

## Long-term delivery strategy

August 2023

HUMANA



### Background



Yorkshire Water have created a long-term delivery strategy designed to ensure the resilience of their systems and to detail planned developments needed to meet water supply and wastewater needs of customers over the next 25 years. The LTDS has been developed in line with Ofwat's guidance. It includes the statutory requirements for all water companies and where they intend to go beyond the requirements outlined by Ofwat.

### Objectives

To explore:

- What are customers' thoughts on the LTDS?
- Do customers believe performance commitment targets and enhancement spend will ultimately achieve the LTDS vision and ambition?
- What are the levels of support for our LTDS overall and the various aspects of the plan?
- How affordable do customers believe the LTDS to be?
- What are preferences for bill phasing?
- Do customers trust Yorkshire Water to deliver the LTDS?

#### Methodology



We ran a survey on the Your Water community alongside a third-party panel boost.

#### DATE: 8<sup>th</sup> Aug – 15<sup>th</sup> Aug 2023



793 took part:

N=336 Your Water community N=457 Panel



Responses were weighted to be broadly representative of the Yorkshire region in terms of age, gender, SEG and sub-region

Key significant differences between sub-groups are highlighted throughout. Variables considered include the Incidence of Multiple Deprivation Index (IMD).



### **Key insights**



### Key insights

- Overall, customers are receptive to the strategy, vision, targets and outcomes. The plan and goals are seen to be reflective of their priorities, and most find the strategy clear and thorough.
- However, levels of trust in Yorkshire Water to successfully deliver the strategy are lower, while some believe it is unrealistic. As a result, it fails to drive positive sentiment towards YW for around half of respondents.
- In part this stems from an overall distrust of water providers, as well as a perception that Yorkshire Water have failed to meet targets and protect the environment in the past.
- Customers are supportive of most of the measures and targets; those targets relating to sewage and leakage are most likely to be pinpointed as areas where Yorkshire Water should go further.
- Targets without an existing measure/benchmark lack credibility for some, who struggle to see how Yorkshire Water will address issues they are not currently able to quantify.
- Affordability is a concern for some; many spontaneously mention that they begrudge customers having to foot the bill, believing instead that organisational profits could and should fund the changes.

### Implications

While customers perceive many positives in the plan, ultimately, they are unlikely to be fully converted to belief in Yorkshire Water's ability to deliver it until they start to see measurable progress towards their key priorities. A number of steps in the meantime will help to support this.

Make a clear roadmap available, including timelines for targets, and keep customers in the loop about when and how targets have been achieved/progress has been made.

Continue to be transparent about new or ongoing issues and measures being taken to address them

Ensure that any additional support for those who are most financially vulnerable is clearly communicated to mitigate the negative impact of bill increases.

## Key metrics summary



	Overall				Vision						
	I am supportive of the strategy overall	The strategy makes me feel positively towards Yorkshire Water	The strategy is clear and comprehensive	l trust Yorkshire Water to delivery this strategy	I like this overall vision	The vision reflects my priorities as a customer		The vision covers the main areas I would expect	The vision seems realistic and achievable	The vision will benefit Yorkshire	l trust Yorkshire Water to deliver this vision
Agree	72%	53%	71%	47%	80%	75%	77%	80%	63%	78%	50%
Disagree	10%	19%	9%	27%	4%	8%	6%	5%	13%	5%	24%

	Outcomes				Targets									
	l like the overall outcomes	The outcome s reflect my priorities as a customer	The outcomes are clear	The outcomes cover the main areas I would expect	The outcomes seem realistic and achievable	The outcomes will benefit Yorkshire	l trust Yorkshire Water to deliver these outcomes		Secure, safe, clean water supplies	First- class custome r service	Bills everyone can afford	Modern and sustaina ble	Net zero carbon emission s	Looking after our natural environm ent
Agree	86%	81%	82%	83%	61%	80%	49%	Supportive	69%	66%	68%	68%	66%	69%
Disagree	3%	5%	5%	4%	14%	5%	24%	Unsupportive	7%	7%	6%	7%	9%	7%

Bill affordability						
	The forecasted bills are affordable for me	The forecasted bills are good value	I understand why the cost of bills will increase			
Agree	38%	36%	61%			
Disagree	37%	35%	21%			

Key: <55% positive sentiment <65% positive sentiment
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## Views on the overall strategy

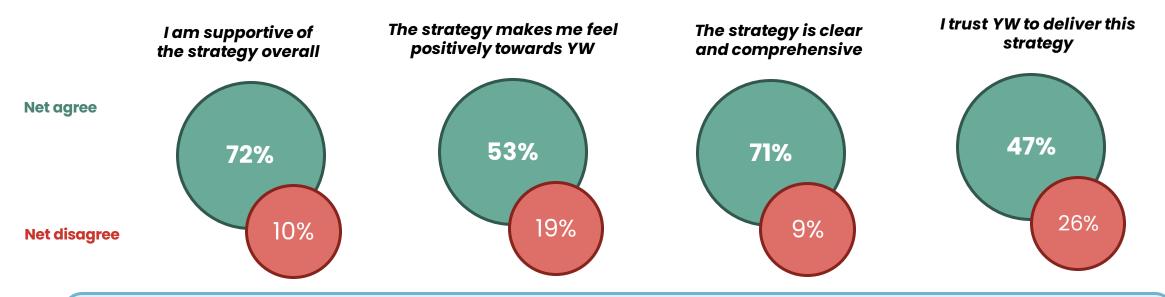
# Overall, there is broad support for the LTDS, especially amongst younger customers



#### However, there is some cynicism towards whether Yorkshire Water can be trusted to deliver it

[Based on all information provided] to what extent do you agree with the following?

Note: Question asked at end of survey after considering the bill impact



- Females are significantly more likely to agree on all statements except for overall support, including positive sentiment (57%), clarity (74%), and trust (51%), while males are more likely to disagree, particularly on trusting Yorkshire Water to deliver the strategy (30%).
- With the exception of clarity and comprehension, those aged **18-29** more often agree (supportive 81%, positive sentiment 68%, trust 58%); those aged **60+** are less trusting of Yorkshire Water to deliver (31% disagree).
- Those who live in more deprived areas (IMD decile of 1-5) are more trusting of Yorkshire Water to deliver (55%).

#### Overall strategy

## Few are strongly opposed to the strategy, with more tending towards neutrality or slight disagreement



Stronger disagreement for 'trust' reflects general cynicism towards water suppliers and a tendency to judge future intentions on past performance



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## Views on the vision and outcomes

The vision

## The vision is seen as clear, comprehensive and beneficial for Yorkshire

#### Again, though, some lack trust that YW will deliver it or feel that the vision is not realistic

#### I like this overall vision 16% 3% 80% 4% 35% 45% The vision covers the main areas I would expect 35% 45% 15% 4%% 80% 5% The vision will benefit Yorkshire 37% 42% 17% 4% 78% 5% The vision is clear 34% 43% 17% 42% 77% 6% The vision reflects my priorities as a customer 31% 45% 17% 6%2% 75% 8% The vision seems realistic and achievable 11% 3% 19% 44% 24% 63% 13% I trust Yorkshire Water to deliver this vision 9% 18% 33% 25% 15% 50% 24% Somewhat disagree Strongly agree Somewhat agree Neither Strongly disagree

[Based on the vision] to what extent do you agree with the following...

#### Net: Agree | Disagree

- Females are more likely to agree with many of the statements
   (benefit 82%, clarity 81%, priorities 79%, trust 56%).
- **ABC1s** are more likely to disagree on coverage (7%,) clarity (9%) and trust (29%), whereas **C2DEs** are more likely to agree on trust (56%).
- Those aged 18-29 are more likely to agree on benefit (88%) and trust (63%) whereas those aged
   60+ are more likely to agree on coverage (84%).

Q12. To what extent do you agree or disagree with the following statements about the Long-Term Delivery Strategy vision...? (Base: 793) HUMAN8

The vision

## The vision is well-communicated; simple and jargon-free yet comprehensive

Customers feel it strikes a good balance between the core areas and that it reflects improvements they would hope/expect to see

#### Is there anything you LIKE about the LTDS vision?



**Coverage**: The coverage is as customers would expect



**Environment**: The emphasis on the environment is appreciated and reflective of customer priorities



**Communication**: It is well communicated; jargon free with clear sections to aid comprehension



**Balance**: It covers all bases and strikes a good balance between supporting customers and protecting the environment

"I think the explanations of all 3 areas are defined really well; clear and easy to understand. It takes the needs of customers and the environment seriously and with compassion to make a difference that is suitable and achievable." Female, 45-59, North Yorkshire



"I like that Yorkshire Water are looking to create a better environment and a clean and safe water system." Male. 30-44, South Yorkshire

"It is jargon free, straight to the point and appears value for money. Also describes what Yorkshire Water are setting out to complete including the net zero ways of working in the future." Male, 45-59, East Riding

"I like how it's laid out into the three areas. It's in depth but clearly understandable where intended achievements are described." Female, 65+, East Riding

"Strikes the balance well between meeting the needs of customers and the environment in my opinion." Female, 45-59, West Yorkshire

#### The vision

## Concerns about the vision tend to centre on costs, time frames, and achievability

#### Is there anything you DISLIKE about the LTDS vision?



**Cost**: Many anticipate a high bill increase and object to customer responsibility for paying. Some fear funds will be redirected to shareholders. Hard to reconcile increases with 'making bills affordable'.



**Achievability**: Feels ambitious. Recent performance/negative press undermines perceptions of capability/commitment.



**Timeframe**: Feels too generous. Some believe the vision is the bare minimum they would expect and should already be in effect. Desire for roadmap and timeline.



**Pollution**: Too little reference to tackling pollution or acknowledgement of failures in this area.

"I cannot understand why we are in 2023 discussing that the vision is 'we will provide safe, clean, great tasting water and return wastewater safely to the environment' when this is a critical part of what Yorkshire Water should have been providing from the start. What are we receiving right now?" Female, 30-44, West Yorkshire



"I like it all but whether it is all realistically achievable without hugely escalating bills is another matter." Male, 65+, West Yorkshire

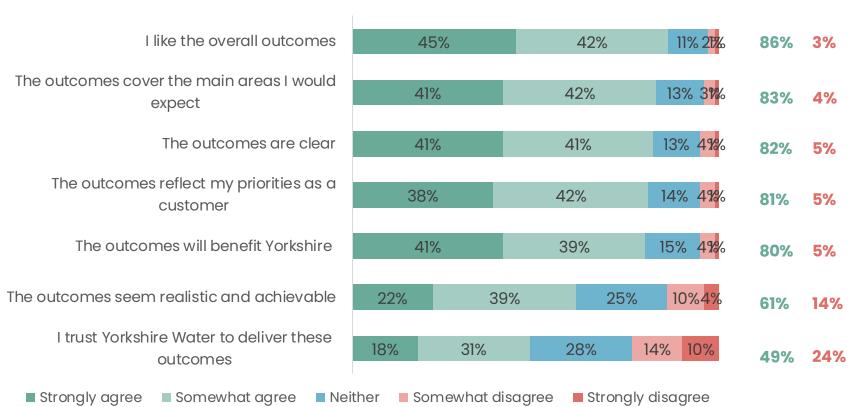
"There have been so many instances of pollution by Yorkshire Water that I doubt anyone would believe any goals, however laudable. They are judged on actions & these have been woefully poor, whilst benefitting shareholders only." Female, 65+, North Yorkshire

"All sounds good and very encouraging. Not sure of the finer detail or the actual dates of deliverables. Presumably there are key customer updates and deliverables?" Male, 65+, West Yorkshire

#### The outcomes

To what extent do you agree about the LTDS outcomes?

# The outcomes (like the vision) are well-received; scoring highly on general appeal, clarity and benefits to Yorkshire



#### Net: Agree | Disagree

- Females are more receptive to most statements, with higher agreement on: like overall (89%), coverage (88%), realistic (66%), benefit (86%), and trust (56%).
- **ABC1s** display lower trust (28% disagree) but are more likely to see a benefit (83%).
- Those in less deprived areas (IMD 6-10) agree more that it covers the main areas they would expect (90%).

## All of the outcomes are seen as being relevant by the majority

...though 1 in 6 believe Net Zero should not be included

Are there any outcomes you think should NOT be included?					
None I think they should all be included	74%				
Net zero carbon emissions	15%				
Bills everyone can afford	10%				
Secure, safe clean water supplies	9%				
First-class customer service	7%				
Looking after our natural environment	7%				
Modern & sustainable infrastructure	5%				

Q15. Are there any outcomes that you don't think should be included as part of the Long-Term Delivery Strategy? Please click on the image to enlarge. (Base: 793)

"Stop with the net zero strategy as it's not really possible in a short space of time, it's an energy guzzling system that's costing ordinary people hundreds of pounds per year just so Yorkshire Water can look good on paper, but it's destroying the environment faster than fossil fuels." Male, 45-59, West Yorkshire

"The net zero carbon emissions should be overlooked in my opinion. Net zero is unrealistic and will never be achieved globally so why should we bother." Male, 65+. East Riding

#### The outcomes

## As with the vision, outcomes are felt to be clearly communicated and relevant



#### ...Though some feel they lack enough reference to/emphasis on pollution and leaks

#### **Outcomes: Likes**

- ✓ Covers all bases coverage is as many would expect
- All feels worthwhile provided costs to customers are reasonable
- Demonstrates accountability
- Clear breakdown of outcomes

"I like that all these are relevant and each one fits into a bigger and overall plan. They cover all the necessary needs of customers, environment economy, safety and quality of water, climate and net zero. It's detailed but in easy-to-understand steps and targets." Female, 45-59, North Yorkshire

"Really clear although I perhaps would like to know how they are going to prioritise these areas and what they are going to do in real terms to achieve these outcomes" Female, 45-59, West Yorkshire

#### **Outcomes: Dislikes**

- Cost of improvement should be covered by shareholders/ profits
- **X** Pollution/leaks: expect eradication not reduction
- X Not all outcomes feel realistic e.g., net zero

"This "long term strategy" should be in place as a minimum standard already. The customer should not have to foot the bill for something that the company should be doing as a matter of course. Furthermore, I would like to see dividends cut for shareholders in underperforming companies." Male, 45-59, East Riding

"The plan should NOT be to reduce sewage and flood waste into the rivers and seas it should be to STOP ALL sewage and flood waste going into rivers and the sea." Female, 45-59, West Yorkshire





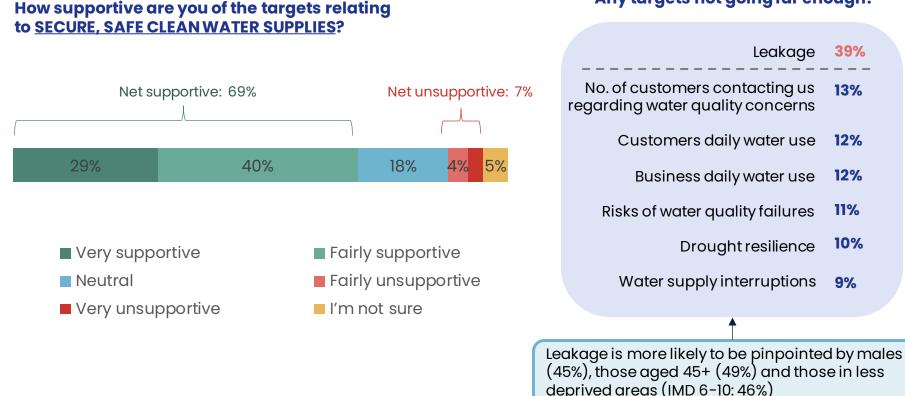
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16

## Though most support water supply targets overall, it is felt leakage targets should be more ambitious



If infrastructure is to be addressed, customers cannot understand why a large volume of leakage would persist – particularly given it's a high priority in their eyes



#### Any targets not going far enough?

"A target to lose 150 million litres of water a day! You should be ashamed to put that in writing, get on with sorting it out. You were given the infrastructure, you didn't have to create it, why is it still so poor, and your target so low!" Male, 45-59, South Yorkshire

"Leakage. You do not allow customers to identify this by only allowing one reading a month! That allows a leak, no matter how small, to be ignored for up to 6months. Readings should be done monthly!" Female, 45-59, South Yorkshire

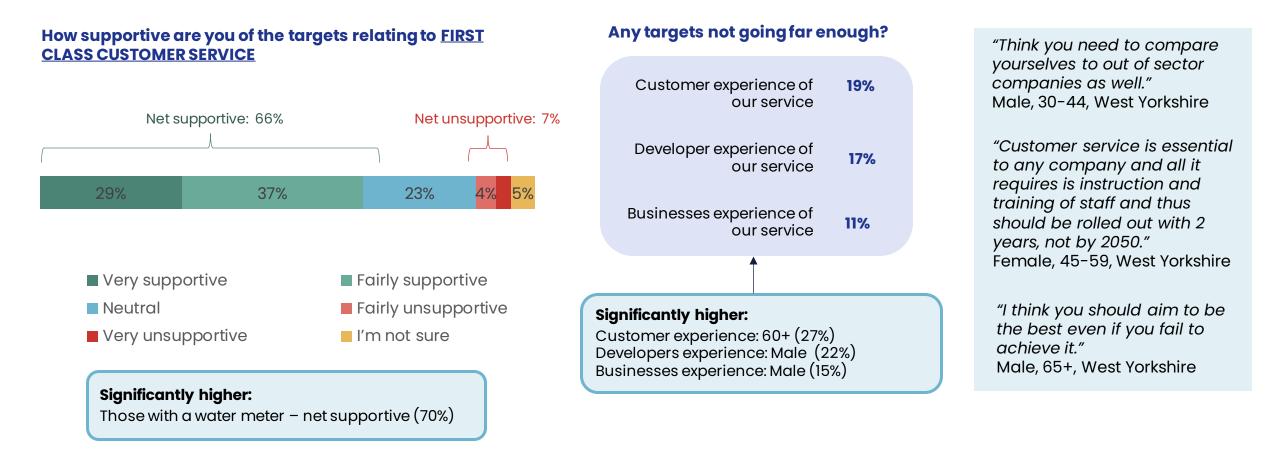
Q17. Based on what you have read, how supportive are you of the targets Yorkshire Water has set for this outcome overall? (Base: 793). Q18. Are there any targets you feel are not going far enough? (Base: 793). Q19. You mentioned some targets were not going far enough, please tell us why and what you might expect them to be? (Base: 326) **HUMAN8** 

17

# 1 in 5 believe Yorkshire Water's customer service targets could go further



#### Higher expectations typically centre around striving to be the best, or meeting targets sooner



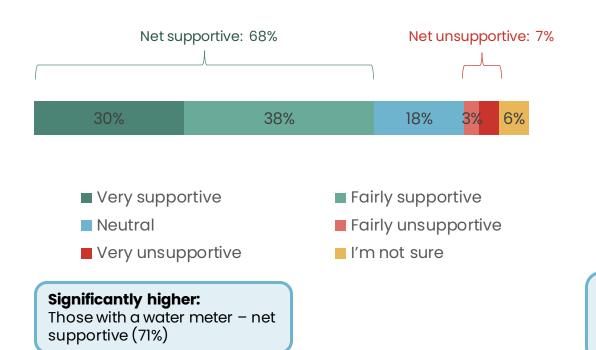
Q20. Based on what you have read, how supportive are you of the targets Yorkshire Water has set for this outcome overall? (Base: 793). Q21: Are there any targets you feel are not going far enough? (Base 793). Q22. You mentioned some targets were not going far enough, please tell us why and what you might expect them to be? (Base: 166) HUMANA

## There's support for infrastructure-related targets, but some feel more could be done



Around one in five would like to see more ambitious targets for internal sewer flooding, mains repair, sewer collapses and sewer flooding risk

#### How supportive are you of the targets relating to MODERN AND SUSTAINABLE INFRASTRUCTURE



#### Any targets not going far enough?

Internal sewer flooding	23%
Mains repair	20%
Sewer collapses	19%
Sewer flooding risk	19%
External sewer flooding	16%
Discharge permit compliance	14%
Unplanned outage	11%
•	

**Males** in particular tend to believe these targets could be more ambitious, including mains repair (25%), external sewer flooding (21%) and sewer flooding risk (24%) "Yorkshire Water has had decades to sort out the above problems, your predecessors over a century." Male, 65+, South Yorkshire

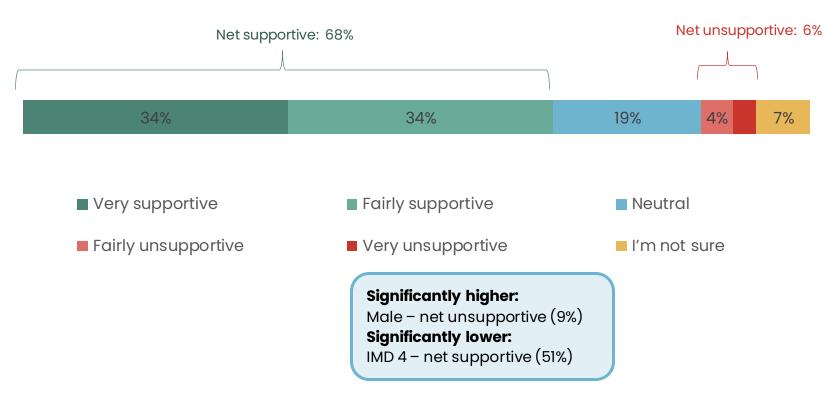
"With the money you are taking from us AND the fact you want to increase bills... I would expect you to be aiming for NO spillages or repairs needed, with a clause to say, we aim for none but understand accidents happen etc., but we will keep this to a very small minimum." Female, 20-29, South Yorkshire

Q26. Based on what you have read, how supportive are you of the targets Yorkshire Water has set for this outcome overall? (Base: 793). Q27. Are there any targets you feel are not going far enough? (Base: 793). q28: You mentioned some targets were not going far enough, please tell us why and what you might expect them to be? (Base: 288)

## There is support for measures and targets relating to bills veryone can afford

Some, however, believe water is a basic right, and therefore the target should be zero customers in water poverty, and as soon as possible

### How supportive are you of the targets relating to BILLS EVERYONE CAN AFFORD



"Water is a basic right, and no one should go without it." Male, 65+, South Yorkshire

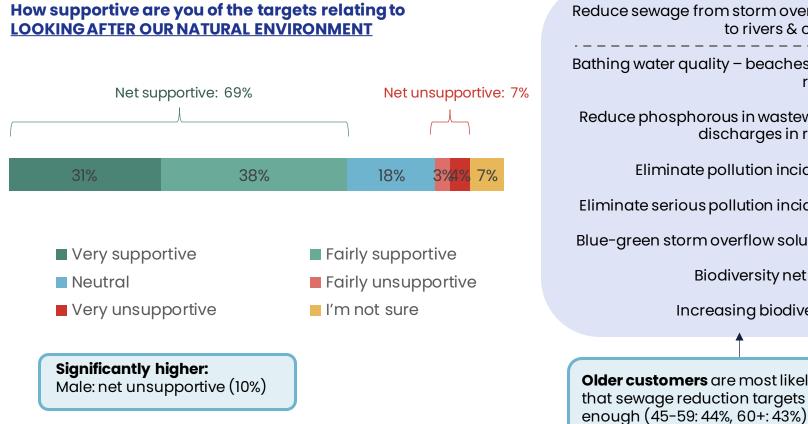
"This target is not going to have any meaningful impact. It needs much clearer numbers behind it and a clearer 'year on year reduction', what percentage of your customers each year?" Male, 20-29, South Yorkshire

"You need to get a handle on the number of customers in water poverty within next 12 months and then plan to eliminate it completely within 5 years." Female, 45-59, West Yorkshire

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Q23. Based on what you have read, how supportive are you of the targets Yorkshire Water has set for this outcome overall? (Base: 793). Q24: Are there any targets you feel are not going far enough? (Base: 793). Q25: You mentioned some targets were not going far enough, please tell us why and what you might expect them to be? (Base: 145)

### Most support natural environment targets, though storm overflow goals are considered insufficient by 1 in 3



#### Any targets not going far enough?

Reduce sewage from storm overflow to rivers & coast	33%			
Bathing water quality – beaches and rivers	19%			
Reduce phosphorous in wastewater discharges in rivers	17%			
Eliminate pollution incidents	17%			
Eliminate serious pollution incidents	16%			
Blue-green storm overflow solutions	11%			
Biodiversity net gain	11%			
Increasing biodiversity	11%			
<b>Older customers</b> are most likely to believe that sewage reduction targets do not go far				

"How can you say you aim to not have any impact on bathing waters but yet say you're allowing 10 pollution incidents a year." Female, 20-29, South Yorkshire

"These targets are things which should have been done already and eliminated a long time ago" Male, 45-59, West Yorkshire

"In 27 years why is the forecast for the reduction in sewage 'dumping' only reduced from 24 to 10? I would dispute such figures anyway as it is known far more have happened this year in Yorkshire." Female, 65+, East Yorkshire

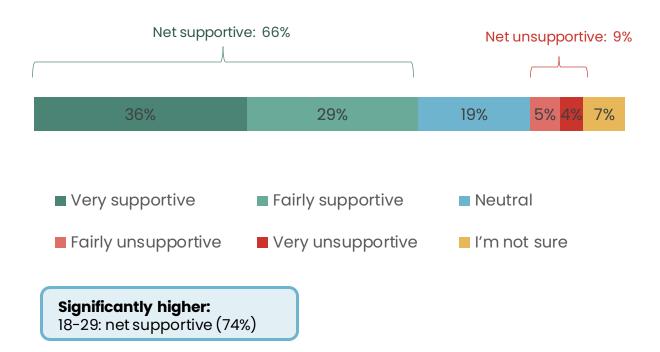
Q31. Based on what you have read, how supportive are you of the targets Yorkshire Water has set for this outcome overall? (Base: 793). Q32. Are there any targets you feel are not going far enough? (Base: 793). Q33. You mentioned some targets were not going far enough, please tell us why and what you might expect them to be? (Base: 290) HUMANA

## Scepticism about how realistic it is to reach net zero hampers support for this target



Lack of a current measure feeds these concerns, and some need to see measurable actions outlined to be convinced of its achievability; however, support is generally on a par with targets in other areas

### How supportive are you of the targets relating to <u>NET ZERO CARBON EMISSIONS</u>



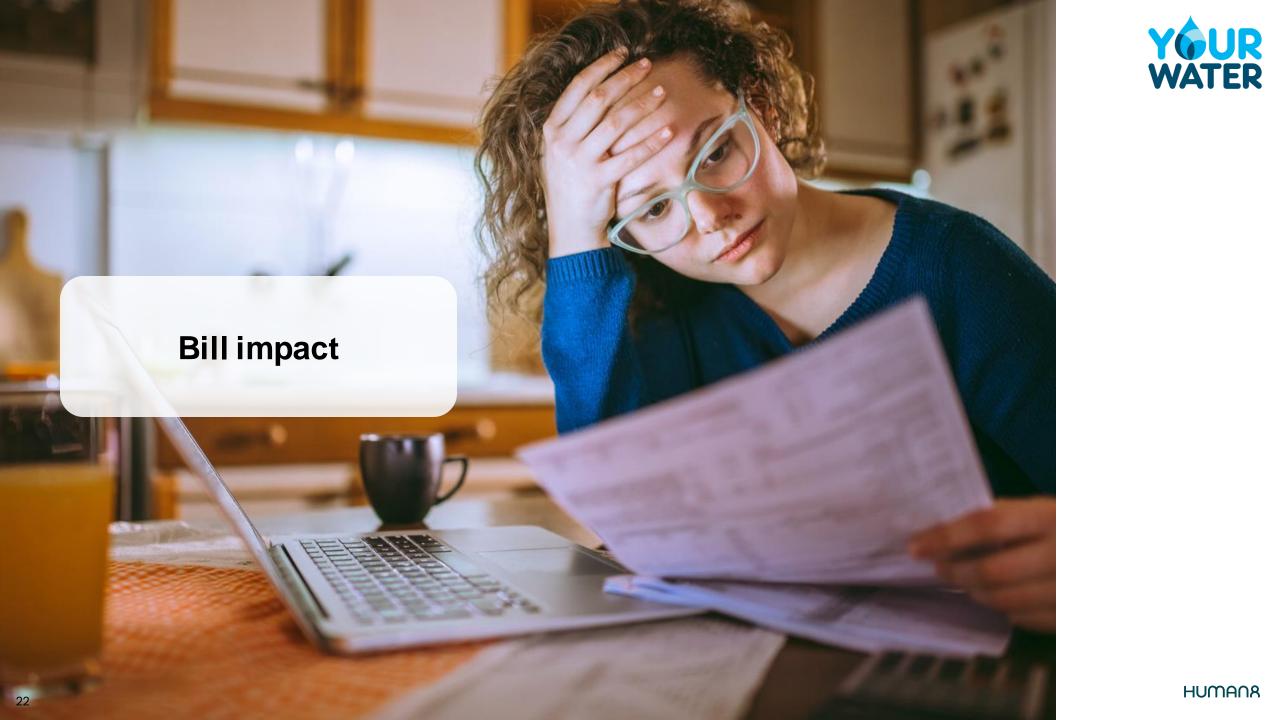
"Reducing 'not currently measured' to zero may seem like a nice idea, but it doesn't feel very realistic. If you don't even know the amount, how can you have plans to reduce it to zero? I'm very supportive of net zero, but this might be overly optimistic." Male, 20-29, South Yorkshire

"Would like to see an interim target between 2023 and 2050." Female, 45-59, West Yorkshire

*"I like that by 2050, all clean water production, wastewater production and total greenhouse gas emission would be 0."* Female, 20-29, West Yorkshire

"In a perfect world perhaps, how are you planning on doing this? Until I've seen how you're planning this very ambitious idea can't really comment." Female, 45-59, North Yorkshire

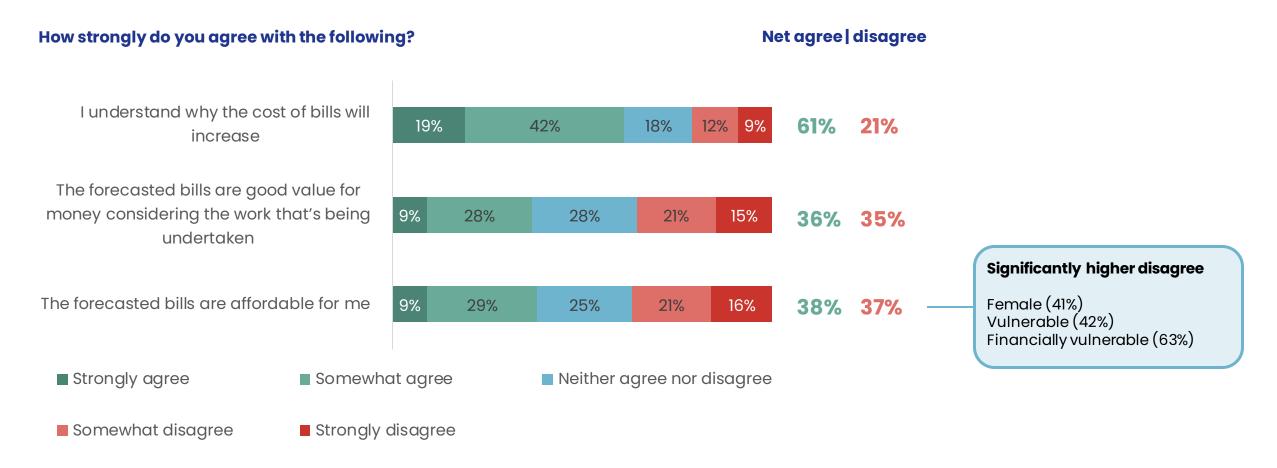
Q29. Based on what you have read, how supportive are you of the targets Yorkshire Water has set for this outcome overall? (Base: 793). Q30. Please let us know anything you like or dislike about the targets? (Base: 472).



Bill impact

# Around 2 in 5 believe that forecasted bills are affordable, with a similar proportion disagreeing

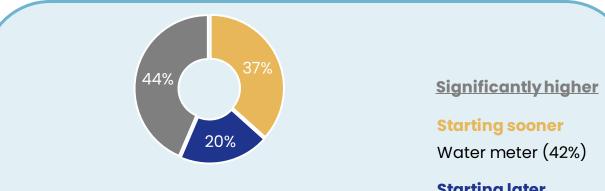




#### Bill impact

### There's a slight preference toward bill increases being split across generations

#### Which option would you prefer?



- Bill increase starting sooner, spread across different generations
- Bill increase starting later, more of the increases onto younger & future bill-payers
- I don't know enough at the moment to answer

Starting later Vulnerable (24%) Financially vulnerable (34%) IMD 1 (38%)



#### Bill impact

### There's a slight preference towards a rising bill profile (when looking at ranks 1 and 2); but there's no strong preference towards any option



Option 3 is more preferred among those in the most deprived areas and those struggling with household bills

Which option would you prefer?

	<b>Option 1</b> Step up in bills in the first year. Remains consistent for the rest of the 5- year period (average/flat). Trend repeats every 5 years	<b>Option 2</b> Bill increases to reflect the costs that Yorkshire Water will incur during this time. A step up in bills in the first year, but a more gradual incline in bills over the remainder of the 5-year period (natural). Trend repeats every 5 years	<b>Option 3</b> Small increase to your water bill in the first year with a rising yearly bill for the rest of the 5-year period (rising). Trend repeats every 5 years
Rank 1	30%	36%	34%
Rank 2	34%	30%	36%
Rank 3	36%	34%	30%

Those selecting option 2 as their top ranked tend to be less financially vulnerable i.e. **non-financially vulnerable** customers (37%), those who can **easily cover the basics** (50%) and those in the **AB** SEG (41%).

Those selecting option 3 as their top ranked tend to more often come from deprived areas - i.e. **IMD1** (40%) **and 2** (43%) - and to be danger of **falling behind/missing loan repayments/household bills** (49%).





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Plan review triggers

## Customers identify a growing population as a potential disrupter to success

Most however are unable to suggest any additional factors that should trigger a review

#### **FULL QUESTION TEXT**

There is lots of planning involved in the LTDS and YW will pause at various intervals to see if the plan is delivering what it needs to. There are some key triggers that might cause Yorkshire Water to review their delivery strategy, such as:

-Climate change: if the impact of climate change is felt more quickly than expected, or alternatively lower than expected

**-Technology:** the water industry has various technological initiatives planned to modernise infrastructure (e.g. smart meters, smart water supply network). Length of implementation of these initiatives may trigger YW to review their strategy.

-Abstraction reductions: abstraction is the process of removing water from a river or water source. This can harm the environment if too much is removed so water companies are required by the government to limit abstractions. However the extent to which we will need to reduce abstractions in the future depends on climate change, policy regulations etc.

-Household demand for water: higher demand for water from customers would place a great strain on the network, lower demand would result in less strain – both scenarios could trigger a review.

### Are there any potential future factors you think would trigger a review of the strategy?

Few are unable to identify additional future factors that they feel should trigger a review, with some simply re-emphasising the importance of those already mentioned, such as climate change. A few additional factors were mentioned, such as the following:

- Increasing population
- The cost-of-living crisis escalating
- Nationalisation of water companies
- Disruption caused by wars

Q37. Are there any other factors that you think could arise in the future that could trigger Yorkshire Water to review their Long Term Delivery Strategy? (Base: 183)



#### **Review of activities**

## Very few customers are able to identify additional activities that should be incorporated into the plan



Most are more concerned about how the existing plan will be paid for rather than adding to it

#### Is there anything missing from the list of activities?

- Less than a quarter of customers commented on the list of planned activities, with the majority selecting 'don't know' to this question.
- Of those who did comment, most were unable to suggest additional activities, but instead commented on the bill impact and how the plan will be paid for.
- As well as commenting negatively on the fact that bills will go up, many state that they feel improvements should be paid out of Yorkshire Water's profits/by shareholders rather than coming from customers' pockets.
- A very small number identify specific additional activities, including things like building more reservoirs, utilising sea water, enforcing the use of water meters for all customers and reducing limescale.

	2025-2030	2030-2035	2035-2040	2040-2045	2045-2050			
Water resources	Water supply improvements (4 new boreholes, 1 new river abstraction, 1 transfer scheme, and increased Water Treatment Works       >         Smart metering rollout for new and existing customers (most expenditure 2040-2050)       >         Leakage reduction activities to halve leakage by 2050       >         Elvington Water Treatment Works to south Yorkshire transfer scheme       >							
Drinking water quality	Improving drinking water taste, odour, and colour by investing in our treatment works (2 sites per 5 yrs) and cleaning/replacing/lining water pipes (-16 water supply zones per 5 yrs)          Raw water quality monitoring and management (1 scheme per 5 yrs)         Removing lead pipes across our network with a focus on lead hotspots and high-risk customers (e.g. schools, communal buildings)							
Natural environment	Microbiological disinfection treatment of wastewater at our coastal and inland bathing water sites     Removing 80% of phosphorus from treated wastewater (started in 2020)     Installing continuous river water quality monitoring equipment     Biodiversity conservation activities and river restoration activities, incl. 3-4 fish passes and 1 eel screen per 5 yrs							
Wastewater management	Expanding sewers and building tanks to increase wastewater storage capacity and reduce use of storm overflows            Managing storm rain-water by creating sustainable drainage solutions such as ponds, wetlands or soakaways         >            Reducing the amount of water entering our wastewater network by separating surface water on roads from sewage water in pipes         >							
Resilience and security	<ul> <li>Developing transfer schemes with other companies and linking water networks to ensure we can <u>supply customers with water at all times</u></li> <li>Improving the resilience of our wastewater assets to flooding e.g by installing flood barriers (10 sites every 5 yrs)</li> <li>Mitigating cybersecurity risks to our critical infrastructure</li> </ul>							
Carbon	Switching more of our equipment to renewable energy       >>         Installing more renewable energy generation equipment at our sites       >>         Installing more renewable energy in new technologies to reduce emissions from wastewater treatment processes       >>							
Bill impact	£537 (average per year from 2025-2030)	£644 (average per year from 2030-2035)	£799 (average per year from 2035-2040)	£891 (average per year from 2040-2045)	£917 (average per year from 2045-2050)			

Q35. Is there anything missing from the list of activities that you would expect to be carried out by Yorkshire Water during this time? (Base: 793)

### **Stimulus shown: The vision**



The water industry faces a series of long-term challenges, such as climate change and population growth. To meet these challenges, Ofwat (the water industry regulator) have asked companies to set out their five-year business plan in the context of a 25-year Long Term Delivery Strategy.

- Yorkshire Water have created a Long Term Delivery Strategy designed to ensure the resilience of their service and to outline what is needed to meet water supply and wastewater needs of customers over the next 25 years.
- The Long Term Delivery Strategy has been developed in line with Ofwat's guidance. It includes the statutory requirements for all water companies. The Long Term Delivery Strategy sets out all Yorkshire Water wish to accomplish over the next 25 years.
- A significant environmental programme must be delivered by law over the coming 25 years, the Long Term Delivery Strategy is very much focused on delivering this, this is the main driver of cost and therefore the main impact to customers bills.

#### "A thriving Yorkshire: right for our customers, and right for the environment."

- **'A thriving Yorkshire'** means operating in a region famous for its stunning beauty and natural environment, where communities can grow and prosper in a flourishing economy. Where anchor institutions like Yorkshire Water invest in infrastructure, create jobs, and support skills development and education – and work in partnership with other organisations across the region to achieve common goals such as flood management and prevention.
- 'Right for our customers' means that we will provide safe, clean, great tasting water and return wastewater safely to the environment. In providing these services we will make sure we deliver good value for money, which will mean bills that everyone can afford. We also know that our customers have a diverse range of needs, so we will provide first-class customer service and make sure that we are easy to deal with.
- **'Right for the environment'** means taking care of our precious natural resources and carefully managing our impact on the natural environment of Yorkshire. We know that our first priority is preventing harm to the environment and to keep wastewater in the pipes. We must also protect our water resources, reduce our carbon emissions to net zero, and invest in modern and sustainable infrastructure.

### **Stimulus shown: The outcomes**

YOUR

**14. Question text:** There are 6 outcomes that Yorkshire Water is striving to achieve in order to deliver its overall vision. You can see these below. Please click on the image to enlarge.

Secure, safe clean water supplies Deliver safe, clean, great tasting water and ensure we can continue to meet water demand in future. First-class customer service Provide a tailored, reliable service and

make sure that we are easy to interact with, in whatever way our customers choose to get in touch.

#### Bills everyone can afford

Deliver value for money to our customers, keep bills as low as possible, and offer the right support to customers who struggle to pay.

Modern & sustainable infrastructure Build and operate efficient, climateresilient infrastructure to provide reliable services for our customers. Net zero carbon emissions Reduce carbon emissions to net zero across our business and supply chain. A healthy natural environment Reduce pollution and sewer flooding, improve river quality, and enhance biodiversity across the region.

To what extent do you agree or disagree with the following statements about the Long-Term Delivery Strategy outcomes...?

## Stimulus shown: Targets (i)



Secure, safe clean water supplies					
Performance Metric	Measure	2023 performance	2050 target		
Risk of water quality failures	To be as close to zero as possible	4.61	0		
No. of customers who contact us regarding water quality concerns	No. of people who contact us per 10,000 people in Yorkshire	10.2	7.5		
Water supply interruptions	Average number of mins lost above 3 hrs	9mins 27seconds	30 seconds		
Drought resilience	Measure of resilience to severe droughts	1 in 330-year drought	1 in 500-year drought (more resilient)		
Customers daily water use	Litres used per person per day	123.9 litres per person per day	110 litres per person per day – reduced by educating on water use and smart water meter		
Businesses daily water use	Businesses demand for water – millions of litres per day	267 million litres per day	236 million litres per da		
Leakage	Litres lost per day from our network	282.8 million litres lost per day	150.4 million litres lost p day		

First-Class Customer Service					
Performance Metric	Measure	2023 performance	2050 target		
Customer experience of our service	How we are ranked vs. our peers	11 <sup>th</sup> out of 17 companies	Upper quartile (one of the top performers)		
Developers experience of our service (e.g. housing developers)	How we are ranked vs. our peers	16 <sup>th</sup> out of 17 companies	Upper quartile (one of the top performers)		
Businesses experience of our service	How we are ranked vs. our peers	Not currently measured	Upper quartile (one of the top performers)		

Bills everyone can afford						
Performance Metric	Measure	2023 performance	2050 target			
Reducing the no. of customers in water poverty	% of customer who spend more than 5% of their disposable income on YW bill	Not currently measured	Year on year reduction of the no. of customers in water poverty			

## Stimulus shown: Targets (ii)



#### Modern and sustainable infrastructure

Performance Metric	Measure	2023 performance	2050 target
Internal sewer flooding	No. of incidents	546	291
External sewer flooding	No. of incidents	5,375	0
Sewer flooding risk	Risk of sewer flooding in exceptionally wet weather	1 in <30-year event (more frequent risk of flooding)	1 in 30-year event (less frequent risk of flooding)
Mains repairs	No. /1,000km clean network	219.26	100 (improved pipes so less repairs needed)
Sewer collapses	No./1,000km waste network	10.96	8.2 (improved pipes so less repairs needed)
Unplanned outage – losing your water supply unexpectantly	The percentage of time our treatment works are down	3.26%	0.9%
Discharge permit compliance – the quality of the water we discharge back <u>in to</u> the environment (rivers & seas)	The percentage of our treatment works that comply with their discharge permits	99.7	100

Net Zero Carbon Emissions										
Performance Metric	Measure	2023 performance	2050 target							
Clean Water production Greenhouse gases	Tonnes of CO2	122,667	0							
Wastewater Production Greenhouse gases	Tonnes of CO2	159,362	0							
Total Greenhouse Gas Emissions	Tonnes of CO2	Not currently measured	0							

	A healthy natural enviro	onment	
Performance Metric	Measure	2023 performance	2050 target
Eliminate serious pollution incidents	New measure	0	0
Eliminate pollution incidents	No. of category minor pollution incidents	117	0
Reduce sewage discharges from Storm Overflow to rivers and the coast	Average no. of spills across all storm overflows	24	10
Reduce phosphorous in wastewater discharges to rivers	% reduction from 2020	0%	80% by 2038
Bathing water quality – beach and rivers	No. of bathing waters at good or excellent status	16	Yorkshire Water aims to ensure their operations have no impact on the quality of bathing waters
Increasing biodiversity – growing thriving ecosystems through land management improvements	No. units created per 100km <sup>2</sup> (a unit is a measurement of an areas value to wildlife)	Not currently measured	5.02 units per 100km <sup>2</sup> of available/suitable land improved
Biodiversity net gain – planning application projects that leave the biodiversity in a better state than before the project took place	% improvement	Not currently measured	+10%

## **Stimulus shown: Bill impact**

Given the cost-of-living challenges faced by customers, Yorkshire Water would like to understand which bill option would be the most manageable for customers. Over the 25-year period there are 3 options, they are as follows:

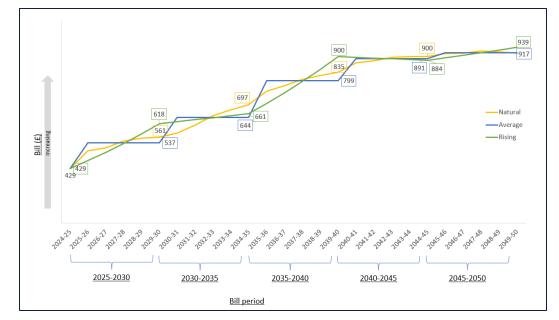
**Option 1**: spread the cost evenly over each 5-year period. For example, this represents a step up in bills from 2025 but the bill remains the same beyond this up to 2030. This pattern then repeats again for each 5-year period (blue "average" line/row in illustration below).

**Option 2**: spread the cost to reflect the money that Yorkshire Water are spending on improvements during that time – for example, this will be a slightly smaller step up in bills in 2025 and a slight increase across the 5-year period up to 2030. This pattern then repeats again for each 5-year period (yellow "natural" line/row in illustration below)

**Option 3:** Start with a much smaller increase to your water bill from 2025 and then have a rising bill which increases year on year up to 2030. This pattern then repeats again for each 5-year period (green "rising" line/row in illustration below).

Please note that the below bill values are indicative at the moment, these are still being worked on by Yorkshire Water. The graph and the table are showing the same information. For context, the current average bill in 2023/24 is £426, in 2024/25 it will be £429.

Please also be aware that inflation is something that also needs to be considered, this will have an impact on customers' bills, and is out of Yorkshire Waters control.



	<u>Bill period</u>																										
			20	25-20	30			2030-2035				2035-2040					2040-2045						2045-2050				
Options	2024- 25	2025- 26	2026- 27	2027- 28	2028- 29	2029- 30	2030- 31	2031- 32	2032- 33	2033- 34	2034- 35	2035- 36	2036- 37	2037- 38	2038- 39	2039- 40	2040- 41	2041- 42	2042- 43	2043- 44	2044- 45	2045- 46	2046- 47	2047- 48	2048- 49	2049- 50	
Natural	£429	£503	£517	£544	£558	£561	£579	£613	£652	£677	£697	£755	£777	£805	£821	£835	£874	£883	£897	£900	£900	£913	£915	£923	£920	£915	
Average	£429	£537	£537	£537	£537	£537	£644	£644	£644	£644	£644	£799	£799	£799	£799	£799	£891	£891	£891	£891	£891	£917	£917	£917	£917	£917	
Rising	£429	£462	£497	£534	£575	£618	£626	£635	£643	£652	£661	£703	£748	£796	£846	£900	£897	£894	£891	£888	£884	£895	£906	£917	£928	£939	





## About your community

With over 3,000 members, Your Water is an online research resource giving you easy access to consumers

The community offers a wide range of conventional and innovative research techniques and approaches.

Our aim is to approach every project with fresh thinking and apply methodologies that we truly believe will get you tangible, actionable results.

## **Any questions?**

#### **Naveed Majid**

Customer Insight Analyst Naveed.Majid@yorkshirewater.co.uk

Donna Hildreth Head of Insight Donna.Hildreth@yorkshirewater.co.uk

### Sample Profile (n=793)



#### GENDER

### Male: **49%** Female: **51%**

#### AGE

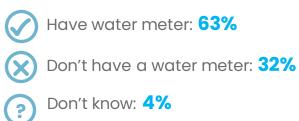
#### 18-19 years: 3%



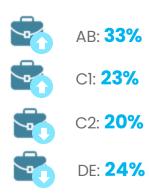
#### 30 - 44 years: **24%**

- 45 59 years: 25%
- 🕢 60 64 years: **8%**
- Over 65: **24%**

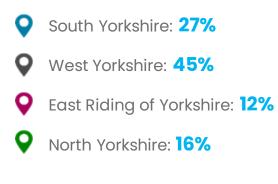
#### WATER METER



#### SEG



#### **AREA OF YORKSHIRE**



#### VULNERABILTY



Non-vulnerable customer: **58%** 

#### **FINANCIALLY VULNERABLE**



(X)

Financialy vulnerable: 11%

Non-financially vulnerable: 89%

### Sampling/data collection



Sample sources:	Our third-party panel providers:
<ul><li>Your Water Community</li><li>Dynata (research panel)</li></ul>	We work with only trusted panel providers who have robust procedures in place to ensure the quality of our data collection.
,	Our providers regularly review and update their quality procedures,
Data collection method:	ensuring they make use of the latest developments in technology and mitigate against developments that may negatively affect data quality.
Online survey via email	Our own regular quality checks provide additional reassurance for these providers overall and at an individual project level.

#### Our data collection quality measures include:

- Data quality checks and removal of low-quality responses (e.g. speeders, flatliners, bad open ends)
- Use of the Imperium security filter which allows only legitimate IDs to complete the survey, ensuring bots or fraudulent IDs are screened out.
- Allowing the survey to be completed only once per IP address to prevent duplicate respondents.