Anglian to Affinity Transfer

RAPID Gate 2 Submission

Supporting Technical Document D: Customer and Stakeholder Engagement

Version Control

Version Number	Date	Purpose
1	01-07-22	Initial draft for issue to assurance
2	10-10-22	Updated with new data and addressing comments
3		

RAPID "Strategic regional water resource solutions guidance for gate two" April 2022

At gate two, an update on stakeholder engagement should be provided to identify any issues that need further investigation. Stakeholder engagement should consider both customers and regions affected by the solutions. Solution owners should engage with partner regulators as well as all identified stakeholders. The gate two submission should include the following:

A description of how stakeholder concerns raised in representations at gate one have been addressed at gate two or will be addressed at future gates.	Section 2
An overview of engagement undertaken, completeness of stakeholder representation and key findings.	Section 4
A high-level summary of stakeholders' views and how they have been reflected in the work undertaken	Section 4
Details of customer preference studies including how they have been reflected in the work undertaken, and conclusions reached	Section 3 – outputs of customer preferences will be fed into gate three design
Details of the engagement with customers directly affected by the solution, such as those living or working nearby	Section 3 – routes not yet selected
Evidence of engagement with CCW	Section 4.5
A description of the steps that have been taken by solution owners to ensure a high degree of transparency for customers and stakeholders	Section 3
Any outstanding work or work to be undertaken before the next gate.	n/a

Contents

1. Introduction

1.1 This document is the annex to Section 9 of the gate two submission for the Anglian to Affinity Transfer (A2AT) and provides more detailed information on the engagement undertaken with stakeholders and customers to inform the route selection, feasibility and conceptual design for A2AT up to gate two. It includes an overview of the engagement activity, the main points of feedback from stakeholders and customers and how they have been considered in the on-going programme of work and development of the solution. It also sets out the issues that need further investigation.

1.2 We developed our approach to engagement in line with RAPID's guidance for gate two. We have built on the foundation of stakeholder and customer feedback received prior to gate one, activity completed through gate one, the representations made to RAPID on gate one and direct feedback from RAPID and other regulators.

1.3 It is important for clarity, consistency, and efficiency of the engagement activity to inform the development of the SROs is coordinated with dialogue on the regional plans, company Water Resource Management Plans (WRMPs) and company PR24 Business Plan submissions. The customer and stakeholder engagement activities have been undertaken on that basis, to ensure there is a flow of insight through the process as illustrated in Figure 1.1.

Figure 1.1 Insight flow from customer and stakeholder engagement

1.4 We are committed to work openly and transparently and have worked to achieve this by:

- Sharing information, and providing regular updates to stakeholders, on the programme of work and the studies underway and giving opportunity to comment.
- Working with regulators and stakeholders as part of the technical working groups to jointly define the scopes of work and technical methods and to provide the outputs for technical assessments for review and challenge at an early stage of work.
- Engaging with stakeholder organisations, who have specialist technical knowledge or a specific interest, to share relevant information and provide opportunities to input to the work.
- Engaging with a wide range of stakeholder organisations to share work to develop the plan for our long-term future water supply and the potential solutions at a formative stage of development of the plan, and to listen to feedback and take it into consideration.
- Raising awareness on the challenge for water resources, the planning process and opportunities to contribute and input to shape long-term plans at a formative stage.

1.5 The structure of this annex is as follows:

- Section 2 presents a summary of our learning from previous engagement with customers and stakeholders, which has informed our approach throughout gate two.
- Section 3 outlines our approach to engagement with stakeholders and reports on the activity completed and the main issues and risks.
- Section 4 presents the research undertaken with customers to inform the ongoing development of the solution.
- Section 5 sets out the next steps.

2. Learning from previous engagement

Summary of activity prior to gate one

2.1 Affinity Water and Anglian Water jointly considered A2AT in their respective WRMP19s.

Summary of activity during gate one

2.2 The stakeholder engagement activity undertaken through gate one was two-fold:

- Activity to inform the development of the South East / East regional plans, to ensure stakeholders understood how the A2AT, and other solutions, fitted within the strategic water resource planning framework.
- A2AT specific discussions focused on legal, regulatory, and strategic issues which could prevent the scheme progressing or substantially change the design of the scheme. The engagement was primarily with regulators and strategic stakeholders and designed to be collaborative, with regular progress meetings. This approach facilitated agreement on the scope of the technical studies and methodological approaches[1].

2.3 The gate one submission to RAPID presented the approach and work completed and was reflected in the good feedback presented in RAPID's draft decision on the gate one submission[2] published on 14 September 2021, alongside the draft decisions for the other standard SROs. The draft decision determined that good progress had been made on all the assessment areas, with a number of actions and recommendations[3]. In summary these were:

- Cost and benefits –explain how the chalk streams will benefit as part of the 'need' case for gate two when the route and deployable output is known. Explain which option is considered best value (rather than just least cost) for customers and the environment and the criteria and method used for best value ahead of gate two
- Solution design – ensure utilisation is refined as part of gate two, including uncertainty and sensitivity. Assess how any new transfer infrastructure will connect with existing infrastructure, particularly how the operations at Rutland/Grafham may have to change to connect the transfer. In-combination assessment must include all relevant interactions between options.

2.4 RAPID held a representation period on its draft decision for the standard SROs until 8 October 2021. RAPID received two representations on its draft decision on A2AT from GARD, and one from the promoting companies. The key issues raised were:

- Transparency of cost estimates
- Deployable output and stochastic flow
- Carbon costing

[1] A2AT Gate 1 Submission Annex Customer and Stakeholder Engagement

[2] RAPID, Standard gate on draft decision for GUC, September 2021

[3] RAPID, Standard gate on draft decision for GUC, September 2021, Appendix Actions and Recommendations

Looking forward to gate two

2.5 We reviewed, and took account of, the feedback received from RAPID to ensure we had a robust understanding of issues and concerns, as well as opportunities, and this information informed the work programme and the engagement through gate two.

3. Gate two Engagement with stakeholders

Overview of engagement undertaken

3.1 Our engagement activity through gate two built on previous engagement, taking account of issues and concerns raised by stakeholders, and was designed to:

- Fit within the regulatory process established under the guidance of RAPID
- Coordinate with regional and company strategic water resource planning activity to ensure a clear and joined-up approach for stakeholders.

3.2 The engagement approach through gate two has three main parts:

- Activity to inform the development of the SE and E regional plans to ensure stakeholders understand how A2AT, and other SROs, fit within the strategic planning framework
- Engagement with regulators and strategic stakeholders on the scheme itself to inform the feasibility assessments and conceptual design of the scheme.
- Begin engagement more locally by engaging the neighbouring Local Authorities along the route, engaging Historic England and Highways England

Engagement as part of developing the SE regional plan

3.3 Water Resources South East (WRSE) is working closely with the six water companies in the South East region, and the wider stakeholder community, to develop a resilient water plan for the region. The regional plan will be reflected in the SE water companies statutory Water Resource Management Plans 2024 and the schemes included in the preferred regional plan will be included in the company's WRMP24s in a consistent and aligned manner. It is therefore important that stakeholders have an awareness of, and understand, the overall strategic planning process, the key decision points, and opportunities to contribute.

3.4 Engagement has been, and continues to be, a thread throughout the development of the regional plan. The engagement involves a wide range of water users – customers, businesses, other sectors and stakeholders – and aims to understand their priorities and preferences, and to take these into account in decisions leading to the draft regional plan.

3.5 WRSE, and the member companies, have endeavoured to work openly and transparently, sharing information in a timely way, and across a range of channels and activities, to enable participation and ensure stakeholders are clear about why they are being consulted, the scope of the consultation and how that fits with the wider water resources planning landscape.

3.6 WRSE has established stakeholder groups to help guide the development of the plan. The groups are the stakeholder advisory board, environmental stakeholder group and the multi-sector stakeholder group.

3.7 In addition to these specific groups, WRSE has proactively engaged with the wider stakeholder community through meetings, webinars and consultations throughout the development of the SE regional plan.

3.8 In addition, WRSE has strong links with other regional groups to ensure the opportunities to share resources effectively are understood and fully investigated and to ensure a coordinated national water resources picture.

3.9 The WRSE engagement and consultation programme is hosted on a dedicated engagement platform Water Resources South East (engagementhq.com) and has three main phases:

- Plan and prepare – To 2020 the focus was on the "building blocks" of the plan. This included the development of the technical methods, approaches and tools that would be applied in the development of the plan for example the forecasts for future growth and demand for water; the environmental assessments; and the regional policies for the region. WRSE ran a programme of webinars and held topic specific consultations.

- Develop – During 2021 the focus broadened and set out the planning challenge for the region, shared information on feasible solutions, including the SROs, and the approach to determine the best value plan.

- Consult and update – During 2022 the focus moved to the plan itself. WRSE held an 8-week period of engagement and consultation on the emerging plan. In the Autumn a further round of consultation will be undertaken on the draft plan, alongside the statutory consultation on the draft WRMP24s.

3.10 WRSE produced a Stakeholder Engagement Report which summarised the extensive engagement and consultation activity that has taken place to date. The report was published alongside the emerging plan in January 2022[4]. Appendix A presents a summary of the engagement completed to date to support the development of the SE regional plan.

Consultation on the emerging plan

3.11 The engagement and consultation on the emerging regional plan took place between January and March 2022. The emerging plan gave early sight of the big issues and emerging solutions to gain initial feedback from stakeholders. As well as publishing documents for review and comments, a series of online workshops were held for stakeholders.

3.12 Affinity Water proactively raised awareness of the consultation on the emerging plan through its social media platforms, emails to its wider stakeholder lists and at its regular stakeholder forums.

[4] WRSE Stakeholder engagement Report, January 2022

3.13 Overall, over 1,150 written responses were received to the WRSE consultation. Figure 2 provides a summary of the consultation, and responses, on the SE emerging plan. Over half of the individual responses to the consultation on the emerging plan focused on specific water resources options identified for development, such as large new reservoirs, strategic water transfers, and water recycling schemes.

Figure 3.1 The consultation on the SE emerging plan

3.14 WRSE published a response document[5] in May 2022 which provided a summary of the consultation responses, highlighted the main themes and issues raised in the responses and provided WRSE's consideration of the points and resultant action. The main concerns raised in the consultation on the emerging plan in relation to GUC focused on:

- The DWI highlighted water quality risks and issues associated with raw and potable transfer options. For raw transfers, considering the upstream risks and whether mitigation is required at the receiving location. For both, the risk of associated changes to taste or feel, existing and emerging contaminants, and potential network impacts from corrosivity were highlighted.
- NE advised caution around relying on transfers/imports from other regions, especially as other regions have their own environmental constraints. It advocated every effort being taken to minimise reliance on water from other regions and use the water resources within region more efficiently.

[5] WRSE Emerging Regional Plan: Consultation Response Document, May 2022

- Questions about the long-term resilience of transfer options were raised. Concerns were expressed that environmentally damaging options might be required in a source area to enable supplies to continue to be transferred to another area, and the acceptability of this was questioned, concerns were expressed about the financial and environmental costs of pumping water long distances, with some respondents considering that long distance pipelines and transfers should be avoided.
- Lack of detailed information about the carbon impacts of proposed transfers and requested details on how this would be offset and mitigated, and the cost of doing so. Respondents requested the publication of information to enable the whole life cycle embodied and operational carbon emissions of individual options to be understood.
- The difference between raw and potable transfers was highlighted, with the risks of Invasive Non-Native Species (INNS), water chemistry and pathogens from raw water transfers noted as specific concerns.

3.15 We have listened to the points raised, in the consultation, and in dialogue with stakeholders and ensured all these points are fully addressed in the further work to develop the long-term water resources plan and the ongoing work to examine potential options, of which the transfer is one option. These are summarised in Table 3below.

Table 3. Issues raised and addressed as part of WRSE emerging plan consultation

Issue	Our response
Water Quality	Additional information will be published for the draft regional plan will provide including how water quality impacts will be considered and addressed. For gate two, we have conducted water quality studies as part of the source of water (SLR), reviewed and updated our drinking water quality risk assessments for the A2AT, to ensure that appropriate control measures are built into the scheme, as required.
Financial and environmental costs of a pipeline	Initial environmental assessments have been completed for each of the strategic resource options. The work was shared with stakeholders and local communities in an open and transparent way when complete, but still at a formative stage of scheme development. WRSE and the water companies will publish detailed information on the option appraisal and environmental assessments alongside the draft regional plan and draft WRMP24s in Autumn 2022. The gate two SRO submissions will also be published.
Detailed information on carbon	This has been a key assessment for WRSE, the water companies and the Gate two development and will be published with the consultations. The water companies are also committed to reach net-zero carbon emissions for operational activities by 2030 and further work is underway to consider opportunities to reduce both the operational and the embodied carbon impact of future solutions. There are a range of opportunities that could be developed as part of the A2AT scheme to help minimise and mitigate carbon impacts during the life-time of the scheme. Further details may be found in the Concept Design Report
Risk of INNS, water chemistry and pathogens transferring.	The additional environmental assessment information which will be published for the draft regional plan will provide information that a number of respondents were seeking in the emerging regional plan, including how water quality impacts will be considered and addressed.

3.3 A2AT specific discussions

3.16 Our engagement has been embedded throughout gate two, it builds on the gate one engagement with regulators and strategic stakeholders, and it comprises meetings with regulators, the establishment of topic specific technical working groups, 1-2-1 sessions, as well as activity to support WRSE and company engagement. The outputs and review

comments received from all of these groups have been used to shape the scope, assessment and initial mitigation measures developed for the preferred A2AT working solution at gate two.

3.17 Quarterly update meetings have been held with RAPID to discuss the programme, outputs, risks and issues.

3.18 Technical workshops have been set up when needed. Specific session with the NAU were held on carbon, renewables and environmental assessment.

3.19 We wrote in January 2022 to the Local Authorities along the possible routes. Explaining where we were in the process and an offer to engage if required. Due to the nature of this scheme not being selected in any regional plan, the local authorities have responded with a message to keep them updated but no detailed engagement is required currently.

WRSE and company engagement

3.20 Affinity Water continues to host (jointly with Thames Water) a regular Water Resources Forum, this is open to all interested stakeholder organisations and the purpose of the Forum is to update stakeholders on the progress to develop the regional plan and in turn company WRMP24s, and to share information at a formative stage to enable stakeholders to participate in the process. Three Forums were held during gate two - in November 2021, February, and June 2022. At the November 2021 Forum information was shared on each SRO, including the programme of activities and summary of work packages to provide visibility of the work areas for each SRO and the opportunity for discussion on these options.

4. Gate two Engagement with customers

4.1 We have worked collaboratively across many of the water companies to ensure both a consistent and efficient programme of customer engagement to support the development of all the SROs. Where practical we have utilised regionally led work. While for other areas we have formed 'club' projects with other SRO teams – maximising the expertise across the companies.

4.2 From our engagement at gate one it was clear from a customer perspective that:

- Customers understand the need for large scale regional water resource solutions and support, in principle, sharing water resources.
- Reducing leaks and saving water was needed as the foundation to a future strategy and a pre-requisite, to an extent, to sharing resources.
- Transfers were not the favoured option for customers, but when considering a transfer, they preferred canals as seen as a more 'natural' solutions for transferring water.
- Some concern was raised over the impact on them in terms of water quality, taste and hardness from receiving a 'different' source water.

4.3 Our gate two has progressed on these themes firstly exploring through the regional engagement what customers view as 'best value' how they weight those metrics and prioritise – enabling us to assess how different schemes 'perform' in terms of the customers preferences.

Secondly to look at how we can make schemes more acceptable to customers. One of the key issues for customers is the lack of understanding of what a transfer involves, concerns regarding potential disruption and perceived lack of wider social and environmental benefits. To understand these views more, we looked to dive deeper regarding public value, exploring with customers what they mean by the term, their preferences, whether their views alter dependent on their proximity to the scheme and how much they would be willing to pay for a range of possible 'added value' options for a scheme such as A2AT and does this differ depending on the type of scheme.

4.4 Finally (a key issue raised by customers when thinking about transfers), we looked how customers perceive, understand and ultimately how we need to engage customers when we change their source of water. We explored this immersively including taste testing. We also co-designed an engagement framework which was then quantitatively tested with a wide range of customers.

4.5 As well as these specific engagement activities the wider insight gathered regularly by the companies and as part of developing PR24 was also considered to ensure the broad range of evidence was reviewed.

To also aide transparency we also shared our finding through workshops with the technical teams involved and interested stakeholders such as the DWI and CCW (link to sources webinar here)

WRSE Best Value research

4.6 Just over 300 household customers were engaged to explore their preferences regarding the 'best value' criteria developed by WRSE. The criteria and attributes were explained in a more customer 'friendly' way and customers were taken through a series of explanations and prompts to help elicut the values shown below.

4.7 In general, customers place more weight on the delivery of secure supply of water, followed by cost of environmental improvements, with resilience placed on the lower end of the scale. As a control their preference for types of options (gathered at gate one) was used – hence anything above and 'odds ratio' of one should be more valued that just a preference over option type.

Table 4: Customer preference for best value metrics

Criteria	Attribute	Customer preference weight (odds ratio)	Customer preference weight (%)	Customer preference weight "normalised" relative to total weights of equalised criteria
Public Water Supply - supply demand balance profile (Ml/day)	Make sure there is enough water for everyone	5.24	12.9%	**2.32**
Provides additional water needed by other sectors (Ml/day)	Make sure there is enough water for everyone	5.24	12.9%	**2.32**
50% reduction in leakage by each company by 2050 from 2017/18 baseline (%)	Reduce leaks from the water system	2.61	6.4%	**1.16**
% leakage reduction above 50%	Reduce leaks from the water system	2.61	6.4%	**1.16**
Distribution input per head of population (Litres/person)	Reduce the amount of water used	0.42	1.0%	**0.19**
Customer preference for option type (score)	Use options that are preferred by customers	1.00	2.5%	**0.44**
Programme benefit (score max)	Maximise positive environmental impact	2.11	5.2%	**0.93**
Programme disbenefit (score min)	Minimise negative environmental impact	1.65	4.0%	**0.73**
Enhancement of Natural Capital Value (£m)	Maximise positive environmental impact	2.11	5.2%	**0.93**
Reduction in the volume of water abstracted at identified sites (Ml/day) and by when (date)	Reduce dependency on sensitive river habitats and groundwater sources	2.90	7.1%	**1.28**
Net-gain score (%)	Maximise positive environmental impact	2.11	5.2%	**0.93**
Cost of carbon offsetting (£m)	Balance carbon impact	2.00	4.9%	**0.88**
Achieve 1 in 500-year drought resilience (date achieved)	Reduce risk of emergency drought measures	3.40	8.3%	**1.50**
Programme reliability score	Make water system more reliable	2.10	5.2%	**0.93**
Programme adaptability score	Make water system more adaptable	1.90	4.7%	**0.84**
Programme evolvability score	Make water system easier to modify	1.13	2.8%	**0.50**
Net Present Value (NPV) using the Social	Deliver the plan at an acceptable cost	1.10	2.7%	**0.49**

Time Preference Rate (£m)				
Health rate (THDR 1%)	Balance of cost the plan for current customers vs. future customers	1.10	2.7%	**0.49**

4.8 WRSE have used the criteria and the weights customers set out and have judged each of the modelled regional plans against them. The more objectives the relevant regional plan met the higher the overall score. Whilst WRSE's decisions are not based on this overall metric alone, it did provide an indication of which of the modelled regional plans are meeting the customer expectations and which ones aren't.[6]

Public Value research

4.9 This was a collaborative project across 11 SROs. The aim of this engagement was:

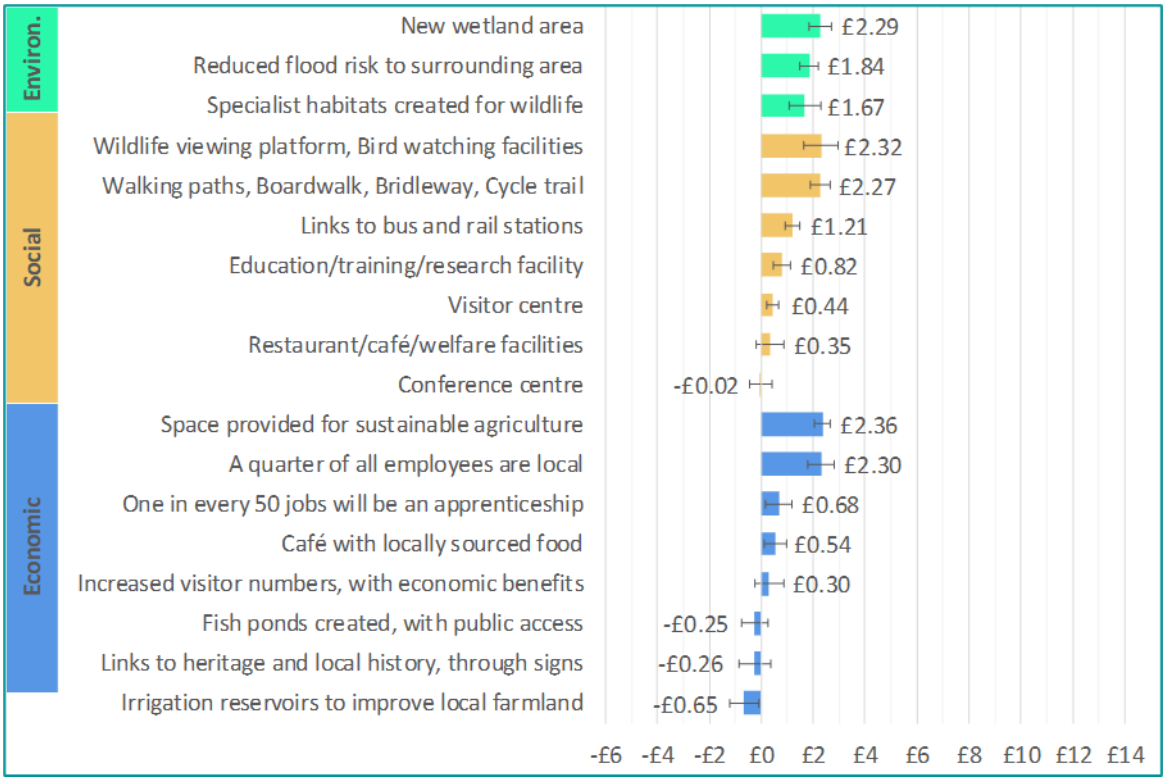
- To understand what added value our customers perceive is important, as part of infrastructure development
- To understand preferences for the added value, i.e. the balance between options such as economy, jobs, apprenticeships, leisure, education and carbon sequestration, etc
- To determine if the preferences change, depending on the geographical location/type of scheme or other factors
- To establish how much customers are prepared to pay
- To determine the nature of the language we should use to explain the added value to customers.

4.10 This research was conducted jointly by research agencies, Accent and PJM Economics, both MRS registered and specialists and recognised in the water industry for this type of economic-led engagement. The qualitative phase involved a reconvened method to introduce and explore generic 'Public Value' then test what is important for large infrastructure projects within the water industry; supported by preparatory and interim homework activities.24 online Zoom groups with household, non-household and future customers across six water companies were used.

Figure 4.1 Summary of qualitative engagement activities for Public Value research

[6] WRSE Investment Modelling method statement 2022

4.11 The quantitative phase engaged 5,902 household customers and 553 non-household customers using a stated preference design which utilised a pairwise choice exercise followed by a contingent valuation exercise. The full report shows the details of the materials shared with customers and detailed findings and Figure 4.2provides a summary of the Willingness To Pay (WTP) values for household customers.



Base: 5,902 participants. Annual WTP in terms of a higher water bill for project additions at sites 5 miles from home (weighted estimates). The error bars show 95% confidence intervals calculated using the delta method.

Figure 4.2: A summary of Willingness to Pay values for household customers near a canal

4.12 The key findings were:

- In both the qualitative and quantitative work, environmental project additions were valued highly and there was a high emotional resonance with these additions and the narrative of supporting wildlife/new wetlands/habitats is consistent across all the customers who participated.
- The top three most highly valued project additions by households near a canal were:
    - Space provided for sustainable agriculture' (£2.36 annually, on average)
    - Wildlife viewing platform / bird watching facilities' (£2.32 annually, on average)
    - 'A quarter of employees are local' (£2.30 annually, on average).
- The biggest variation in the qualitative work was by project type. This is consistent with the quantitative work where valuations of project additions differ considerably across different types of sites and by distance, while the extent of variation across companies is small.

- In the quantitative work, overall, project additions at water treatment works were valued most highly, followed by reservoirs, canals, and pipelines. This could be due to reservoirs/canals being naturally more positive/pleasant.

- Qualitatively, people felt that the social project additions at water treatment works would be less valuable because they would be unlikely to want to visit, but environmental and economic benefits were supported.

- The Willingness To Pay (WTP) for a 'package' of project additions was lower than the sum over individual project additions, indicating that capping may be needed for individual project additions to ensure that total WTP is not exceeded.

These findings will help inform the further development of the design stages for the SROs to reflect the preferences of our customers.

Changing water sources research

4.13 This was a collaborative project across 11 of the Strategic Resource Options (SROs) with the aim of understanding customers' views on changing their water source. It included a review of the wider evidence base, and a qualitative review of customer views, including product testing and the co-design testing of a communications framework. 96 customers were engaged in the qualitative phase, and 1,400 customers and 200 non-households, during the quantitative phase.

Figure 4.3 : Summary of the approach taken for the changing sources customer research

4.14 The key findings were:

- Water is a low salience topic, with customers indicating a low level of awareness and understanding of issues relating to it. This, in part, is driven by general satisfaction with the customer experience of water, in terms of taste, smell and hardness
- Customers also have low awareness of water scarcity, and, whilst all take steps not to 'waste' water, most are not actively trying to reduce their water consumption. Information on the topic is easily understood, however, this is not always enough to unseat long-standing perceptions that water is abundant in the UK. Customers believe that water companies should be taking steps to respond to the issue of water scarcity now and recognise that a mix of demand and supply-side solutions are required. However, there is a general desire to see water companies implement demand-side options first, including fixing leaks and educating customers
- When prompted, customers assess water source options by balancing efficacy (including reliability) and the cost and time commitments associated with the change. There is also an expectation of water companies to evaluate options through this lens
- Customers say they are unlikely to engage with communications on source change, and taste tests indicate that most are not able to detect differences at the level that might be expected in a source change. However, there is still a need to communicate to explain the rationale for the change, alleviate taste concerns and provide clear guidance on the impact

- In terms of communication, overall, the 'human' frame combines the qualitative and quantitative findings together the most effectively. Quantitatively, environmental, and human framings are slightly preferred to practical framings to communicate a water source change, however, in qualitative sessions, environmental framing is felt to lack impact, indicating that, overall, human framing works best
- Most household customers want initial notification three to six months in advance of the change, although non-household customers are more likely to want an earlier notification of a change. Most respondents then want to be reminded again of the change, at a point closer to the time, but generally only once
- An Email message and a letter, separate from the water bill, are the preferred forms of communication about source changes, consistent across sources. Most customers claim they would click through to look at additional information. Whilst, this number may be lower, providing comprehensive information to those who may want it is key
- Of those who are more inclined to visit a website for further detail on the change, there is an expectation that this would include a wealth of comprehensive information. This includes detail on bills, taste, the process, the reason behind the change, safety, environmental impact, and information from an independent source
- Whilst there is a need to communicate on any source change, water recycling and desalination, need more engagement, due to a higher level of spontaneous concerns. For water recycling, these concerns are centred around taste, hygiene, and safety. Desalination also generated concerns, which tended to be around taste and price

4.15 Specifically on water transfers customers told us that most feel that the principle of transferring water from areas of abundance to areas of scarcity 'makes sense' and assume that this system is already in place in the UK. However, there are some concerns that arise when customers learn about the potential for contamination during the transfer process.

These concerns are also reinforced by the idea that water coming from other areas might be 'worse' than that which people are used to i.e., in quality or characteristics such as hardness. A minority of customers living in areas that are perceived as less water-stressed (e.g. rural areas outside London) have hesitations about sending 'their water' elsewhere. Despite this, Water Transfer is largely considered a sensible option.

4.16 The product sample tasting reassured customers that water transferred from other areas will not necessarily taste noticeably different from what they are used to.

4.17 We did also learn from the research some key elements for communicating regarding a source change involving any type of transfer. For the majority of customers, there is a particular lack of clarity around:

- Infrastructure requirements – it is unclear what type of infrastructure will be involved (e.g., canals, pipes, rivers) and how much new infrastructure will be required.
- This also makes it difficult to estimate the disruptive impact that Water Transfer might have on local areas and natural environments.
- Funding and cost – it is unclear who will be responsible for paying for different parts of the schemes if they cross over regions supplied by different water companies.

4.18 While these areas of confusion do not necessarily raise significant alarm, they can make it difficult for customers to engage meaningfully with this source option, leading them to remain neutral in their attitude. The diagram below summarises what we will need to do regarding future communications regarding a transfer:

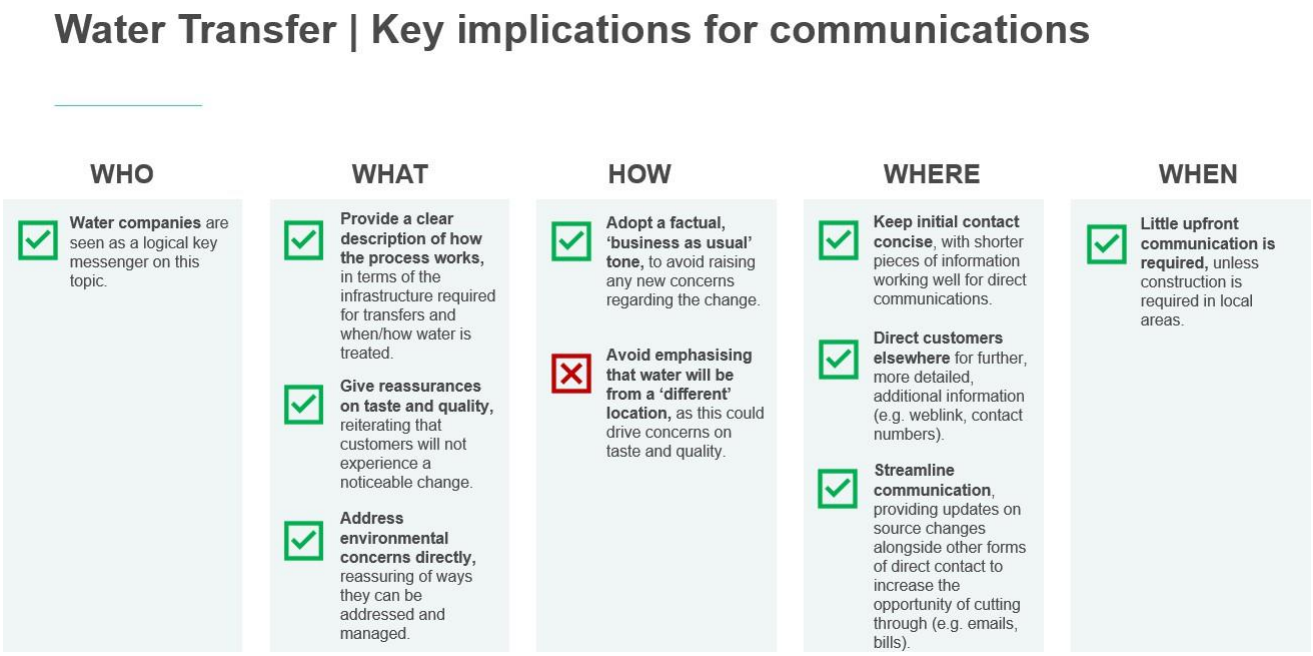


Figure 4.4 Key implications for communications regarding a transfer.

4.19 One of the key outputs from this research was a communications framework which took all the learning from the research to produce a practical tool to use when we do decide to change a water source, and the language, framing and communications we should employ and the timings around those communications.

Wider research evidence

4.20 Affinity Water has collated customer, stakeholder and community insights to consolidate what we know about the needs and expectations of our customers and to provide a robust evidence base for decision making. This work is ongoing and will inform the wider company plans.

For Affinity customers they prioritise fixing leaks and ensuring solutions to improve water efficiency and connectivity are put in place before larger scale options are considered. However, they do see the need for longer term planning, and many think it is part of what a water company should do.

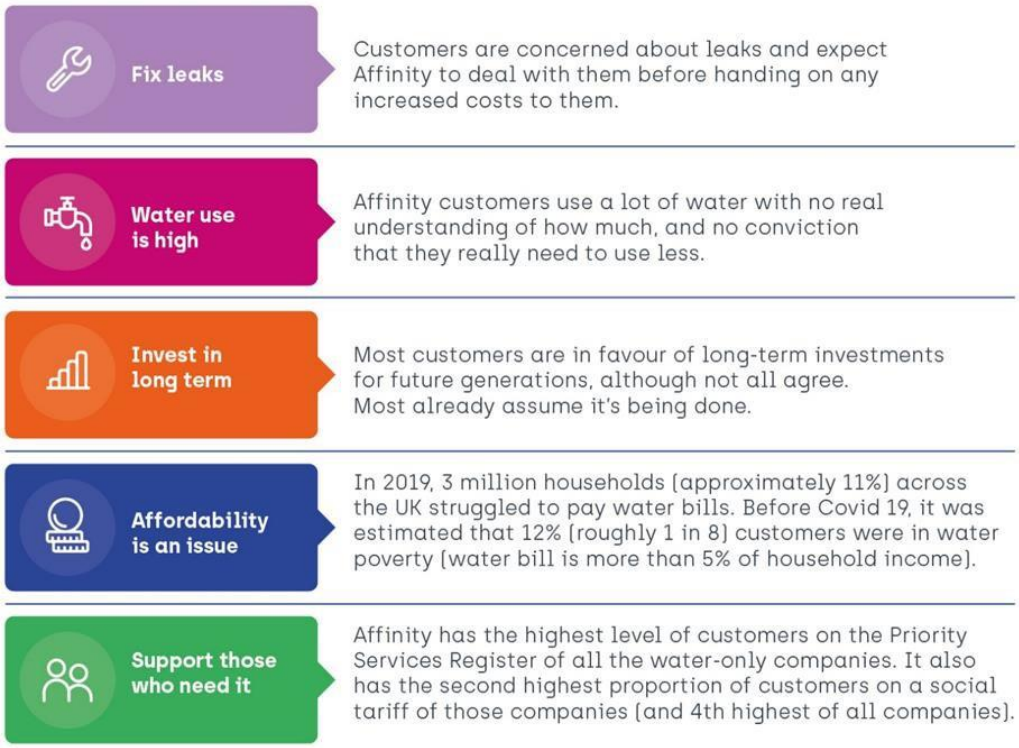


Figure 4.5: Summary of key insights on dWRMP for Affinity Water customers

4.21 Customers have also highlighted key areas they want their companies to focus on some are very relevant to the SROs and they include:

- Reduce the strain on the environment and restore environmental habitats
- Reduce emissions and reach net zero – plus increase the use of green energy and generate more renewable energy without increasing costs
- Give something back to the community – undertake corporate responsibility activities; engage in local issues and provide more access to sites for recreation and minimise the impact of our operations

Challenging our approach

4.22 The process of collaboratively delivering our customer engagement activity has been driven through the WRSE Engagement and Communications Board (for regional work) and steering groups formed by the SRO companies for each project.

4.23 We have benefited from a wide range of expertise withing the company's insight, regulation and water resources teams to help the design and development of the engagement activities both ensuring best practice and alignment to wider insight activities to inform the PR24 business planning activities. The work was delivered by independent market research agencies compliant with the MRS code of conduct.

4.24 In addition, WRSE has facilitated a regional Customer Challenge Group (rCCG), bringing representatives from the Consumer Council for Water (CCW) and the company independent challenge groups to share and input on the approaches and materials used to engage customers. We also have shared briefs and materials for the research with CCW and the DWI for comment and have presented findings through a webinar.

5. Next steps

5.1 As this scheme is not being promoted by the regional plan, Affinity Water and Anglian Water are planning to cease any further work on stakeholder or customer engagement for now. If the scheme does again get selected as part of ongoing water resources planning, the activity done to date can be picked up.