

Affordability and Acceptability Testing Headlines



Water for the North West

Key Findings

74% of all our customers support our proposed business plan

	A&A Qualitative	A&A Quantitative
Acceptability (very/fairly)		
All customers	77%	74%
Household customers	78%	70%
Future bill payers	88%	N/A
Non-household customers	75%	85%
Vulnerable	69%	69%
Financially struggling HH	N/A*	60%
Affordability (easy to afford)		
All customers	48%	22%
Household customers	50%	15%
Non-household customers	61%	39%
Vulnerable	25%	13%
Financially struggling HH	N/A*	2%
Affordability (difficult to afford)		
All customers	19%	43%
Household customers	20%	48%
Non-household customers	13%	30%
Vulnerable	25%	53%
Financially struggling HH	N/A*	87%
Preference for the proposed plan		
All customers	66%	N/A
Household customers	64%	N/A
Future bill payers	88%	N/A
Non-household customers	58%	N/A
Vulnerable	75%	N/A

*Due to small sample size, financially struggling customers are included in the vulnerable category for the qualitative stage

Conclusions

- Customers across the North West can be said to **back our business plan proposals**
- Our proposed service improvements are **endorsed by customers**
- However, **bill affordability is a concern** for many in the near term
- **Proposed plans attract greater levels of support** than a ‘least cost’ alternative
- Although customers would like **more ambitious leakage and pollution targets**, when balanced with the need for affordable bills and ambitious targets for storm overflow spill reductions, **proposed service levels should remain the same**



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Response to challenges from customers

Affordability

We have developed a robust £525m affordability package and scale of support was tested with customers. Customers supported an uplift to the cross-subsidy for PR24 and this enhanced programme of support will enable an additional 590,000 households to benefit and broaden support for lower middle income homes that cannot access social tariff discounts.

Leakage and pollution

We have reviewed leakage levels and these will remain in line with revised Water Resources Management Plan targets to prevent further increases to customer bills for short-term marginal improvements. UUW has further strengthened commitments to deliver 60% overflow spill reductions by 2030 as customer priorities tracking shows this is of high concern.

Smart meters

We will provide further reassurance that proactive meter fitting does not result in compulsory measured charging and consideration of this is in the 2020-25 smart metering customer engagement strategy.

Greater local engagement

We have developed the five counties engagement approach, ensuring customers can understand the benefits of our investment in local areas.

Investment phasing

We will continue with the ambitious investment plan as directed by customers and long-term delivery strategy.

Private enterprise

We are retaining more profits for reinvestment within the business. In 2020-25 we will continue to have an approach to demonstrate high standards of transparency and corporate governance. Performance-pay outcomes will be substantially based on achieving stretching levels of performance for customers, and at least 30% will be based on environmental measures including reducing storm overflow spills.

