



Anglian Water PR24 Social Tariffs

Quantitative report
July 2023

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Background & objectives

Research background

- Anglian Water offers a variety of tariffs to assist household customers facing diverse vulnerable circumstances, such as WaterSure and LITE
- In response to the financial impacts of Covid-19, previous research was commissioned to gain insights into customers' opinions regarding the expansion of the LITE scheme

Research objectives

- Building upon that research, Anglian Water conducted another round of consultation concerning the LITE/Extra LITE cross-subsidy
- The primary objective was to ascertain customers' reactions to the social tariff in preparation for PR24, focusing on the following aspects:

Support for the concept of cross subsidisation

Willingness to pay additional amounts on their water bills

Response to various levels of support or discounts provided to beneficiaries

Research Methodology

A similar design to the previous social tariff project (Revisiting Social Tariff: Covid-19 Impact) was used, with some modifications

- A quantitative study with Anglian Water customers (following a small number of in-depth interviews)
- To examine customer responses to various framing scenarios, determining which approach is most helpful for customers in evaluating potential increases in cross subsidy amounts for the social tariff
- The quantitative sample was the same as for the previous social tariff project – a total of 1,516 interviews using a mixed methodology:
 - Region: 1,266 in the AWS region and 250 in Hartlepool
 - Method: 765 online and 751 telephone
- The online survey was conducted by our Panel partner Dynata
- Telephone fieldwork was conducted from Accent’s dedicated telephone unit based in Edinburgh (ETU)
- A pilot of 50 interviews was carried out to check data quality before full launch



- The qualitative sample consisted of 12, 60-minute interviews
- 8 conducted with customers in the AW area and 4 with customers in Hartlepool
- Participants provided with a £40 incentive for their contribution

- Minimum quotas were set within each area by:
 - Age
 - SEG
 - Gender
 - Ethnicity
 - Metered/unmetered households
- The final data was weighted using the latest Census data
- This report is based on weighted data

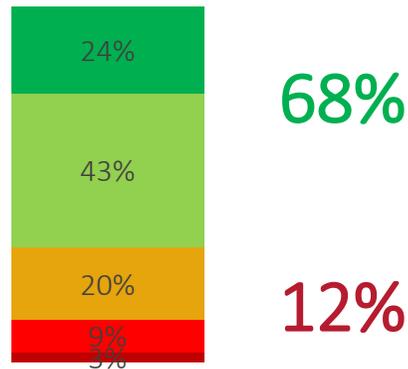


Key metrics

Key metrics: Overall Satisfaction, Value for Money & Affordability

Two thirds were satisfied with the service received from Anglian Water, just half claimed it was good value for money and nearly three in five rated their water charges affordable

Overall Satisfaction

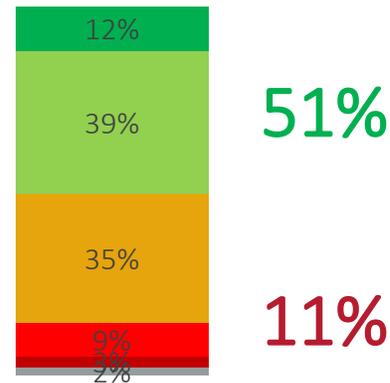


- Very satisfied
- Quite satisfied
- Neither satisfied nor dissatisfied
- Quite dissatisfied
- Very dissatisfied

Sig higher in:

- Level of discount £3, £5, £6 & £10
- Hartlepool Water
- Ages 35+
- SEG AB
- Always pay bill on time

Value for Money

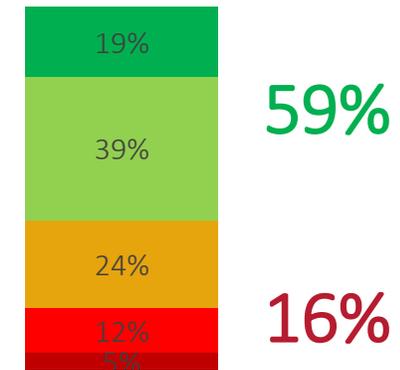


- Very good value for money
- Good value for money
- Neither poor nor good value for money
- Poor value for money
- Very poor value for money
- Don't know

Sig higher in:

- Level of discount £5, £6 & £10
- Hartlepool Water
- Older ages 65+
- On social tariff
- Always pay bill on time

Water charges are affordable



- Strongly disagree
- Tend to disagree
- Neither agree nor disagree
- Tend to agree
- Strongly agree

Sig higher in:

- Level of discount £5, £6 & £10
- Hartlepool Water
- Males
- SEG AB and C1/2
- No disability in HH
- On social tariff
- Always pay bill on time

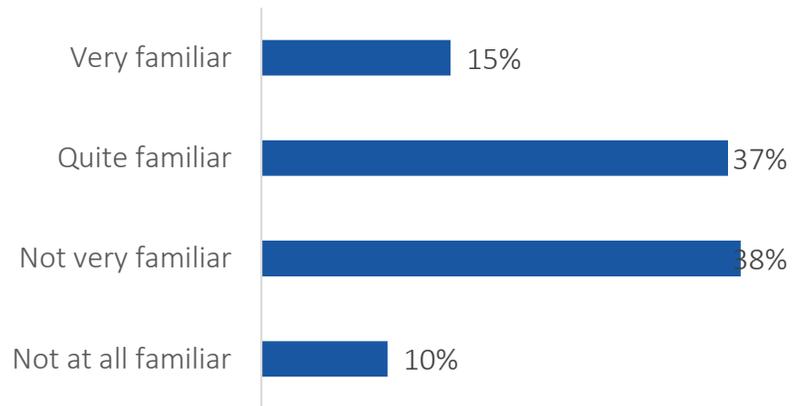


Awareness of services & offers

Awareness of services & offers – overall

Just over half of all participants (52%) reported they were familiar with Anglian Water’s coverage & services, and just over a quarter were aware of schemes to help customers with their bills

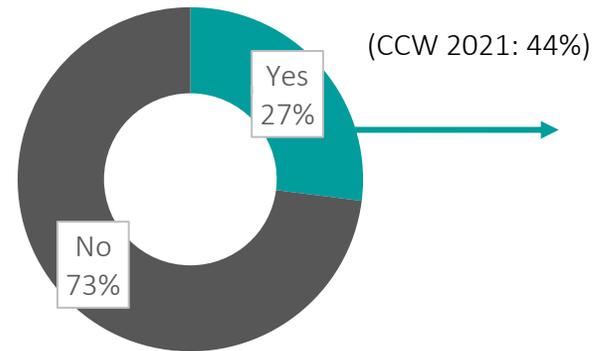
Familiarity with Anglian/Hartlepool Water’s coverage & services they offer



Familiarity sig higher in:

- Males
- AW dual/single supply
- Age 18-44
- Male
- SEG AB
- High water need
- On social tariff
- Struggling to pay water bill

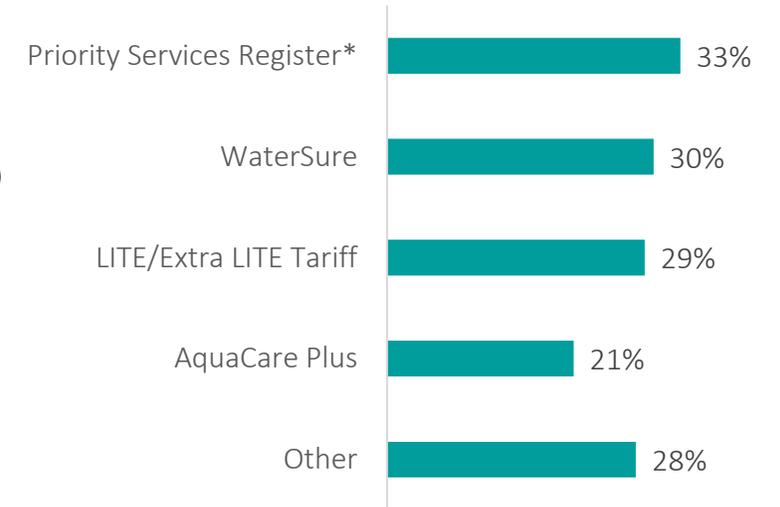
Awareness of schemes to help customers with their bills



Awareness sig higher in:

- AW dual/single supply
- Age 25-44
- Females
- Those with disability in HH
- High water need
- On social tariff
- Struggling to pay water bill

Among those aware....

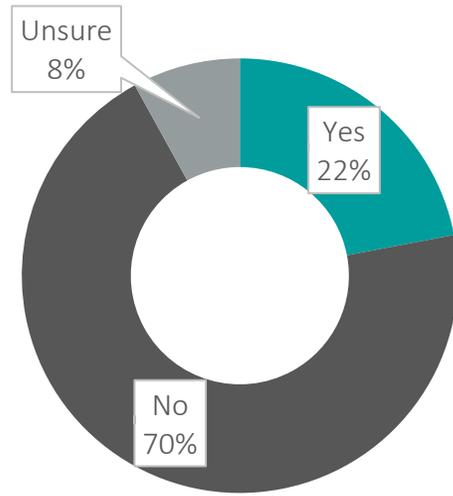


* PSR - CCW 2021 figure: 53%

Awareness of services & offers

Around 1 in 5 reported knowing about social tariff schemes before the study, and 15% were aware of the LITE tariff

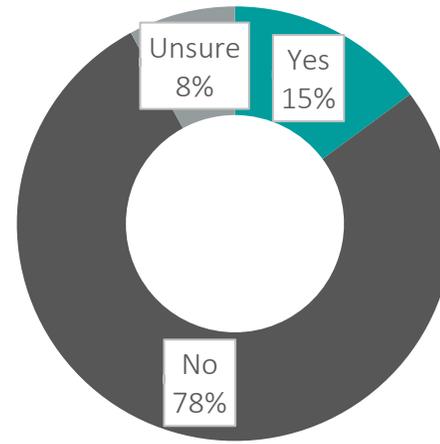
Awareness of schemes before study



Awareness sig higher in:

- AW single supply
- Age 25-44
- SEG AB
- Those with disability in HH
- High water need
- On social tariff

Awareness of LITE tariff before study



Awareness sig higher in:

- AW single supply
- Age 18-44
- Those with disability in HH
- High water need
- On social tariff
- Struggling to pay bills on time

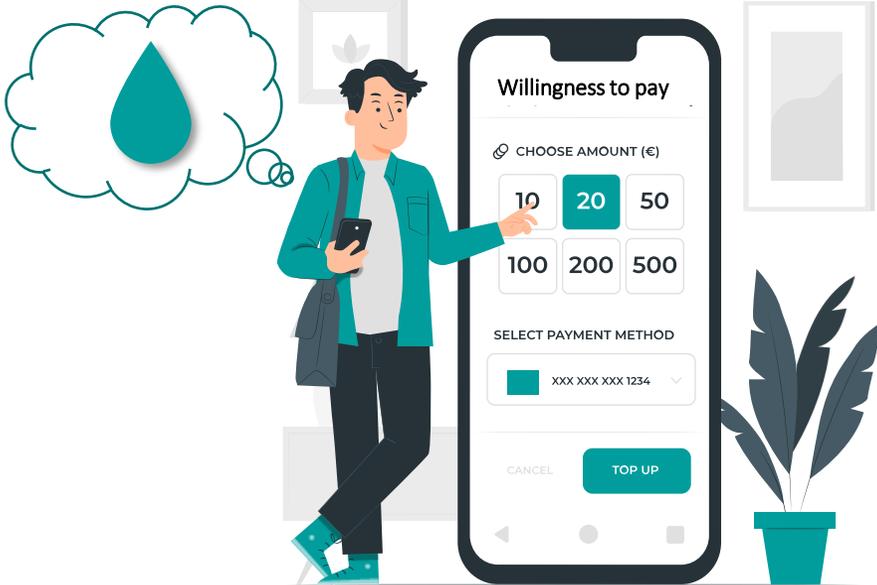
These findings highlight the need for increased efforts to improve awareness of these beneficial schemes among customers. By enhancing awareness and promoting a more positive perception of the company, Anglian Water can effectively reach and support a larger number of customers.



Willingness to pay

Willingness to pay approached through transfer pricing

The starting position was £14 per year for AW dual customers and £7 per year for AW single customers and Hartlepool Water customers.



Starting position
How acceptable is an additional £8/£5/£4 per year to you?

Very/quite acceptable:
How acceptable is an additional £10/£6/£5 per year to you?



Very/quite unacceptable:
How acceptable is an additional £6/£4/£3 per year to you?

Very/quite acceptable



Very/quite unacceptable:
How acceptable is an additional £4/£3/£2 per year to you?

Very/quite acceptable

Is there any amount you'd be willing to pay?

Willingness to pay approached through transfer pricing: summary

WTP at the highest levels stands at around 60% for all areas

Acceptability of extended social tariff:
All customers

Additional £4/£3/£2
79%

Additional £6/£4/£3
76%

Additional £8/£5/£4
71%

Additional £10/£6/£5
61%

Acceptability of extended social tariff:
AW dual supply customers

Additional £4
79%

Additional £6
75%

Additional £8
71%

Additional £10
60%

Acceptability of extended social tariff:
AW single supply customers

Additional £2
82%

Additional £3
79%

Additional £4
71%

Additional £5
62%

Acceptability of extended social tariff:
Hartlepool Water customers

Additional £3
77%

Additional £4
75%

Additional £5
69%

Additional £6
63%

What the data shows us:

The willingness to pay among customers decreases as the additional charges increase. While nearly 4 out of 5 individuals found the lowest bill amount acceptable, this acceptance rate dropped to 3 out of 5 for the highest additional bill amount. Across all groups, the levels of acceptability for different sets of additional bill amounts remained consistent.

NB: These acceptability figures include the 'don't mind' responses and are a total of those who find the extended social tariff acceptable, completely acceptable or don't mind.

Acceptability of extended social tariff: all customers (AW dual and single customers and Hartlepool Water customers)

Overall, 18% stated they would be willing to pay nothing additional towards the social tariff

Total Sample	Additional £4/£3/£2	Additional £6/£4/£3	Additional £8/£5/£4	Additional £10/£6/£5
Completely acceptable	19	18	18	16
Acceptable	50	48	44	36
Unacceptable	9	11	14	20
Completely unacceptable	8	8	8	9
Don't mind	11	10	9	9
Don't know	4	5	7	10
Total	100	100	100	100
	%	%	%	%
Total acceptability	79	76	71	61
Error margin	+/-0.85	+/-1.71	+/-1.26	+/-0.98
Acceptability range	78.1	74.3	69.7	60
	79.9	77.7	72.3	62

Acceptability of extended social tariff: All customers



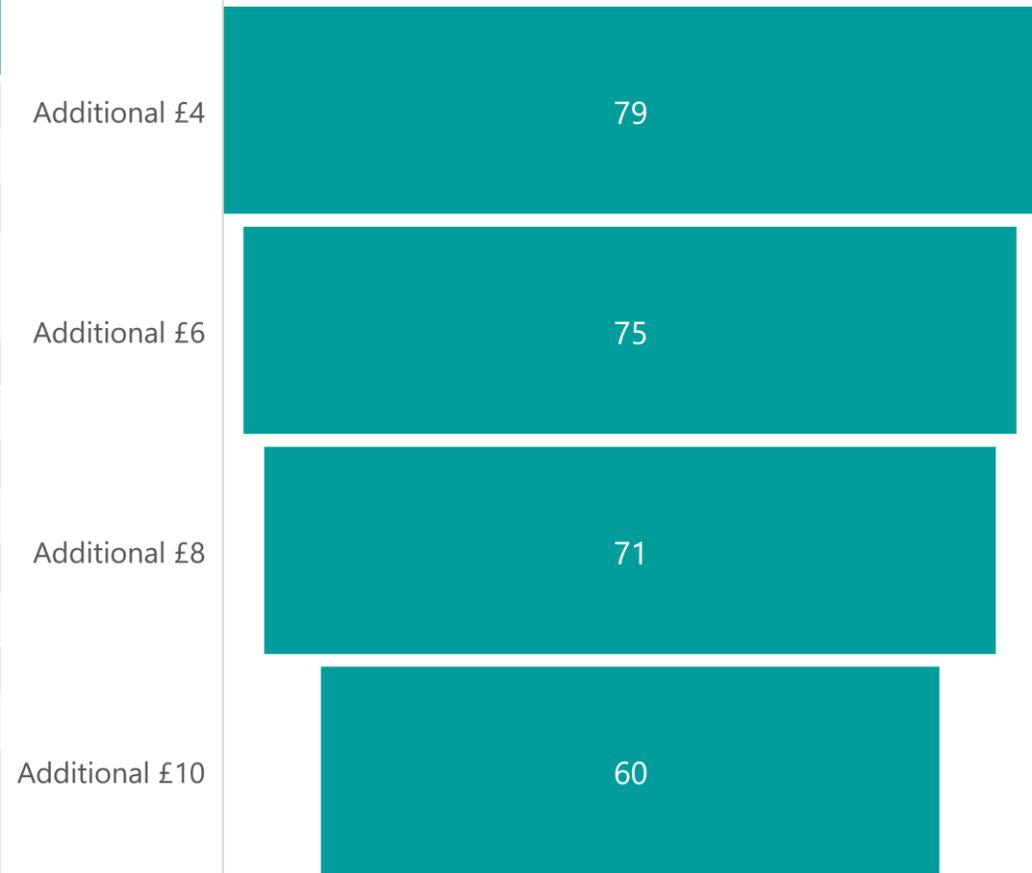
Base: total sample 1,516 participants

Acceptability of extended social tariff: AW dual supply customers

Overall, 18% stated they would be willing to pay nothing additional towards the social tariff

AW Dual Supply Customers	Additional £4	Additional £6	Additional £8	Additional £10
Completely acceptable	20	20	19	16
Acceptable	50	48	45	38
Unacceptable	9	12	13	20
Completely unacceptable	8	7	8	8
Don't mind	9	8	7	6
Don't know	4	6	8	11
Total	100	100	100	100
	%	%	%	%
Total acceptability	79	75	71	60
Error margin	+/-0.79	+/-1.79	+/-1.24	+/-0.96
Acceptability range	78.2	73.2	69.8	59
	79.8	76.8	72.2	61
Significantly higher in:	<ul style="list-style-type: none"> Households in debt 	N/A	<ul style="list-style-type: none"> Those with a disability in HH 	<ul style="list-style-type: none"> No disability in HH On social tariff

Acceptability of extended social tariff: AW dual supply customers



Base: total sample 922 participants

Acceptability of extended social tariff: AW single supply customers

Overall, 17% stated they would be willing to pay nothing additional towards the social tariff

AW Single Supply Customers	Additional £2	Additional £3	Additional £4	Additional £5
Completely acceptable	16	16	16	15
Acceptable	53	52	44	32
Unacceptable	8	9	16	22
Completely unacceptable	8	9	7	8
Don't mind	13	12	11	15
Don't know	3	3	6	8
Total	100	100	100	100
	%	%	%	%
Total acceptability	82	79	71	62
Error margin	+/-0.9	+/-1.51	+/-1.24	+/-1.04
Acceptability range	81.1	77.5	69.8	61
	82.9	80.5	72.2	63
Significantly higher in:	N/A	<ul style="list-style-type: none"> Age 18-24 Male SEG DE No disability in HH Low water need Struggling to pay bills 	<ul style="list-style-type: none"> Female SEG C1/C2 Those with a disability in HH High water need On social tariff Struggling to pay bills 	<ul style="list-style-type: none"> SEG AB Not on social tariff Pays bills on time

Acceptability of extended social tariff: AW single supply customers



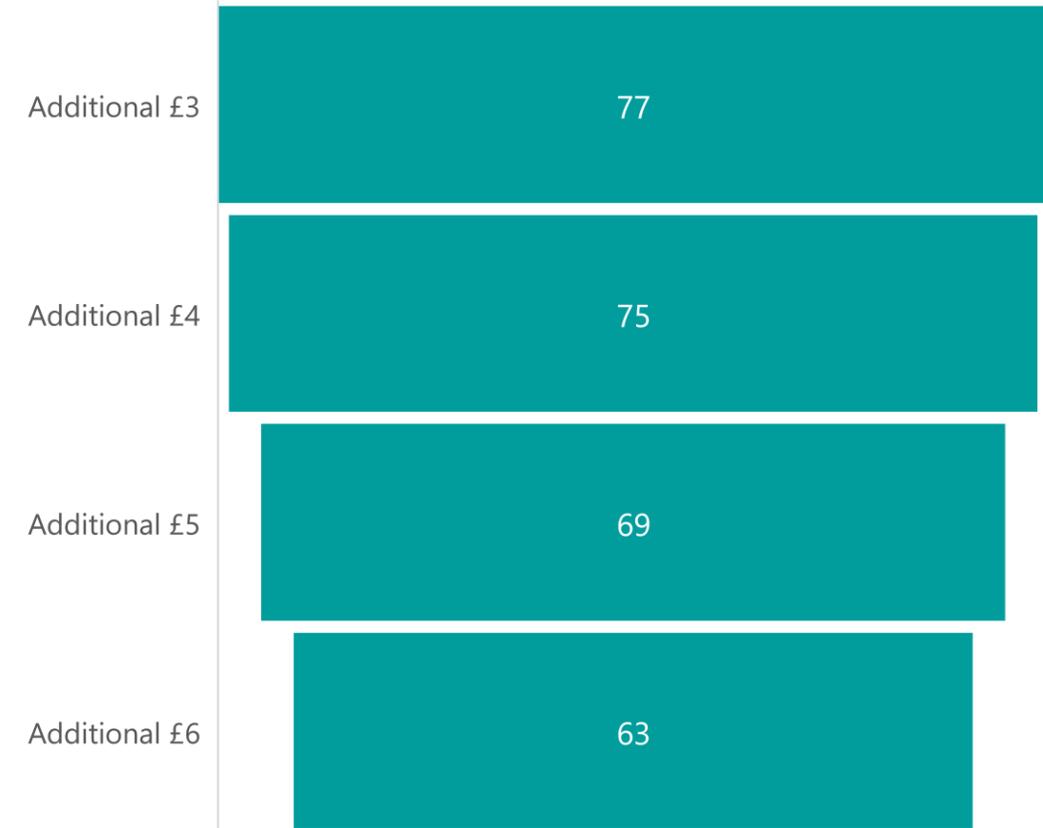
Base: total sample 406 participants

Acceptability of extended social tariff: Hartlepool Water customers

Overall, 23% stated they would be willing to pay nothing additional towards the social tariff

AW Single Supply Customers	Additional £3	Additional £4	Additional £5	Additional £6
Completely acceptable	17	17	18	15
Acceptable	43	41	37	35
Unacceptable	7	11	12	18
Completely unacceptable	11	11	11	11
Don't mind	16	16	14	13
Don't know	5	4	7	9
Total	100	100	100	100
	%	%	%	%
Total acceptability	77	75	69	63
Error margin	+/-0.9	+/-1.72	+/-1.38	+/-0.92
Acceptability range	76.1	73.3	67.6	62.1
	77.9	76.7	70.4	63.9
Significantly higher in:	N/A (small base)	N/A (small base)	N/A (small base)	<ul style="list-style-type: none"> Low water need Not on social tariff Pays bills on time

Acceptability of extended social tariff: Hartlepool Water customers



Base: total sample 188 participants

No acceptability of extended social tariff

Not willing to pay extra towards the social tariff





Survey Demographics

Demographics

	Age						
	18-24	25-34	35-44	45-54	55-64	65-74	75 or older
Unweighted	1%	4%	10%	15%	29%	23%	19%
Weighted	11%	8%	24%	25%	8%	12%	11%

	Supply area			Bill paying		
	AW dual supply	AW single supply	Hartlepool Water	On time	Struggling	In debt
Unweighted	60%	23%	16%	87%	10%	3%
Weighted	61%	27%	12%	79%	15%	7%

	High water need	
	Yes	No
Unweighted	12%	88%
Weighted	12%	88%

	Gender	
	Male	Female
Unweighted	45%	55%
Weighted	49%	51%

	Disability	
	Yes	No
Unweighted	40%	60%
Weighted	36%	64%

	SEG		
	AB	C1/C2	DE
Unweighted	34%	45%	17%
Weighted	24%	50%	23%

	Social tariff	
	Yes	No
Unweighted	7%	93%
Weighted	12%	88%

Weighting targets			
18-24	11%	AB	24%
25-34	8%	C1	32%
35-44	26%	C2	20%
45-54	25%	DE	23%
55-64	8%	Male	49%
65-74	12%	Female	51%
75+	11%		

Thank you

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Full details of research design and methodology are available upon request.

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