5-year plan: Affordability & acceptability

September 2023

HUMAN8

Background

Every 5 years, Yorkshire Water (YW) submits a business plan to Ofwat. This plan details all the work and investment planned for the upcoming 5 years and how much customers will be charged.

Research has been carried out to explore how affordable and acceptable the plan is to customers. The research presented customers with a high-level overview of the plan in a video format, as well as a detailed breakdown of the performance commitments and bill impact. Additionally, information was shared around the process for developing the plan, and key considerations that fed into this.

Objectives

- What are customers' thoughts on the plan?
- How do they feel about the vision and outcome areas?
- Is there anything missing from the plan that they would expect to see?
- How supportive of the performance commitments are they?
- How affordable do customers believe the plan to be?
- Do they think the plan should be paid for sooner (current bill payers) or later (future generations of bill payers)?
- How acceptable is the plan to customers overall?

Methodology

Online survey with Your Water community and third-party panel respondents during September 2023, completed by:

1471 Household (HH) bills payers

45 Future customers

276 Non-household (NHH) customers

Results were weighted for HH and NHH to be broadly representative of bill payers, using age, gender and IMD decile (HH) and no. of employees (NHH).

Online discussion groups were carried out, split as follows:

- 4 x groups of household bill payers
- 2 x groups of future customers
- 2 x groups of non-household customers

Two additional depth interviews with males aged 18-44 were carried out to mitigate under-representation in the groups.

Key metrics summary

The Plan								
% Agree	I like this overall vision	The plan reflects my priorities as a customer	The plan is clear	The goals and outcomes cover the main areas I would expect	The plan seems realistic and achievable	The plan will benefit Yorkshire Water	I trust Yorkshire Water to deliver this vision	I support this plan and what it hopes to achieve
HH	77%	72%	77%	76%	61%	81%	58%	77%
Future Customer	84%	82%	78%	80%	62%	89%	67%	84%
Non HH	82%	78%	84%	84%	66%	85%	64%	83%

Overall Affordability				
%	Easy (net)	Difficult (net)	I don't mind	**% easy/ I don't mind**
HH	44%	35%	16%	**60%**
Non HH	38%	40%	18%	**56%**

Targets						
% Supportive	Secure, safe, clean water supplies	First-class customer service	Bills everyone can afford	Modern and sustainable	Net zero carbon emissions	A healthy, natural environment
HH	86%	82%	83%	84%	83%	85%
Future customer	73%	73%	78%	64%	76%	78%
Non HH	86%	84%	84%	83%	82%	85%

Overall acceptability		
%	Acceptable (net)	Unacceptable (net)
HH	79%	14%
Non HH	84%	13%
Future customer	79%	2%

Key:
<60% positive sentiment
<70% positive sentiment

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Key insights

Key insights

- Overall, customers are receptive to the plan, including the overall vision and 6 key outcome areas. The plan and goals are seen to be reflective of their priorities; customers also like that it is ambitious and comprehensive.
- Customers are pleasantly surprised by the level of customer engagement that has been done, and appreciate transparency around past failings, though this also raises concerns about the ability to deliver on future commitments.
- Not all customers take the plan at face value. Previous negative perceptions or experience of YW cause a degree of cynicism towards the plan, resulting in broader questions around governance and accountability, and a lack of trust in YW to deliver it.
- The performance commitments for each area are broadly supported. Where customers are less supportive, this is often because customers feel Yorkshire Water should be going further in key areas (such as leakage).
- Occasionally, customers question the value of individual measures and whether these should be a key focus of investment (such as Net Zero, or customer service targets).
- Views on the affordability of future bills are polarised, reflecting the high levels of financial pressure that many currently face.
- Despite this, the majority accept the necessity of the actions outlined in the plan and therefore find it acceptable overall.

Implications

While the plan achieves a good level of acceptability overall, concerns remain which may undermine support from customers over the next 5 years. Mitigations should focus around:

- A high level of transparency around plans, targets and progress towards these, including any areas where YW may be falling short.
- Communication around how customers' money is being spent, and what is being achieved, ideally at a local level, so customers can see a tangible benefit.
- Ensure that any additional support for those who are most financially vulnerable is clearly communicated to mitigate the negative impact of bill increases.

Non-household customers are slightly more likely to feel this way

Context/background to the plan

Information about how the plan was developed is met with some interest and positivity

The price review

The Price Review:

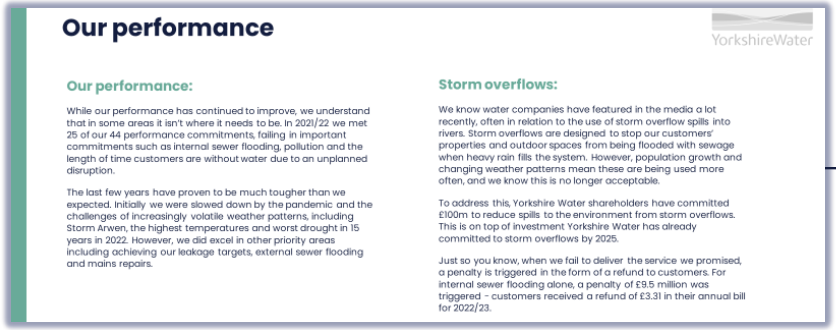
Every five years, water companies develop a 'business plan' that sets out their ambition for the services they provide, including the proposed cost to customers. Yorkshire Water is currently working on their 2025-2030 plan. Final plans and prices are finalised by Ofwat. Yorkshire Water must show Ofwat that our plan reflects what customers want.

How we engaged:

Yorkshire Water have had 45,000 quality conversations/ consultations with customers over the past three years. This involved focus groups, surveys, door-to-door surveys and even sitting down with some of our most vulnerable customers in their homes.

Sentiment after reading information

	Household	Non-household	Future customer
Positive	70%	69%	67%
Negative	5%	5%	2%



Our performance

YorkshireWater

Our performance:

While our performance has continued to improve, we understand that in some areas it isn't where it needs to be. In 2021/22 we met 25 of our 44 performance commitments, failing in important commitments such as internal sewer flooding, pollution and the length of time customers are without water due to an unplanned disruption.

The last few years have proven to be much tougher than we expected. Initially we were slowed down by the pandemic and the challenges of increasingly volatile weather patterns, including Storm Arwen, the highest temperatures and worst drought in 15 years in 2022. However, we did excel in other priority areas including achieving our leakage targets, external sewer flooding and mains repairs.

Storm overflows:

We know water companies have featured in the media a lot recently, often in relation to the use of storm overflow spills into rivers. Storm overflows are designed to stop our customers' properties and outdoor spaces from being flooded with sewage when heavy rain fills the system. However, population growth and changing weather patterns mean these are being used more often, and we know this is no longer acceptable.

To address this, Yorkshire Water shareholders have committed £100m to reduce spills to the environment from storm overflows. This is on top of investment Yorkshire Water has already committed to storm overflows by 2025.

Just so you know, when we fail to deliver the service we promised, a penalty is triggered in the form of a refund to customers. For internal sewer flooding alone, a penalty of £9.5 million was triggered - customers received a refund of £3.31 in their annual bill for 2022/23.

	Household	Non-household	Future customer
Positive	57%	59%	51%
Negative	13%	14%	13%

Drivers of the plan/prioritisation

YorkshireWater

Statutory Drivers of our plan:

This business plan cycle is very different to past cycles. This is because Yorkshire Water and every water and wastewater company, must deliver the biggest ever environmental programme of work - this has been mandated by the government.

This focuses on the need to protect our environment for the long-term by not taking too much water from the environment and it means we will need to change how we manage our water and improve the quality of the water we put back into the environment. The extent of this is vast, but we know this aligns with our customers' priorities. Meeting this programme of work is going to cost £1.7 billion.

As well as this, from 2025-2030 Yorkshire Water and every other wastewater company must significantly reduce the use of storm overflows by law. This is especially expensive in the Yorkshire region due to our Victorian heritage; we have more overflows than many other wastewater companies. Meeting these obligations is going to cost £700 million from 2025-2030.

In addition to this, customers supported us bringing forward our programme of work to tackle the reduction of storm overflows used on the coast from 2030-2035 to this five-year planning period (2025-2030). Addressing these additional coastal storm overflows will cost £300 million.

Why we can't do it all:

Whilst we'd love to ensure we never fail, with the creation and delivery of 1.2bn litres of safe clean drinking water to over 5 million customers and businesses and the capturing of and treating of 1 billion litres of litres of wastewater every day, there is an endless to-do list and one that we work hard on every single day. Achieving zero failures is impossible with the technology available today and would be prohibitively expensive for our customers. This is why we continue to innovate and will always strive to make improvements year on year despite the challenges posed by climate change and population growth.

	Household	Non-household	Future customer
Positive	56%	63%	40%
Negative	13%	11%	9%

Plan context (discussion groups)

Many customers **have previous experiences and preconceptions** that influence how they respond to contextual information about the plan.

When taken at face value, much of the information provided appears positive, and customers respond well to the **level of customer engagement** and **transparency** amongst other things.

Some however are more cynical, often because of things they have **previously seen or heard about** Yorkshire Water, or a general scepticism of big businesses.

Future customers appear more likely to take the information at face value due to having fewer past experiences to negatively cloud their judgement.

Q11. Based on the information above, how do you feel about Yorkshire Water and the process they have been through to develop their plan? (Base : HH = 1471 ; Non HH = 276). Q12. Please could you briefly share the main reasons for that rating below?

Customers are pleasantly surprised by the level of customer engagement

YOUR WATER

This is particularly reassuring for household customers as the inability to choose their water provider creates a sense of powerlessness

Feedback on plan context (discussions/verbatims)

- In other utility markets, being able to choose a provider gives consumers a degree of control that feels lacking when it comes to water.
- It is therefore a **pleasant surprise** to discover that Yorkshire Water's planning process prioritises customer needs through a comprehensive engagement program.
- The **scale of the consultation programme** is well-received, along with the fact that the needs of vulnerable customers specifically are considered.

Those with **a more negative mindset**, however, question whether YW are doing this out of choice or because it is dictated by Ofwat, with disbelief that this reflects a genuine focus on the needs of customers.

"*I was surprised by the amount of consultation you were doing to develop the plan. I didn't know that Ofwat need to be shown, or that Yorkshire Water's plan is to reflect customer wants, so that's quite positive." - Household customer*

"*They're just doing it because they have to, because the government told them to" – Household customer, male, 18-44*

"*I think that it's quite good that you would tell us what's going on and try to have a customer relationship" – Non-household customer*

Customers are vaguely aware of **Ofwat,** but unfamiliar with the details of what they do and how they monitor performance. It is comforting to know that there is governance to regulate water companies but…

- Some worry that water companies may be forced to meet higher targets when they may not make good sense for the business or customers
- There are concerns that there is no accountability to the regulator because previous targets were not met.

Ofwat

Source: Group discussions and survey opens

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Transparency about past failures is appreciated, but raises concerns

YOUR WATER

The extent of missed targets undermines trust in YW's ability to deliver on future promises

Feedback on plan context (discussions/verbatims)

Although some are impressed with the honesty of Yorkshire Water to admit that 25 of 44 targets from the previous business plan were missed, it also leaves customers with more questions:

- What was missed and how far is it off target?
- What were the reasons behind the failure, and what has been learnt?
- What is being done to recover these 'failed' targets?
- Where is the value for money in the last 5 years?
- How will the missed targets affect the plan and costs for this current plan?

Some who previously had trust in Yorkshire Water begin to question this after hearing about past failures; 25 out of 44 targets being missed feels significant.

What is the recovery plan for the areas where they failed?" – HH customer

I think it's important to be honest about the areas where they have failed and what they have not achieved, and the reason why they have not achieved. It's about being transparent and open, rather than trying to blow through things" – HH customer

I was surprised to see that they've only met 25 of the 44 performance commitments. It's quite a significant shortfall" – Future customer

Yorkshire Water has had difficulties due to drought and heavy rain which is beyond their control. They are at least trying to invest to cope with the situation." – HH customer

There is some sympathy for the scale of the challenges YW face, in relation to areas such as **storm overflows.** Customers accept that some of these challenges are not of YW's own making, or are beyond their control (e.g. climate change). Some however feel that YW has contributed to these issues or taken too long to address them.

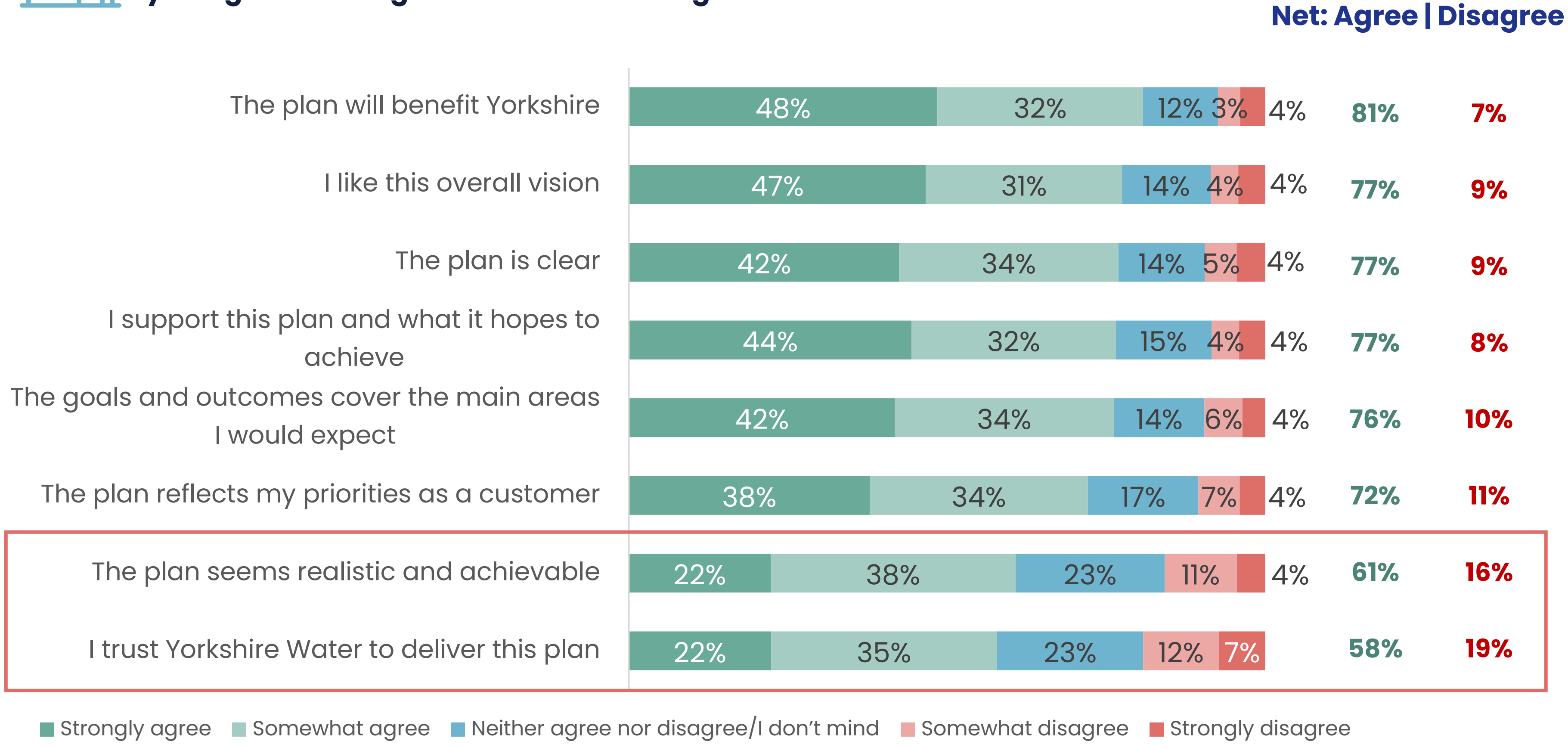
Source: Group discussions and survey opens

Views on the plan and outcomes

Household bill payers are positive towards the plan

Scores are lower, however, when it comes to belief in Yorkshire Water's ability to deliver it

Based on the video you have just seen, to what extent do you agree or disagree with the following …?



- More affluent customers are more likely to agree that the plan reflects their priorities as a customer (78% AB compared to 68% DE).
- Females are more likely to agree that the plan seems realistic and achievable (65%) than males (56%), as well as being more likely to trust YW to deliver it (64% v 51%).
- Those who are financially comfortable are more likely to agree that the plan will benefit Yorkshire (83%) than those who are struggling (68%).

Vulnerability
Vulnerable customers are more likely to strongly agree that the plan will benefit Yorkshire (53%) than those who are not vulnerable (45%).

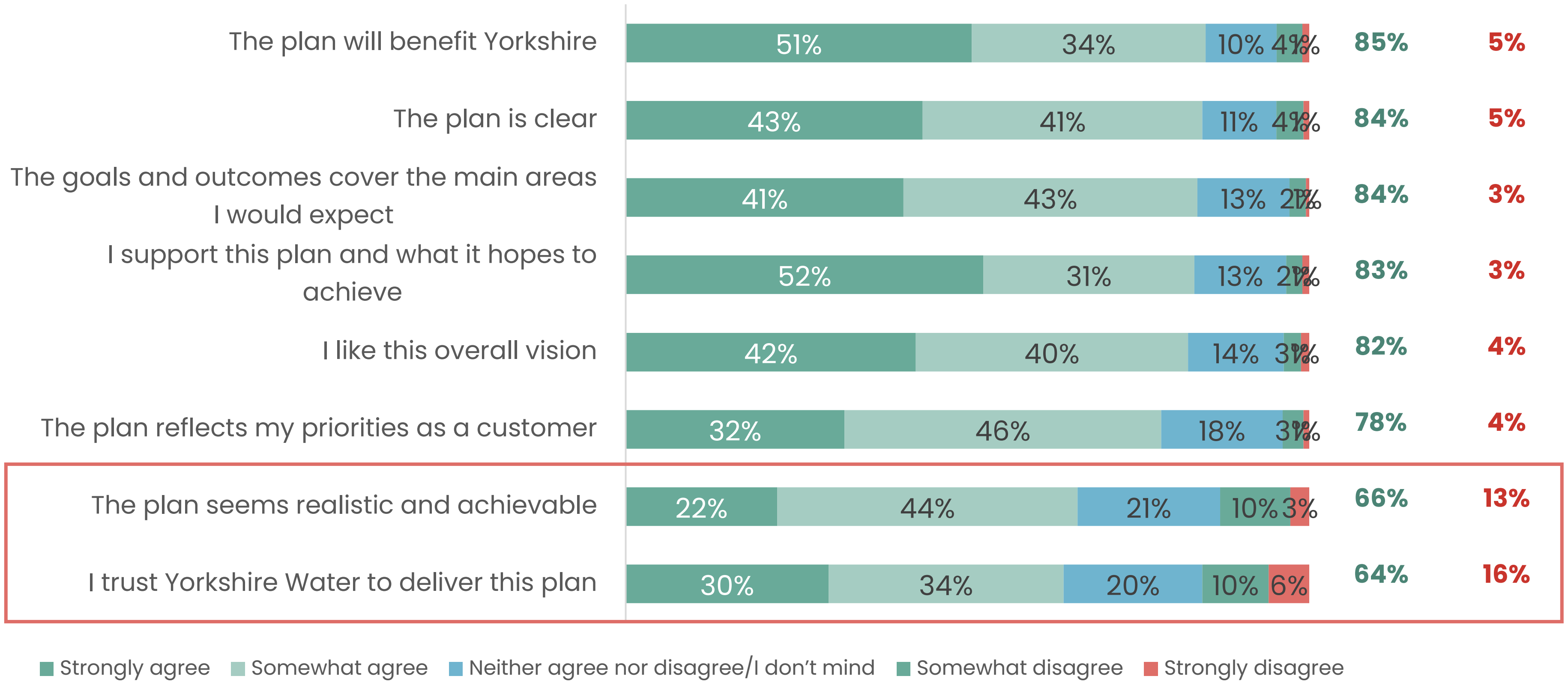
Q18. Based on the video you have just seen, to what extent do you agree or disagree with the following statements about the Business Plan…? Base : HH = 1471

Non-households are slightly more positive overall than households

Similarly though, their trust in Yorkshire Water and belief that the plan is achievable are lower

Based on the video you have just seen, to what extent do you agree or disagree with the following …?

Net: Agree | Disagree



- Larger organisations (100+) are the most positive overall, with highest levels of agreement for:
  - I like the overall vision (88%)
  - The plan reflects my priorities as a business customer (85%)
  - The plan seems realistic and achievable (73%)
  - I trust YW to deliver (77%)

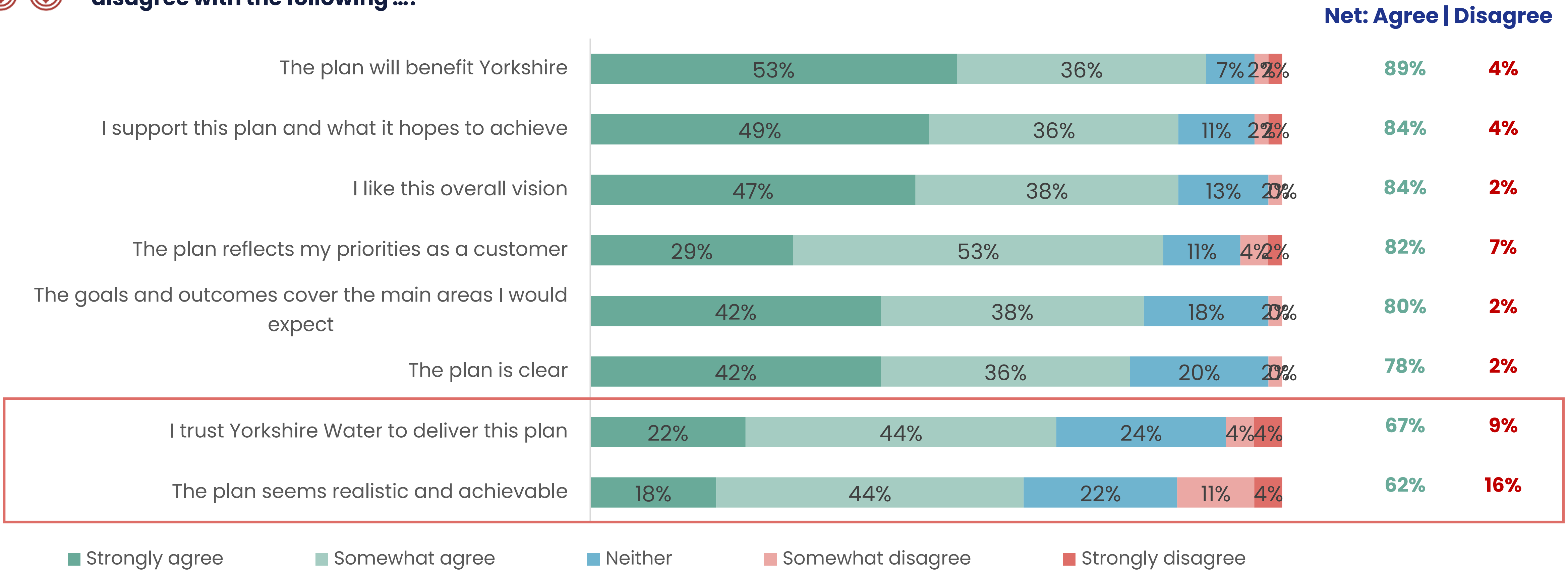
"It seems quite a tall order but I am fairly positive in Yorkshire Water's ability to meet these targets!"
– Business owner, West Yorkshire

Q18. Based on the video you have just seen, to what extent do you agree or disagree with the following statements about the Business Plan…? Base : Non-HH = 276

Future customers are more positive than current household bill payers

They are most likely of all three groups to see the plan as being beneficial to Yorkshire

Based on the video you have just seen, to what extent do you agree or disagree with the following …?



Q18. Based on the video you have just seen, to what extent do you agree or disagree with the following statements about the Business Plan…? Base: Future customers = 45 *small base size

The plan is largely positively received when taken at face value

The challenge lies in convincing customers that the plan can be successfully delivered

High-level plan perceptions (discussions/verbatims)

Customers feel that Yorkshire Water are working hard to solve sizable problems while continuing to deliver clean water to customers.

Most were pleasantly surprised by the breadth of work Yorkshire Water does to protect the environment; all of which was seen as important and within Yorkshire Water's remit and capabilities to deliver.

Many feel that the targets are ambitious; Yorkshire Water is aiming high. This is a positive for those customers who believe that the goals are realistic and achievable.

Customers feel they have no choice but to trust Yorkshire Water to deliver the plan, but trust is hard to give because of past failings, negative press and mistrust of shareholder motivations.

Costs are assumed to be high, and there is a concern that these costs will be passed to the customer when they are already under financial pressure.

It seems reactive; fixing problems that exist and have existed for a long time, and potentially not going far enough or finding longer-term solutions.

"I trust them 50% [to deliver the plan], given the previous targets – that 25 out of 44. I can only judge them on what they achieved." – Non-Household customer

"In theory it looks largely OK - but putting it into practice without putting customers into financial problems concerns me greatly." – Household, male, 65+

Source: Group discussions and survey opens

Customers like the overall vision, and the 6 outcomes broadly feel like the right areas of focus

Few are able to highlight significant gaps in the content and coverage of the plan

High-level plan perceptions (discussions/verbatims)

Our vision is:

A thriving Yorkshire right for customers and right for the environment.

To achieve our vision we will strive to achieve the following six outcomes.

1. Continue to deliver safe, clean, great tasting water and ensure we can meet water demand in the future.
2. Provide tailored, reliable service and make sure that we are easy to interact with in whatever way our customers choose to get in touch.
3. Deliver value for money to our customers, keep bills as low as possible and offer the right support to customers who struggle to pay.
4. Build and operate an efficient, climate resilient network to provide a reliable service for our customers.
5. Reduce carbon emissions to net zero across our business and supply chain.
6. Reduce pollution and sewer flooding, improve river water quality, and enhance biodiversity across the region.

"I like the vision of the plan that it seeks to benefit customers and also cares about the environment"
Household, male, 35-44

The vision

Customers **like the vision**. The dual focus on customers and the environment is well received, and reflects positively on Yorkshire Water's aims and intentions.

The 6 outcomes

- The 6 outcomes are seen to be relevant, thorough and reflective of customers' priorities. Few, if any, question whether these are the right areas to focus on or highlight significant gaps.
- While a focus on pollution and water quality are expected, some are pleasantly surprised to see the focus on biodiversity and natural solutions, such as blue-green solutions and fish passage.
- The focus on supporting those who need it is a positive; bill affordability is a key concern in the current climate and customers are aware of the challenges faced by the most vulnerable in society.

Perceptions of poor past performance prompt deeper questions about management and accountability

While there is some sympathy for the complexity of what YW are trying to do, past performance suggests greater governance may be needed

While customers appreciate transparency, there is an underlying scepticism because of **perceived past failings**. And this can only be rectified with **greater accountability.**

Targets missed raise questions of whether Yorkshire Water can deliver.

Penalties are not significant enough and **a poor substitute for prevention.**

Poor governance and a lack of proactivity is seen as a bigger issue.

Excuses, such as Covid, extreme weather and a Victorian system don't bode well.

Measures don't go far enough to address fundamental failings.

"The problem areas have been identified and customers compensated. It isn't enough though- too many areas are failing. They need to do more to address shortcomings."
– Household, female, 35-44

"WE WILL"...do this, that and the other.... so is there some legally binding contract that says you MUST reach all these targets or can you make excuses up in due course?"
– Middle manager, West Yorkshire

Source: Group discussions and survey opens

Some feel the plan lacks a focus on educating and supporting customers to reduce water consumption

Promoting joint responsibility to reduce water use would be welcomed by a sub-section of customers

What's missing?(discussions/verbatims)

Many would like to see Yorkshire Water more proactively educating the public about ways to support the plan (particularly in terms of reducing water use). Some felt this focus was missing from the high-level plan.

This could include:

- Promoting ways to reduce water usage around the home
- Reminding about what not to put down a toilet
- Encouraging/enforcing switching to smart meters
- Checking your property for leaks

What else is missing?

- Building new/improving existing reservoirs
- A commitment to transparency, particularly around who will pay for the plan, and how this links to exec pay/shareholder profits

Can't think of any omissions other than emphasising the need for educating people about how they can assist YW in achieving their plan."
– Household, female, 45-54

Like to see more support for customers to help Yorkshire Water to meet its objectives i.e. such as stopping water leakage, customer reduction in water usage etc."
– Household customer

Perhaps trying to encourage more customers onto meters? More commercials showing the benefits may help? I have just moved onto a meter, and it has made me more aware of how I use my water! This way we can all contribute something."
– Household, female, 55-64

Source: Group discussions and survey opens

Performance Commitments

Grounding the targets in past achievements, industry benchmarks and overall goals will add credibility

For many this detail would be superfluous however, as they trust that YW will select the right measures and targets to support the plan

- **Those who are more trusting** of Yorkshire Water tend to be broadly supportive of the Performance Commitments (PCs) without needing to engage with the detail.
- They see YW as the expert and therefore best placed to decide how to deliver on the details of the plan.
- Some however do seek additional detail and context to make the performance commitments and targets more meaningful, such as…
  - Industry wide benchmarks
  - Base score of where YW are placed currently
  - Past achievements to see the progress already made

"*I'd just like to know if these measures are industry wide measures, you know. Is it consistent with all of the water companies to use this type of measure of performance and how does [Yorkshire Water] compare?"*
– Household customer

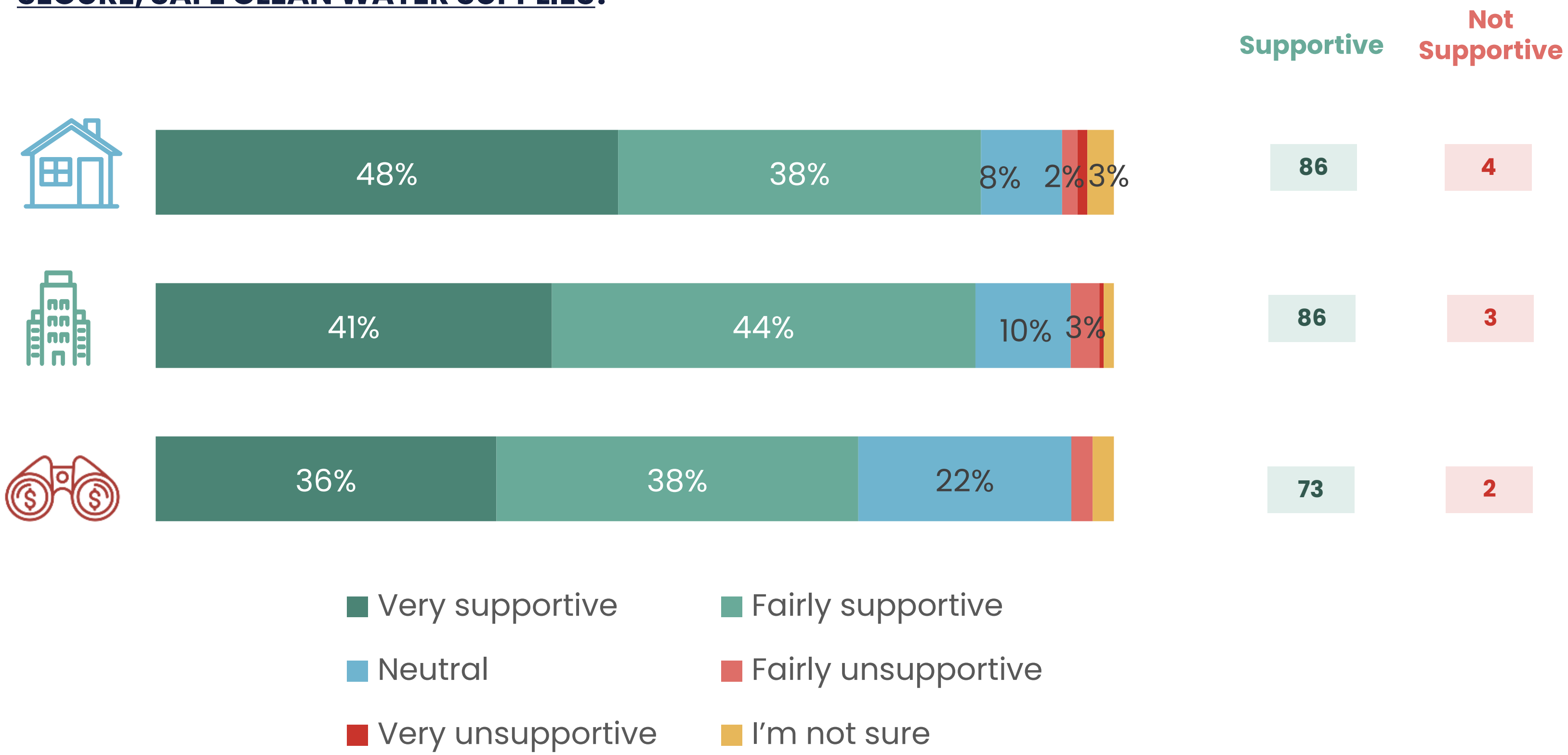
"*Yeah, I've got to the trust that they have set those targets… because they know they've got the money to do it. And commercially it's right, and for the customer it's right."*
- Household customer, 45+

"*They may be reducing by 62% but I'd like to know what are they targeting against. They might be 250% above the next company"*
– Non-household customer

Most support targets for secure, clean water supplies

Leakage targets are least likely to be supported, along with reductions in per capita consumption

How supportive are you of the targets relating to SECURE, SAFE CLEAN WATER SUPPLIES?



Which of these targets in particular are you unsupportive of?

Number of respondents (unweighted):

	Households (n=52)	Non-Households (n=9)
Leakage	28	5
Per capita consumption	20	1
Water quality	17	3
Water supply interruptions	16	1
Business demand	11	0

Vulnerability
Those who are **not financially vulnerable (87%)** are more likely to support these targets than those who are financially vulnerable (78%).

Q25. Based on what you have read, how supportive are you of the targets/performance commitments Yorkshire Water has set for this outcome overall? Q26. Which of these targets in particular are you unsupportive of? Q27. Please could you tell us a little bit here about why you are not supportive of the targets for this outcome? (Base : HH = 1471 ; Non HH = 276; Future cust. = 45)

Many customers would like leakage targets to go further

Conversely, targets for reducing consumption can be seen as passing the buck to customers

Performance commitment: Secure, safe, clean water

- Leakage is a key customer concern which causes anger and frustration when considered alongside rising bills. The leakage target is therefore felt to be insufficient by some.
- While some are supportive of measures to encourage lower water usage, some feel this is detracting responsibility from YW and putting it onto customers/businesses.
- Some are unsure how this would be achieved and are therefore cautious; would they be penalised financially for using more water?

"Yeah, probably be happy with that as a customer, and I didn't really see any issues with my water quality, so I wouldn't want it to decrease as long as they are doing things to maintain that and even go above and beyond. I'd be happy."

– Future customer

"Why is the plan to reduce leakage only 18%. I would have hoped for a far better success rate, as this is a major issue."

– Household, male, 45-54

"Why are you trying to limit our use of water? Why are you rationing our water supply? Why install "smart" water meters - are you charging us by the time of day we use water so our morning showers cost more than if we showered at lunch time? Very authoritarian of you."

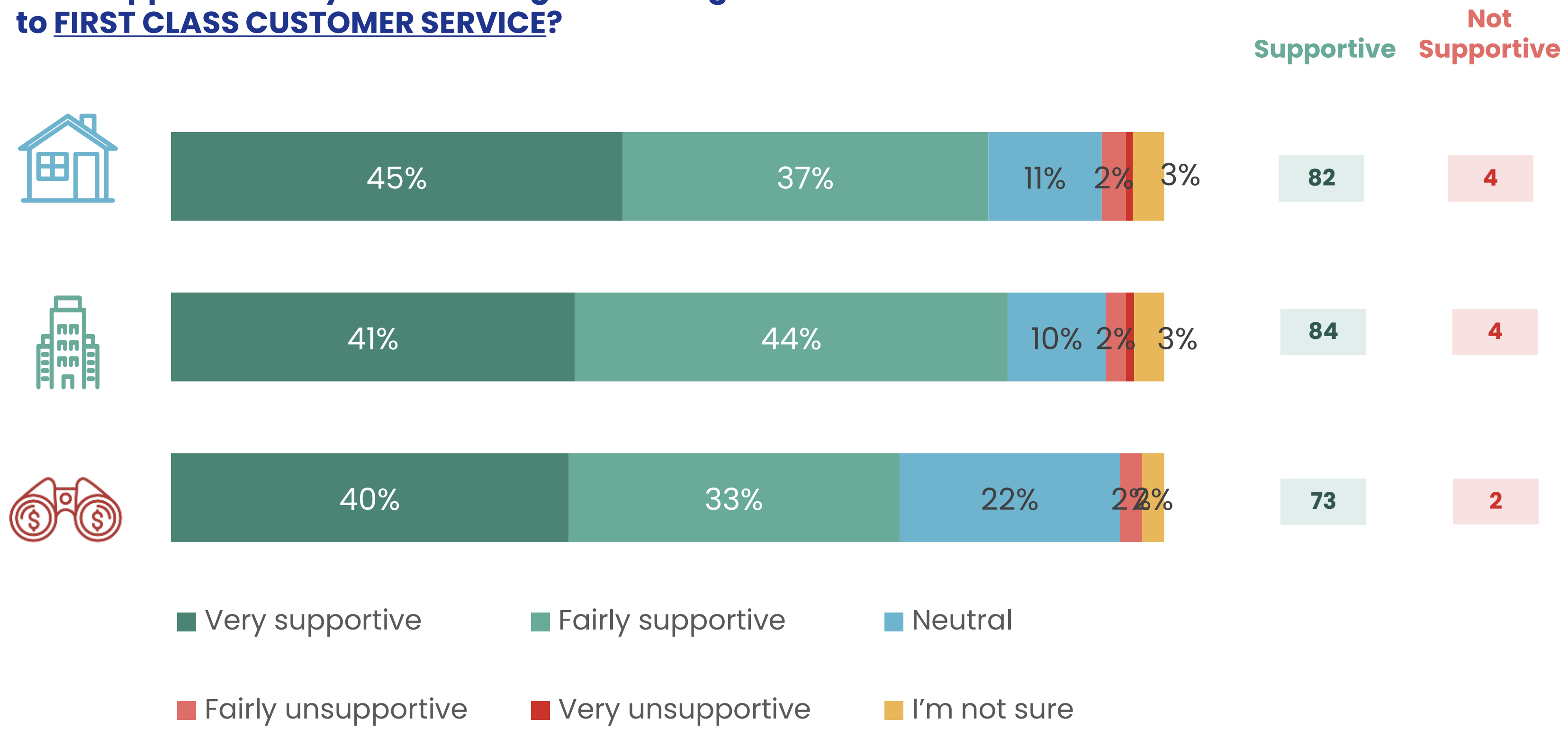
– Household, male, 35-54

Source: Discussion groups and survey opens

Customer service targets are also supported by most

For those who are unsupportive, customer and developer services targets are least well-received

How supportive are you of the targets relating to FIRST CLASS CUSTOMER SERVICE?



Which of these targets in particular are you unsupportive of?

Number of respondents (unweighted):

	Households (N=62)	Non-Households (N=8)
Improved cust. experience	**29**	**3**
Improved Developer Services offering	**25**	**5**
Improved retailer & business cust. experience	**16**	**1**

Vulnerability
Those who are **not financially vulnerable (84%)** are more likely to support these targets overall.

Q28. Based on what you have read, how supportive are you of the targets/performance commitments Yorkshire Water has set for this outcome overall? Q29. Which of these targets in particular are you unsupportive of? Q30. Please could you tell us a little bit here about why you are not supportive of the targets for this outcome? (Base : HH = 1471 ; Non HH = 276)

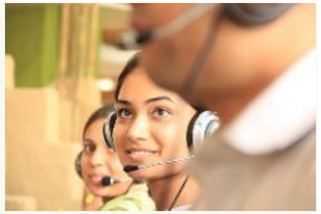
Those who don't support service PCs tend to be polarised

Some feel that YW has a long way to go in this area and should aim higher; others question how meaningful they are and if this is the best use of customers' money

Performance commitment: First class customer service

- Many have good experiences of Yorkshire Water when it comes to service; poorer experiences tend to relate to slower response times when it comes to dealing with issues, such as leaks.
- For businesses, good service is seen as essential; slow response times can have a significant negative impact on a business.
- Those who have had previous poor experiences tend to feel more strongly that YW should go further with its targets in this area.
- Some, however, question how meaningful the targets are in this area and whether this is the best focus for investment.

There's nothing worse than being on the phone for hours on end waiting for someone to answer."
– Junior manager, South Yorkshire



These are pointless. If water companies do their core tasks correctly, customer service is irrelevant as no-one will have any need to contact you because their taps and toilets are all working fine."
– Household, male, 55-64

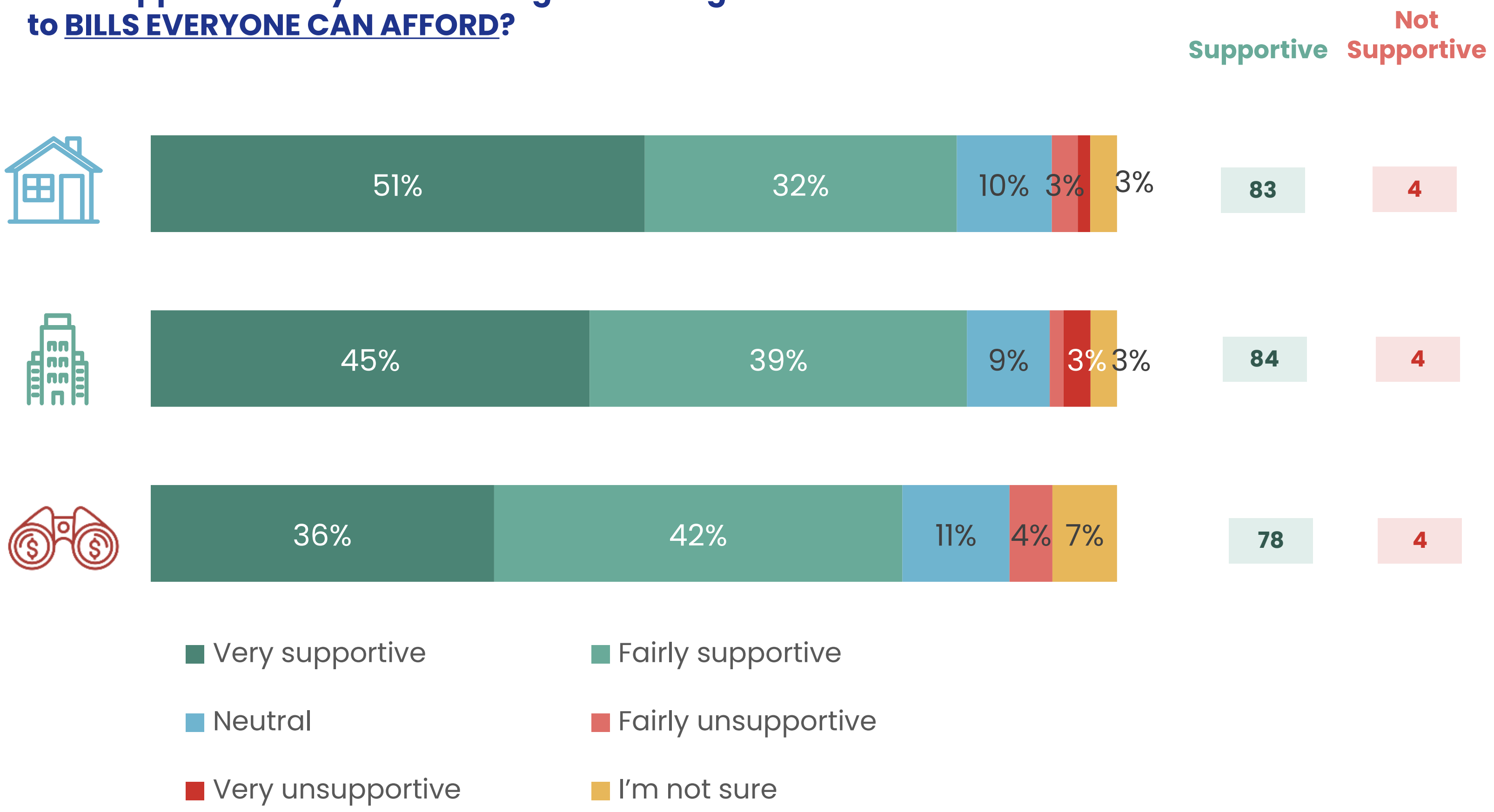
Achieve sector Median performance - is no target at all – 'oh look, we want to be as good (or as bad) as everyone else.'"
– Household customer

All targets are time wasting practices that will achieve nothing but cost the customer more."
– Household customer

The target for 'bills everyone can afford' receives a good level of overall support

Those aged 60+ and less financially comfortable give lower levels of support for this area

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



- Those aged 60+ are least supportive of the targets for 'bills everyone can afford' (77%) compared to those aged 18-29 (90%), 30-44 (87%) and 45-59 (85%).
- Females are more likely to support this target (87% v 80%).
- Those who are financially comfortable are more likely to support this target (88%) versus those who are struggling to pay bills or making ends meet, but only just (77%).

Vulnerability
Those who are **not financially vulnerable** (85%) are more likely to support this than those who are **financially vulnerable** (75%).

Q31. Based on what you have read, how supportive are you of the targets/performance commitments Yorkshire Water has set for this outcome overall?

Q32. Please could you tell us a little bit here about why you are not supportive of the targets for this outcome? (Base : HH = 1471 ; Non HH = 276; Future Cust. =45))

Some question the fairness of supporting only the most needy; everyone should pay a fair price for water

YOUR WATER

Performance commitment: Bills that everyone can afford

- All customers are acutely aware of the rising costs of bills. It is reassuring to see that YW are seeking to address this and looking to support those who genuinely need it.
- Water is seen as a basic human right; for some the targets therefore do not go far enough in ensuring affordability for all.
- Some also question the fairness of focusing on a relatively small proportion of customers; shouldn't everyone pay a fair price? This is particularly the case for those who are less financially comfortable but assume they would not qualify for support or wouldn't feel comfortable asking for help.

"*Keep all rates the same for all customers. It is the government's job to provide support, not companies.*"
–Household customer

"*Times are very, very tough for a lot of people out there. Through no fault of their own. And if companies are in a position to help those that are genuinely struggling then it is the right thing to do*"
– Non-Household customer

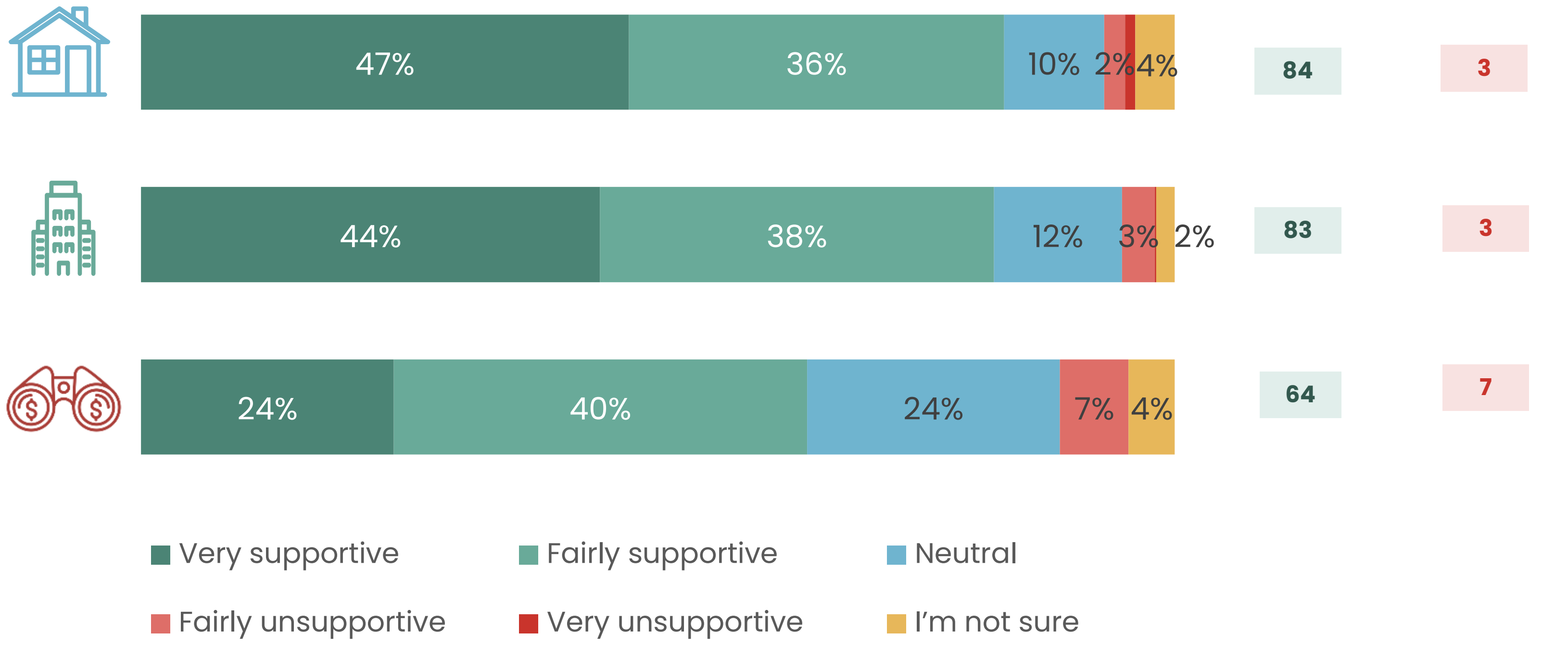
"*Whilst I appreciate the need to help those people who are really struggling to pay their bills, Yorkshire Water should not lose sight of those "Middle England" customers who also find increasing costs a problem and only continue to pay by sacrifices in other areas.*"
- Household, male, 65+

Source: Discussion groups and survey opens

Infrastructure PCs are broadly supported

Many respondents are neutral towards this area; lower familiarity with these commitment areas results in more limited engagement

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



Which of these targets in particular are you unsupportive of?

Number of respondents (unweighted):

	Households (N=51)	Non-Households (N=8)
External sewer flooding	25	3
Mains repairs	23	3
Internal sewer flooding	18	4
Sewer collapses	18	3
Unplanned outages	16	1

Vulnerability
Those who are **not financially vulnerable (84%)** are more likely to support this.

Q33. Based on what you have read, how supportive are you of the targets/performance commitments Yorkshire Water has set for this outcome overall? Q34. Which of these targets in particular are you unsupportive of? Q35. Please could you tell us a little bit here about why you are not supportive of the targets for this outcome? (Base : HH = 1471 ; Non HH = 276)

Those who are not supportive tended to see the targets as reactive, and not going far enough

Performance commitment: Modern sustainable infrastructure

- The issues highlighted in this section are considered important and some are public health issues, so it's good that they are being addressed.
- However, many find it hard to understand the breadth and scope of the problem as these issues aren't necessarily common knowledge.
- Some feel that the plans are reactive rather than proactive, and that YW are in this situation because of previous poor management or lack of investment.
- This leads to a generally negative view of the targets, or a view that YW should work harder to fully resolve the issues.

“*There should have been investment over the past 30 years on these and you are only doing this as you have been forced by legislation.”*

- Household, Male, 60-64

“*Prevention is better than being reactive about it. They should spend money on going out and upgrading and making sure it's fit for purpose.”*

– Non-Household customer

“*Mains repairs – doesn't seem like a very big target. External sewer flooding - I suspect a bigger reduction would be more like what the customers want.”*

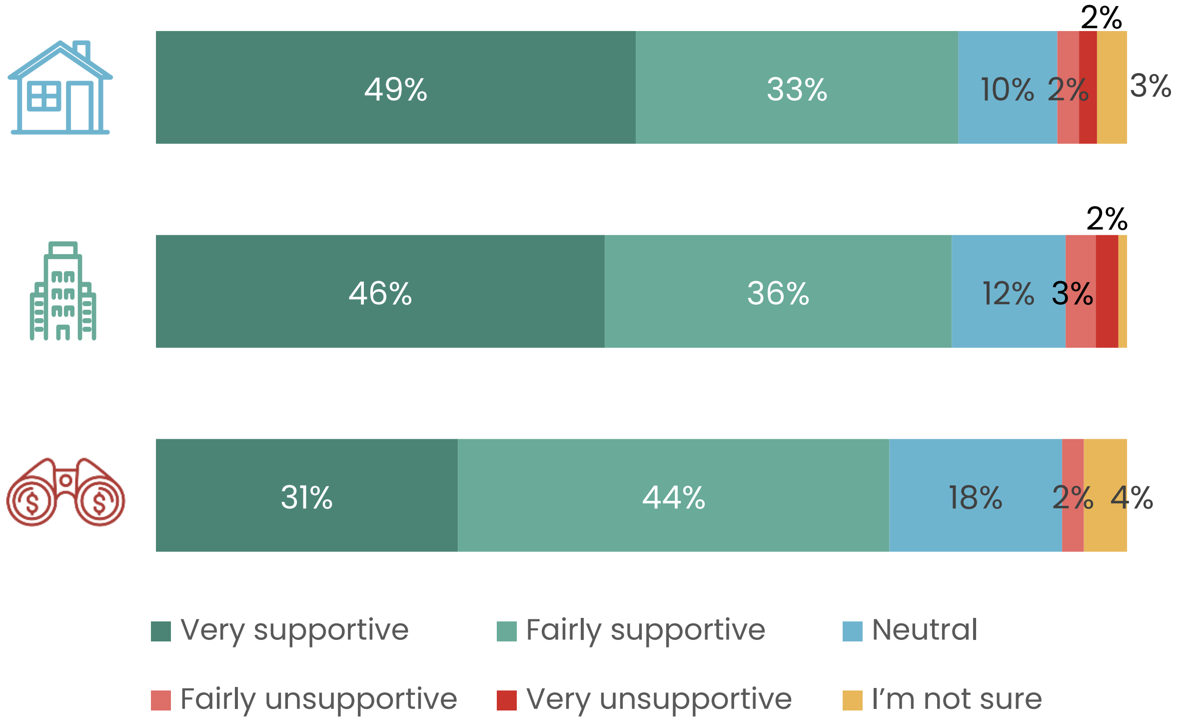
– Household, male, 65+

Source: Discussion groups and survey opens

Net zero performance commitment receives a higher level of support amongst those aged 18-44

Those who are not financially vulnerable are more likely to support this target

How supportive are you of the targets relating to NET ZERO CARBON EMISSIONS?



Supportive	Not supportive
83	4
82	5
76	2

- Those aged 60+ are less supportive of the Net Zero target (76%) compared to those aged 18-44 (90%).
- Females are more supportive of this target (86% compared to 79% for males).
- Those who are financially comfortable are most supportive of this target (88% v 76% of those struggling to pay bills or only just making ends meet).

Vulnerability
Those who are **not financially vulnerable (85%)** are more likely to support this compared to those who **are financially vulnerable (71%)**

Q36. Based on what you have read, how supportive are you of the targets/performance commitments Yorkshire Water has set for this outcome overall? Q37. Please could you tell us a little bit here about why you are not supportive of the targets for this outcome? (Base : HH = 1471 ; Non HH = 276; Future Cust. =45)

Some are cynical about the concept of Net Zero as a whole, while others would like to see more being done

Performance commitment: Net zero carbon emissions

- Some customers question the value of aiming for Net Zero – feeling this is a 'myth' or 'red herring', something that costs customers money unnecessarily, or a way for companies to project a false image of themselves as environmentally-focused.
- Some feel YW should go further to demonstrate a genuine focus on this area, rather than just 'box ticking'.
- Some, however, respond positively to the details that sit under the net zero target, including investment in electric vehicles, while also wanting to see more strategic changes being made to show commitment, such as investing in new technology and wind farms.

"It's what every company is doing at the moment in net zero, and transitioning from like petrol and diesel vehicles to electric. I think most big companies now are going down that sort of zero emissions route."
– Future customer

"We're all aiming to be better environmentally in our businesses. So that, for me, is a must and whether they achieve that or whether it's just a box ticking exercise to say that we're on it - I don't know."
– Non-household customer

"Generation of electric through use of available water courses does not seem to be fully utilised. Vast areas of reservoirs that could possibly be utilised to place solar panels and use of more discrete wind turbines.
– Household, Male, 55-64

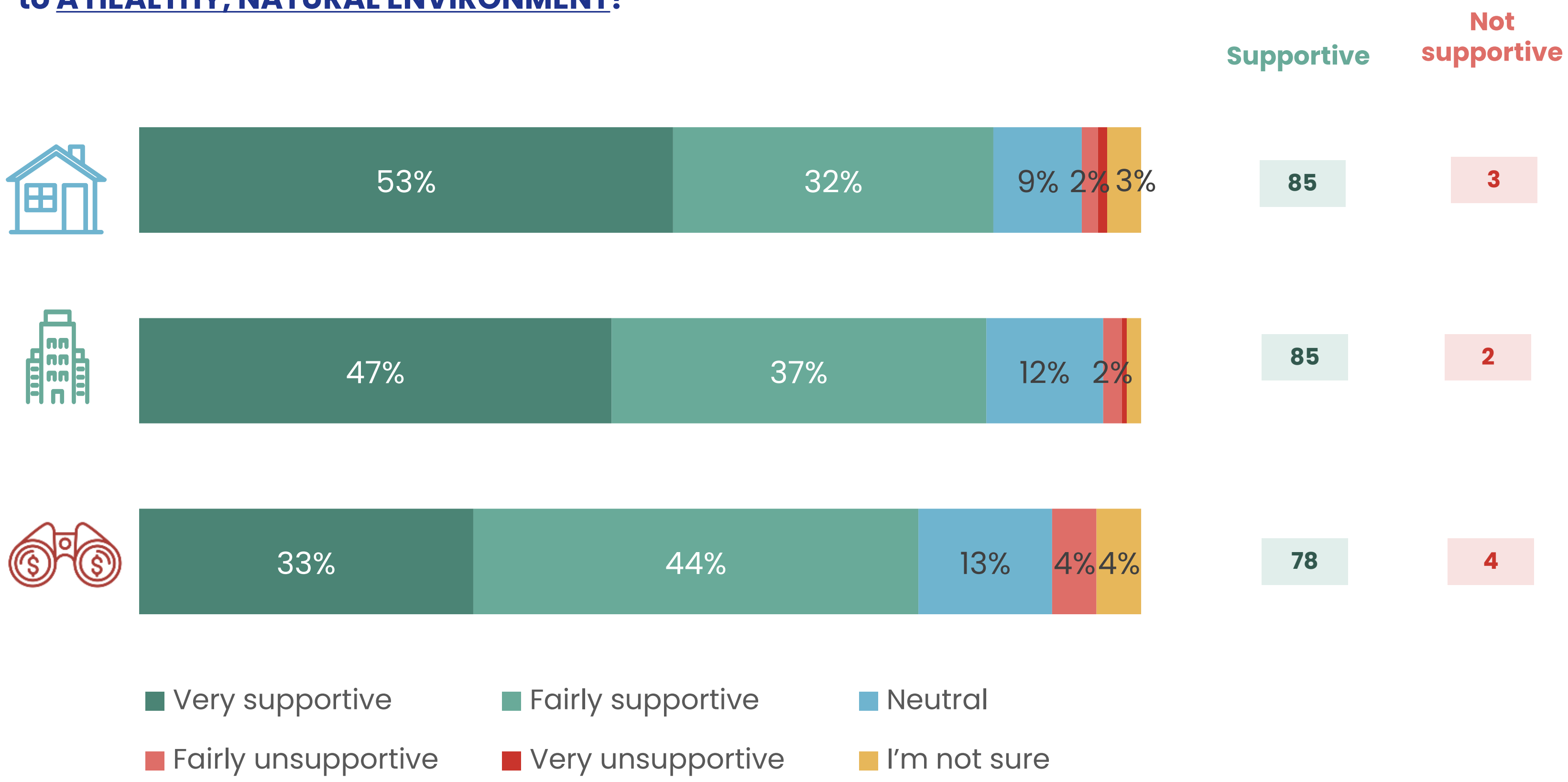
"The prioritisation of climate change directives and unrealistic environmental hysteria is not an area that should be considered over others."
– Household, Female, 45-59

Source: Discussion groups and survey opens

Targets relating to a healthy, natural environment are supported overall

Storm overflows and pollution incidents are highlighted as possible areas of improvement

How supportive are you of the targets relating to A HEALTHY, NATURAL ENVIRONMENT?



Which of these targets in particular are you unsupportive of?

Number of respondents (unweighted):

	Households (N=50)	Non-Households (N=6)
Storm overflows	28	2
Pollution incidents	29	4
Discharge permit compliance	24	3
River Water Quality	22	3
Bathing water quality	22	1
Biodiversity	14	1

Vulnerability
Those who are **not financially vulnerable (87%)** are more likely to support this compared to those who are financially vulnerable (76%).

Q38. Based on what you have read, how supportive are you of the targets/performance commitments Yorkshire Water has set for this outcome overall? Q39. Which of these targets in particular are you unsupportive of? Q40. Please could you tell us a little bit here about why you are not supportive of the targets for this outcome? (Base : HH = 1471 ; Non HH = 276)

PCs relating to the environment are recognised as being important; some would like these to go further

Performance commitment: A healthy natural environment

- Looking after the natural environment is a key concern and many feel Yorkshire Water should work hard to ensure that advances are being made in this area.
- The breadth of environmental targets is well-received; it is reassuring to see that YW has considered the many different ways that it can contribute environmentally.
- Bathing water quality and storm overflows are top of mind for many and a source of cynicism; this leads some to question whether YW are doing enough in this area, as well as why the current situation has been allowed to come about.

"*Probably one of the top things that I expect to be doing and hoping that they would be doing, I just like the thought that nothing they're doing would be damaging wildlife."*
– Future customer

"*They mention incidents, well what are they going to do to correct that pollution issue, like repopulate the fish in rivers. How do you make good?"*
– Household customer

"*Yorkshire has some of the nicest beaches, but not many are blue flagged. There is no reason for that waste to be pushed out to the shoreline"*
– Non-household customer

Source: Discussion groups and survey opens

Bill impact

While price rises are expected, a number of frustrations and preconceptions can undermine receptiveness

This is particularly the case for those who approach the plan with a more cynical mindset

YW bill rises – barriers to acceptance (discussion groups/verbatims)

Past delivery failures, and new bill hikes don't sit well with some customers who wonder about whether they are getting good **value for money**.

Customers want to know that the money they pay is being invested into processes that reduce waste and that they can see the **return on this investment** in their bills.

Lack of trust that YW will deliver on the things customers are paying for – will customers be **compensated**/YW **held accountable** if this is the case?

A perception that YW/**shareholders** are making a lot of money from customers and should therefore foot more of the bill for improvements.

"I'm ok with it if they deliver everything they say they are going to deliver. But they only achieved 25 out of 44 objectives, so we are still in the same situation, and we've had a massive bill hike. If that continues, then we would feel very short changed"
- Household customer

"They should try to fix the wastage issues and put that money to helping people who are struggling with paying their water bills"
- Non-household customer

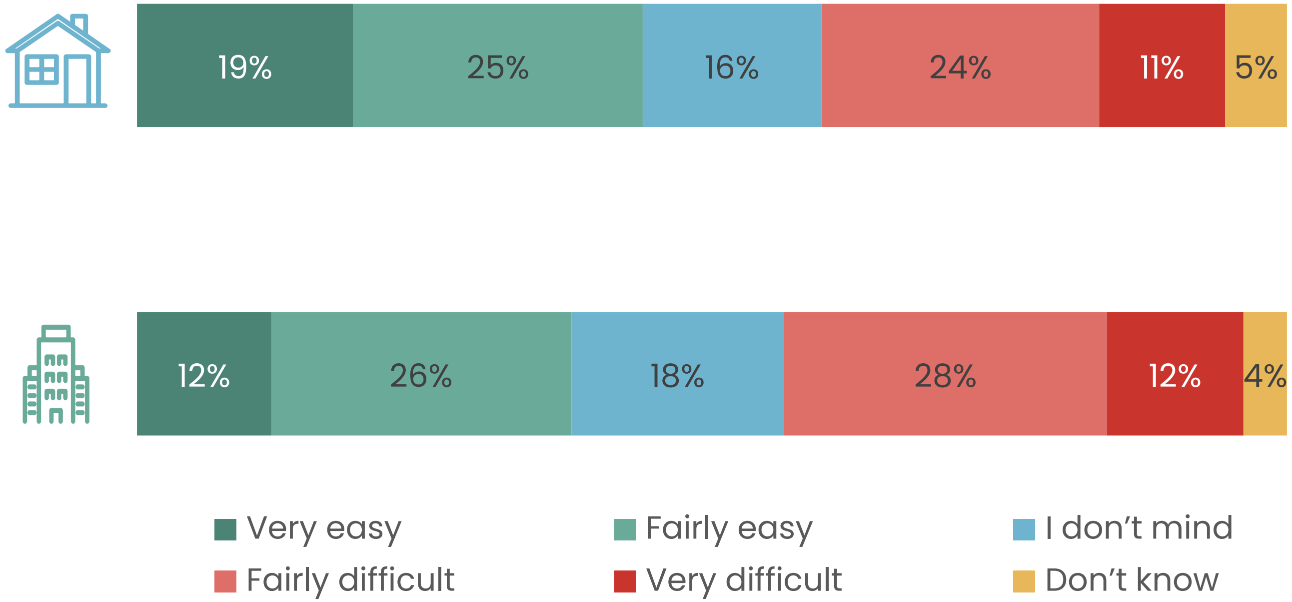
"I appreciate the money has to come from somewhere, but in a way some of this investment should have been made in previous years. It's like we are having to play catch up because it's being imposed, and targets have suddenly got tighter with government directives"
- Household customer

Source: Group discussions and survey opens

Views on the affordability of future bills are polarised

Household customers are slightly more likely to say they are affordable than unaffordable; non-households are more evenly split

How easy would it be for you to afford these bills in the future?



Net easy | difficult | I don't mind

	Net easy	difficult	I don't mind
Household	44%	35%	16%
Non-household	38%	40%	18%

- Household customers who were **previously satisfied** with YW are more likely to say the bill will be easy to afford (49% for those satisfied* v 23% for those not satisfied).
- This is also the case for non-household customers (42% v 19%).

- Those in SEG DE are most likely to find the bill increase difficult to pay (45%) compared to AB: 30%, C1: 32%, C2: 31%.
- Younger customers are more likely to find it easy to afford compared to those aged 65+ (18-29: 53%, 30-44: 55%, 45-59: 44%, 60+: 33%).
- Companies with 1-9 employees are least likely to say the bills will be easy to afford (26%).

Vulnerability
- Those who are **financially vulnerable** are much more likely to see the bill increase as being difficult to afford (82%) compared to those who are not financially vulnerable (28%).
- 45% of **vulnerable customers** selected 'difficult' compared to 29% of non-vulnerable customers.

Q22/Q38. How easy or difficult do you think it would be for you to afford these water/sewerage bills in the future? Q23/Q39. Why do you say that? (Base : HH = 1471 ; Non HH = 276) (*Satisfied = 7, 8, 9, 10 on a scale of 0 to 10)

While some are pragmatic about the bill impact, others have genuine concerns about their ability to pay

For some non-household customers, utility bill rises represent a genuine threat to the survival of their business

Bill impact (discussion group/verbatim summary)

- **Many are pragmatic** about the increase – the investment is necessary and for those who are more financially comfortable, this may not be a big concern.
- All utility bills are increasing, and **water is currently relatively low cost**; an increase is therefore seen as fair and expected.

- Some are **already at the limit of what they can afford**. A 25% rise is substantial, particularly if income does not grow at the same pace. Retirees and those on benefits are particularly concerned.
- Businesses are worried about the combined impact of bill and other cost increases – ultimately this **could put their business under threat.**

- The increase is seen to contradict the aim to support **those who are vulnerable** and ensure everyone can afford their bill - by pushing more people towards the point where their water bill is unaffordable.

I think the service is cheap for what it gives us anyway, so increases are reasonable. I would prefer to pay more now for a better future for others in years to come." – Household, female, 45-54

We are doing everything we can to keep our heads above water, but we are drowning in debt, financial hardship and poverty, and there's nothing else we can do."
- Household, male, 25-34

I feel it's a contradiction. Before they were saying that they want people to spend 5% of their income on a bill, but then they've gone and fired a 25% increase on them."
- Senior manager, North Yorkshire

I know it's not the most expensive utility that we have, but if everything goes up 25%, we'll all be out of business."
- Senior manager, South Yorkshire

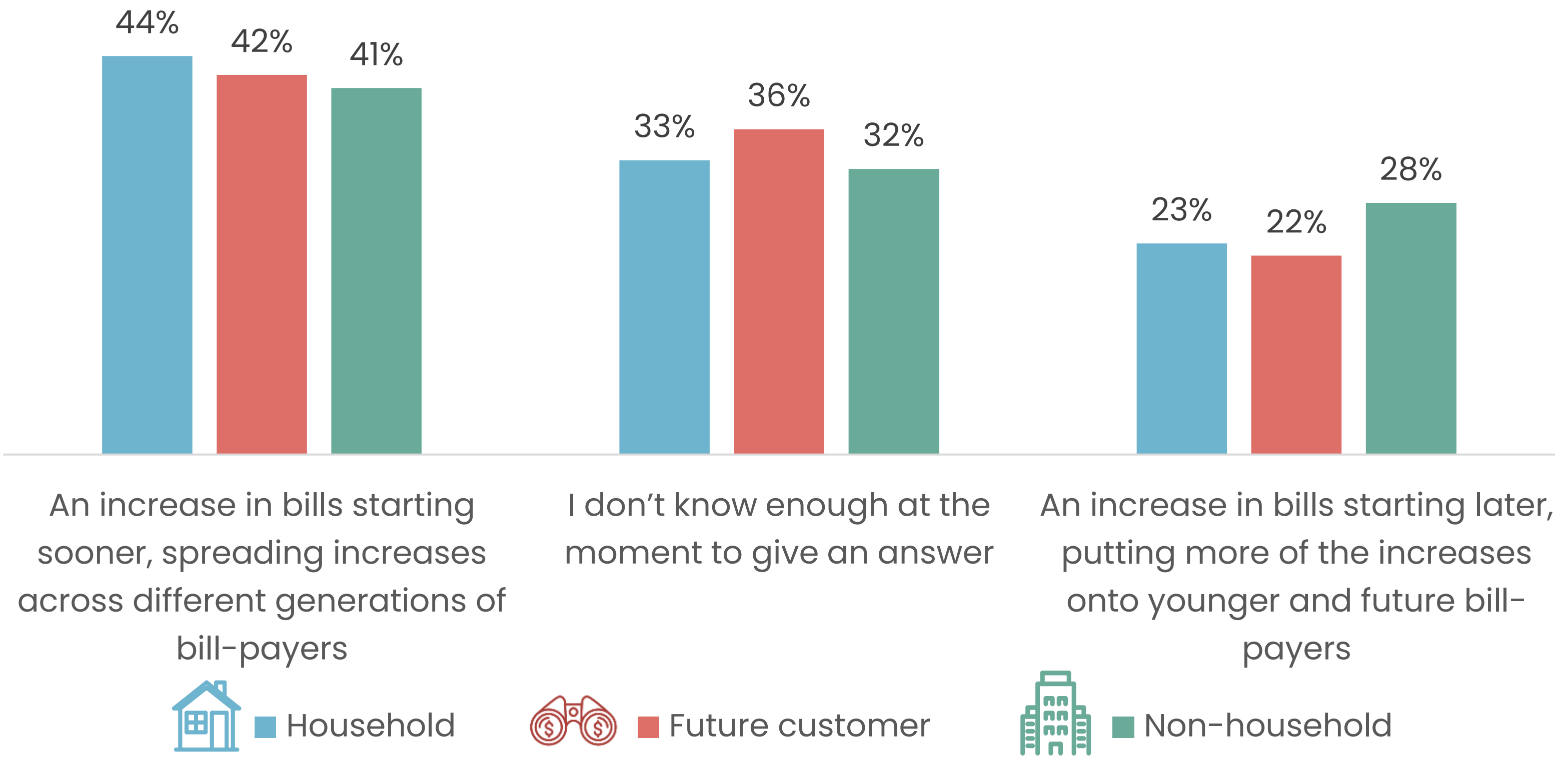
Pensions will not increase by the same percentage, so there will have to be cutbacks elsewhere."
- Household, male, 65+

Source: Group discussions and survey opens

There's a preference toward bill increases being spread across generations

Non-household customers are slightly more likely to opt to delay payment, reflecting concerns about the immediate impact on their business if costs continue to rise in all areas

Which option would you prefer?



- Those in SEG AB (50%) and C1 (48%) and those who are financially comfortable (51%) are more likely to want an increase in bills starting sooner.
- Those with a water meter are more likely to want the bill increase to start later (26% v 17% of those without a meter).

Vulnerability
Those who are **not financially vulnerable** are more likely to support an increase starting sooner (46% v 27%), while those who are **financially vulnerable** are more likely to say they don't know enough to choose (46% v 31%).

Q24. Which one of the following options would you prefer? Q41. Why do you say that?
(Base : HH = 1471 ; Non HH = 276, Future customer=45)

Deferring payment at the expense of future bill payers is felt to be unfair/short-sighted

Some however feel that an improved economic climate in the future may ease the burden of paying

Intergenerational fairness (discussion group/verbatims)

Start paying sooner → **Start paying later**

Those who believe that we should start paying for this sooner tend to…

- Think the improvements are necessary and need to be paid for – so we should start to address this (and pay for it) now.
- See it as inherently unfair to pass our problems onto future generations to deal with, particularly if they have their own children/grandchildren to think about.
- Feel a sense of responsibility to contribute towards this personally.

Those who would prefer the bill impact to be delayed until later tend to…

- Feel that prices/inflation are currently crippling; this may improve in the future and so lessen the impact of bill increases.
- Believe that it is fairer for younger people to foot more of the bill as they will benefit more from the improvements.

"Well, I think that it has to be addressed now. The younger generations have got their own things to address money wise.. You know they have not exactly had a good time with it… so I think it's got to be shared out, really."
- Household, female, 65+

"I would prefer an increase in bills starting sooner, and spreading the increases across different generations… This approach is more equitable and fair, as it ensures that the burden of increased costs is shared."
- Senior manager, North/West Yorks

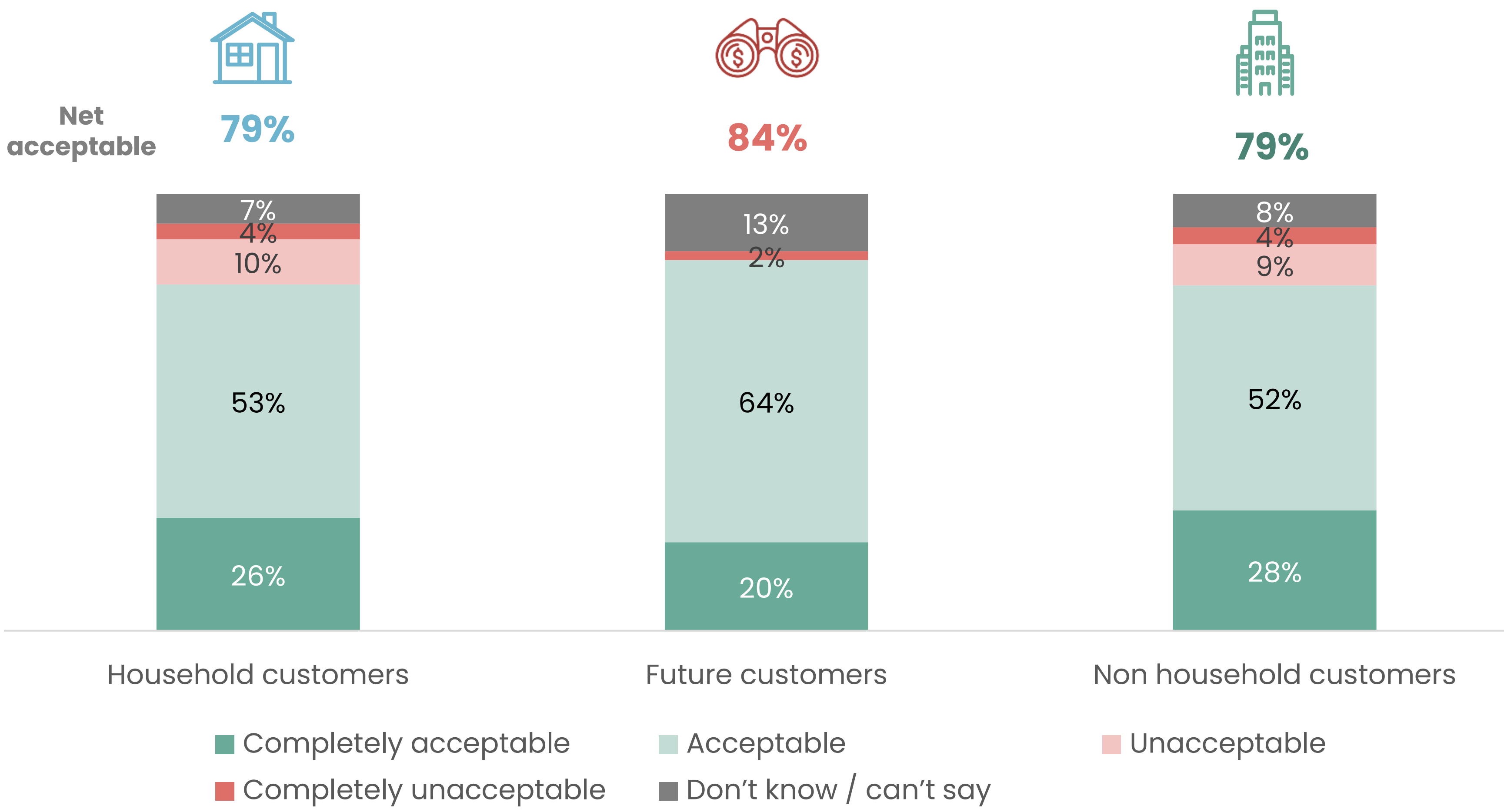
"Pensioners' income does not keep pace with wage increases that younger and future bill payers would enjoy!"
- Household, male, 65+

Source: Group discussions and survey opens

Acceptability

The majority feel the plan is acceptable overall

Non-household customers are slightly more likely to feel this way



- Household customers who were **previously satisfied*** with YW are more likely to say the plan is acceptable (86% v 55% for those not satisfied).
- This is also the case for non-household customers (87% v 41%).

Overall, the plan is **more acceptable** to:
- Females (82% v 76% for males).
- Younger customers (18-29: 90%, 30-44: 84%, 45+: 75%).
- Those who are not financially vulnerable (82% v 63%).
- Non-household customers with 100+ employees are more likely to find the plan acceptable (89%) compared to those with 1-99 employees (70%).

Vulnerability
- The plan is less acceptable to those who are **financially vulnerable** (63% v 82% for those who are not financially vulnerable).
- 76% of **vulnerable customers** find the plan acceptable. This is not significantly lower than non-vulnerable customers (82%).

Based on everything you have seen and read about Yorkshire Water's proposed business plan, how acceptable or unacceptable is it to you?/Why do you say that? (Base : HH = 1471 ; Non HH = 276)) (*Satisfied = 7, 8, 9, 10 on a scale of 0 to 10)

While concerns about the bill impact are inevitable, most accept the necessity of the actions outlined in the plan

YOUR WATER

Some, though, question whether Yorkshire Water is trying to do too much

Overall plan acceptability (discussions/verbatims)

There is a high level of **positivity** towards the plan overall, even when taking the bill impact into account. Customers like the **breadth and scope of its ambition**, feel that it is **clear** and **well thought-out** and believe it represents a **genuine attempt to do the right things**, for both customers and the environment. Lack of acceptance tends to focus around a number of key concerns…

> *"Changes have to be made & they have to be made now. There are costs involved & I would prefer more improvement over a shorter timescale but recognise this is not likely to happen."*
> – Household, female, 55-64

> *"Hikes in water prices aren't a good thing for the customer when the business is profiting billions of pounds a year already."*
> – Business owner, West Yorkshire

> *"They are focussed on natural and environmental elements, as well as providing affordable, clean and safe water as well as reducing accidents. People can hardly fault them on that."*
> – Future customer, female, 20-29

The bill impact is unacceptably high for some; as a result, they cannot accept the overall plan, even if they agree with its aims.

This leads some to consider compromises; are any goals less essential? Why aim to over-deliver against government targets if this increases costs?

Linked to this, some believe the plan is too ambitious/unrealistic, and that Yorkshire Water risks spreading itself too thin.

For some, plan acceptability is undermined by the perceived principle of customers paying for past mistakes or poor governance.

Some, though, believe the plan should go further in addressing key issues, such as leakage and sewer release into waterways.

Appendix

Weighted sample Profile - Household (n=1471)

GENDER

Male: **49%**

Female: **51%**

AGE

18-29 years: **12%**

30 - 34 years: **26%**

45- 59 years: **27%**

Over 60 : **35%**

SEG

ABC1: **56%**

C2DE: **44%**

WATER METER

Have water meter: **69%**

Don't have a water meter: **29%**

Discussion groups
- 25 x household bill payers
- 15 x female/10 x male
- 12 x 18-44/13 x 45+
- 16 x ABC1/9 x C2DE

In-depth Interviews
- 2 x male

AREA OF YORKSHIRE

South Yorkshire: **28%**

West Yorkshire: **47%**

East Riding of Yorkshire: **10%**

North Yorkshire: **15%**

VULNERABILTY

Vulnerable customer: **42%**

Non-vulnerable customer: **58%**

FINANCIALLY VULNERABLE

Financially vulnerable: **12%**

Non-financially vulnerable: **83%**

5% undetermined

Weighted sample Profile – Non-household (n=276)

TYPES OF PREMISE

Business premises: **73%**

No fixed premises: **27%**

GENDER

Male: **66%**

Female: **34%**

ROLE WITHIN BUSINESS

- Business owner: **35%**
- Senior management: **41%**
- Middle management: **19%**
- Lower management: **5%**

AREA OF BUSINESS PREMISE (some are multi sites)

South Yorkshire: **29%**

West Yorkshire: **54%**

East Riding of Yorkshire: **13%**

North Yorkshire: **24%**

NUMBER OF EMPLOYEES

0 - 49: **47%**

50 - 249: **14%**

250+: **39%**

Discussion groups
- 15 x senior managers/ business owners based in Yorkshire
- 2 x female/13 x male
- 5 x North Yorks/4 x West Yorks/5 x South Yorks/1 x East Riding

BUSINESS SECTOR

- Agriculture, forestry & fishing: **2%**
- Manufacturing: **9%**
- Electricity, gas, steam and air conditioning supply: **1%**
- Construction: **11%**
- Wholesale and retail trade; repair of motor vehicles & motorcycles: **9%**
- Transportation & storage: **3%**
- Accommodation & food service activities: **5%**
- Information & communication: **10%**
- Financial and insurance activities: **9%**
- Real estate activities: **4%**
- Professional, scientific and technical activities: **7%**
- Administrative and support service activities: **3%**
- Public administration and defence; compulsory social security: **1%**
- Education: **3%**
- Human health & social work: **7%**
- Arts, entertainment and recreation: **5%**
- Other service activities: **8%**

Sample Profile – Future customers (n=45)

WATER BILL RESPONSIBILITY

- Student accommodation: **16%**
- Living at home: **36%**
- Not responsible for paying for another reason: **49%**

SEG

- ABC1: **76%**
- C2DE: **24%**

AREA OF YORKSHIRE

- South Yorkshire: **27%**
- West Yorkshire: **53%**
- East Riding of Yorkshire: **18%**
- North Yorkshire: **2%**

GENDER

- Male: **47%**
- Female: **53%**

Discussion groups
- 14 x participants aged 18-34
- 7 x female/7 x male
- 7 x ABC1/7 x C2DE

AGE

- 18-29 years: **84%**
- 30 - 34 years: **16%**

VULNERABILTY

- Vulnerable customer: **47%**
- Non-vulnerable customer: **53%**

FINANCIALLY VULNERABLE

- Financially vulnerable: **18%**
- Non-financially vulnerable: **82%**

Sampling/data collection

YOUR WATER

Sample sources:

- Your Water Community
- Dynata (research panel)
- Bilendi (research panel)
- Lucid (research panel)

Data collection method:

- Online survey via email

Our third-party panel providers:

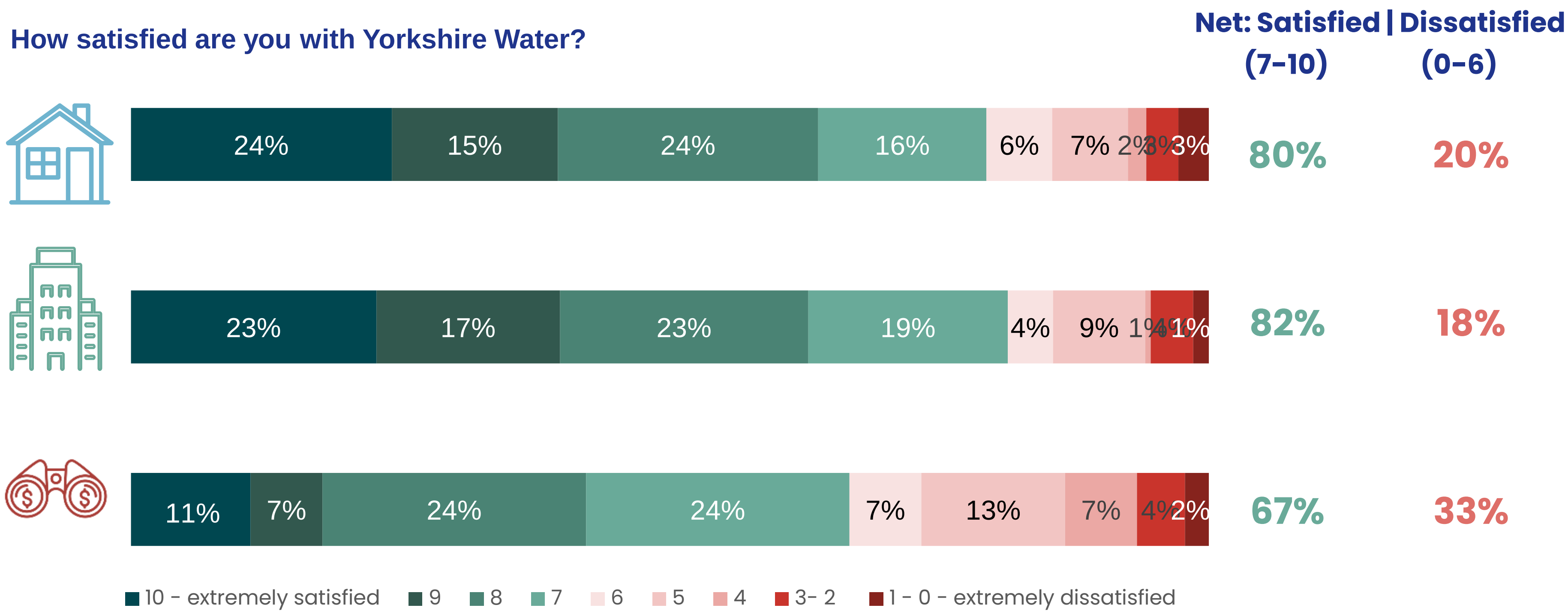
- We work with only trusted panel providers who have robust procedures in place to ensure the quality of our data collection.
- Our providers regularly review and update their quality procedures, ensuring they make use of the latest developments in technology and mitigate against developments that may negatively affect data quality.
- 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.

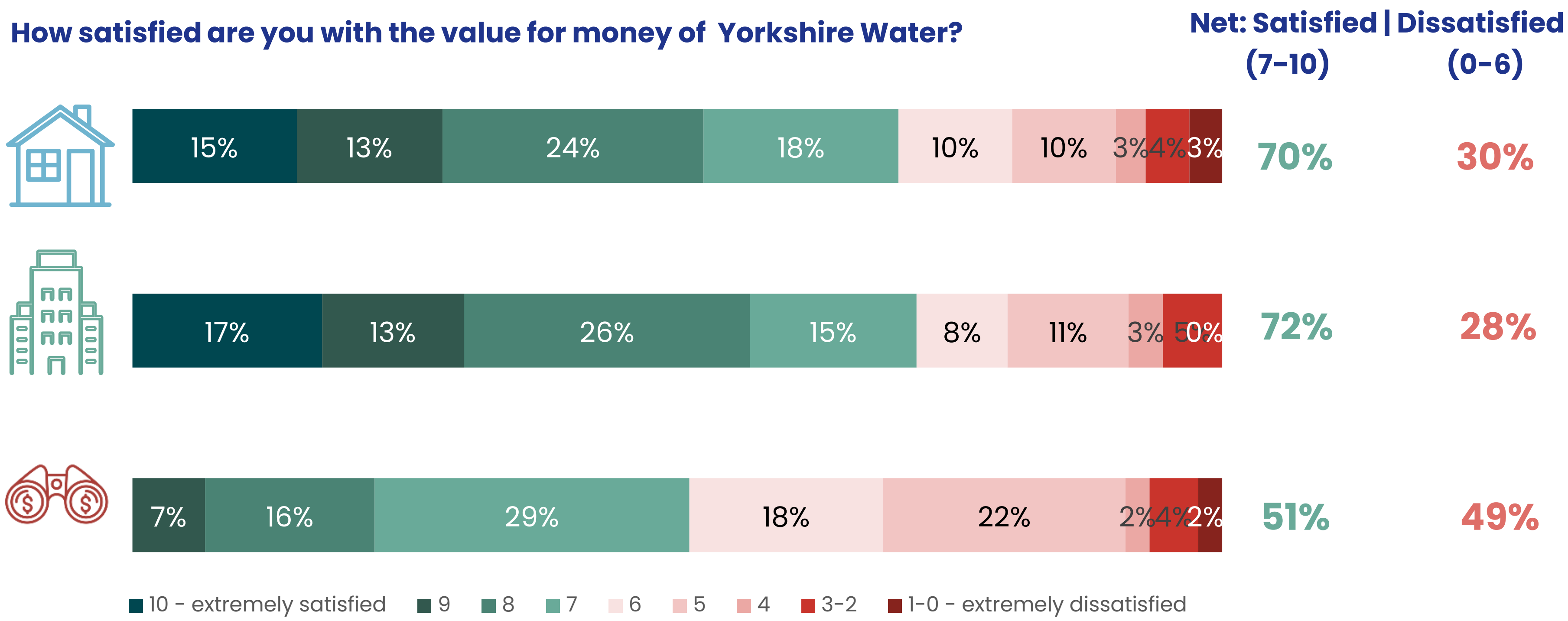
Non-households are more satisfied with YW overall

How satisfied are you with Yorkshire Water?



Q9. Taking everything into account, how satisfied are you with Yorkshire Water (non HH = as a supplier to your business)? Please use a scale of 0 to 10 where 10 is equal to extremely satisfied and 0 is equal to extremely dissatisfied. (Base : HH = 1471 ; Non HH = 276; Future Cust = 45).

Non-households are more satisfied with value for money



Q10. How satisfied or dissatisfied are you with the value for money of the services you receive from Yorkshire Water? Please use a scale of 0 to 10 where 10 is equal to extremely satisfied and 0 is equal to extremely dissatisfied. (Base : HH = 1471 ; Non HH = 276).

Stimulus shown : The Video

During the survey and discussion groups, respondents were shown a 4-minute video providing a high-level overview of Yorkshire Water's 5-year plan, including the overall vision, 6 outcome areas, and some key initiatives and targets.

Stimulus shown : Performance commitments

Secure, safe clean water supplies

Summary	Plan activities include:	We'll track performance by:
Water supply interruptions - to reduce the frequency and length of time that customers are without a water supply	Improve our assets through mains renewals and repair, earlier identification of issues through online monitoring and logging and improve response times.	**Measure**: Minutes lost per customer (without supply) **Target**: to improve time without water interruption from 7.25 minutes to 5.34 minutes – a 26% reduction
Water quality – to reduce the risk of discoloured water and reduce the number of contacts about water quality	Improve water treatment processes at five water treatment works, targeted water mains rehabilitation activities, through mains replacement, mains rehabilitation and targeted removal of lead from water supplies.	**Measure**: Compliance Risk Index - is a measure of water quality **Target**: to move the score from 3.5 to 2.51 - a 28% improvement **Measure**: number of customer contacts per 1,000 population about water quality (taste/odour/colour) **Target**: - to decrease contact rates from 0.97 to 0.37 – a 62% improvement
Per capita consumption – to reduce people's water use. It refers to the number of litres, per person, per day	Replacing old existing meters with smart meters , accelerating the roll out smart meters, customer engagement plans on water efficiency.	**Measure**: number of litres, per person, per day **Target**: to reduce water use figure from 128 to 119 litres per day – a 6.8% improvement
Leakage – to reduce leakage rates to address the supply demand deficit	Activities in the Water Resources Management Plan include smart metering, pressure management and active leakage control (find and fix).	**Measure**: megalitres (million litres) per day * **Target**: to reduce leakage from 281 to 229 megalitres a day - an 18% improvement * Rolling three-year average
Business demand – to reduce water use in business to address the supply demand deficit	Smart metering, business customer water efficiency audits and communication campaigns.	**Measure**: megalitres (million litres) per day* **Target**: to reduce business water use from 272 to 262 megalitres per day – a 3.7% improvement * Rolling three-year average

Stimulus shown : Performance commitments

YOUR WATER

Modern & Sustainable Infrastructure

Summary	Plan activities include:	We'll track performance by:
Mains repairs – proactive and reactive repairs to and replacement of our network of clean water pipes	Renewing and replacing a larger proportion of the network year on year to mitigate network deterioration rates.	**Measure:** number of mains repairs per 1,000km **Target:** To reduce number of reactive repairs from 211.6 to 208.97 – a reduction of 1.24%
Unplanned outage – to reduce the amount of time that water treatment works are out of operation	Maintenance programmes focusing on specific components of the treatment process and replacement of instrumentation, automation and control equipment, power backup.	**Measure:** % of peak week production* **Target:** To reduce unplanned water outage from 2.5% to 0.9% – a 61.86% improvement * The week during the year when water demand is at its highest
Sewer collapses – to improve the sewer network health to prevent sewer collapses	Proactive sewer network rehabilitation programme.	**Measure:** Number of sewer collapses per 1,000km of sewer **Target:** To reduce the number of collapses per 1,000km sewer from 10.6 to 8.85 – a 16.5% reduction
Internal sewer flooding – to reduce risk of flooding of people's houses from sewage backing up into the property and improve our response times	Use of sensors to target proactive sewer cleaning, proactive sewer repairs, and sewer alarms at customers' properties.	**Measure**: incidents per 10,000 sewer connections **Target**: to reduce the number of incidents per 10,000 connections from 2.3 to 1.05 – a 54% reduction
External sewer flooding – to reduce risk of people's gardens being flooded from sewage	Proactive sewer cleaning and increased deployment of sensors and alarms in the sewer network.	**Measure**: Incidents per 10,000 connections **Target**: to reduce incident rate from 18.54 to 14.15 – a reduction of 24%

Stimulus shown : Performance commitments

Bills everyone can afford

Summary	Plan activities include:	We'll track performance by:
Water poverty - To help as many customers as possible to pay their bill	• Continue with £2m company funds we pledge every year to support those struggling to pay bills • Increase the number of customers we help to pay their bills from 90,000 to 145,000 by 2030 • Reduce the number of customers under the water affordability threshold (where customers spend more than 5% of their disposable income on their water bill) by approximately 50% by 2030	Tracking the number of customers on our financial support schemes.

Net Zero Carbon Emissions

Summary	Plan activities include:	We'll track performance by:
Operational greenhouse gas emissions – to reduce emissions from our water and wastewater treatment processes and operations	• Use of renewable and solar energy in operations. • Purchasing green energy,. • Transitioning our fleet vehicles to electric, improving energy efficiency and reducing consumption by purchasing more efficient equipment for example more energy efficient pumps.	**Measure**: tCO2e (tonnes of carbon dioxide equivalent) **Target**: to reduce emissions for wastewater from 157,397 tCO2e to 123,897 – that's an improvement of 21.3% And for water, from 110,362 tCO2e to 102,446 – an improvement of 7%

Stimulus shown : Performance commitments

First-Class Customer Service

Summary	Plan activities include:	We'll track performance by:
Improved customer experience - to provide an easy and simple way to interact with us and resolve their issues	Development of customer systems and channels to enhance customer journeys e.g. in paying their bills, submitting meter reading, and improvements in water and wastewater services, particularly response times and resolution outcomes for key operational issues, such as sewer flooding.	**Measure**: C-MeX- residential (household) customer measure of experience **Target**: to move up the industry ranking table from position 8 to position 4 (out of 17)
Improved retailer and business customer experience - to provide a timely and quality service that meets the needs of retailers and business customers	Continuous improvement of retailer and business customer services, e.g. improvements in water and wastewater (including Trade Effluent) services, improved market data accuracy, improved settlement, and play our part in supporting MOSL and the Strategic Panel with industry market improvement. Establish new collaborative services, e.g. water efficiency and smart meters.	**Measure**: BR-Mex – business (non-household) customer and retailer measure of experience **Target**: This is a new measure which has not yet been defined and no target has been set. Aspirational target to achieve raking position of 4. Final specification of measure December 2024.
Improved Developer Services offering - to create an operational business that is aligned to developer needs which is robust and resilient to volatile market conditions	• Creating a customer-first organisation. • Optimising processes, upskilling colleagues to deliver right first-time service. • Greater customer insight and improved performance management. • Digital enablement and self-serve first delivering effective and efficient operations.	**Measure**: D-MeX (developer services measure of experience) **Target**: Achieve sector Median performance

Stimulus shown : Performance commitments

YOUR WATER

A healthy natural environment

Summary	Plan activities include:	We'll track performance by:
River water quality – to improve the health of our rivers	Increased removal of phosphorus and catchment-based initiatives working with agricultural community to prevent impact of pesticides and nitrates entering the river.	**Measure**: kg of phosphorous removed from rivers **Target**: To increase the amount of phosphorus removed by 6% over the period from 5,827 kg to 6,160 kg – a 5% improvement
Biodiversity – to improve and restore natural ecosystems and support wildlife	Managing our land in a way that helps nature thrive, working with partners to deliver projects e.g. conservation in rivers, and investing in increasing biodiversity through nature-based solutions where possible.	**Measure**: biodiversity units per 100Km2 (a unit is a measurement of an area's value to wildlife) **Target**: 0.85 units per 100km2
Discharge permit compliance – to ensure that discharges from our wastewater systems comply with the permitted levels allowed by the Environment Agency	We will maintain and monitor assets and adopt the use of smart technology to improve our response times to ensure we remain complaint.	**Measure**: % compliance with discharge permit **Target**: to achieve 100% compliance (not drop below current performance of 99%)
Pollution incidents – to reduce the number of incidents of pollution from our wastewater treatment works	Monitor and maintain assets and activities at sewage treatment works including proactive wet well cleaning, increased deployment of sensors and proactive cleaning of the sewer network.	**Measure**: Total number of pollution incidents per 10,000km of sewer **Target**: To reduce total number of incidents from 18.5 to 9.16 per 10,000km of sewer – an 50% reduction. **Measure**: Total number of serious pollution incidents **Target**: to reduce serious pollution incidents from 5 to zero
Bathing water quality – to improve water quality at designated bathing waters	Making improvements at key wastewater treatment works and targeting those overflows associated with bathing water quality. Working with the Yorkshire Bathing Water Partnership to further improve bathing water quality.	**Measure**: Average score for bathing water quality **Target**: To increase score from 75.3% to 85.9% – a 10.6% improvement
Storm overflows – to stop excess rainwater (from heavy rainfall events) from entering the water network which results in sewers overflowing and flooding roads and properties	Investing £700m to reduce spills at 211 storm overflows to an average 10 per year. This will include building more stormwater storage capacity and working to slow the flow of rainwater into the network by using more nature-based solutions We will spend another £300m to focus on the most sensitive locations, such as bathing water sites, to reduce the storm overflow discharges ahead of the 2035 target.	**Measure**: Average number of spills per storm overflow **Target**: To reduce average number from 36(in 2023) to 25 in 20230 – an 9% reduction

Stimulus shown : Bill impact

Achieving all our targets and undertaking our biggest environmental programme yet from 2025-2030 will cost £8.6 billion overall. As a result, the average annual bill will increase from 2025-2030, a proportion of which will be due to inflation. The average annual bill will be £537 (£45 per month) from 2025-2030, an increase of 25% from the current average annual bill which is £426 (£36 per month). In addition to this, there will be an increase due to inflation, which is out of Yorkshire Water's control. The figures below estimate how much bills may increase during this time as a result:

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Base bill amount (£)	426.00	429.00	537.00	537.00	537.00	537.00	537.00
Inflation - £ (estimate)	21	46	69	72	84	97	109
Total - £	446.70	475.04	605.93	608.96	621.14	633.57	646.24

We have asked our customers the best and most manageable way to pay for the plan across the 5-year planning period and they have opted for a flat bill increase across the 5-year period (as opposed to a rising increase across the period).

The average bill during this time period can be broken down as follows (excluding the impact of inflation):

- Costs to maintain and improve services - £485.14 on average or 90% of the bill
- Enhancement – this includes new statutory requirements - £45.34 on average or 8% of the bill
- Customer-supported enhancements - £6.52 on average or 1% of the bill
- Total: £537/£45/month on average

Household

During the survey, household customers were asked how much their current annual household water bill is. They were then shown a personalised bill impact breakdown based on this figure. The 'average', non-personalised bill impact breakdown was shown during the qual, and during the survey to those who did not know their current annual bill.

Non-household

Achieving all our targets and undertaking our biggest environmental programme yet from 2025-2030 will cost £8.6 billion overall. As a result, the average annual bill will increase from 2025-2030, a proportion of which will be due to inflation.

As a result of this, the average annual bill will increase by about 25%. In addition to this, there will be an increase due to inflation, which is out of Yorkshire Water's control.

We have asked our customers the best and most manageable way to pay for the plan across the 5-year planning period and they have opted for a flat bill increase across the 5-year period (as opposed to a rising increase across the period).

The average bill during this time period can be broken down as follows (excluding the impact of inflation):

- Costs to maintain and improve services - 90% of the bill
- Enhancement – this includes new statutory requirements - 8% of the bill
- Customer-supported enhancements - 1% of the bill

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?

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