that a respondent lived in. Those in the South West Water (43%) and Wessex Water (49%) WASC areas were most likely to think it would not have an impact on their water usage. A full breakdown is shown in figure 6.14.

Figure 6.14 Impact on water usage by water and sewerage company area



Base: all respondents (Anglian Water, 174; Severn Trent, 159; United Utilities, 151; Northumbrian Water, 173; South West Water, 167; Southern Water, 168; Thames Water, 151; Welsh Water, 164; Wessex Water, 167; Yorkshire Water, 191)

7 Providing consumers with more information about water use

Key findings:

It was explained to respondents that more information could be provided on water bills, including pattern of water use over time or the impact on the environment:

- 28% thought this would be very useful and 44% that it would be of some use.

When asked whether this information would have an impact on their water consumption, only 9% thought it would cut it a lot and 33% thought it would reduce it slightly.

It was explained to respondents that new technology could give real time information to consumers through a monitor on their wall[19].

- 30% thought provision of new technology would be very useful and 43% thought it would be of some use.

However, only 13% thought this new technology would make them cut their water usage a lot and 35% thought it would cut their water usage slightly. 41% stated it would not make any difference.

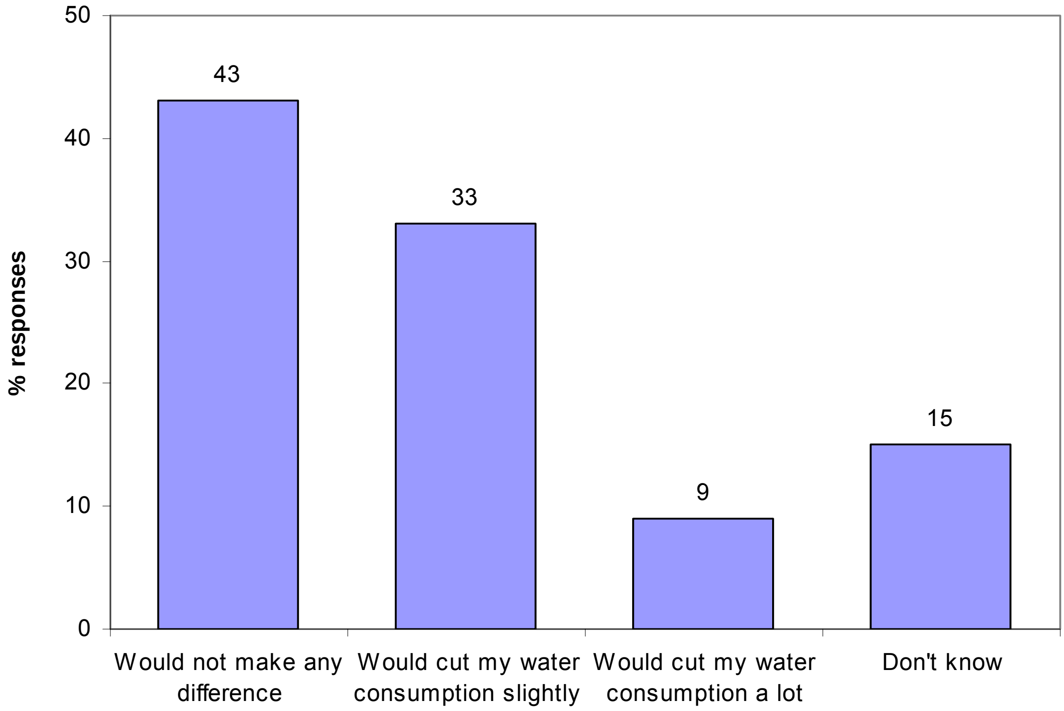
[19] This information could include the amount of water used, the cost of it and when they would move up to a higher charge at their present level of usage. The cost of this would be passed onto metered customers.

7.1 Information on bills

It was explained to respondents that more information could be provided on their bills, including their pattern of water use over time or the impact it had on the environment. 28% percent thought this information would be very useful, 44% that it would be of some use, 22% not at all useful and 7% did not know.

Respondents were asked what impact, if any, this information would have on their water usage. As shown in figure 7.1, the most common response was that it would not make any difference (43%).

Figure 7.1 Impact of more information on bills on water usage



Base: all respondents (1665)

Customers in high bill areas were more likely to think that it would make no difference to their water consumption than those in lower bill areas (50% vs. 41%).

Analysis of the results highlighted some significant differences according to the household profile:

- Those aged 61 or over (52%) were most likely to think it would not make any difference, and those aged 35-60 (43%) were also more likely than those aged 18-34 (32%) to think it would not make any difference.

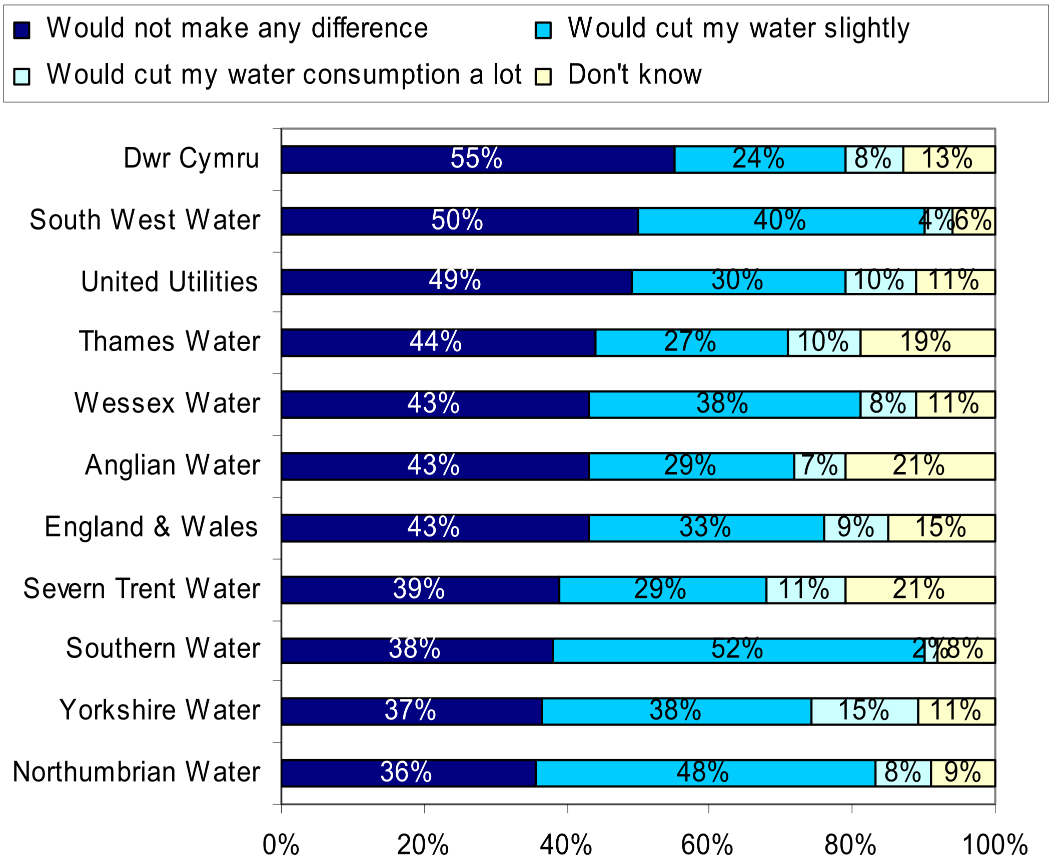
- Bill payers were more likely than non-bill payers to think that the information would not make any difference (45% vs. 34%).

- Adult only households were more likely to state it would make no difference than households with both adults and children (49% vs. 34%).

There were also differences according to the WASC area of the customer.

- Those in the United Utilities (49%), South West Water (50%) and Dwr Cymru (Welsh Water) (55%) WASC areas were more likely to state it would make no difference to their water usage than Northumbrian Water (36%), Southern Water (38%) and Yorkshire Water customers (37%). A full breakdown is detailed in figure 7.2.

Figure 7.2 Impact of more information in bills on water usage by WASC area

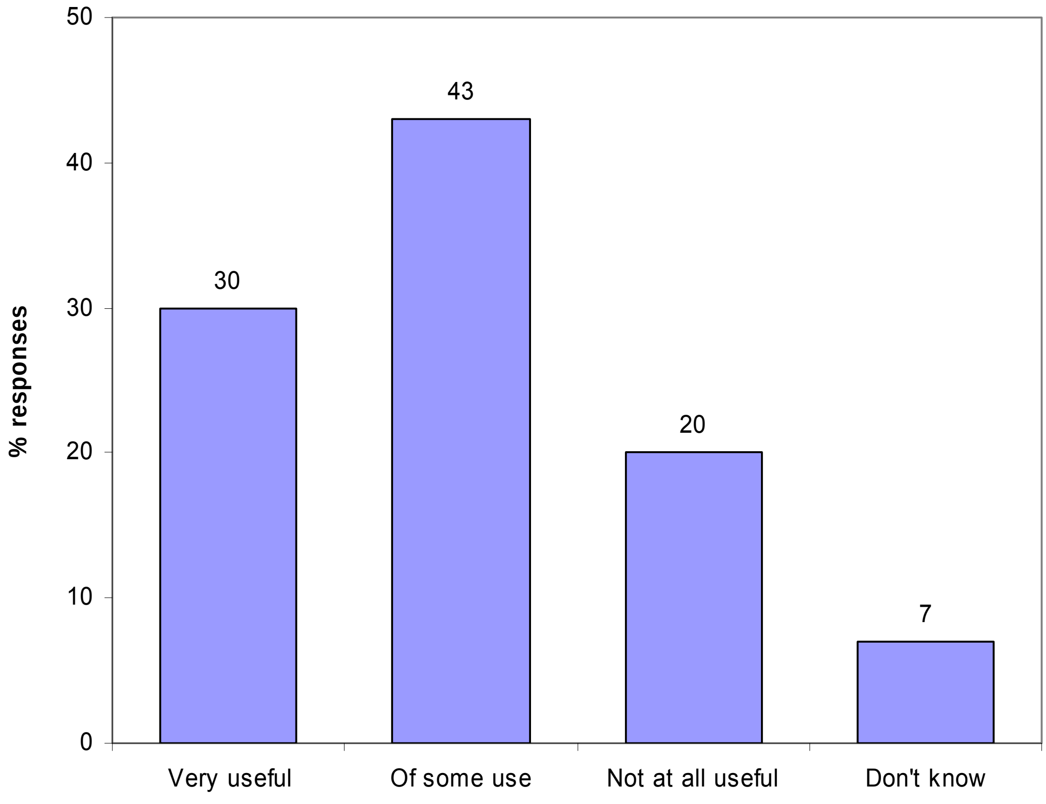


7.2 Smart metering

It was explained to respondents that new technology could give real time information to consumers through a monitor on their wall. This information could include the amount of water used, the cost of it, when they would move to a higher charge at their current level of usage. It was also explained that the cost of this technology would be passed on to metered customers via their water charges.

Having explained this, respondents were asked how useful they thought this information would be. 30% thought the information would be very useful and 43% thought it would be of some use.

Figure 7.3 Usefulness of smart metering



Base: all respondents (1665)

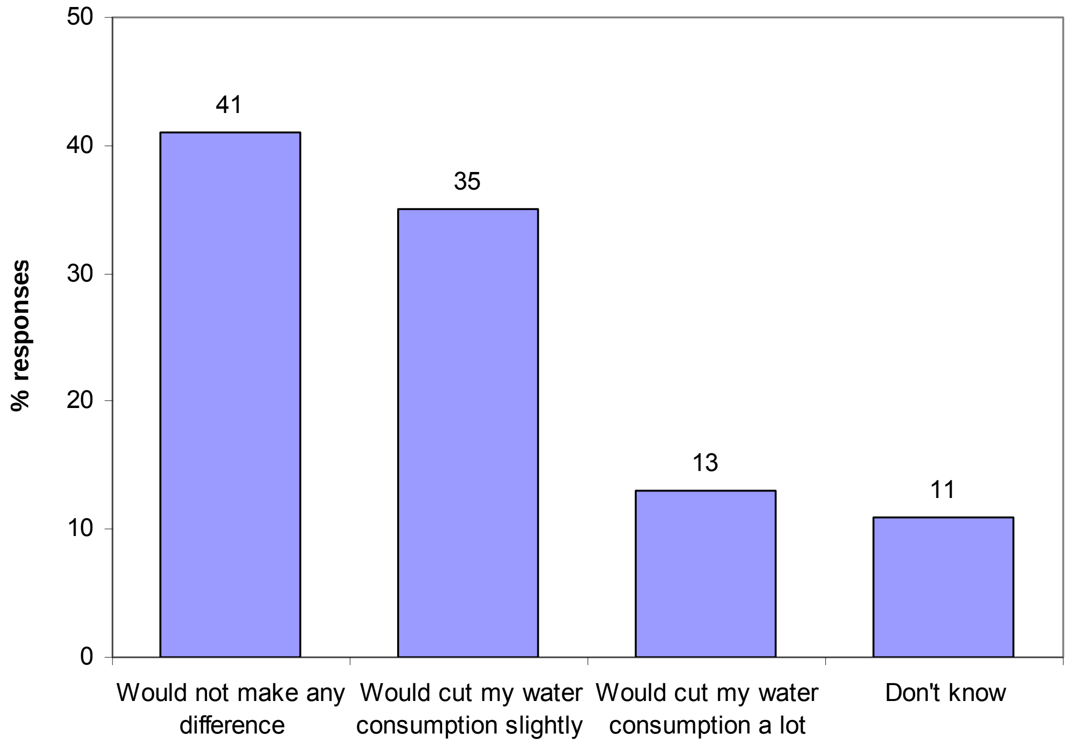
Those residing in areas where water resources were not stretched were more likely than those in stretched water resource areas to think that the information would be very useful (41% vs. 19%).

In terms of significant differences because of household profile:

- Younger respondents, those aged 18-34 (33%) and 35-60 (31%) were more likely to think that it would be very useful than those aged 61 or over (26%).
- Respondents of SEG AB were more likely than C1C2 to think it would be not at all useful (25% vs. 18%).

Respondents were asked what impact, if any, smart metering would have on their water usage; their responses are detailed in figure 7.4.

Figure 7.4 Impact on water usage of smart metering



Base: all respondents (1665)

Significant differences included:

- Customers who lived in a high bill area were more likely to think that it would make no difference to water usage (48% vs. 39%).

- Customers aged 61 or over (49%) were more likely to think to think that it would not make any difference to their water consumption than those aged 35-60 (42%) or 18-34 (30%).

- Households that comprised only of adults were more likely to think that it did not make any difference than those that comprised of adults and children (46% vs. 33%).

- Those in the Yorkshire Water and South West Water WASC area (both 21%) were more likely to think it would make them cut their water usage a lot than Anglian Water (9%), Southern Water (10%), and Thames Water customers.

8 Priority area profile

The views of customers in the 5 priority group areas were in some cases quite distinct from the views of the rest of the sample. This section summarises these findings.

People living in areas with higher than average levels of water metering

People living in areas with higher than average levels of water metering had statistically significant differences in views on the following issues, compared to people who lived in other areas.

They were:

- Less positive about the value for money they received (54% vs. 62%).
- Less likely to consider the rural/urban cross subsidy reasonable (42% vs. 50%).
- Less likely to consider the unmeasured cross subsidy reasonable (33% vs. 41%).
- Less likely to think it reasonable that households currently pay about an extra £1 per year in their bill to provide support for vulnerable customers via the current Watersure tariff (61% vs. 71%).
- More likely to reject any proposed increase from £1 in order to extend the tariff to help more groups of customers (62% vs. 51%).
- Less likely than those who lived in other areas to state that they paid a lot less for their water services since installing a meter (44% vs. 62%).
- More likely to think that metering is the fairest charging option (64% vs. 54%).
- Less likely to support the seasonal tariff (23% vs. 29%).

People living in areas with stretched water resources

People living in areas with stretched water resources had statistically significant differences in views to people who lived in areas with no water resource issues.

They were:

- More likely to think that the high rateable value, low use, low rateable value, high use cross subsidy was reasonable (44% vs. 36%).
- Less likely to state that they now paid a lot less for their water services since switching to a water meter (37% vs. 69%).
- Less supportive of introducing compulsory metering for certain areas with stretched water supply (35% vs. 42%).
- Less supportive of a rising block tariff (30% vs. 40%).
- Less supportive of a seasonal tariff (24% vs. 32%).

People living in areas of social deprivation

People living in areas with higher than average social deprivation had statistically significant differences in views to people who lived in other areas.

They were:

- Less likely to think that their water and sewerage services provided value for money (50% vs. 63%) and less likely to think that they were affordable (48% vs. 62%).
- More likely to think that they used less water as a result of moving to a metered water supply (60% vs. 42%).
- Less likely to think that compulsory metering was fair (34% vs. 45%) and more likely to think it was unfair (44% vs. 24%) They were also less likely to support it (31% vs. 42%) and more likely to oppose it (42% vs. 24%).
- Less likely to think that a rising block tariff was reasonable (34% vs. 51%). They were also less likely to support its introduction (22% vs. 36%) and more likely to oppose it (40% vs. 29%).

People living in areas with high water and sewerage bills

People living in areas with stretched water resources had statistically significant differences in views to people who lived in other areas.

They were:

- Less likely to think the high rateable value, low use, low rateable value, high use cross subsidy was reasonable (33% vs. 41%).
- More likely to reject any proposed increase from £1 in order to extend the tariff to help more groups of customers (61% vs. 52%).
- Less likely to think that using a water meter made them use less water (40% vs. 49%).
- More likely to have considered having a water meter installed (33% vs. 18%).
- More likely to think that water metering was the fairest system of charging (72% vs. 53%).
- More likely to support the trend of increasing water metering (75% vs. 54%).
- More likely to think that more information on their bills and new technology would make no difference to their water usage (50% vs. 41%, and 48% vs. 39%, respectively).

9 Profile

This section describes the profile of the respondents of the survey. Please note that this section presents **unweighted** figures, so describes those who were actually interviewed.

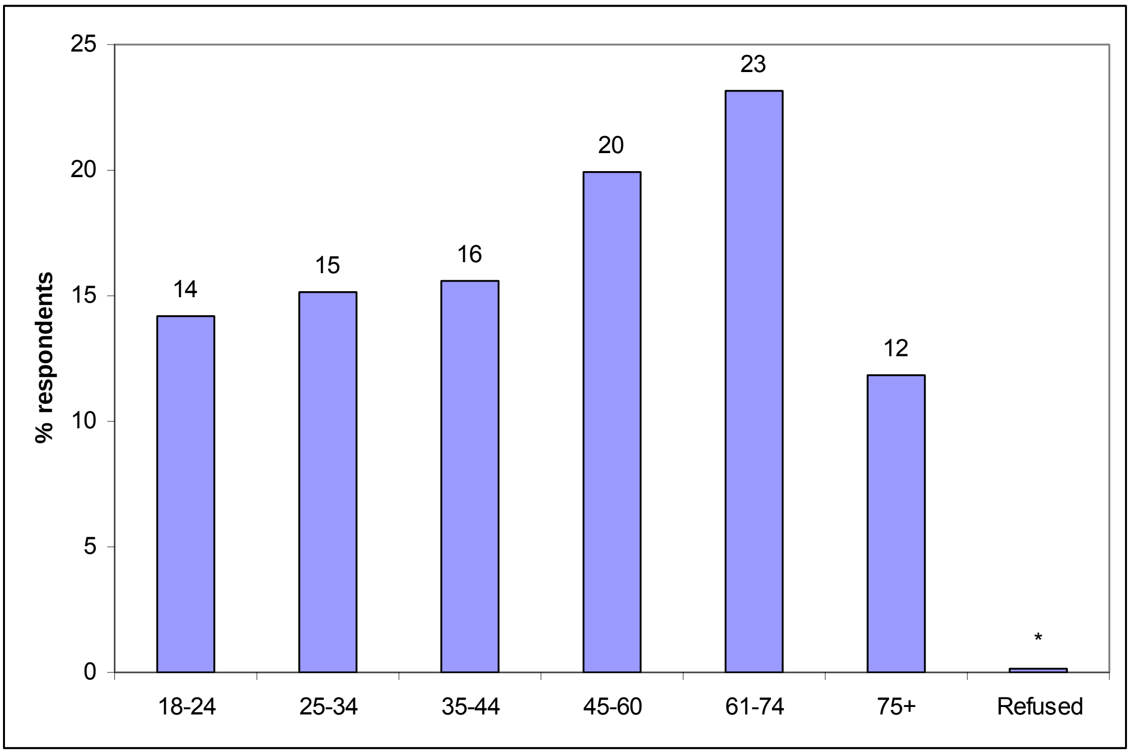
9.1 Gender

46% of respondents were male and 54% female.

9.2 Age

Figure 9.1 shows the age of respondents.

Figure 9.1 Age of respondents

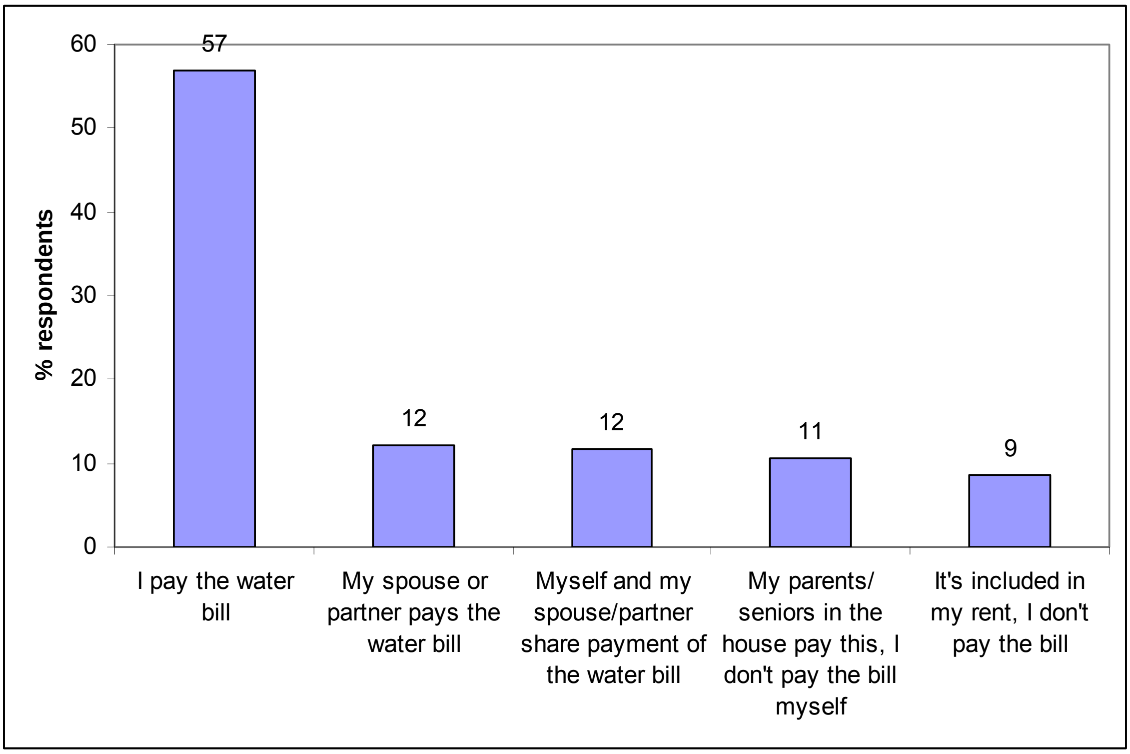


Base: all respondents (1665)

9.3 Bill payer

The research sought the views of current and future bill payers. Therefore all respondents were asked who paid their household bill; responses are shown in figure 9.2

Figure 9.2 Bill payer



Base: all respondents (1665)

9.4 Ethnicity

Respondents were asked what they considered their ethnic background to be; as shown in figure 9.3 most of those interviewed were White British (91%).

Figure 9.3 Ethnicity

Ethnicity	% of respondents
White: British	91
White: Irish	1
White: Any other White background	1
Mixed: White and Black Caribbean	1
Mixed: White and Black African	*
Mixed: White and Asian	1
Mixed: Any other Mixed background	*
Asian or Asian British: Indian	1
Asian or Asian British: Pakistani	1
Asian or Asian British: Bangladeshi	*
Asian or Asian British: Any other Asian background	*
Black or Black British: Caribbean	1
Black or Black British: African	1
Black or Black British: Any other Black background	*
Chinese	*
Other	1
Refused	*

Base: all respondents (1665)

9.5 Social Economic Group

Respondents were asked the occupation of the main income earner in their household. This information and follow up questions was used to classify the respondent's SEG.

Figure 9.4 SEG

SEG	% of respondents
A - Very senior managerial positions (large organisations) and professional occupations	2
B - Senior managerial; business owners. Middle management in large organisations	13
C1 - Small employers; junior management and other non-manual occupations	23
C2 - Lower supervisory and unskilled workers	20
D - Semi skilled and unskilled workers	15
E - Casual workers; unemployed and otherwise not working	22
Refused	4

Base: all respondents (1665)

Respondents were asked what the total annual income of their household was before tax. As income is a sensitive topic, a large percentage refused to answer this question (39%).

Figure 9.5 Household income

Income	% of respondents
Less than £10,000	19
£10,000 - £19,999	17
£20,000 - £29,999	12
£30,000 - £39,999	6
£40,000 - £49,999	3
£50,000 - £59,999	1
£60,000 or more	2
Don't know/refused	39

Base: all respondents (1665)

The respondents were asked what their main source of income was for their household. As shown in figure 9.6, for about half it was paid employment (48%).

Figure 9.6 Main source of income

Main source of income	% of respondents
Wholly from state benefits/state pensions	24
Partly from state benefits/state pensions	17
No state benefits/state pensions (apart from child benefit)	5
Paid employment	48
Don't know/refused	6

Base: all respondents (1665)

9.6 Tenure

Fifty nine percent lived in owner occupied and 14% privately rented property. Nineteen percent were council tenants and 7% were housing association tenants.

Appendix A – Questionnaire

Council Consumer for Water (CCWater) & Ofwat 94331

Charging for household water & sewerage services

Good morning/afternoon/evening. My name is … and I am from ORC International an independent research agency. We are conducting a survey about water and sewerage services, in particular looking at charging, on behalf of the Consumer Council for Water and Ofwat.

The survey length is 20 minutes. Would you be able to spare the time to take part? All your views will be strictly confidential.

INTERVIEWER TO WRITE IN LOCATION:

INTERVIEWER TO WRITE IN WATER ONLY COMPANY <u>OR</u> WATER & SEWERAGE COMPANY (PLEASE TAKE FROM MAP PROVIDED):

PLEASE TICK BOX BELOW IF INTERVIEWING IN DEPRIVED AREA (AS PER ALLOCATIONS):

Section A Background

DO NOT ASK

P1. Please record the gender of the respondent

		Route
Male	1	Check quotas
Female	2	

ASK ALL

P2. It's important that we interview a range of ages for this research. Before we begin can I ask which of the following age groups you fall into?
SHOWCARD A. SINGLE CODE

		Route
18-24	1	Check quotas
25-34	2	
35-44	3	
45-60	4	
61-74	5	
75+	6	
Refused	7	

ASK ALL

1a. Would you say that you live in an urban or rural area? **SINGLE CODE**

		Quota	***Route***
Urban	1	**Non rural**	Fill to area quota
Rural	2	**Rural**	
Suburban/semi rural	3	**Non rural**	

ASK ALL

1b. Can you tell me who in your household pays the water bill? **SINGLE CODE**

		Quota	*Route*
I pay the water bill	1	**Bill payer**	Fill to payment type quota
My spouse or partner pays the water bill	2		
Myself and my spouse/partner share payment of the water bill	3		
My parents/ seniors in the house pay this, I don't pay the bill myself	4	**Non bill payer**	
It's included in my rent, I don't pay the bill	5		
Don't know	99	**Thank & Close**	Thank & Close

ASK ALL

2. Do you or any member of your household work in:
READ OUT. SINGLE CODE

		Route
The water industry i.e. work for a water company	1	Thank & Close
A Consumer organisation e.g. Energy watch, Which?, Citizens Advice Bureau	2	Thank & Close
Market research	3	Thank & Close
None of the above	4	Go to Q3

Section B Bills and value for money

ASK ALL

3. Do you know which of the following, if any, your water and sewerage bill covers? **SHOWCARD B. MULTICODE OK**

		Route
Water metering - reading, maintenance, billing	1	
Supply of clean water, removal of dirty water and customer service	2	
Dealing with flooding in general	3	
Dealing with sewer flooding	4	
Drainage of rainwater from roads/ highways drainage	5	
Drainage of rainwater from the roof, paths & driveways/ surface water drainage	6	
Improving water quality in rivers and coastal bathing waters	7	
Maintaining pipes and treatment works	8	
Don't know	99	

ASK ALL

4. Roughly how much do you think your household bill is each year for water and sewerage services?
INTERVIEWER NOTE – IF RESPONDENT RECEIVES TWO BILLS IT'S THE COMBINED AMOUNT, THIS CAN BE THEIR BEST GUESS. THIS MAY DIFFER FROM HOW MUCH PEOPLE PAY BECAUSE OF BACK CHARGES. **SHOWCARD C. SINGLE CODE**

		Route
Less than £100 (30p a day)	1	Go to instructions at Q5
£100-£199 (40p a day)	2	
£200-£299 (70p a day)	3	
£300-£399 (95p a day)	4	
£400-£499 (£1.20 per day)	5	
£500-£599 (£1.50 per day)	6	
£600-£699 (£1.80 per day)	7	
£700 or more (£1.90 per day)	8	
Don't know/refused	99	Go to Q7

ASK BILL PAYERS (code 1 or 2 or 3 at Q1b), OTHERS GO TO INSTRUCTIONS AT Q6

5. Thinking about how much your bill is on a daily basis [INTERVIEWER TO PROMPT ON DAILY AMOUNT FROM PREVIOUS QUESTION], to what extent do you agree or disagree that water and sewerage services provide value for money? **SHOWCARD D. SINGLE CODE**

		Route
Strongly agree	1	Go to Q7
Agree	2	
Neither agree nor disagree	3	
Disagree	4	
Strongly disagree	5	
Don't know	99	

ASK NON BILL PAYERS (code 4 or 5 at Q1b), OTHERS GO TO Q7

6. To what extent do you agree or disagree that water and sewerage services in your area provide value for money? **SHOWCARD D. SINGLE CODE**

		Route
Strongly agree	1	
Agree	2	
Neither agree nor disagree	3	
Disagree	4	
Strongly disagree	5	
Don't know	99	

ASK ALL

7. Why do you say that? **DO NOT PROMPT. CODE ONTO LIST. MULTICODE OK**

		Route
Positive		
My bill is low	1	
Water quality is good	2	
Pipe maintenance is good	3	
Overall service provided by water company is good	4	
Customer service is good	5	
We take water for granted/ we can have constant water all the time	6	
Negative		
My bill is high	7	
Water quality is poor	8	
Pipe maintenance is poor	9	
Overall service provided by water company is poor	10	
Customer service is poor	11	
Water is free so why should I pay	12	
The bills have increased but my level of service is the same	13	
Drinking water tastes unpleasant	14	
High/ low levels of leakage from pipes	15	
Water bosses are paid too much	16	
Water company profits are too high	17	
Regional variation/ pay a lot more than other parts of the country	18	
Other (specify)	19	
Don’t know	99	

ASK BILL PAYERS (code 1 or 2 or 3 at Q1b), OTHERS SKIP TO Q9

8. How much do you agree or disagree that water and sewerage charges are affordable for you? **SHOWCARD D. SINGLE CODE**

		Route
Strongly agree	1	
Agree	2	
Neither agree nor disagree	3	
Disagree	4	
Strongly disagree	5	
Don’t know	99	

Section C Cross-Subsidies

There are currently a number of ways in which water bills for certain households are subsidised by other households.

PICTURE 1 (RURAL/URBAN SUBSIDY) – GIVE RESPONDENT TIME TO READ

One example is where customers living in urban areas subsidise the cost of water for customers living in rural areas who would otherwise pay more because they may live much further away from a water treatment works.

ASK ALL

9. To what extent do you feel that the principle of this cross subsidy is reasonable or not? **SHOWCARD E. SINGLE CODE**

		Route
Very reasonable	1	
Reasonable	2	
Neither reasonable nor unreasonable	3	
Unreasonable	4	
Very unreasonable	5	
Don't know	99	

PICTURE 2 (Rateable value) - GIVE RESPONDENT TIME TO READ

Another subsidy takes place between customers living in different sized households. This is only between unmetered households.

ASK ALL

10. To what extent do you feel that the principle of this cross subsidy is reasonable or not? **SHOWCARD E. SINGLE CODE**

		Route
Very reasonable	1	
Reasonable	2	
Neither reasonable nor unreasonable	3	
Unreasonable	4	
Very unreasonable	5	
Don't know	99	

Section D Social Tariffs – Ask All

PICTURE 3 – GIVE RESPONDENT TIME TO READ

ASK ALL

11. Were you aware that this sort of help was available? **SINGLE CODE**

		Route
Yes	1	
No	2	
Don't know	99	

ASK ALL

12. In principle, to what extent do you agree or disagree that Groups 1 and 2 should be helped by increasing other customers' bills? **SHOWCARD F. SINGLE CODE**

		Route
Strongly agree	1	
Agree	2	
Neither agree nor disagree	3	
Disagree	4	
Strongly disagree	5	
Don't know	99	

ASK ALL

13. To provide assistance to both these groups, all households currently pay about an extra £1 per year for their water. To what extent do you think this is reasonable or not? **SHOWCARD G. SINGLE CODE**

		Route
Very reasonable	1	
Reasonable	2	
Neither reasonable nor unreasonable	3	
Unreasonable	4	
Very unreasonable	5	
Don't know	99	

ASK ALL

14. And are there any other types of people that you think should be helped? **SHOWCARD H. MULTICODE OK**

		Route
Pensioners on fixed low income	1	
Low income households	2	
Single parents	3	
Disabled	4	
Large families (not just those on benefits)	5	
Single people on benefits	6	
Students	7	
Single person households	8	
Other (please specify)	9	
I don't think any other groups should be helped	10	
No groups should be helped, including groups 1 and 2	11	
Don't know	99	

ASK ALL

15. Currently customers pay an extra £1 each year on their bill to support Groups 1 and 2. **REFER TO PICTURE 3.** Would you find it acceptable for this charge to increase to [READ OUT AMOUNT] in order to extend help to other groups?

READ OUT EACH ONE AND CODE 1 FOR YES, 2 FOR NO AND 99 FOR DON'T KNOW. IF SAY NO AT ANY OPTION SKIP TO Q16.

IF RESPONDENT SAYS THEY DON'T WANT TO PAY ANY MORE THAN THE CURRENT £1, THEN CODE AS 97 AND SKIP TO Q16.

		Route
£2		
£5		
£10		
More than £10		
DO NOT READ OUT. SINGLE CODE Do nothing – I don't want to pay any more than the £1 that it already is	97	

ASK ALL

16. What ways, if any, aside from increasing water bills, would be better in order to support these households? **DO NOT PROMPT. MULTICODE OK**

		Route
Government help through benefits	1	
Payment to be made directly to water companies from Government	2	
Water companies should pay out of their profits	3	
Other (specify)	4	
No other ways, the current way is most appropriate	5	
Don't know	99	

Section E Use of Metering

ASK ALL

17. Do you know what your household bill is based on? **READ OUT. SINGLE CODE**

		Route
Meter/ how much you use	1	
Rateable value	2	
Council Tax	3	
Other	4	
Don't know	99	

PICTURE 4 - GIVE RESPONDENT TIME TO READ

Some customers' water bills are based on the rateable value of their house and they pay a fixed bill amount each year. Other customers' bills are based on a water meter and their bills are based on how much water they use.

ASK ALL

18. Thinking about water charging, of the following two options, which one do you think is fairest? **READ OUT CODES 1 AND 2. SINGLE CODE**

		Route
Charging based on rateable value of homes	1	
Charging based on how much people use (ie. based on a water meter)	2	
I think they are equally fair	3	
I think neither is fair	4	
Don't know	99	

Since 2005 all new build houses have had water meters fitted. Also, customer's can ask to switch to a meter if they don't already have one. This means that over time, more and more customers are having water meters and are paying for the amount of water they use.

ASK ALL

19. To what extent do you support or oppose the trend for increased water metering? **SHOWCARD I. SINGLE CODE**

		Route
Strongly support	1	
Support	2	
Neither support nor oppose	3	
Oppose	4	
Strongly oppose	5	
Don't know	99	

ASK IF RESPONDENT HAS WATER METER (CODE 1 AT Q17), OTHERS GO TO Q23

20. Which of the following best describes your situation? **SHOWCARD J. SINGLE CODE**

		Route
Moved to a house with a water meter already in it	1	**Q22**
Moved to a house and the water company put in a water meter	2	
In the same house, but I asked to be switched to a water meter	3	**Q21**
In the same house but the water company switched me over to a meter	4	
Other (specify)	5	**Q22**

ASK IF CODE 3 OR CODE 4 at Q20

21. What impact, if any, has switching to a water meter had on how much you pay for your water services? **SHOWCARD K. SINGLE CODE**

		Route
I pay a lot less	1	
I pay slightly less	2	
I pay about the same	3	
I pay slightly more	4	
I pay a lot more	5	
Don't know	99	

ASK IF RESPONDENT HAS WATER METER (CODE 1 AT Q17)

22. What effect, if any, has having a water meter had on the amount of water you use? **SHOWCARD L. SINGLE CODE**

		Route
I use a lot less	1	**Go to Q27**
I use a bit less	2	
I use about the same	3	
I use a bit more	4	
I use a lot more	5	
Don't know	99	

ASK IF RESPONDENT DOES NOT HAVE A WATER METER (CODE 2 OR 3 AT Q17), OTHERS GO TO INSTRUCTIONS BEFORE Q26

23. Have you considered switching to a metered water supply? **SINGLE CODE**

		Route
Yes	1	Go to Q24
No	2	Go to Q25

ASK IF RESPONDENT HAS CONSIDERED SWITCHING (CODE 1 AT Q23)

24. Why haven't you switched? **DO NOT PROMPT. CODE ONTO LIST. MULTICODE OK**

		Route
Haven't had time	1	**Go to Q26**
Decided it wouldn't make much difference to my bill	2	
Didn't want to pay to get the meter installed	3	
Couldn't fit the meter because of technical reasons	4	
Didn't want the inconvenience of the meter being installed	5	
Wanted to get more information before I decided to switch	6	
I thought my bill would go up	7	
I don't want to reduce how much I use	8	
Landlord/ council wouldn't let me	9	
Apathy	10	
If I decided to sell it may be a problem	11	
Not sure if I can (e.g have shared supply to flats)	12	
Other (specify)	13	

ASK IF RESPONDENT HAS NOT CONSIDERED SWITCHING (CODE 2 AT Q23)

25. Why haven't you considered switching? **DO NOT PROMPT. CODE ONTO LIST BELOW. MULTICODE OK**

		Route
I don't think it will make any difference to my bill	1	Go to Q26
Just not something I've thought about	2	
Don't know anything about it, would need information before deciding	3	
Think I'd end up paying more	4	
I don't agree with metering	5	
Wouldn't be able to have it removed in the future/ I won't be able to switch back	6	
I don't want to have to pay for the meter	7	
I don't want a meter	8	
I don't want to use less water	9	
I don't want the water company to know my usage	10	
I like having a set charge each year	11	
Not sure how much it would cost	12	
Have heard mixed reports about how much it would cost	13	
Not my responsibility/ decision	14	
Other (specify)	15	

ASK IF RESPONDENT DOES NOT HAVE A METER OR SAID DON'T KNOW (CODE 2 OR 3 OR 99 AT Q17), OTHERS GO TO Q27

26. And if you were obliged to have a water meter, how do you think it might affect you? **DO NOT READ OUT. CODE ONTO LIST. MULTICODE OK**

		Route
My bills would be higher	1	
I would have to pay for the meter to be installed	2	
It would be more inconvenient for me	3	
My bills would go up because I use a lot of water	4	
My bills would go up because the water company might/ would put metered prices up	5	
Might affect the value/ saleability of my property	6	
Might not have any choice where it was fitted	7	
I would feel as though I had to limit my use of water	8	
I wouldn't be able to change back	9	
I would feel I had to use less water	10	
I couldn't water my garden as much	11	
I wouldn't mind	12	
I would be pleased	13	
It would save me having to switch myself	14	
I don't think it would affect me	15	
Other (specify)	16	
Don't know	99	

PICTURE 5 – GIVE RESPONDENT TIME TO READ

ASK ALL

27. Overall, how fair or unfair do you think it is to meter customers where there are water resource problems? **SHOWCARD M. SINGLE CODE**

		Route
Very fair	1	
Fair	2	
Neither fair nor unfair	3	
Unfair	4	
Very unfair	5	
Don't know	99	

ASK ALL

28. To what extent would you support or oppose such a policy? **SHOWCARD N. SINGLE CODE**

		Route
Strongly support	1	
Support	2	
Neither support nor oppose	3	
Oppose	4	
Strongly oppose	5	
Don't know	99	

Section F Extension of metering/ alternative metered tariffs

I would now like to ask you about different types of metered tariffs. Again, this is not a way of increasing the money that water companies make. Their overall revenue will stay the same.

ASK ALL

PICTURE 6 – CURRENT TARIFF – ALLOW RESPONDENT TIME TO READ SHOWCARD BEFORE ASKING Q29.

29. Thinking about the current system, to what extent do you think this is reasonable or not? **SHOWCARD O. SINGLE CODE**

		Route
Very reasonable	1	
Reasonable	2	
Neither reasonable nor unreasonable	3	
Unreasonable	4	
Very unreasonable	5	
Don't know	99	

ASK ALL

PICTURE 7 – RISING BLOCK - ALLOW RESPONDENT TIME TO READ SHOWCARD BEFORE ASKING Q30.

30. Thinking about the rising block tariff, to what extent do you think this is reasonable or not? **SHOWCARD O. SINGLE CODE**

		Route
Very reasonable	1	
Reasonable	2	
Neither reasonable nor unreasonable	3	
Unreasonable	4	
Very unreasonable	5	
Don't know	99	

ASK ALL

PICTURE 8 – SUMMARY OF CURRENT TARIFF & RISING BLOCK

31. Do you support or oppose the introduction of this rising block tariff instead of the current one? **SHOWCARD P. SINGLE CODE**

		Route
Strongly support	1	
Support	2	
Neither support nor oppose	3	
Oppose	4	
Strongly oppose	5	
Don't know	99	

ASK ALL

32. Why do you say that? **WRITE IN. PROBE FULLY.**

		Route
Open (specify)	1	
Don't know	99	

ASK ALL

33. To what extent do you agree or disagree the Rising Block tariff would make you use less water? **SHOWCARD Q. SINGLE CODE**

		Route
Strongly agree	1	
Agree	2	
Neither agree nor disagree	3	
Disagree	4	
Strongly disagree	5	
Don't know	99	

ASK ALL

PICTURE 9 – SEASONAL TARIFF - ALLOW RESPONDENT TIME TO READ SHOWCARD BEFORE ASKING Q34.

34. Thinking about the seasonal tariff, to what extent do you think this is reasonable or not? **SHOWCARD R**

		Route
Very reasonable	1	
Reasonable	2	
Neither reasonable nor unreasonable	3	
Unreasonable	4	
Very unreasonable	5	
Don't know	99	

ASK ALL

PICTURE 10 - SUMMARY OF CURRENT TARIFF & SEASONAL TARIFF

35. Do you support or oppose the introduction of this seasonal tariff instead of the current one? **SHOWCARD S. SINGLE CODE**

		Route
Strongly support	1	
Support	2	
Neither support nor oppose	3	
Oppose	4	
Strongly oppose	5	
Don't know	99	

ASK ALL

36. Why do you say that? **WRITE IN. PROBE FULLY**

		Route
Open (specify)	1	
Don't know	99	

ASK ALL

37. To what extent do you agree or disagree the Seasonal tariff would make you use less water? **SHOWCARD T. SINGLE CODE**

		Route
Strongly agree	1	
Agree	2	
Neither agree nor disagree	3	
Disagree	4	
Strongly disagree	5	
Don't know	99	

NO QUESTION 38

Section G More information

More information can be provided on water bills such as pattern of water use over time or impact on the environment.

ASK ALL

39. How useful, if at all, do you think this information would be to consumers? **SHOWCARD U. SINGLE CODE**

		Route
Very useful	1	
Of some use	2	
Not at all useful	3	
Don't know	99	

ASK ALL

40. What impact, if any, do you think this information would have on your water usage? **SHOWCARD V. SINGLE CODE**

		Route
Would not make any difference	1	
Would cut my water consumption slightly	2	
Would cut my water consumption a lot	3	
Don't know	99	

PICTURE 11 – GIVE RESPONDENT TIME TO READ INFORMATION BEFORE ASKING Q41.

ASK ALL

41. How useful, if at all, do you think this information is to consumers? **SHOWCARD W. SINGLE CODE**

		Route
Very useful	1	
Of some use	2	
Not at all useful	3	
Don't know	99	

ASK ALL

42. What impact, if any, do you think this information on your wall would have on your water usage? **SHOWCARD X. SINGLE CODE**

		Route
Would not make any difference	1	
Would cut my water consumption slightly	2	
Would cut my water consumption a lot	3	
Don't know	99	

NO QUESTION 43

Section H Demographics

Lastly, I'd like to ask you some questions about yourself and your household. These are completely confidential..

NO QUESTION 44 OR 45

ASK ALL

46. How would you describe your ethnic background?
SHOWCARD Y. SINGLE CODE

		Route
White: British	1	
White: Irish	2	
White: Any other White background	3	
Mixed: White and Black Caribbean	4	
Mixed: White and Black African	5	
Mixed: White and Asian	6	
Mixed: Any other Mixed background	7	
Asian or Asian British: Indian	8	
Asian or Asian British: Pakistani	9	
Asian or Asian British: Bangladeshi	10	
Asian or Asian British: Any other Asian background	11	
Black or Black British: Caribbean	12	
Black or Black British: African	13	
Black or Black British: Any other Black background	14	
Chinese	15	
Other	16	
Refused	17	

ASK ALL

47. What is the occupation of the main income earner in your household? WRITE IN OCCUPATION AND PROBE SO THAT THE SEG CAN BE CLASSIFIED INTO ONE OF THE FOLLOWING GROUPINGS. **SINGLE CODE**

WRITE IN OCCUPATION ______________________________

		Route
A – Very senior managerial positions (large organisations) and professional occupations	1	
B – Senior managerial; business owners. Middle management in large organisations	2	
C1 – Small employers; junior management and other non-manual occupations	3	
C2 – Lower supervisory and skilled workers	4	
D – Semi skilled and unskilled workers	5	
E – Casual workers; unemployed and otherwise not working	6	
Refused	99	

ASK ALL

48. What is the total annual income of your household (before tax)? **SHOWCARD Z. SINGLE CODE**

		Route
Less than £10,000	1	
£10,000 - £19,999	2	
£20,000 – £29,999	3	
£30,000 - £39,999	4	
£40,000 - £49,999	5	
£50,000 - £59,999	6	
£60,000 or more	7	
Don't know/refused	99	

ASK ALL

49. May I ask which of the following best describes the main source of income for your household? **SHOWCARD AA. SINGLE CODE**

		Route
Wholly from state benefits/ state pensions	1	
Partly from state benefits/ state pensions	2	
No state benefits/ state pensions (apart from child benefit)	3	
Paid employment	4	
Don't know/ refused	99	

ASK ALL

50. What type of accommodation do you live in? **SHOWCARD AB. SINGLE CODE**

		Route
Owner occupied/ Leaseholder	1	
Private rental	2	
Council tenant	3	
Housing Association tenant	4	
Don't know/refused	99	

ASK ALL

51. Can you tell me how many adults aged 19 years or over are in your household?
WRITE IN

		Route
No adults 19+ yrs		

ASK ALL

52. Can you tell me how many children under the age of 19 years are in your household?
WRITE IN

		Route
No children under 19 yrs		

Thank you for your time. This survey was conducted on behalf of CCWater and Ofwat.

Declaration
I have completed this interview according to my instructions and within the MRS Code of Conduct to the best of my ability and declare that the respondent was previously unknown to me.
Signature: ________________________________

PLEASE RECORD

RESPONDENT NAME:	
DATE OF INTERVIEW:	
POSTCODE:	
TELEPHONE NO:	
INTERVIEWER ID:	
INTERVIEWER NAME:	

Appendix B – Showcards

SHOWCARD A

1	18-24
2	25-34
3	35-44
4	45-60
5	61-74
6	75+

SHOWCARD B

1	Water metering - reading, maintenance, billing
2	Supply of clean water, removal of dirty water and customer service
3	Dealing with flooding in general
4	Dealing with sewer flooding
5	Drainage of rainwater from roads/ highways drainage
6	Drainage of rainwater from the roof, paths & driveways/ surface water drainage
7	Improving water quality in rivers and coastal bathing waters
8	Maintaining pipes and treatment works

SHOWCARD C

1	Less than £100 (30p a day)
2	£100-£199 (40p a day)
3	£200-£299 (70p a day)
4	£300-£399 (95p a day)
5	£400-£499 (£1.20 per day)
6	£500-£599 (£1.50 per day)
7	£600-£699 (£1.80 per day)
8	£700 or more (£1.90 per day)

SHOWCARD D

1	Strongly agree
2	Agree
3	Neither agree nor disagree
4	Disagree
5	Strongly disagree

SHOWCARD E

1	Very reasonable
2	Reasonable
3	Neither reasonable nor unreasonable
4	Unreasonable
5	Very unreasonable

SHOWCARD F

1	Strongly agree
2	Agree
3	Neither agree nor disagree
4	Disagree
5	Strongly disagree

SHOWCARD G

1	Very reasonable
2	Reasonable
3	Neither reasonable nor unreasonable
4	Unreasonable
5	Very unreasonable

SHOWCARD H

1	Pensioners on fixed low income
2	Low income households
3	Single parents
4	Disabled
5	Large families (not just those on benefits)
6	Single people on benefits
7	Students
8	Single person households

SHOWCARD I

1	Strongly support
2	Support
3	Neither support nor oppose
4	Oppose
5	Strongly oppose

SHOWCARD J

1	Moved to a house with a water meter already in it
2	Moved to a house and the water company put in a water meter
3	In the same house, but I asked to be switched to a water meter
4	In the same house but the water company switched me over to a meter

SHOWCARD K

1	I pay a lot less
2	I pay slightly less
3	I pay about the same
4	I pay slightly more
5	I pay a lot more

SHOWCARD L

1	I use a lot less
2	I use a bit less
3	I use about the same
4	I use a bit more
5	I use a lot more

SHOWCARD M

1	Very fair
2	Fair
3	Neither fair nor unfair
4	Unfair
5	Very unfair

SHOWCARD N

1	Strongly support
2	Support
3	Neither support nor oppose
4	Oppose
5	Strongly oppose

SHOWCARD O

1	Very reasonable
2	Reasonable
3	Neither reasonable nor unreasonable
4	Unreasonable
5	Very unreasonable

SHOWCARD P

1	Strongly support
2	Support
3	Neither support nor oppose
4	Oppose
5	Strongly oppose

SHOWCARD Q

1	Strongly agree
2	Agree
3	Neither agree nor disagree
4	Disagree
5	Strongly disagree

SHOWCARD R

1	Very reasonable
2	Reasonable
3	Neither reasonable nor unreasonable
4	Unreasonable
5	Very unreasonable

SHOWCARD S

1	Strongly support
2	Support
3	Neither support nor oppose
4	Oppose
5	Strongly oppose

SHOWCARD T

1	Strongly agree
2	Agree
3	Neither agree nor disagree
4	Disagree
5	Strongly disagree

SHOWCARD U

1	Very useful
2	Of some use
3	Not at all useful

SHOWCARD V

1	Would not make any difference
2	Would cut my water consumption slightly
3	Would cut my water consumption a lot

SHOWCARD W

1	Very useful
2	Of some use
3	Not at all useful

SHOWCARD X

1	Would not make any difference
2	Would cut my water consumption slightly
3	Would cut my water consumption a lot

SHOWCARD Y

1	**White**: British
2	**White**: Irish
3	**White**: Any other White background
4	**Mixed**: White and Black Caribbean
5	**Mixed**: White and Black African
6	**Mixed**: White and Asian
7	**Mixed**: Any other Mixed background
8	**Asian or Asian British**: Indian
9	**Asian or Asian British**: Pakistani
10	**Asian or Asian British**: Bangladeshi
11	**Asian or Asian British**: Any other Asian background
12	**Black or Black British**: Caribbean
13	**Black or Black British**: African
14	**Black or Black British**: Any other Black background
15	**Chinese**
16	**Other**

SHOWCARD Z

1	Less than £10,000
2	£10,000 - £19,999
3	£20,000 – £29,999
4	£30,000 - £39,999
5	£40,000 - £49,999
6	£50,000 - £59,999
7	£60,000 or more

SHOWCARD AA

1	Wholly from state benefits/ state pensions
2	Partly from state benefits/ state pensions
3	No state benefits/ state pensions (apart from child benefit)
4	Paid employment

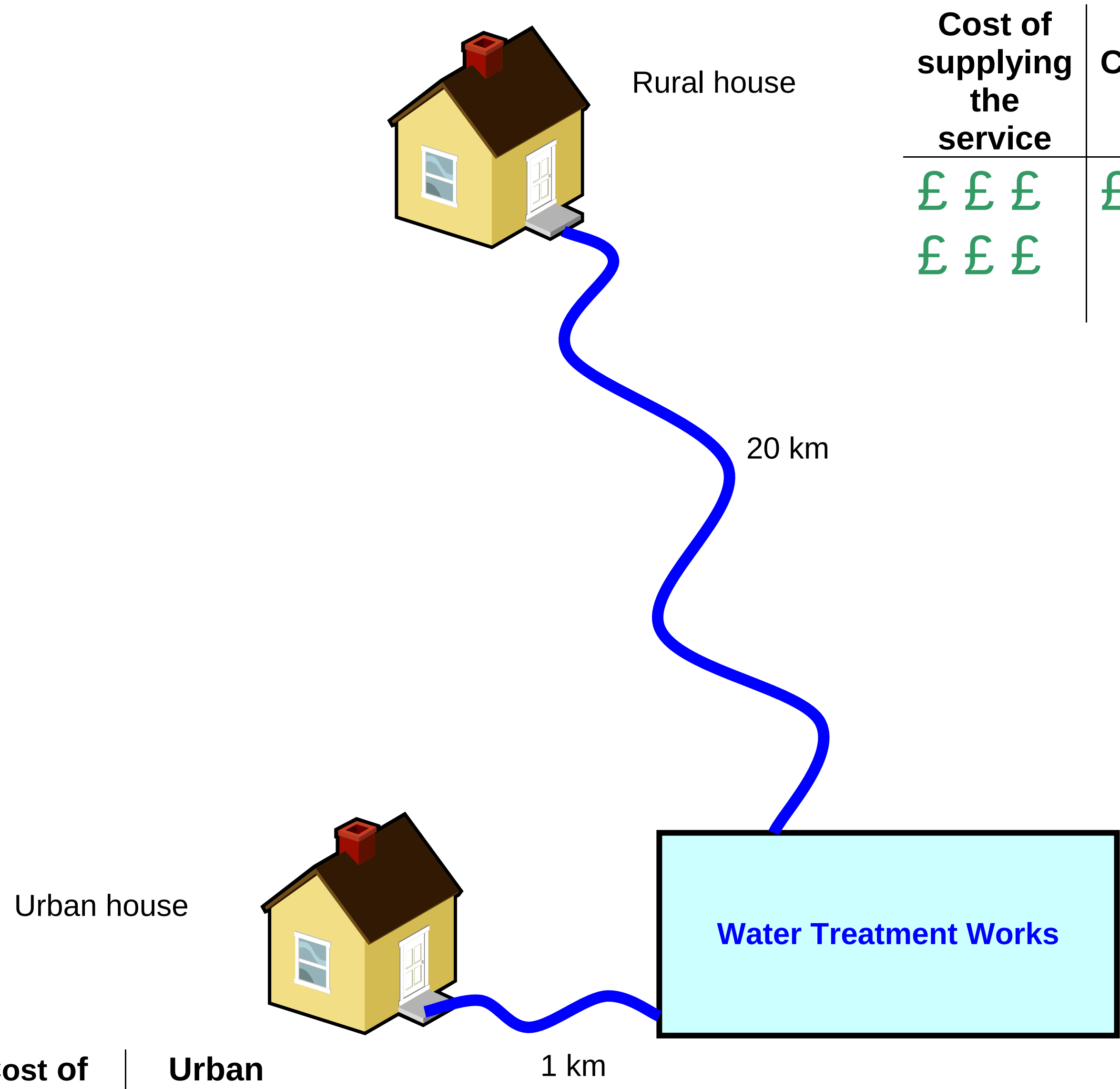
SHOWCARD AB

1	Owner occupied/ Leaseholder
2	Private rental
3	Council tenant
4	Housing Association tenant

Appendix C – Picture Showcards

PICTURE 1

Rural/Urban Subsidy

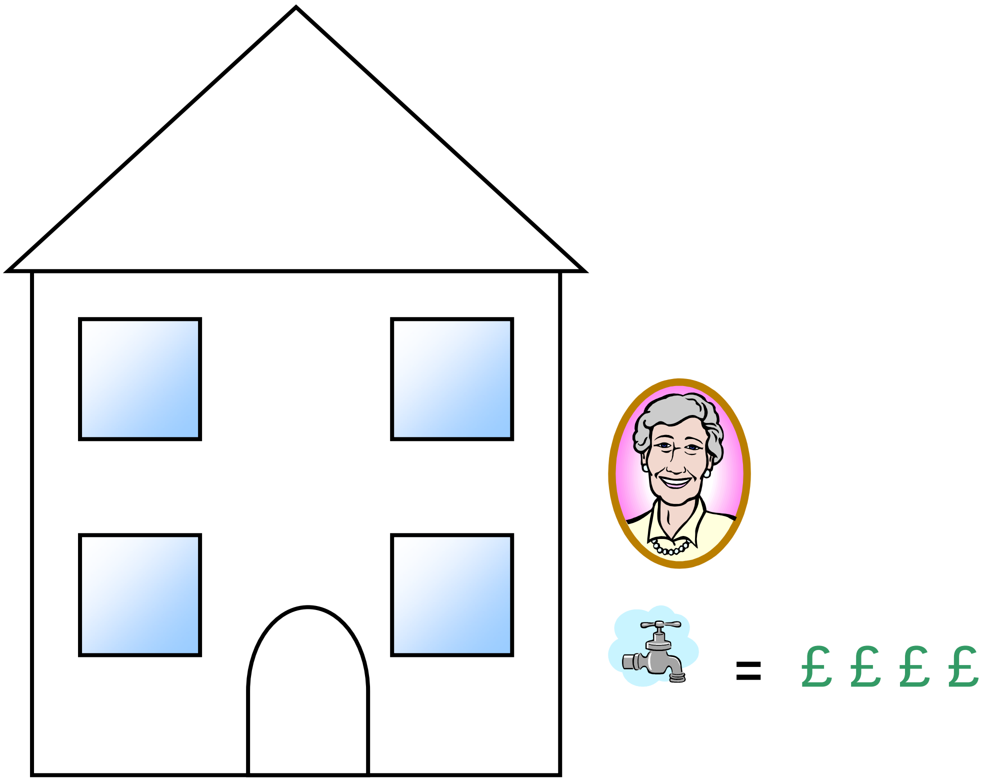


Cost of supplying the service	Rural Customer Pays
£ £ £ £ £ £	£ £

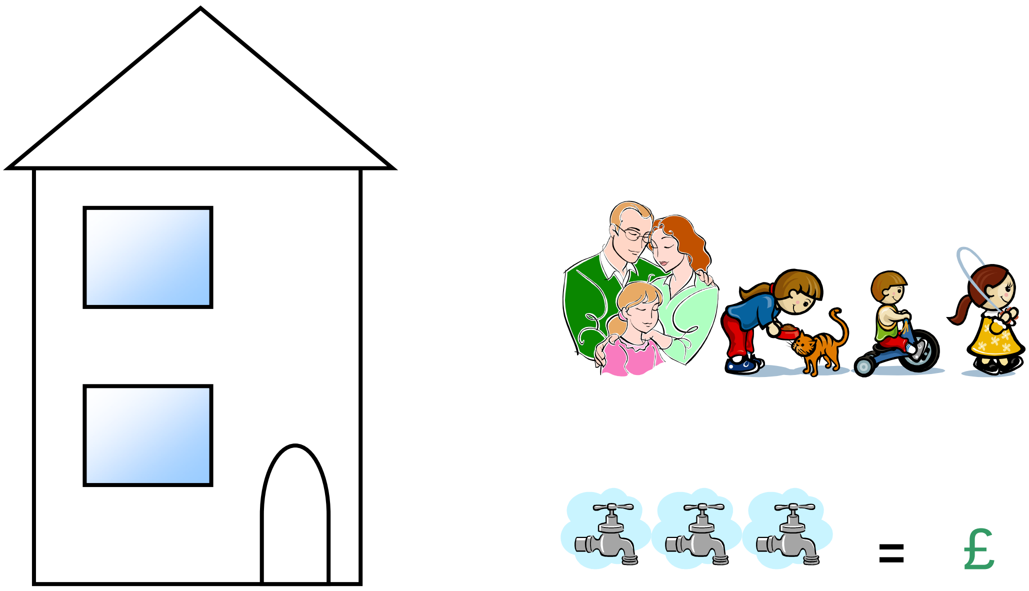
Cost of supplying the service	Urban Customer Pays
£	£ £

PICTURE 2 – Rateable Value

Subsidy between people living in different sized households



Single person, not using much water, living in a big, high rateable value house.



Family of 6, using a lot of water, living in a small, low rateable value house

PICTURE 3 – Social tariffs

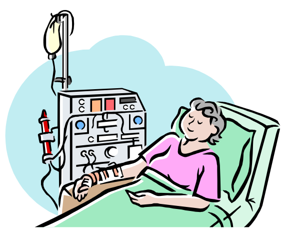
Some metered households are given help with their water and sewerage bills if their main source of income is benefits and they are in Group 1 or 2:

Group 1. Large households:

- **3 or more children under 19**

Or:
Group 2. Medical conditions:

- **Customer has a medical condition which means the customer has to use a lot of water**



Other households pay slightly more to give this help.

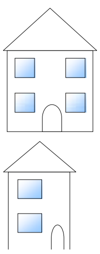
PICTURE 4

Bill

Rateable Value (RV)

Related to the rateable value of customers homes
(like rates before council tax)

Higher RV = Higher bill



= £££

= £

- The amount of water used doesn't effect the bill

Water meter

Related to how much water a customer uses

More water = higher bill

= £££

= £

- The more water is used the higher the bill
- The less water is used the lower the bill

PICTURE 5

- **In areas where there is not enough water, water companies can apply to move customers to a water meter**

- **This metering aims to reduce amount of water used by households**

  and

- **Helps keep costs to customers down (water companies don't have to invest in extra sources of water e.g new reservoirs as quickly)**

NOTE - This is not a way of increasing the amount of money water companies make, that remains the same

PICTURE 6 – CURRENT METERED TARIFF

Bill is made up of two parts added together:

1. **Fixed standing charge e.g. £20 a year**

- For meter reading, maintenance, sending bills etc.

2. **A charge for each unit of water used e.g. £1 per unit of water**

- The more units you use the higher your bill.
- The price for each unit of water is always the same, no matter how much water you use.

PICTURE 7 – RISING BLOCK

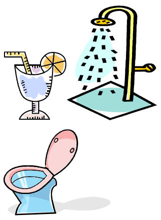
Made up of 2 parts:

1. First block charge

- The first block of water, up to a certain volume, is charged at a low rate per unit of water used
- The size of the first block is set so it covers essential use (ie: washing, toilet use, drinking water)

2. Second block charge

- The second block of water (any extra used over the first block level) will be charged at a higher cost per unit of water used

First block **Low cost** **(essential use)**	**+**	**Second block** **Higher cost** **(discretionary use)**	**=**	**Total bill**
	**+**		**=**	
£		**£££**		**££££**

PICTURE 8

Current metered tariff

Fixed standing charge + Variable charge = Total bill

Rising block tariff

First block **Low cost** **(essential use)**	**+**	**Second block** **Higher cost** **(discretionary use)**	**=**	**Total bill**
	**+**		**=**	
£		**£££**		**££££**

PICTURE 9 - Seasonal Tariff

No fixed standing charge.

Bill is made up of two charges added together:

1. **Units of water used in winter (‘off peak’) are charged at a low rate e.g between October and May (wetter months).**

2. **Units of water used in summer (‘peak’) are charged at a higher rate e.g between June and September (drier months).**

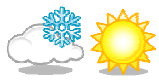
PICTURE 10

Current metered tariff

Fixed standing charge + Variable charge = Total bill

Seasonal tariff

Winter + Summer = Total bill
(low cost x 8 months) (high cost x 4 months)

 +  = 

PICTURE 11

- **New technology could give you real-time information**

- **Could have a monitor on your wall displaying this information**

You have used: **56 units**

The cost is: **£123.54**

The CO2 level is: **2.3 tonnes**

With current usage you will move to a higher charge in 4 days

You have used more than average this week

Disadvantages:

- **It would cost water companies to introduce this new technology**

- **The costs would be passed on to metered customers in their bills**