

## Note of PR24 collaborative customer research steering group(s) meeting

8 August 2022

### 1. Actions from last meeting

The steering group(s)' action log was shared with the meeting papers and outstanding actions outlined at the meeting. These included ongoing actions for companies to contact CCW/Ofwat with any queries and for companies to submit information and ideas relating to their plans for affordability and acceptability testing at PR24.

### 2. ODI rates research: Update

Both the household and non-household surveys are now in the field. The household survey is almost complete and there has been a good response rate in relation to the PAF survey. The non-household survey launch was delayed to ensure that the sample was of a high quality. However, this is not causing any concerns in relation to completing the project on time due to the mixed mode approach and the ability to sequence the analysis and modelling.

The mapping project will be progressed over the next two months, and Ofwat are currently contracting for the analysis and modelling work. Companies will be asked to provide information for the mapping part of the project over the next few weeks. In the meeting companies and regional groups asked that requests for information take into consideration the number of other requests being made, and other company priorities at the present time.

**Action:** Ofwat to consider the timing/volume of information requests in line with the other responsibilities of companies at this time.

The following questions were raised at the meeting:

Question	Response
Is anything being seen in the findings as a result of the current water situation/TUBs?	It's too early to tell at this point but the context would need to be considered at the analysis stage.
How many non-household customers will be surveyed?	Each company will have sample of 200, but some have boosted. In total there will be circa 4,000 NHH participants.
When will the ODI rates be published and what will the outputs be used for?	Provisional ODI rates will be made available as soon as possible, the aim is that this will be by the end of December, although this may be a staggered delivery due to the complexity of some of the mapping.  The estimates of ODI rates will be suitable for ODI rates setting, but may be used wider in business planning. There is still the expectation that companies will need to do separate research on bespoke ODIs.
Will the approach to mapping and triangulation be shared with companies?	Yes, we want to be as transparent as we can be.

Will ODI rates be weighted to company size?	There will be formal statistical testing to understand if any of the difference between companies are significant.
Will CCW's triangulation guidance be taken into account?	Yes, and CCW and Ofwat are working very closely on all aspects of this project.

### 3. Affordability and Acceptability Testing

CCW recapped that the purpose of this work was to find a common and comparable approach to affordability and acceptability testing of business plans in a way that could be adapted for the draft determinations.

Three experts are on board with the project (Emma Partridge, Nick Moon and Michael Green) and all have signed confidentiality agreements. We also have call off support from Savanta and Yonder for testing of materials.

CCW and Ofwat outlined that there were many areas that needed to be considered as part of the project. These were expanded on within the discussion.

The earlier request for information on affordability and acceptability testing uncovered some common practices and some areas for development such as customers gaining a full understanding of the business plan they are being asked about, how inflation is treated in the testing and how good practice in terms of co-creation and cognitive testing could be implemented. CCW and Ofwat repeated thanks to all companies that responded and supplied information.

The approach will be agile but the key questions will be:

- How can we measure affordability and acceptability?
- What is the best way to use both qualitative and quantitative research?
- How can we design more engaging materials?

The following questions were asked during the meeting:

Question	Response
Is the team considering the potential implications of a company having a poor reputation currently?	Yes – the team has identified the question of whether information about current performance/context should influence the research approach. Ofwat/CCW will include 'company reputation' in the list of considerations.
Will the project consider intergenerational fairness?	Yes, this is one of the considerations.
The Water UK CEPA report may add value to the analysis.	Thank you, we are aware of this.

### 4. Any other business

The group discussed the role of Independent Challenge Groups and the Challenge Co-Ordination Group (COG) as well as the assessment of independent challenge that CCW are conducting.

## 5. Next steps

The ODI rates research phase two report will be shared in August.

The modelling and analysis contract will be in place this month.

The draft methodology consultation closes at 5pm on 7 September 2022.

The next meeting will be on 12 September 2022.