

Affordability and Acceptability Guidance queries and responses – 27 April 2023

We published our [Guidance for water companies: testing customers' views of the acceptability and affordability of PR24 business plans](#) and also [Guidance for water companies - Principles for setting out comparative company performance data](#) (the Guidance) for the PR24 price review in December 2022.

At the PR24 Collaborative customer research steering group, Ofwat and CCW stated that a queries process would be run specifically for questions regarding the Guidance. Where a query is raised, which may be relevant to other companies, Ofwat and CCW will publish it.

Note: there is a separate process - [PR24 Final Methodology Questions](#) - for queries and responses relating to the PR24 final methodology.

The following table shows a record of the queries and responses processed up to the 27 April 2023. We will update this document regularly.

Ofwat ref.	Topic	Query	Response
1	Assurance	If an ICG agrees with a change to the guidance set out by the company, does this mean that the variation from the guidance would be accepted by CCW and Ofwat? How do companies know that they are making the right decisions?	ICGs can be asked to sense check decisions, but that doesn't guarantee that they will be accepted by Ofwat. Companies need to use discretion but need to be accountable for their decisions. Touch points have been built into the ongoing engagement plan to allow discussion on 'sticking' points and learn from others.
2	Affordability/Qual	Several questions on the theme of the approach to the proposed single water affordability scheme removed as no longer applicable	The approach to including social tariff schemes in bill profiles has been redrafted on P. 15.
3	Qual	For face-to-face research, is it OK to email geographic areas to gain the sample?	Yes, but may need follow up recruitment (random, but within a defined area).
4	Quant	Can companies change the wording of the questions within the quantitative research, as long as the sentiment of the question remains the same?	There is no flexibility within the prescribed questions for change, but the prescribed content does allow for this.
5	Qual	How many enhancements can a WASC include?	A maximum of six (across both sets of services).
6	Quant	<p>Re: clarification over data collection methods for the quantitative research phase.</p> <p>We fully support the requirement to contact a representative sample of our customer base, include those whom we do not hold emails addresses for. At the same time, we are looking to be as cost-efficient as possible, and reduce our carbon footprint, through minimising paper.</p> <p>We potentially have an opportunity to align the timings of our quantitative AAT with our yearly billing cycle and were wondering whether including the initial contact letter either as</p>	<p>Cost-efficiency and reduction of carbon footprint are both objectives that we support and we see no reason why your proposal would be inconsistent with the guidance.</p> <p>The caveat to this is that if the yearly billing cycle is for unmetered customers only, provision must also be made to include metered customers for the initial contact letter as well.</p>

		an ‘on-ert’ or ‘in-ert’ to the bill would meet the requirements of the AAT guidance.	
7	Qual	I’m not clear from the guidance if for the Qualitative research we need to be providing indicative bill impacts to inform these discussions. I appreciate we need to provide a one-page summary of the proposed business plan and what we are intending to include in there but I’m just unclear on the level of detail. This will help me to think about the best time to run this activity based on when we have this information available.	The qualitative research needs to include indicative bill amounts for each version of the plan shown in order for people to consider affordability and the implications of different phasing options on bills.
8	Qual/Quant	Should customers who have taken part in other water company research be included in the customer lists for sampling?	Yes – samples should be as inclusive as possible.
9	Qual/Quant	Should customers who have opted out of marketing communications be excluded from customer lists?	Yes - if the wording of the ‘opt out’ question specifically mentions market research. If it is more general, and only refers to marketing communications or similar, this does not specially cover market research.
10	Qual/Quant	Should all customers be contacted or a sub-set of them?	Contact a random sample sufficient to achieve the research purpose. It would be disproportionate to contact the whole customer base at the start, unless there is good reason to think this would be necessary to achieve the required sample size (i.e. the customer base is very small).
11	Assurance	Are companies expected to test materials and cognitive load working with their ICGs?	Yes – to make sure the information makes sense in terms of cognitive load.
12	Qual	What about the amount of information that could be shown, in terms of whole range of things to show people?	The Guidance is to focus on the 6 common PCs (6 for WaSCs, 3 for WoCs) plus up to 6 enhancements where customers have choices about phasing of the delivery of services and bill impacts over the longer term. The aim of this to limit the amount of information people see to a set of core services which are known to reflect customer priorities, plus things that customers can influence in the research. Performance data for the 6 PCs is

			published on CCW’s website. The Guidance is that the performance data shown to research participants would reflect recent service performance.
13	Qual	There are some survey style questions at end of the qualitative research. Should these be asked for each plan or do they cover everything?	They should be asked for each version of the business plan that has been shown to them.
14	Quant	<p>Re: recruitment of the sample</p> <p>Do we need to draw a random sample of customers from our systems pulling out the various data fields needed for each customer. For any customers that we have an email address for in the sample, we will email them about the survey. Any that don’t have an email will be sent a letter. So the engagement type (email or letter) naturally falls out of the data set that’s been randomly chosen?</p> <p>It’s far more cost effective to recruit from customer lists by engaging with the customer using an email rather than a letter we could, for example, select our random sample from those where we have email addresses or we could set a minimum quota to achieve for letters but both would mean the sample is skewed to those who have an email account.</p>	The approach should support a random sample, so the mode of contact therefore falls out of the randomly selected sample.
15	General/Qual/ Quant	<ol style="list-style-type: none"> 1. We are proposing to conduct a ‘light’ version of AAT test in February to provide early engagement on the proposed plan. This will be in line with the guidance document as far as possible, but may use different sampling methods and reduced sample sizes to allow for a quicker turnaround of results. Companies would not have sufficient time to conduct Affordability and Acceptability testing (AAT) twice in line with the guidance proposed. The feedback from this test would be used to inform the next iteration of the plan which would be tested in full in 	<ol style="list-style-type: none"> 1. It is important that your proposed approach is developed according to your independent assurance arrangements (e.g. working with your ICG) so that scrutiny and challenge (were necessary) can be provided. The Guidance requires that at least one full round of testing is conducted, and your wider approach would meet this. 2. As stated in above, in regard to your proposed approach, Ofwat/CCW suggest that you work with your independent assurance party to develop your approach to testing.

		<p>line with the guidance in the summer. We expect this version of the plan to be more stable for full testing.</p> <ol style="list-style-type: none"> 2. We are aware that this approach is different from a number of other companies and so would like to understand Ofwat/ CCW views on the proposed approach. 3. In the quantitative survey, would we ask the question set prescribed for the least cost/ must do plan and then repeat this for the proposed plan? And would there be a one-pager for both the least cost/ must do plan and the proposed plan or just the proposed plan? 4. In terms of phasing options, are we expected to omit any that are not judged feasible due to statutory compliance and/or financing constraints? E.g. a flat bill profile for the next AMP? Would we look to replace infeasible profile options with an alternative or simply remove the option? 5. Based on latest agency feedback it is possible that overall research costs may substantially exceed comparable PR19 research. Given the extensive nature of the testing, are there any cost saving approaches or measures you have discussed with other companies or would otherwise be supportive of companies taking in carrying out the research? 	<ol style="list-style-type: none"> 3. The Guidance for the quantitative survey is that only the company’s proposed plan is tested, supported by (ideally) a one page summary for easy reference, with the option to add ‘information’ screens to expand on specific services in the high level summary. 4. If there are different bill profiles, reflecting realistic choices which can be delivered for customers, then these should be tested. If there is little flexibility about bill profiles, it may not be worth testing them as customers have little influence/they cannot be delivered. The decision around this should be discussed with the ICG or equivalent. 5. We regard the approach as comprehensive, rather than extensive. We have discussed with a company sending out survey invitations with other correspondence to save costs. The Guidance has been developed to allow for scaling for smaller companies, and to recognise some of the challenges around sampling and recruitment. Where companies share ways of managing costs we are happy to share with these with the industry, as they arise.
16	Quant	<p>Re: conducting quantitative research between a WaSC and a WoC(s)</p> <ol style="list-style-type: none"> 1. Please provide clarification on which future bill profile we should present to customers in quant research for a WoC <p>The guidance on P9 states:</p> <p>For water only companies we expect them, as a minimum, to:</p> <ul style="list-style-type: none"> • Conduct research with customers in all areas except those where the wastewater provider supplies less than 10% of the WoCs' overall household customer base 	<p>Your questions highlight an inconsistency in the Guidance between the section on research conducted by 'WoCs' and that headed 'Joint Procurement Option' below it. In answer to your questions:</p> <ol style="list-style-type: none"> 1. For affordability, the whole bill should be tested. The questionnaire appendix refers to ' [water/water and sewerage/sewerage]' because there are some circumstances, referred to elsewhere in the Guidance such as separate billing, where single service affordability testing is appropriate

	<ul style="list-style-type: none"> • Test the affordability of the combined bill impact of proposed water and wastewater provider plan • Test the acceptability of the WoCs proposed business plan (ie covering water services only) <p>This suggests to us that in all cases the future bill amount (the chart at question 5 in the quantitative questionnaire) must be for the total water + sewerage bill 2025-30.</p> <p>However, in the quantitative questionnaire appendix [Appendix F), the guidance states (in the introduction to Q5):</p> <p><i>"The next set of questions are about proposed changes to your [water/water and sewerage/sewerage] bill for the years 2025-2030. The chart below shows these changes. It also shows how inflation may impact on your bill, based on the Bank of England's inflation forecasts."</i></p> <p>This suggests that you can ask about the water only or sewerage only future bill, rather than the total water and sewerage future bill. Please can you clarify?</p> <p>2. Is it acceptable to extend the quantitative questionnaire so it covers a) the water only future bill & plan, b) the sewerage only future bill & plan, and c) the total combined future bill?</p> <p>The guidance on P11 states:</p> <p>Companies that share customers are welcome to explore the potential for a joint procurement exercise, where the plan for water services and proposed costs, and the plan for wastewater services and proposed costs are shown to participants, along with an overall plan... This approach</p>	<p>2. Affordability testing for the water only future bills and wastewater only future bills can be tested, but only as additional questions at the end of the questionnaire. Where research is jointly commissioned it makes sense for the combined business plans to be tested first and then the individual plans separately.</p> <p>3. The ordering is Q1 to Q8b based on joint bills and plans, then 7a -8b for an individual plan and 7a-8b again for the other individual plan (the order of the plans, ideally, to be rotated). Affordability of separate bills, if conducted, should be asked at the end of the survey.</p> <p>The rationale throughout is that the customer perspective takes precedence over the company perspective. We will issue an amendment to the guidance to rectify this. In the Guidance the replacement paragraphs will be:</p> <p><i>"This approach would need to ask about the affordability of the whole bill impact and the acceptability of the combined plan before testing the acceptability of the water and wastewater plans individually. Consideration should be given as to whether the water and wastewater plans, when shown individually (after the combined plan), should be rotated across the sample. Affordability testing can, optionally, be conducted on individual service bill impacts, but only as an addition at the end of the research."</i></p> <p><i>For this approach to work, the timings in terms of when business plan information is available for testing need to align. Consideration should be given to how the findings will be reported in respect to views on the whole plan,</i></p>
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		<p>would need to ask about the affordability and acceptability of the water and wastewater plans individually, before considering the whole. The order in which each is presented may also need to change across the sample.</p> <p>Please can you confirm if this applies to the quantitative questionnaire? At the moment it is not explicit in the questionnaire outline in the appendix if this is possible?</p> <p>3. If it is acceptable to extend the quantitative questionnaire as per point 2 above, what should the order of questioning be?</p> <p>We would envisage that the questionnaire would need to be in the following order, but we note that this would change the context for ‘total bill affordability’ as respondents will have already seen the constituent parts of the total bill and the summary of the plans, before answering this question. Please can you confirm if this order would be acceptable within the guidance? Also please confirm if there is any requirement to ask total combined plan acceptability questions in the event that we ask both component parts individually?</p>	<p><i>and views on individual water and wastewater plans, so that sensitive business plan information is not made available to other water and wastewater companies.</i></p> <p><i>The same principles apply if companies conduct joint qualitative research i.e. views on affordability and acceptability of whole plans, followed by views on water and wastewater acceptability (and, as above, optionally on affordability). The research and reporting process must ensure that business plan information is not visible/shared across different water and wastewater companies."</i></p>
17	Qual	Where can companies find information on company targets?	<p>Company targets for 2020-25 can be found in Ofwat’s ‘Water company performance report: 2021-22’ (previously known as the Service Delivery Report) which covers 12 of the common Performance Commitments. Report and data available at: Water Company Performance Report 2021-22 - Ofwat</p> <p>Targets for the additional PCs can be gathered from company APRs. We are currently exploring if these can be collated centrally for companies to use.</p>

18	Qual	Should water quality contacts be based on per 10,000 or per 1,000?	Drinking water quality contacts should be based on per 1,000.
19	Qual	Should WASCs show all companies comparative information for water measures?	Yes - this will ensure consistency across all of the companies testing these areas.
20	Qual	Should companies be using supply interruptions for 3-6 hours, or anything over 3 hours?	The PC measure for water supply interruptions is any interruption that is longer than 3 hours. The Guidance has been amended accordingly.
21	Quant	Should the NHH survey include a question on the financial situation, or is this just for the HH survey?	<p>The survey questionnaire (Appendix F of the Guidance) has financial situation questions (Q1, Q2 and Q3) which should be asked of household and non-household customers. In regard to including these questions in the NHH customer survey, we have identified an error which only directs Q1 and Q2 to HH customers. This has now been amended in the Guidance (Appendix F) to the following:</p> <p>Q1. Thinking about your [HH: household's/NHH: organisation's] finances over the last year, how often, if at all, [HH: have you/NHH: has your organisation] struggled to pay at least one of [HH: your household bills/NHH: its bills]?</p> <p>Q2. Overall, how well would you say [HH: you are/NHH: your organisation is] managing financially now?</p> <p>The first response code will need to be changed to reflect response options for HH and NHH customer respectively: [HH: Living comfortably/NHH: Doing well]</p>
22	Qual/Quant	What is the expectation for sending out invites to take part in the research in other languages?	Companies need to demonstrate how this has been considered. Their own customer intelligence and evidence may suggest some areas where it could be appropriate to send out translated invites, although the approach should be proportionate. Another option could

			be to add a sentence to the invites, offering the survey in other languages if people request it.
23	Qual	The guidance says that phasing for up to six enhancements should be tested. This may not cover all of the options for longer term phasing. Can a handful of indicative enhancements be used to guide the recommendations?	<p>We can see the sentiment behind this suggestion, for example, in principle do people want to pay for enhancements or defer given current cost of living. However this approach may mean that people do not have sight of service choices that would be important to them, and that they may wish to prioritise.</p> <p>We suggest that a prioritisation across different service enhancements is established to understand how different principles would apply to them.</p>
24	Qual	<p>We are hoping you will be able to clarify a point on leakage which we've found a difference between the main doc guidance and the guidance on presenting comparison data.</p> <p>For the Leakage measure the main guidance states to show the measure as Per Property but the guidance with graph options shows it in Mega Litres. We'd be grateful if you could confirm which we should use please.</p>	<p>Stimulus should show leakage at per property per day.</p> <p>The text in the Guidance which refers to showing leakage per property for comparative data overrides the text in the Guidance for principles for setting out comparative company performance data. CCW/Ofwat discussed how leakage performance data should be shown at length and concluded that a per property measure is more relatable for customers than mega litres a day.</p>
25	Assurance	<p>Would it be appropriate and / or possible to share with yourselves [Ofwat and CCW] for a review of the information we've used [in running a pilot]?</p> <p>For the official test, we will be getting the process externally assured – but an early sight would be useful for any red flags or issues you might see? It might also help, as there might be things you spot that could be useful to share with other companies.</p>	<p>At this stage, it would not be appropriate for Ofwat or CCW to undertake a review. Instead, your independent assurance arrangements (e.g. ICG) should be engaged to provide feedback, if not already.</p> <p>But if there are specific areas, such as a technical issue relating to the Guidance which requires clarification, or if there are areas of testing which raise issues about successfully conducting the research, then these should be raised with Ofwat and CCW.</p>
26	Qual	On page 39 which includes definitions to used in the Acceptability testing – it talks about supply interruptions. However, in the table it says it's for between 3 and 6 hours –	Companies should use anything over 3 hours as per the performance commitment (PC) measure. The PC measure for water supply interruptions is any interruption that is

		where as I think the measure we're meant to use is greater than 3 hours ... and can go a lot higher than 6 hours?	longer for 3 hours. The Guidance has been amended accordingly.
27	Qual	<p>I am working through the AAT guidance again and looking at the minimum sample sizes on page 17 for a WaSc. Am I right to be reading it like this:</p> <p>Option 1 – We include 8 future customers and those with vulnerabilities (8+8) within the main deliberative discussions, which will then include 64 people (the upper number in the table) plus 24 NHH customers through depths and workshops? So this gives a sample of 88 in total?</p> <p>Option 2 – We include the lower number in the table (48 HHs) in my deliberative discussions plus separate fieldwork for my 8 future customers and those with vulnerabilities (8+8), plus my 24 NHH customers giving me a sample of 96 in total?</p> <p>I'm confused by how you get to a minimum of 98 customers in total.</p>	Table 1 in Version 1.1 of the Guidance has been amended to clarify the sample sizes and sample range.
28	Qual	On page 9 of the guidance there is suggested text for the statutory programmes on WINEP/ WRMP, DWMP and Storm Overflows. There is also information companies have to insert on the bill impact of these. Can I check if the bill impacts included here should be displayed with or without inflation?	Yes, this should include inflation.
29	Qual	The guidance has the elements for the prescribed pre-task – list of content A-I. Is that list also a prescribed order that we have to show the content in or can we change the order of content so long as all that content is in the pre task?	Companies may set the pre-task content out in a different order to the Guidance. People must be given access to this information in advance of discussions/depths, either in paper, online or other format if applicable. It is possible that the format may in any case, allow people to go through the order of the information as suits them. However, where companies set it out in a different order to the Guidance, it is good practice to discuss the rationale

			for this with the ICG or equivalent, so that the rationale for this is understood.
30	Qual	We are currently out in our region doing public consultation and have held a stakeholder event. We're also about to publish the materials from that public consultation on our website. This includes indicative bills albeit linked to our initial draft plan. With that in mind our own lawyer is more relaxed about the joint research as anyonecould get hold of information simply by going onto our website. We're minded therefore to ask the research agency to relax a little which will make the research easier to navigate for all parties.	If the information that your research agency is working with across each company, and that research participants will see in the qual and/or quant is already in the public domain in its entirety, then there is no need to prevent this company data being visible between companies for this research. CCW/Ofwat are not in a position to say what the legal risk would be if this is relaxed but would advise that where the information is not in the public domain, steps should be taken so this is not visible between companies
31	Qual	I notice that you have updated the description of the supply interruptions PC on P.39, P.52 and P.69. However, I notice that it is still described as “unplanned” water supply interruptions, whereas the common industry measure on supply interruptions makes no distinction between planned and unplanned supply interruptions. I just wanted to check that we should use the common industry measure prescribed by Ofwat here. It might be something to update in the next version.	The measure covers both planned and unplanned interruptions i.e. it is the common industry measure. Version 1.1 of the Guidance has been amended to refer to Water supply interruptions >3 hours.
Update added 27.04.23 below			
32	Qual	How much of a deviation the companies can make [from the Guidance] and, if they were to make these changes, would the feedback from CCW/Ofwat be negative? Possible changes from the Guidance based on cognitive testing are [specific examples]: • Re-ordering ‘D. A high-level explanation of what the water company does’ to come before ‘C. An explanation of the role of research with customers in PR24’ – this change was made in order to keep all the slides about what Welsh Water do running consecutively rather than jumping to the role of research and then back to what Welsh Water do	CCW/Ofwat cannot sign-off proposed changes from the Guidance following cognitive testing. It's for the ICG (or equivalent) to consider proposed changes as they should be involved in this process from end to end, and would be able to come to a view on what is justifiable (after pilot/testing) that doesn't bias the research either way. Regarding the final point about the order of the pre-task materials - Yes the order of the pre-task can be changed, where

			testing supports this and following discussion with the ICG about this so they understand the rationale. We confirmed this verbally at the Steering Group meeting with companies on 13th March.
33	Qual/Quant	Who is judging the quality of research for company social tariff schemes if it is outside of the business plan?	CCW confirms that The Defra guidance states: Undertakers must “..consult organisations that represent customers on proposals for a company social tariff and have regard to their views. This must include the Consumer Council for Water (CCWater)”. There is no expectation for companies to consult with their ICG or equivalent on this, but they can do so if they wish
34	Qual/Quant	Which social tariffs will be included in the bill profile? (e.g. WaterSure)	The intention is that customers see a bill profile which is closest to what they will be paying – so if it is possible for this to reflect WaterSure then it should do.
35	Qual/Quant	Will Ofwat/CCW provide comparative performance and target data for the key performance commitments where it is required?	The minutes of the last meeting signpost companies to where this can be found; Ofwat and CCW are now in the process of providing this centrally. UPDATE: this was circulated to companies on 24 04 23
36	Qual	How do companies show the bill impact of big investments to customers if the investments don't fall under any performance commitment (e.g. future water supplies)?	Substantial investments like this fall into WRMPs, which would be covered by one of the non-prescribed additional components allowed for in the Guidance i.e. enhancements.
37	Qual	In the stimulus materials, it would be important to show the work of water companies like social tariffs to consumers to explain more about what we do. How can water companies do this?	Companies can reference that they offer help to low income households in Section D of the pre-task. However, it is important that water companies show a balanced view and do not only show positive information about what they do/their performance. Companies should work with ICGs to ensure that the information provided is balanced.
38	Qual	Re the section on prescribed content for phasing of enhancements - there are different timescales and scale of delivery – how should these be shown?	Customers will see up to three versions of company business plan – a must do (as close as feasible to statutory requirements) plan, a company proposed plan which may

			include enhancement options, and an optional third version. Each plan will have different levels of service and phasing options for people to consider – so they will see up to three service levels.
39	Qual	I wanted to pick up on something that was said at today’s meeting. It was mentioned that CCW were considering providing the comparative performance information for all companies to you. Please can you clarify a) when that decision will be made and b) if it is decided you will provide the information, when will it be provided to companies?	We’re currently working thorough our options for this, it is something that we want to be able to share with companies. We don't have timescales as yet, but appreciate that it’s needed soon. UPDATE: this was circulated to companies on 24 04 23
40	Qual	<p>1. Best value/least cost versus discretionary/statutory investment</p> <p>We wanted to clarify what is expected by the least cost plan definition. The guidance document states the following:</p> <p>We are conscious that regulatory terminology can be complex for research participants, so we suggest that companies use phraseology such as:</p> <ul style="list-style-type: none"> • Least cost or ‘must-do’ plan: “this plan allows us to carry out the work that we're required to do by law.” • Proposed plan: “this is the company’s proposed plan and may include extra work over and above what we are required to do by law to provide extra benefits to customers, the environment and local communities”. <p>And also</p> <p>Prescribed focus on the least cost ‘must do’ business plan, i.e. a business plan based on statutory elements to meet statutory requirements, where it is possible to isolate these from discretionary elements and enhancements</p> <p>And finally</p>	<p>The least-cost or must do plan is intended to reflect only what companies must do to meet statutory requirements. However, we recognise that the dividing line between statutory and discretionary is not always clear, and in those instances – i.e. where it is not feasible to tease these apart – we allow for some flexibility.</p> <p>In the case of government/regulators heavily supporting investment above what is technically the statutory/must do level, this can be included in the statutory/ must do plan. If this introduces flexibility in the way the service can be delivered this should be a transparent option for customers.</p> <p>The detail of this should be discussed with the ICG or equivalent.</p>

		<p>We understand that the distinction between statutory (least cost) and discretionary elements (proposed plan) can be unclear and it may be difficult for companies to produce a least cost plan with associated estimated bill impacts. We are not expecting companies to interpret ‘least cost’ too literally and expect them to apply some proportionality and reason in defining their least cost plan.</p> <p>We wanted to confirm that Ofwat and CCW are not expecting the least cost plan to solely include the statutory investment (which is what the example of how it could be described to customers implies with the reference to ‘required to do by law’ and indeed the second text inclusion), but that we are also able to include non-statutory elements. For example, leakage reduction beyond a de minimis level, lead pipe replacement or smart metering which are being heavily supported by various government departments and regulators. The second text inclusion above, by stating we should not interpret least cost too literally, suggests to us our least cost plan can include these elements, but that the proposed plan/best value may go further in some areas.</p> <p>Are you able to confirm that our understanding is correct please and that least cost is not solely statutory investment?</p>	
41	Qual	<p>Joint testing with XX Water in the XX and XX areas:</p> <p>As I think you may be aware we are doing joint testing with XX Water in the XX and XX areas. We note the requirement to have a plan on a page, but feel that this is going to be very tricky to do across the two companies and may be unclear to customers which elements are the responsibility of each company.</p>	<p>Yes this is acceptable. Companies should however keep in mind that the plan (ideally) on a page is intended to be used as a quick reference/summary guide by customers, with the deliberative/depth interviews building on this as relevant.</p>

		Is it acceptable in this instance to have the water and wastewater elements each on a page?	
42	Qual	<p>Targets for performance commitments</p> <p>We have been looking at the performance commitments we must share and how to include whether companies have met their targets. For a number of PCs there are either differing targets across companies, or more commonly, some companies with no target as they are not common PCs yet.</p> <p>Are you happy for the graphs to just show the target for XX Water and whether we are meeting them?</p>	<p>Targets for other companies must be shown where they are available. If they are not available a footnote should be added to explain this.</p> <p>We are still looking into the feasibility of collating targets centrally, and will keep companies updated. UPDATE: this was circulated on 24 April 23.</p>
43	Qual	<p>Data inconsistencies</p> <p>We note the requirement to use the data from Discover Water for the PCs. However, we have done some comparisons against the most recent APR (so 2021-22) from an industry data share on these metrics, and in a fair number of the PCs, there are differences in the data. They are reasonably minor and wouldn't make a material difference on a graph, but we wanted to confirm you are happy for us to use the Discover Water data?</p>	<p>Companies should use the most accurate data – CCW and Ofwat are currently in the process of collating this and plan to ask companies to validate the data against their ARPs. UPDATE: this was circulated on 23 04 23.</p>
44	Qual/Quant	<p>We have not yet completed cognitive testing, but are planning to do this very soon.</p> <p>I was wondering what should happen in the event customers don't understand wording or question text prescribed by Ofwat/ CCW in the guidance? This question is for both the qual and quant stages of the research. Are we required to stick with the Ofwat/ CCW and guidance wording, or should we be tweaking descriptions/ text to remedy comments made by customers in the pilot/ cognitive interviews?</p>	<p>Companies should discuss potential changes as highlighted by cognitive testing/pilots with their ICG. Any changes should make the materials more 'meaningful' for customers to engage with, and not introduce bias into what customers are shown.</p>

45	Quant	<p>In the quant survey, Q7a,b,[c,d] on page 85 states that we should show these questions in blocks of 3 business plan components. This works well for the 6PC areas, but is this required for the ‘up to 6 enhancement areas’? We currently have four enhancement areas for testing and are therefore wondering if we can display these in groups of 2 or one block of 4?</p>	<p>Either a block of 2 or a block of 4 would be acceptable - companies can choose.</p>
46	Qual	<p>The guidance sets out the first question in the post task as follows: Q1: Your current water and sewerage services bill is [organisation to write in].</p> <p>How easy or difficult is it for you [NHH: your company/organisation] to afford to pay your current water and sewerage bill:</p> <p>We think this might be a little confusing for participants. The first sentence reads as a statement but there is an action for the participant (ie: to write in their current bill amount) that they might miss.</p> <p>Would it be possible to separate this into two questions as below:</p> <p>NHH customers only: Question 1: Please write in your organisation’s current water and sewerage services bill (including site area (surface water) drainage where relevant) for the most recent 12 months,:</p> <p>£</p> <p>NHH customers only: Question 2: How easy or difficult is it for your organisation to afford to pay your current water and sewerage bill?</p>	<p>As this is prescribed text, we do not propose changing the guidance unless a substantive or material change is needed.</p> <p>If your pilot shows that NHHs are finding this instruction confusing, please discuss this with your ICG or equivalent, in order to reach a way forward as informed by the pilot</p>

		<p>Please answer one only:</p> <ol style="list-style-type: none"> 1. Very easy 1. Fairly easy 2. Neither easy nor difficult 3. Fairly difficult 4. Very difficult 5. Don't know 	
47	Quant	<p>These are questions on the quantitative survey below, if you could please advise:</p> <ul style="list-style-type: none"> • Can I confirm that we shouldn't be showing the 'engaging business plan one-pager' in the quant survey? • In reference to the section of the guidance copied below, could I confirm if this is intending for us to show comparative data on all water companies for the 6 PC's, or just our company specific service levels? 	<p>-Yes, I can confirm that you shouldn't be showing the 'engaging business plan on-pager' in the quant survey; the stimulus material should be restricted to that described on page 86 of the guidance</p> <p>-Yes, I can confirm that comparative data should be shown for all water companies for the 6 PCs.</p>
48	Qual	<p>When we show the indicative bill impacts for future AMPs beyond 2030, do you have any preference on whether we show the end of AMP bill amount (eg the average annual bill for 2034/35) or the average bill across the whole AMP (eg from 2030/31 to 2034/35)?</p>	<p>We are looking for the best estimate of the bill to be shown for each year up to 2030; after 2030, we suggest that different presentations can be tested with customers alongside the wording of caveats which should be included to explain the uncertainty around longer term estimated bills. The basis of the longer term bill estimates should be clear – i.e. clear labels, which would for example, say if it is an estimated average bill over a 5 year period, or if it is an estimated price point at the start or end of a five year period.</p>
49	Qual	<p>Display of comparative PC data</p> <p>The screenshot below shows the common PC data we need to display, and we believe it is compliant with the guidance. However, our CCG have concerns that whilst it is based on the same data, it is confusing for customers to have both displays.</p>	<p>We agree that it is appropriate to cognitively test two versions of the presentation of comparative company data – one which has companies ordered alphabetically, and one which shows them in order of performance. The presentation of each should otherwise follow the guidance i.e. use the same colouring etc.</p>

		<p>As a way to make it more understandable to customers, they would like to request that the table (P9 of the document on presenting comparative data) on the right hand side could be adjusted to display the companies in order of performance. Their concern is that for some customers, understanding the meaning of the percentages and then mentally adjusting them to get an idea of best to worst is a lot to take in. We propose to test both the prescribed way of displaying and the slightly amended approach above in our cognitive testing of the material. If the research demonstrates that customers find the revised approach easier to understand we would like to change to this display style for the main qualitative research. Are you happy to support this (as if you would like us to follow the exact guidance regardless of the outcome of the cog testing, testing the two versions is less valuable)?</p>	<p>The results of the cog testing should be shared in full with the ICG or equivalent. If the cog testing supports ordering by performance for better comprehension, then with ICG agreement on the approach to this aspect, Ofwat/CCW would accept this.</p> <p>UPDATE Supplementary response: 14/04/23 - Regarding the use of the table (see P9 of the document on presenting comparative data) and graph – we would like both of these to be shown, with the potential to reorder the table by performance if cognitive testing and the ICG support this. It would be for the facilitators to explain that the same information is shown in both of them, but ordered in a different way. This means there is no advantage nor disadvantage to any water company through the way the data is presented, but people can refer to either or both as they need to, in order to help understand how their company is performing.</p>
50	Quant	<p>Our expert researchers on the CCG raised a concern that whilst the selection method appears to be trying to create a random probability sample approach, there is no mention of a requirement for reminders which is typical of this method, and instead appeared to be essentially setting a target of a minimum number people reached which may or may not be full representative.</p> <p>We would like to clarify two things:</p> <ul style="list-style-type: none"> - Whether there is an expectation to have reminders within the guidance? - If one CCG requires a reminder, should the same method be applied across other companies in jointly commissioned projects even where the other CCG has not requested it? 	<p>We've considered whether reminders should be flagged as a requirement with all companies in order to support a randomn probability sample. However, as this was not explicitly stated in the Guidance, and will affect survey costings and companies/agencies may not have considered this in their procurement, we think it is difficult to prescribe this/make a requirement at this stage.</p> <p>We would however like all companies to discuss whether or not to issue reminders with their ICGs/suppliers to explore the best way forward. If costs/timings are going to make this difficult to implement at this stage, then as it was not clear in the Guidance, we will support the ICG's recommendation for whether reminders are issued, or whether additional sample is used. The approach used,</p>

			i.e. reminders or additional sample, should be explained clearly in any summary/presentation/report of findings.
51	Qual	<p>Just wanted to feedback from our initial cog tests this week (so far only 2 so by no means a full sample, but the same themes are coming through as our CCG suspected from both) with regards to the information provided.</p> <p>Customers are struggling with the amount of info relating to the PC information provided, and it is likely [research agency] will be recommending to us if the remaining sessions follow the same theme, that we only have the graph rather than the table as well. Obviously we will discuss this with our CCG and see if they are happy with this recommendation as well before implementing.</p> <p>However, the cog tests so far have shown there are further challenges with the quantum of information they are provided with.</p> <p>We are of course happy to discuss this all with our CCG and see which recommendations they support us implementing if that is your preferred course of action.</p>	<p>Firstly, we are assuming that this relates to cognitive testing in relation to the qualitative research materials.</p> <p>Having discussed this, we feel that the Guidance stands – our rationale is explained below.</p> <p>The concern we have is that if the Guidance is relaxed around this, we will move back towards a situation where companies devise their own way of approaching the content – which we want to avoid as this leads to different influences feeding in to how people respond (similar to PR19). This risks moving away from the consistency and comparability which is one of the objectives of the common approach to this research.</p> <p>We agree there is a lot of information in the pre-task, but the deliberation allows for this to be revisited and the facilitators to build on what people have read, allowing for people to have not fully absorbed or understood all of the information.</p> <p>Regarding the use of the table and graph – we would like both of these to be shown, with the potential to reorder the table by performance if cognitive testing and the ICG support this. It would be for the facilitators to explain that the same information is shown in both of them, but ordered in a different way. This means there is no advantage nor disadvantage to any water company through the way the data is presented, but people can refer to either or both as they need to, in order to help understand how their company is performing.</p>

52	Qual	<p>The prescribed questions for the pre-task use the following wording (page 41): [snip of qual household pre-task, part I]</p> <p>My interpretation of the word current is that we would be referring to what customers are paying right now – which I appreciate will differ depending on metered status, payment frequency and so on.</p> <p>At the same time I had understood that in the bill bar chart we wanted the 22/23 bill to be the starting point? I think the text “current” might be confusing particularly for an unmetered customer who relatively recently received their 23/24 bill and might remember that communication, rather than recall the 22/23 bill they were paying last year.</p>	<p>By ‘current bill’ we’re referring to whatever the customer has received most recently. Although the Guidance refers to the 22-23 bill in relation to Q5 of Appendix F, this would become the 23-24 bill for the current year (for unmeasured customers), or whichever year the two most recent half yearly metered bills fall in to, which would depend on their billing cycle.</p> <p>Piloting of materials should identify what is most helpful for respondents for clarity – either specifying their current or most recent bill, and/or the financial year of the bill.</p>
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