

love every drop
anglianwater 

Revised Draft WRMP24
Technical Document

Customer and stakeholder engagement



August 2023

WRMP24 Customer and Stakeholder summary

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1. WRMP24 Introduction

1.1 About our company

- 1.1.1 Anglian Water is the largest water and wastewater company in England and Wales geographically, covering 20% of the land area.
- 1.1.2 We operate in the East of England, the driest region in the UK, receiving two-thirds of the national average rainfall each year; that's approximately 600mm.
- 1.1.3 Our region has over 3,300km of rivers and is home to the UK's only wetland national park, the Norfolk Broads.
- 1.1.4 Between 2011 and 2021, our region experienced the highest population increase in England. Despite this, we are still putting less water into our network than we did in 1989.

1.2 Planning for the long term

- 1.2.1 Our company Purpose is “to bring environmental and social prosperity to the region we serve through our commitment to Love Every Drop”. This purpose is at the heart of our business, having been enshrined in our Articles of Association in 2019.
- 1.2.2 Central to delivering this purpose is planning for the long term; one of the strategic planning frameworks we use to achieve this is the Water Resources Management Plan (WRMP), which details how we will ensure resilient water supplies to our customers over the next 25 years.
- 1.2.3 A WRMP looks for low regret investments¹ for our region, giving flexibility to adapt to future challenges and opportunities such as technological advances, climate change, demand variations, and abstraction reductions.

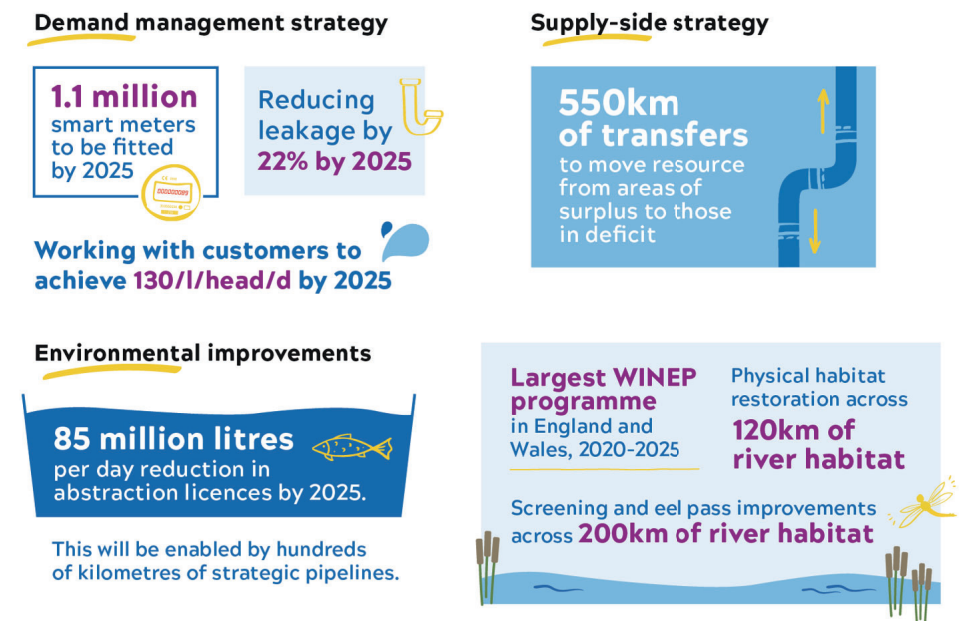
1.3 Water Resources Management Plan

- 1.3.1 We produce a WRMP every five years. It is a statutory document that sets out how a sustainable and secure supply of clean drinking water will be maintained for our customers. Crucially it

takes a long-term view over 25 years, allowing us to plan an affordable, sustainable pathway that provides benefit to our customers, society and the environment.

- 1.3.2 Our previous WRMP, WRMP19, had an ambitious twin track strategy, combining an industry leading smart meter roll out and leakage ambition with a strategic pipeline across our region, bringing water from areas of surplus to areas of deficit. An overview of WRMP19 can be seen in [Figure 1](#) below.

Figure 1 Our WRMP19 strategy



1 Investments that are likely to deliver outcomes efficiently under a wide range of plausible scenarios.

1.3.3 This WRMP focusses on the period 2025 to 2050, and is known as WRMP24. We have developed it by following the Water Resources Planning Guideline (WRPG)², as well as other relevant guidance, in order to meet statutory requirements. This has ensured our WRMP24:

- Provides a sustainable and secure supply of clean drinking water for our customers.
- Demonstrates a long-term vision for reducing the amount of water taken from the environment, and shows how we will protect and improve it.
- Is affordable.
- Maintains flexibility by being able to respond to new challenges.
- Complies with its legal duties.
- Incorporates national and regional planning.
- Provides best value for the region and its customers.

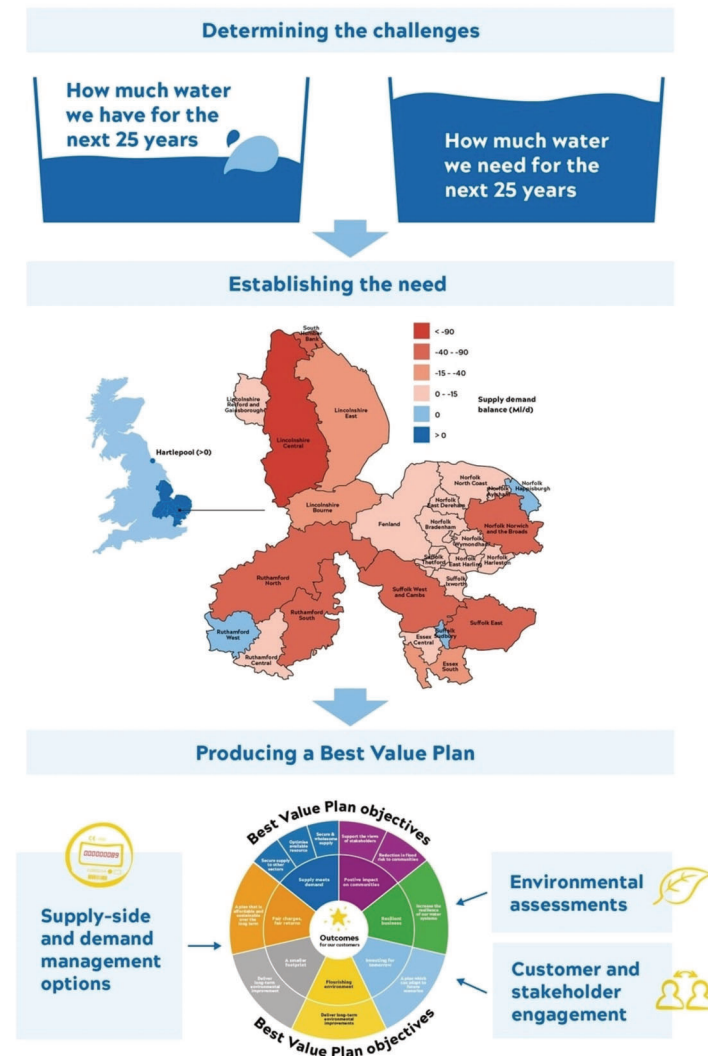
1.4 Developing our WRMP

1.4.1 Our WRMP24 has been progressed following processes detailed in the WRPG, as shown in [Figure 2](#).

1.4.2 We start by determining the extent of the challenges we face between 2025 and 2050. We achieve this by developing forecasts to establish the amount of water available to use (supply forecast) and the amount of water needed (demand forecast) in our region. When these forecasts are combined, a baseline supply-demand balance is created. This tells us whether we have a surplus of water or a deficit, establishing our water needs for the planning period.

1.4.3 An appraisal for both demand management options and supply-side options is undertaken, starting with an unconstrained list of possible options which progresses through various assessments until a final constrained list is determined.

Figure 2 A high level overview of our WRMP24 planning process



² <https://www.gov.uk/government/publications/water-resources-planning-guideline/water-resources-planning-guideline>

1.4.4 Demand management options aim to reduce the amount of water being used by our customers and lost in our water network. Examples of these options include smart metering and the promotion of water efficiency measures, such as reducing shower times. Supply-side options are also developed; these provide additional water to supply to customers. Examples of these options include new raw water storage reservoirs or water reuse treatment works.

1.4.5 We environmentally assess both demand management and supply-side options so we can understand their potential environmental impacts and what could be put in place to mitigate them; in some cases we exclude options from further consideration.

1.4.6 The next step is for the water savings associated with the chosen demand management options to be added into our baseline supply-demand balance to determine if our region's water needs are met. If the demand management options savings do not solve the need, supply-side options are added into the modelling process. This is undertaken in our Economics of Balancing Supply and Demand (EBSM) model which conducts numerous modelling runs, creating a range of plans that meet our objectives. These plans are also environmentally assessed.

1.4.7 We develop a best value plan from these different model runs and environmental assessments, encompassing the views of our customers and stakeholders who have been consulted throughout the plan's development.

1.5 Best value planning

1.5.1 To ensure we developed the right solution for our region's water needs, we have focussed on 'best value'. To us, best value is looking beyond cost and seeking to deliver a benefit to customers and society, as well as the environment, whilst listening and acting on the views of our customers and stakeholders.

1.5.2 These views, from our customers and stakeholders, have helped build our best value framework, shown in [Figure 3](#), which has been used as the basis for our decision making.

Figure 3 Our best value planning objectives



1.6 Our revised draft WRMP24

1.6.1 Our best value plan, the revised draft WRMP24, has been produced following a public consultation on our draft WRMP24. This consultation ran from December 2022 to March 2023. Taking into account consultation feedback and our revised forecasts, we have:

- Increased our leakage ambition from 24% to 38%

- Included projected non-household demand for the South Humber Bank, in north Lincolnshire
- Developed non-household demand management options
- Recognised further opportunities to utilise the existing resource we have, and
- Removed abstractions from the supply forecast that are likely to be closed due to Habitats Regulations

1.6.2 Our core supply side strategy - featuring two new reservoirs, interconnectors and water reuse - remains the same as our draft. We have provided further information demonstrating that this is a low regret plan which will underpin the environmental, economic and social resilience of our region, whilst retaining flexibility to adapt in the longer term.

1.7 Strategic context of the revised draft WRMP24

1.7.1 Our revised draft WRMP24 aligns with our Purpose, as well as internal and external strategic plans and initiatives. We have worked collaboratively with internal and external stakeholders, regulators and other water abstractors to achieve this.

1.7.2 These interactions are highlighted throughout our revised draft WRMP24 submission, showing the importance of collaborative planning. For instance, Regional Plans led by Water Resources East (WRE) and Water Resources North (WReN) have been significant in shaping our investment priorities and requirements, with WRE demonstrating the value of the strategic regional options (SROs) at the regional, multi-sectoral level.

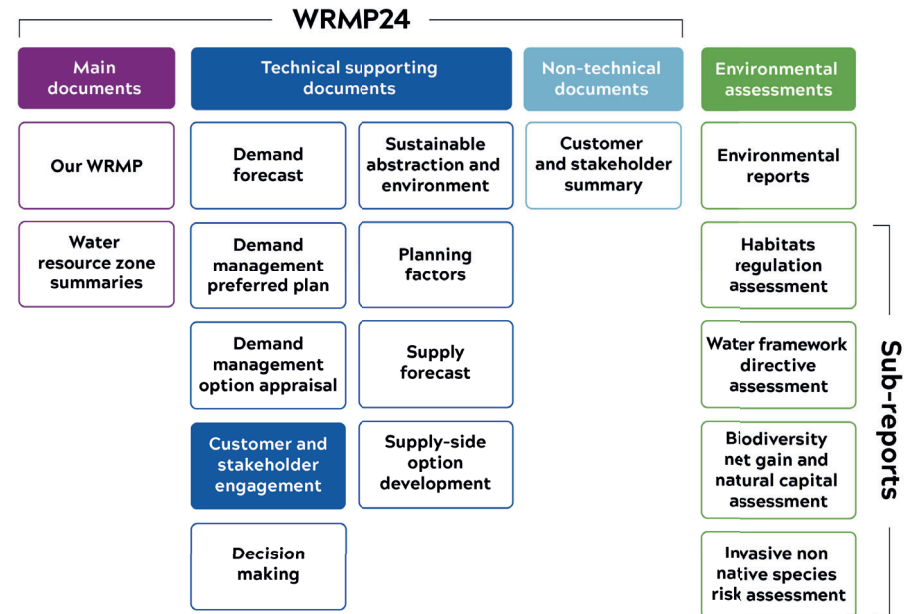
1.7.3 This revised draft WRMP24 will help to shape our company investment strategy for the next Price Review submission (PR24), as well as our Long Term Delivery Strategy. We have also maintained close links with the Drainage Wastewater Management Plan and our Drought Plan.

1.8 Guide to our revised draft WRMP24 submission

1.8.1 Our submission comprises a non-technical customer and stakeholder summary, our main report and nine technical supporting documents, shown in [Figure 4](#) below. These technical

documents are supported by a suite of independent environmental assessments. Water resource zone summaries will also be available, as well as associated tables on request.

Figure 4 Our revised draft WRMP24 reports



1.8.2 This is the revised draft WRMP24 Customer and stakeholder engagement technical supporting document. The main changed between draft and revised draft WRMP24 are:

- Section 3 has been updated to provide further detail on our customer engagement strategy as a business.
- Section 4 has been modified to show how the WRMP24 engagement topics relate to our company decision levels.
- Section 5 has been updated with relevant engagement.
- Section 6 has been updated with our latest business as usual engagements and partnership working.

- Section 8 has been updated to show our latest stakeholder engagements.
- Section 9 has been updated with the latest customer insight from the synthesis report.

1.9 Next steps

- 1.9.1 Our Statement of Response and revised draft WRMP24 documents are available to view at anglianwater.co.uk/wrmp .

2. Executive summary

- 2.0.1** We are proud of our history of sector-leading, robust customer and stakeholder engagement, which is instrumental to our business planning.
- 2.0.2** We have continued to gain this insight by engaging with our customers and stakeholders to develop, influence and refine our WRMP24. These interactions have been shaped through our key engagement questions, focusing on where customers and stakeholders have a choice and can express meaningful views.
- 2.0.3** The new research findings have been independently synthesised with our previous insight, allowing us to keep developing our understanding of what our customers' priorities are, as well as their views on the timing of solutions. This ever evolving synthesis will feed into our WRMP24 planning, Price Review 2024 (PR24), our Long Term Delivery Strategy (LTDS) and day to day customer communications.
- 2.0.4** For WRMP24, we have engaged with households, businesses and future customers, as well as customers in circumstances that may make them vulnerable. Qualitative and quantitative engagement has been undertaken, using independent research providers. Collaborative research projects with other water companies have also been key to our work, ensuring a consistency of approach.
- 2.0.5** Our stakeholders and regulators have been influential in shaping our plan, providing constructive challenge and advice. We have actively participated within the regional planning groups, WRE, WReN and Water Resources South East (WRSE), as well as companies within the Regulators' Alliance for Progressing Infrastructure Development (RAPID) process. Individual discussion with regional and local stakeholders has also been important to us, allowing the opportunity to explore topics in depth.
- 2.0.6** This engagement has formed the backbone of our WRMP24, as well as our wider business activities. We will continue to engage with our customers and stakeholders on topics that are important to them, and us, through our day to day communications and business planning.

- Our customers believe that we need to achieve our environmental targets as they are crucial for the future of the planet. There is a real support for nature recovery and achieving sustainable abstraction. Customers also believe we should minimise carbon impact and avoid displacing biodiversity while keeping as much water in sensitive areas as possible.
- The environmental destination of BAU+ is seen as the preferential scenario by our customers, which seems to be driven by a desire to balance environmental improvements with financial security and concerns over affordability.
- The majority of our customers feel we should achieve our environmental destination between 2030 and 2040, sooner than the 2050 target.
- Our customers feel that our Levels of Service for temporary use bans and non-essential use bans are acceptable. However, they did welcome moving to a higher level of service for severe drought restrictions.
- Most of our customers are unaware of extreme drought risk.
- Achieving a higher level of extreme drought resilience by 2039 was largely seen as the right timescale by our customers.
- Making the most of what we have remains a priority for our customers, with demand management measures being seen as the preferential way of tackling deficits. We have listened to our customers and increased our leakage ambition compared with our draft WRMP24.
- Reservoirs and water reuse are the most preferred supply-side options. Reservoirs are seen as a familiar, tried and tested option which are environmentally friendly and an attractive community asset. Water reuse is seen as being economically and environmentally friendly.
- Seventy nine percent of our customers felt people should pay their water bills on the basis of the amount of water they use.
- Customers support the principle of a best value plan, and there is a core desire from customers for bills to be fair and affordable.

3. Principles for engagement

In this section we will:

- discuss how we have built our company principles for engagement
- show our principles for engagement
- detail the phases of engagement
- explore the key challenges we faced for WRMP24, and explain why we engaged on them, and
- highlight the key questions used throughout our engagement.

- 3.0.1** Our Price Review 2019 (PR19) customer engagement was awarded an A rating by Ofwat; the only company to achieve this. Our sector leading approach saw us co-create our customer engagement strategy and undertake extensive engagement through a variety of channels. The findings from these engagements were independently synthesised to ensure robustness and impartiality before being fed back into our business planning process.
- 3.0.2** Recognising the strong basis of this customer engagement strategy, we continued to build on it post PR19 by increasing our brand awareness and understanding, as well as refining our communication objectives to make them more meaningful.
- 3.0.3** But, we appreciate that there have been political, public and regulatory changes since the initial inception of our customer engagement strategy. An example of this is the discourse around the environment, with discussions about river health, biodiversity net gain and nutrient neutrality becoming more prominent- whether that be in the Houses of Parliament or the pub. There is also more of a public narrative on enabling sustainable growth by balancing environmental and social prosperity, something at the heart of our Company Purpose.
- 3.0.4** We have seen more of a welcomed focus on providing long term planning that is best value, rather than concentrating on the least cost path. Again, this is something important to us, as we are

committed to serving our customers and communities and delivering long term value for them, in line with our [Strategic Direction Statement](#). With this ever changing political and economic context in mind, we have considered how we should evolve our customer engagement strategy, taking into account lessons learnt from PR19 and a review of regulatory guidance and best practice advice.

3.1 Learning from our past experience

- 3.1.1** Whilst our PR19 customer engagement was awarded the only customer engagement Blue Star by Ofwat at its initial assessment of business plans, we sought to improve our engagement by reflecting on lessons learnt from PR19. This iterative learning included sector wide areas for improvement, such as:
- providing clarity on how engagement informs business planning
 - focusing on day to day activity, especially for customers who find themselves in vulnerable circumstances
 - promoting collaborative working and approaches
 - hearing from seldom heard customers
 - wider use of engagement methods
 - more sense checking, and
 - keeping things simple.
- 3.1.2** We also considered company specific areas of improvement, including:
- the need to feed research into day to day activity and channels
 - evidencing how engagement feeds into business decision making
 - ensuring research activities are not overly complex, so customers can reach meaningful decisions; and
 - conducting early engagement and testing in the design of surveys and materials.

3.2 Review of regulatory guidance and best practice

- 3.2.1** Regulatory guidance, best practice and stakeholder advice documents were reviewed as part of the process of evolving our customer engagement strategy.
- 3.2.2** The guidance and advice reviewed includes but is not limited to:
- CCW (2020) 'Engaging water customers for better consumer and business outcomes'
 - Environment Agency, Defra and Ofwat (2021) 'Water resource planning guideline'
 - Ofwat (2021) 'PR24 and beyond: Creating tomorrow, together'
 - Ofwat (2022) 'PR24 and beyond: Customer engagement policy- a position paper', and
 - UKWIR (2020) 'Deriving a Best Value Plan for Water Resources'.
- 3.2.3** This guidance review highlighted expectations for all of our long-term planning threads: WRMP, Drainage and Wastewater Management Plan (DWMP), the LTDS and PR24.

3.3 Our principles

- 3.3.1** This regulatory guidance³ and lessons learnt from PR19, has resulted in five core customer engagement principles being developed. These principles will ensure we remain industry leading in customer engagement, setting the tone for how we engage with customers as a business. This means all of our customer engagement will be impactful, meaningful and able to help us make better business decisions. The five customer engagement principles are discussed below.

3.3.1 Putting the customer first

- 3.3.1.1** All our engagement starts with the customer and what matters to them and their world. We want our customers to enjoy taking part in the engagement, and leave it feeling that their contribution has been useful. We will work hard to engage with

difficult to reach customer groups, giving them the opportunity to tell us their views. We will also use these engagements to build on our brand and enhance the reputation of the water sector.

3.3.2 Better decisions to support business decision making

- 3.3.2.1** We will ensure that our customer engagement gives us the information we need to make better decisions as a business. This means we will engage when there is a choice, allowing customers to express meaningful views. We will also ensure that research is timed and accessible, whilst remaining agile to new strategic choices and trade-offs. Outputs will also be available at the right time, informing business decisions at every level. We will demonstrate how these customers' views have shaped this decision making.

3.3.3 Meaningful research and robust conclusions

- 3.3.3.1** Best practice will be demonstrated in everything we do, so that our research is meaningful and achieves robust conclusions. We will evidence that all relevant guidance requirements and regulatory expectations are met, and will build in challenge and assurance to ensure this occurs.

3.3.4 Focus on the everyday interactions

- 3.3.4.1** Day-to-day interactions with our customers will generate useful insight for our business planning, becoming more prominent in our decision making and reducing the need for additional research. We will also use our day-to-day interactions to gain insight from seldom-heard customer segments, including vulnerable, future and non-household customers.

3.3.5 Proportionate and efficient customer engagement

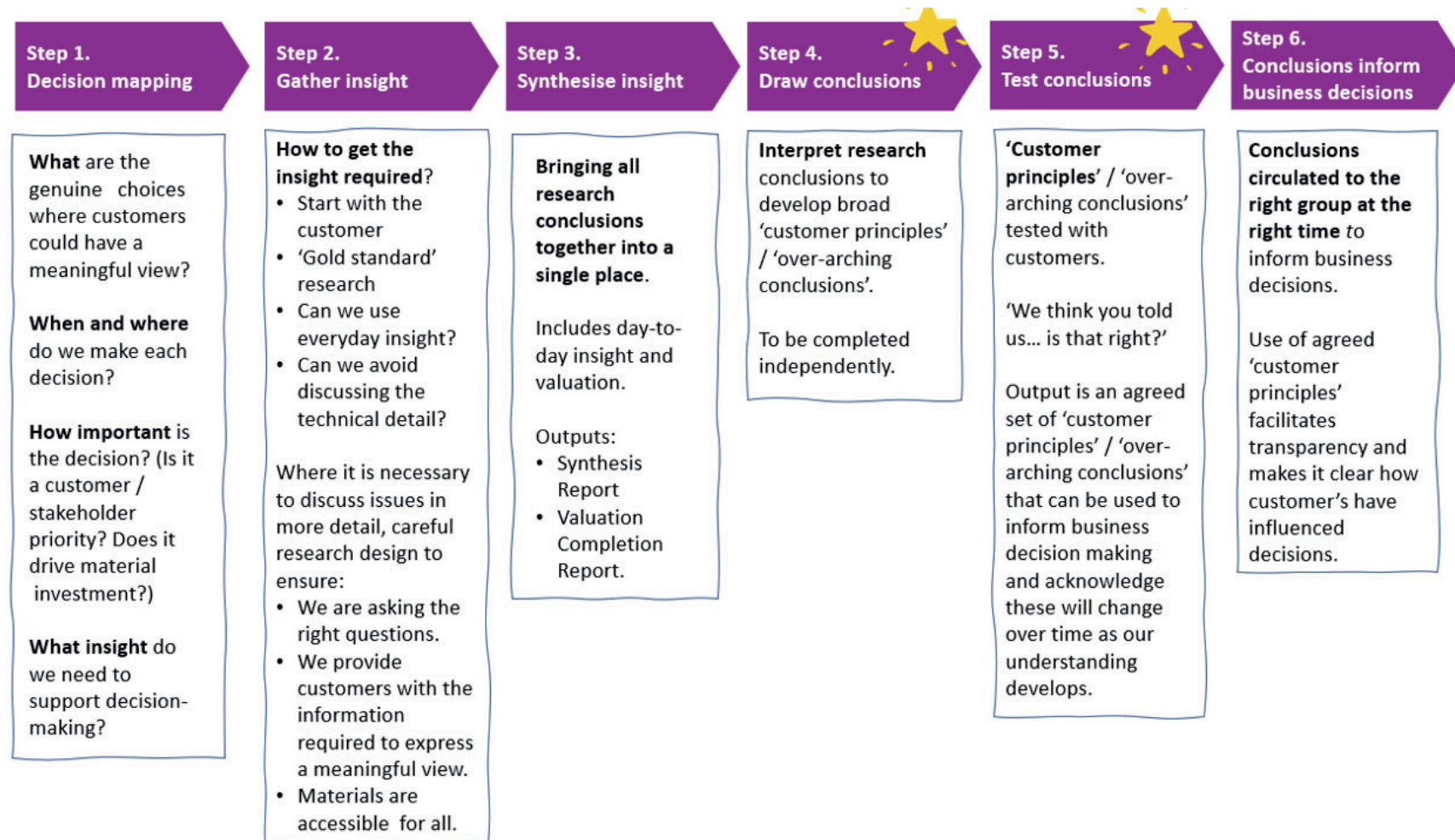
- 3.3.5.1** High quality engagement will be prioritised over the number of interactions achieved, building on existing insight wherever possible. This will allow us to focus time and resource on areas that will have maximum impact. We will look for our research to provide insight to our different strategic frameworks simultaneously, and will synthesise research into a coherent, accessible whole.

³ Such as Ofwat's Customer engagement policy- a position paper, available at [PR24-customer-engagement-policy.pdf \(ofwat.gov.uk\)](https://www.ofwat.gov.uk/pr24/customer-engagement-policy.pdf)

3.4 Applying our engagement principles

3.4.1 Using these five core customer engagement principles as a basis, we created a clear line of sight for how customer insight fits into our business decisions, a key learning point for us from PR19. This process is illustrated in [Figure 5](#) below.

Figure 5 How customer insight fits into our business planning process



3.4.2 In the following sections, we will demonstrate how each of these steps have fed into our business planning processes. The examples will be WRMP24 related, but it should be remembered that this is one stream of our holistic customer engagement strategy. Consideration is also given to whether the decision they feed into is at option, strategic or programme level.

3.4.1 Option decisions

3.4.1.1 An option decision relates to the development of options that will be used in our strategies. There will be a small number of instances where we engage on these as part of our customer engagement strategy. This engagement may include:

- discussing with customers what sort of options we should consider, e.g. leakage, desalination or reservoirs
- gaining opinion on whether we should design options to deliver additional value, for example should we create habitat when building new reservoirs, and
- asking customers how we can improve the acceptability of lower preference options, such as desalination.

3.4.2 Strategic decisions

3.4.2.1 Strategic decisions are high-level decisions about the best way to achieve an outcome. These decisions, along with programme-level decisions, are the main focus of our customer engagement. Examples of strategic decisions include:

- Whether to invest in a major strategic asset like a reservoir
- The environmental destination that we should aim for; and
- When we should reach 1 in 500 year drought resilience.

3.4.3 Programme-level decisions

3.4.3.1 Programme-level decisions impact the whole business, and often involve the balancing of different strategies into a coherent whole. For example, balancing and phasing investment across asset management periods (AMPs) to ensure that plans are affordable and fair. Programme-level decisions are informed by customer insight at every level.

4. Decision mapping

- 4.0.1 The first step in our customer engagement strategy was to understand where we had genuine choices in our WRMP decision making process. To establish this, we considered the challenges for WRMP24, mapping the key decisions that customers could influence, before determining whether new research was required or if we could build on existing engagement. We then assessed if these were option, strategic or programme-level decisions.
- 4.0.2 We discuss the challenges identified for WRMP24, as well as how customers could influence the outcome in this section.

4.1 Environmental destination

- 4.1.1 The National Framework for Water Resources⁴ promotes a long-term vision to deliver greater environmental improvement, challenging abstractors to consider changes to water abstractions that are above and beyond their statutory obligations. This vision is known as environmental destination, and it aims to promote sustainable abstraction regimes.
- 4.1.2 Several environmental destination scenarios have been developed within regional planning groups, supported by water company modelling and existing insight from customers and stakeholders. These scenarios vary in terms of the level of environmental improvement they achieve, and the amount of abstraction reduction, and cost, required to achieve it.

4.1.1 Decision mapping conclusion

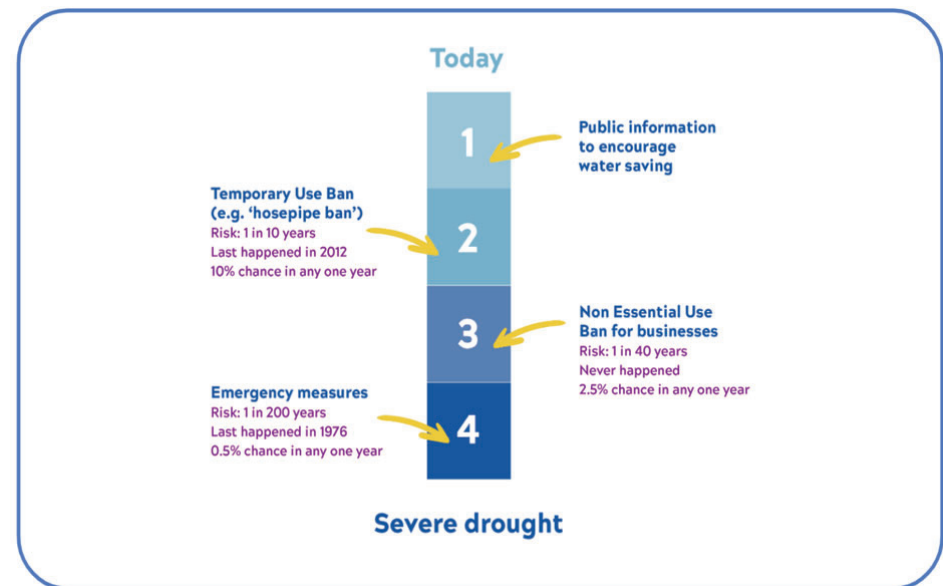
- 4.1.1.1 As we had to choose a preferred environmental destination scenario for our WRMP24, it was important that our customers were able to influence this strategic decision at both a regional

and company level. We also identified that we had a choice when we achieved this environmental destination, a decision our customers could help inform⁵.

4.2 Drought planning

- 4.2.1 We published our [Drought Plan](#) in 2022. The purpose of a Drought Plan is to protect public water supplies, whilst minimising any environmental impacts that could occur because of our activities during a prolonged period of low rainfall.

Figure 6 Drought resilience Levels of Service



4 <https://www.gov.uk/government/publications/meeting-our-future-water-needs-a-national-framework-for-water-resources>

5 We have until 2050 to achieve our environmental destination

- 4.2.2 We can protect water supplies during these low rainfall periods by implementing demand management measures in a gradual, controlled manner. This cascade of measures are known as Levels of Service; these are shown in [Figure 6](#), along with an indication of how frequently these measures could be implemented.
- 4.2.3 Our first step in protecting public water supplies is to encourage customers to reduce their water usage by highlighting the benefits of doing so. This step was demonstrated during the drought of 2022. This call for water efficiency is known as Level of Service 1.
- 4.2.4 Level of Service 2 is a temporary use ban, more commonly referred to as a 'hosepipe ban'. This ban means our customers cannot use a hosepipe for activities such as car washing, watering the garden, or filling a pond or pool. There is a 10% annual chance of a temporary use ban being implemented.
- 4.2.5 If we find that further measures are required to protect water supplies and the environment, we move to Level of Service 3, a non-essential use ban. This restricts businesses from activities such as operating a mechanical car washer, filling a swimming pool, or watering outdoor plants and gardens. There is a 2.5% chance of this occurring in a year.
- 4.2.6 In the event of a severe drought, Level of Service 4 would be initiated. This means the implementation of emergency measures such as rota cuts, where customers would only have water flowing through their taps for certain parts of the day, or the need to use stand pipes in the road.

4.2.1 Decision mapping conclusion

- 4.2.1.1 Our Levels of Service were developed with customers as part of previous WRMPs and Price Reviews, with strong evidence established that customers were satisfied with the frequencies. We built on this engagement for WRMP24, checking that the frequencies of these Levels of Service still felt right to our customers. This is a strategic decision.

4.3 Drought permits

- 4.3.1 We can apply to the Environment Agency for a drought permit to secure additional water resources. Drought permits are only considered when there are periods of exceptional rainfall shortage, and there is a risk of low water supplies. Whilst environmental assessments are completed for these drought permits, there is the potential that their operation could be impactful on a watercourse that is already suffering from lack of rainfall.
- 4.3.2 We wish to move away from drought permits, as do our regulators. But to allow this, we need to build new infrastructure to enhance our resilience to drought.

4.3.1 Decision mapping conclusion

- 4.3.1.1 The infrastructure needed to reduce the reliance on drought permits could have impacts, such as cost and could potentially create other discharges to the environment, so we wanted to ask our customers their opinion on drought permits and whether we should plan to stop using them. We felt this would feed into the strategic decision of how much we should rely on drought permits.

4.4 Achieving enhanced drought resilience

- 4.4.1 We engaged extensively on drought resilience as part of our WRMP19 and PR19 engagement. The results of this engagement meant that we initiated significant investment, as part of our business planning, to move from a 1 in 100 year drought resilience to a 1 in 200 year drought resilience by 2025. This enhanced drought resilience means there will be less chance of customers having to experience Level of Service 4, emergency measures.
- 4.4.2 Whilst this increased resilience will provide many benefits, as already shown in our management of the drought in 2022, our regulators have identified that we need to move to a 1 in 500 year resilience by 2039. This is a new requirement for WRMP24. We decided to consult our customers on the strategic decision of when to achieve this enhanced drought resilience.

4.4.1 Decision mapping conclusion

4.4.1.1 We recognise that the timing of achieving enhanced drought resilience has an impact on our option choices, as well as the benefits that our best value plan could bring to the environment and the society we serve. So, as we had the flexibility to determine how and when we achieved this resilience, we thought it was important to ask our customers their views. This is a strategic decision.

4.5 Best value plan

4.5.1 As our review of the regulatory, economic and political context showed, there is an increasing emphasis on best value rather than the least cost. The guidance for WRMP24 emphasises the need for a best value plan to be developed, and describes it as below.

'What is a best value plan?'

The aim of a WRMP is to present a best value plan, both in the short term and the long term. A WRMP must ensure a secure supply of wholesome drinking water for customers and protect and enhance the environment.

A best value plan is one that considers factors alongside economic cost and seeks to achieve an outcome that increases the overall benefit to customers, the wider environment and overall society⁶.

4.5.1 Decision mapping conclusion

4.5.1.1 We believe a best value plan should be co-created and developed with our customers. So we included customers and stakeholders from the initiation of our WRMP24, right through to them telling us what they feel about a choice of initial plans.

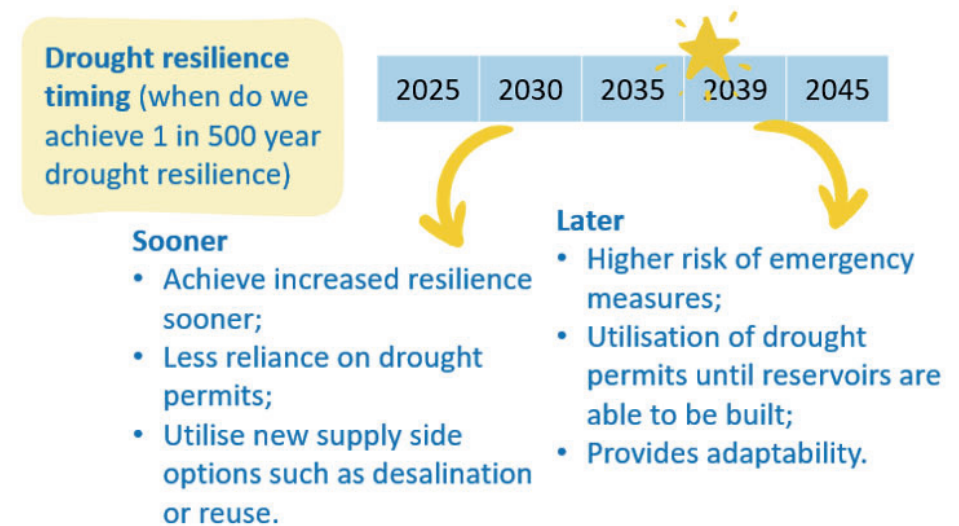
4.5.1.2 It was important that we, through this meaningful engagement, captured what is important to our customers and stakeholders, especially in an increasingly vulnerable and volatile economic and social climate. The insight fed into the strategic decision of what the best value plan should look like.

4.6 Making complex decisions

4.6.1 There are no straightforward answers for our strategic investment decisions, so we have to consider trade-offs. For example, as shown in [Figure 7](#), we could look to achieve 1 in 500 year drought resilience sooner than the requirement of 2039.

4.6.2 If we achieved this enhanced drought resilience sooner than 2039, it would reduce the chance of emergency measures occurring and reduce reliance on drought permits. The trade-off is that we would have to prioritise investment in supply-side options such as desalination as these can be delivered sooner than reservoirs, but have a higher operational carbon footprint.

Figure 7 Example of a drought resilience trade-off



4.6.3 In contrast, if we wait until 2039 to achieve 1 in 500 year drought resilience, there is an increased chance of emergency measures in a drought situation. It is also possible that we would have to utilise drought permits, which could have a detrimental impact on the environment if not managed carefully. The trade-off is

6 Environment Agency, Defra, Ofwat (2022), 'Water resource planning guideline', Page 89

that we would have more time to build reservoirs to supply the water our region needs. These reservoirs could also provide social, economic and environmental benefits to local communities, as seen at our existing reservoirs like Grafham Water in Cambridgeshire and Alton Water in Suffolk.

4.6.1 Decision mapping conclusion

4.6.1.1 Each trade-off has its own positives and negatives. We felt it was important that we informed our customers and stakeholders of the choices (and trade-offs) available to us, and associated considerations. The insight gained from this could then be fed into our strategic decision making.

4.7 Supply-side and demand management options

4.7.1 When the combining of our supply and demand forecasts shows a deficit of water, we need to initiate demand management options and/or new supply-side infrastructure to ensure customers have resilient water supplies.

4.7.2 Our customers have told us they prefer demand management options- they feel they make the most of existing resource. We agree with this and have striven to utilise our existing resource since we were formed in 1989, and our demand management strategies over this time have ensured that the amount of water we put into our network has remained the broadly the same, despite a third more properties in our area. However, the significant challenges we face going forwards means that demand management alone will not keep our customers on a resilient supply of water. Therefore, we need to invest in significant new supply-side options.

4.7.3 Developing new supply-side options from existing resource is difficult due to significant reductions in the amount of water that can be taken from the ground or rivers, as well as our future environmental destination. But, where surpluses are available, we have looked to utilise them, as seen by the development of the Fens and Lincolnshire reservoirs which will take surplus water from rivers, typically during winter, and store it until needed by customers.

4.7.4 We have also considered options that are not reliant on abstracting from sensitive groundwaters or rivers. These options include desalination, which takes water from the sea, and water reuse treatment, which deploys advanced treatment to clean the final effluent from our water recycling centres before putting it back into the environment. These technologies are not yet established in the United Kingdom and can provoke a lot of interest.

4.7.1 Decision mapping conclusion

4.7.1.1 We wanted our customers to tell us how we should close our future deficit. Exploring the trade-offs between these options was also important to us, allowing us to make better decisions as part of our business decision making. We also identified that we wanted to explore how our customers perceive treatments not typically used in the United Kingdom, and how we should communicate about them.

4.7.1.2 These are option decisions.

4.8 Strategic Resource Options

4.8.1 We are currently developing the design of the strategic resource options (SROs), the Fens and Lincolnshire reservoirs. These are raw water reservoirs that will store surplus water until required by customers.

4.8.2 We currently operate a number of raw water reservoirs in our region that provide environmental, societal and economic benefits; these benefits could be regarded as having 'public value'.

4.8.1 Decision mapping conclusion

4.8.1.1 As the commissioning of the reservoirs will mean that customers are moved from a groundwater supply to surface water, we wanted to discuss their perceptions of changing water quality, with the findings helping to inform our communication strategies.

4.8.1.2 We believe our current reservoirs provide public value and want to build this into the design of the new reservoirs. But, to ensure we capture what customers want, and feel would be beneficial to their lives, their communities and surrounding environment, we felt targeted engagement was needed.


4.8.1.3 Both of these decisions are option related.

4.9 Key questions

4.9.1 Using this decision mapping process, we created a set of key engagement questions for WRMP24, core to our decision making. These key questions are shown in [Figure 8](#).

Figure 8 WRMP24 key engagement questions

| | |
|---|---|
| What environmental destination are we seeking to achieve in the long-term? | When should we achieve a 1 in 500-year drought resilience? Are the likely frequencies of our drought resilience measures acceptable? |
|---|---|



| | |
|--|--|
| How much should we rely on measures including drought permits and orders? | When should we reach our environmental destination? |
|--|--|

| | |
|---|---|
| Are our customers' preferences reflected in our Best Value Plan? | How are supply-side and demand management options prioritised? |
|---|---|

What do our customers feel about our Best Value Plan? Have we achieved a good balance?

How do we balance 'trade-offs' for our WRMP24?

- higher carbon technology vs longer delivery timescales;
- enhanced environmental protections vs supply-side options such as desalination;
- use of drought permits vs investing in higher carbon technology to achieve 1 in 500-year resilience sooner.

4.9.2 All of the insight gained from the engagement conducted on these key questions feeds into programme-level decisions, such as the investment strategy for PR24, the LTDS and our WRMP24. We will continue to build on it for our next WRMP as well.

4.10 Building in challenge

4.10.1 The development of our customer engagement strategy benefitted from constructive feedback from our Independent Challenge Group, which includes members from the Consumer Council for Water. Independent Challenge Group also reviewed and contributed to the structure and scoring of the synthesis report.

4.10.2 We also gained challenge from other companies' Independent Challenge Groups when undertaking collaborative projects.

4.10.1 The Independent Challenge Group

4.10.1.1 Replacing the previous Anglian Water Customer Engagement Forum, the Independent Challenge Group is an independent and critical friend to Anglian Water. It scrutinises and constructively challenges Anglian Water on:

- The quality of its engagement with the customers and the wider communities and stakeholders it serves
- The extent to which customer priorities are reflected in what the company does, and
- The company's delivery against those priorities.

4.10.1.2 We have discussed our approach to developing the WRMP24 with the Independent Challenge Group on six occasions, as shown in [Table 1](#) below.

4.10.1.3 Members have challenged us on how the plan has been developed, how we have used the insight gained from working across companies and how customer insight has driven the best value plan.

Table 1 Independent Challenge Group engagement

| Date | WRMP related item |
|-------------------------------|--|
| 12 th April 2022 | Overview of WRMP24 customer engagement strategy |
| 10 th May 2022 | Overview of WRMP24 challenges and demand management strategy |
| 18 th July 2022 | Customer engagement insight |
| 6 th October 2022 | Demand management and sustainability |
| 9 th December 2022 | Draft WRMP24 and Strategic Resource Options |
| 30 th June 2023 | Revised draft WRMP24 |

4.10.2 Consumer Council for Water

4.10.2.1 We have held regular liaison meetings with the Consumer Council for Water. This has enabled us to discuss our strategy, engagement and findings. It has also allowed our engagement materials to be challenged, ensuring robustness.

4.10.3 Customer challenge

4.10.3.1 Our materials have been tested with samples of our customers prior to being used for the main engagement. This enabled us to tweak materials such as video content and question wording, ensuring the engagement is meaningful to customers.

4.10.3.2 We also engaged with the Customer Board, who talk directly to our Management Board, in March 2023 and June 2023, providing an overview of WRMP24 and associated long-term issues (including how to balance the needs of different generations and the trade-off between ambition and affordability).

5. Gathering insight from specific engagement

5.0.1 As part of our customer engagement strategy, the focussed engagement for WRMP24 has taken many forms, intertwined with our other strategic frameworks and everyday insight. The main engagement relevant to WRMP24 is detailed in [Table 2](#) below. We have engaged with household (HH) and non-household (NHH) customers in the Anglian Water region and Hartlepool⁷.

Table 2 Relevant engagement for WRMP24

| Date | Type of engagement | Areas covered | Supplier | Customers engaged with | Points of note |
|--------------------------|---|--|---------------|--------------------------------|--|
| July 2020 | Literature review of over 120 documents and subsequent gap analysis | <ul style="list-style-type: none"> Resilience outcomes Demand measures Supply-side solutions The wider long-term planning context | eftec and ICS | N/A | Collaborative work undertaken with WRSE companies. |
| August 2020-January 2021 | Qualitative engagement | <ul style="list-style-type: none"> Resilience Environment Service levels and affordability Supply-side options Plan acceptability | eftec and ICS | 84 HH customers ⁸ . | Collaborative work undertaken with WRSE companies. |
| March 2021 | Qualitative engagement | <ul style="list-style-type: none"> Signs of success for WRMP | Incling | 120 HH** customers | Conducted through the Online Community. |
| March 2021 | Qualitative engagement | <ul style="list-style-type: none"> WRMP24 outcomes | Incling | 120 HH** customers | Conducted through the Online Community. |
| April 2021 | Qualitative engagement | <ul style="list-style-type: none"> Leakage | Incling | 118 HH** customers | Conducted through the Online Community. |
| April 2021 | Qualitative engagement | <ul style="list-style-type: none"> Demand management options | Incling | 122 HH** customers | Conducted through the Online Community. |
| May 2021 | Qualitative engagement | <ul style="list-style-type: none"> Metering | Incling | 145 HH** customers | Conducted through the Online Community. |

⁷ This engagement is denoted by **.

⁸ Please note this is a total number across all participatory water companies

| Date | Type of engagement | Areas covered | Supplier | Customers engaged with | Points of note |
|-----------------------|-----------------------------------|---|-------------|--|---|
| June 2021 | Deliberative qualitative approach | <ul style="list-style-type: none"> • WReN objectives • Customers' understanding of the water resource situation in their area • Regulatory objectives, such as drought resilience and reducing long water use • Best value planning objectives and metrics • Environmental destination • Supply-side and demand management options • Water trading • Affordability and willingness to pay | Turquoise | <p>71 HH** customers⁹, of which 9 were Hartlepool Water customers.</p> <p>19 NHH customers¹⁰</p> | Collaborative work undertaken as Hartlepool WReN companies. |
| August-September 2021 | Qualitative engagement | <ul style="list-style-type: none"> • Awareness of water supply challenges • Drought resilience, timings and trade-offs • Environmental destination, timings and trade-offs • Supply-side and demand management option preferences • Best value planning objectives • Intergenerational economics | Blue Marble | <p>85 HH customers¹¹</p> <p>14 NHH customers, 8 of which were in the Anglian Water region.</p> <p>20 stakeholder organisations were also interviewed.</p> | Collaborative work undertaken with WRE companies. |
| September 2021 | Qualitative engagement | <ul style="list-style-type: none"> • Water saving | Incling | 172 HH** | Conducted through the Online Community. |
| October 2021 | Qualitative engagement | <ul style="list-style-type: none"> • Leakage | Incling | 180HH** | Conducted through the Online Community. |
| November 2021 | Qualitative engagement | <ul style="list-style-type: none"> • Smart metering | Incling | 180 HH** | Conducted through the Online Community. |
| November 2021 | Qualitative engagement | <ul style="list-style-type: none"> • Behaviour change | Incling | 180 HH** | Conducted through the Online Community. |

⁹ please note this is a total number across all participatory water companies

¹⁰ Please note this is a total number across all participatory water companies

¹¹ 40 of which were Anglian Water customers

| Date | Type of engagement | Areas covered | Supplier | Customers engaged with | Points of note |
|-------------------------------|--|---|-----------------|--|--|
| December 2021 to January 2022 | Depth interviews | <ul style="list-style-type: none"> Barriers to NHH water efficiency Discussing potential NHH water efficiency options | Blue Marble | 9 retailers | Collaborative work undertaken with WRE companies. |
| February 2022 | Quantitative engagement and walk in surveys | <ul style="list-style-type: none"> Drought resilience Supply-side and demand management option preferences Environmental destination Best value planning | Emotional Logic | 1489 HH** customers (250 face to face) 107 NHH customers | This engagement included walk in surveys in Hartlepool. |
| February to June 2022 | Literature review, qualitative (product testing) and quantitative engagement | <ul style="list-style-type: none"> Informing about water resource challenges Blind taste tests for a range of water source options Communication preferences, using desalination and water reuse as the source changes | Britain Thinks | 96 HH and 36 NHH for qualitative engagement ¹² 1762 HH and 198 NHH for quantitative engagement ¹³ | This was a collaborative piece of work amongst the companies participating in the SRO process. A Communications Framework was developed as part of this work. |
| March 2022 | Qualitative engagement | <ul style="list-style-type: none"> Supply-side and demand management options | Incling | 180 HH** | Conducted through the Online Community. |
| March 2022 | Qualitative engagement | <ul style="list-style-type: none"> Drought resilience | Incling | 180 HH** | Conducted through the Online Community. |
| March 2022 | Qualitative engagement | <ul style="list-style-type: none"> Drought resilience trade-offs | Incling | 180 HH** | Conducted through the Online Community. |
| March to April 2022 | Roundtable meetings | <ul style="list-style-type: none"> Develop and refine solutions for NHH demand management options | Blue Marble | 4 retailers | Collaborative work undertaken with WRE companies. |
| March to October 2022 | In-person survey | <ul style="list-style-type: none"> Smart metering Climate change Biodiversity | Anglian Water | Between 47 and 220 HH across the topics | Community Ambassador events. |
| April 2022 | Qualitative engagement | <ul style="list-style-type: none"> Environmental destination and ambition | Incling | 221 HH** | Conducted through the Online Community. |

¹² Please note these included customers across all the companies

¹³ Please note these included customers across all the companies

| Date | Type of engagement | Areas covered | Supplier | Customers engaged with | Points of note |
|----------------------------|--|--|--------------------------|--|--|
| April 2022 | Qualitative engagement | <ul style="list-style-type: none"> • Prioritisation of abstraction reduction | Incling | 221 HH** | Conducted through the Online Community. |
| April 2022 | Qualitative engagement | <ul style="list-style-type: none"> • Desalination | Incling | 183 HH | Conducted through the Online Community. |
| April 2022 | Qualitative engagement | <ul style="list-style-type: none"> • Water reuse | Incling | 183 HH** | Conducted through the Online Community. |
| May 2022 | Quantitative engagement | <ul style="list-style-type: none"> • Priorities • Scale and pace of investment | Trinity McQueen | 843 HH** | |
| May 2022 to September 2022 | Literature review Qualitative engagement Quantitative engagement | <ul style="list-style-type: none"> • Introducing the concept of public value and bringing it to life • Applying public value to project types | Accent and PJM Economics | 24 online groups Quantitative engagement- 5902 HH and 553 NHH | This was a collaborative piece of work amongst the companies participating in the SRO process. |
| June 2022 | Qualitative engagement | <ul style="list-style-type: none"> • Preferred plan | Incling | 128 HH** | Conducted through the Online Community. |
| June to July 2022 | Quantitative engagement (online and face to face) | <ul style="list-style-type: none"> • Preferred plan | Trinity McQueen | 796 HH** 80 NHH | |
| June to July 2022 | Depth interviews | <ul style="list-style-type: none"> • NHH proposition responses | Blue Marble | 26 NHH | Collaborative work undertaken with WRE companies. |
| June 2022 | Qualitative engagement | <ul style="list-style-type: none"> • Drought communication (seasonal demand) | Incling | 170 HH** | Conducted through the Online Community. |
| September 2022 | Qualitative engagement | <ul style="list-style-type: none"> • Barriers of measured charges to vulnerable customers • Additional help for our vulnerable customers | Scope | 12 HH customers | |
| November 2022 | Qualitative engagement | <ul style="list-style-type: none"> • Strategic Direction Statement • Future expectations and affordability • What does good look like | Incling | 142 HH** | Conducted through the Online Community. |

| Date | Type of engagement | Areas covered | Supplier | Customers engaged with | Points of note |
|---------------|---------------------------------|---|-----------------|------------------------|---|
| January 2023 | Qualitative engagement | • Cost of living | Incling | 149 HH** | Conducted through the Online Community. |
| February 2023 | Willingness to Pay | • Valuations | ICS | 1078 HH** 201 NHH | |
| March 2023 | Qualitative engagement | • Social tariff subsidy | Incling | 171 HH** | Conducted through the Online Community. |
| April 2023 | Acceptability and affordability | • Discussing programme-level choices for PR24 | Accent | 8 HH** 4 NHH | In person qualitative deliberative discussions. |
| June 2023 | LTDS | • Planning for the long term | Trinity McQueen | 24 HH** | Face to face focus groups and remote depths. |

5.0.2 A full list of the engagement completed can be found in our [Customer Engagement Synthesis Report](#).

5.1 Collaborative approaches

5.1.1 As part of this programme of engagement, opportunities for collaboration within regional groups and other companies have been explored. We have found these collaborative approaches are effective for developing a consistent approach, as well as providing an impactful way of talking to retailers and the non-household sector.

5.1.2 We have also used our day to day engagement, making the most of our everyday interactions, to form a strong foundation for our WRMP24, as well as research projects that have been undertaken. We will discuss these in more detail now.

6. Gathering insight from day to day engagement

In this section we will:

- give an overview of our everyday customer engagement, focusing on our tailored communications and partnership working

6.0.1 We engage with our customers everyday, whether that be through our call centre, visits to customers' houses or through online tools, such as the [water usage calculator](#). We also use targeted communication, such as Newsplash, our customer outreach programme and community partnership working.

6.1 Newsplash

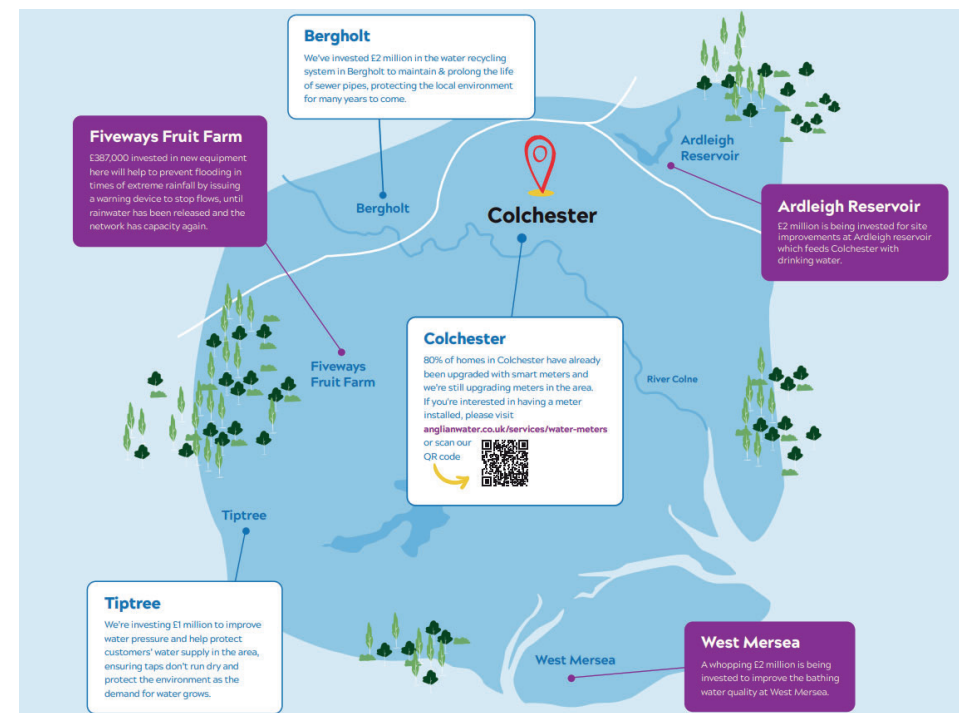
6.1.1 We frequently engage with our customers at a hyper local level, talking about topics that matter to them. One way we have achieved this is through Newsplash, a tailored newsletter to that area. So far we have produced editions for Peterborough, Colchester, Bedfordshire and our Norfolk/Suffolk coastal area. These newsletters have included topics such as:

- information about the Anglian Water region and the customers' local area
- any infrastructure upgrades that will support growth and staycation demand
- information on our demand management options, such as smart meters
- details of our strategic pipeline and how it will benefit their area
- how customers can get help if they need support with their bills
- what we are doing to revitalise and protect local rivers
- how customers can help save water through:
 - checking their homes for leakage, as well as advising us if they spot leakage in our network
 - running the dishwasher on the eco setting

- only using the dishwasher when it is full once a day
- filling a jug of water and keeping it in the fridge
- avoiding using a power shower
- turning the tap off when brushing teeth and washing
- avoiding using the bath
- trying to have shorter (five minute) showers, and
- using a BabyDam for bathing infants.

6.1.2 Newsplash has been handed out to everyone we have seen face to face in these local areas, starting in April 2022.

Figure 9 An example of targeted communications for Colchester



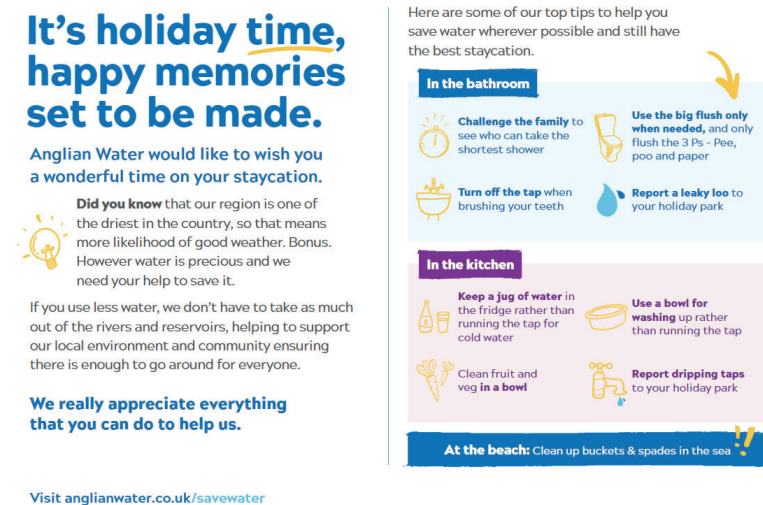
6.2 Community Outreach

- 6.2.1 Getting out and speaking to our customers is really important to us. Our Outreach programme is an example of how we achieve this, recently setting up our community hub in areas such as Peterborough, Colchester and Norfolk.
- 6.2.2 We use the Outreach programme to bring to life the positive benefits that our investments bring to the community. We also use the opportunity to educate our customers about the challenges we experience as a water company and how customers actions can help, for example by having shorter showers.
- 6.2.3 Key messages that our Community Outreach had for the Peterborough area included:
- the upgrading of 90,000 meters to smart meters, and
 - investing in new infrastructure to reduce leaks and bursts in the area, as well as for ensuring a resilient supply of water for a growing population.
- 6.2.4 Key messages for Colchester and Norfolk included:
- targeted messaging about the prolonged dry weather and its impact on local water resources, and
 - the higher than average usage experienced in Colchester compared to elsewhere in the region.

6.3 Staycation East Coast

- 6.3.1 The Covid pandemic saw an increase in staycationing, bringing more people to our enviable coastline. With additional population comes more demand, so we designed staycation packs to distribute to holiday parks in the areas of Skegness, Hunstanton, Wells and Mersea Island, amongst others.

Figure 10 An example from our customer staycationing pack



- 6.3.2 The customer packs were designed to help a family of four save 28 litres of water per person per day. The packs included:
- a leaflet explaining why saving water is important
 - a children's activity sheet, and
 - a window sticker
- 6.3.3 The business packs included:
- awareness posters encouraging water saving behaviour
 - shower stickers reminding customers to take shorter showers, and
 - tap stickers reminding customers to turn off the tap.
- 6.3.4 Other campaigns, such as Keep it Clear, were also promoted.

6.4 Meter Options

- 6.4.1 We also ran two meter option campaigns in partnership with local groups in Peterborough and Colchester. These community organisations door knocked on our behalf to make customers more aware of the benefits of having a meter, and the importance of saving water.
- 6.4.2 Out of the 900 leaflets left/customers spoken to, 34% switched to a meter. We are currently optimising this process based on qualitative feedback and doorstep insight.

6.5 Partnership working

- 6.5.1 We work with more than 150 organisations including charities, local authorities, public health bodies and other utility companies. We are also part of many local forums, working and steering groups across our region. These partnerships have helped us reach over 1.1 million customers with messages of our Extra Care Support and Priority Services Register.
- 6.5.2 We see it as our responsibility to learn from our partners so we can make positive changes for our customers and communities. We run large awareness campaigns across the region to signpost the many ways our customers can access support, including advertising on pharmacy prescription bags across 250 independent pharmacies in the Anglian region. This helped us reach approximately a quarter of a million customers.
- 6.5.3 We also utilise a grassroots approach to connect with our harder-to-reach communities and combat digital exclusion, working with trusted organisations within our communities such as the Rural Service Network and local parish councils.
- 6.5.4 We are always trying new and innovative ways of engaging with our customers. This year, we have been targeting areas of high deprivation across our region, promoting our messages of support on internal bus panels to reach approximately 247,000 customers. We have also utilised the radio as a channel to engage with our customers; we estimate this has reached approximately 204,000 customers.

- 6.5.5 We are proud to have been the first water company to become part of Scope's Utilities Membership and co-fund Scope's Disability Energy Support with Water Advice service. This is a specialist, holistic support service which helps reduce costs and improve services for disabled people. As of February 2023, the service has supported 11,234 disabled people and has provided them with estimated annual savings of £2.2 million.
- 6.5.6 This year, we are also piloting a project in Lincolnshire, working in partnership with Macmillan Cancer Support and the NHS' Integrated Care Board, to help better support our customers who are living with and beyond cancer.
- 6.5.7 Our partnerships promote our water efficiency measures. One example is our work with Northampton Partnership Homes who have installed 800 smart shower timer devices as part of their maintenance visits. These time the length of the shower and also monitor the humidity of the bathroom, allowing the customer to monitor for damp.
- 6.5.8 In August 2022, we also formed partnerships covering Lincoln, Boston, Northants, Peterborough, Ely and Colchester. These partnerships aim to provide outreach support on a hyper local level on our behalf. This is achieved by liaison with stakeholders, attending events and providing face to face and online engagement with the community. Some examples include raising awareness of our Priority Services Register and our garden and shower water saving kits.

6.6 Protecting customers against criminals

- 6.6.1 More than 50% of people aged 65 and over have been targeted by criminals and scams, yet only 5% of scams are reported.
- 6.6.2 We are working to protect our customers against scams like these and are proud to be founding members of Utilities Against Scams, an initiative supported by National Trading Standards.
- 6.6.3 Since 2021 we have worked in partnership with the fraud prevention organisation Operation REPEAT, who are actively delivering scam prevention workshops across Lincolnshire, Northamptonshire and Leicestershire. Alongside Cadent Gas, we have co-funded the Operation REPEAT project, which educates

frontline workers such as health and social care professionals to spot signs that a customer could need support and alert organisations who can help. By training front-line healthcare workers in the district to identify and prevent scams, Operation REPEAT has a reach of up to 20,000 vulnerable customers in Lincolnshire alone.

- 6.6.4 We have also teamed up with National Trading Standards Scams Team to train some of our front line teams in Lincolnshire to help educate our customers on how to stay safe against scams.
- 6.6.5 We believe these are just some examples of the great work that is going on across the country, and we are delighted to be doing our part to contribute to the positive changes that are being seen.

6.7 Making it easier to access support

- 6.7.1 We have set up a live two-way data share with Cambridgeshire Fire and Rescue Service, whom refer customers to our Priority Services Register following a Safe and Well visit. These visits are available to those who are most vulnerable in our community, aiming to assess key elements of home safety and security, as well as offering practical support and advice.
- 6.7.2 The initiative has been incredibly successful between us and Cambridgeshire Fire and Rescue Service, allowing both parties to advise over 10,000 customers that they are eligible for additional support, as well as supporting hundreds of customers to receive additional support. We are now exploring extending the initiative with other fire and rescue services across the region.
- 6.7.3 In June 2022, we launched our partnership with Kidney Care UK. We're proud to be the first utility company to work with them to help understand the needs of our customers living with Chronic Kidney Disease and help raise awareness of our support services.
- 6.7.4 Our priority services team have received bespoke training from Kidney Care UK and we have a dedicated partnership line which we have been promoting to our customers living with Chronic Kidney Disease, encouraging them to contact us. Since going live, we have received over 130 calls down our partnership line.

6.7.5 We also partner with several organisations that specifically help our customers living with with communication needs. These partnerships have transformed the way we support our deaf and blind customers, helping us raise awareness of our support services, including the Priority Services Register. We work closely with our partners and make changes as a result of their feedback, work collaboratively with them to commission customer research or solicit feedback from local focus groups.

6.7.6 A recent example of how we have collaborated with our partners and customers to make changes to our service is the introduction of coloured paper bills for our visually-impaired customers.

6.8 Using this day to day engagement to inform decision making

6.8.1 The day to day insight we gain by undertaking these initiatives feeds back into our iterative learning as a business, so we can ensure that we make everyday great for our customers.

7. Gathering insight from our research initiatives

In this section we will:

- provide an overview of research we have collaborated in since WRMP19, focusing on the impact of societal changes on customer behaviour

7.0.1 We participated in research studies to gain further insight and understanding into our customers' behaviour. A selection of these studies are detailed in this section.

7.1 The impact of Covid-19 on water consumption

7.1.1 Covid-19 had a huge impact on water consumption in homes and businesses across our region. Combined with the hot and dry weather in 2020, we experienced some of the highest demand peaks in our history. This led us to work with a data science consultancy, other water companies and regulators to quantify the impact of Covid policies on the consumption of water around England and Wales throughout the period of February 2020 to the end of October 2020.

7.1.1 Aims of the research

- 7.1.1.1** As part of this research we wanted to:
- quantify the observed variations in consumption through lockdown to the end of October 2020 in different regions
 - quantify the impacts on consumption during specific periods of lockdown
 - explain the impact on reported consumption components and potential regulatory challenges
 - model consumption under a range of potential future scenarios, and
 - explore the potential issues for water resource planning.

7.1.2 Conclusions

7.1.2.1 The research was able to quantify the impact of Covid-19 policies and measures on total demand, household consumption and non-household consumption from February 2020 through to the end of October 2020. This highlighted the impact over and above what we would expect to have seen given the weather in 2020 under non-Covid conditions.

7.1.2.2 We found that across the participating areas there was an increase in total demand of about 2.6%, with a household consumption increase of around 9% to 13%. Non-household consumption decreased by approximately 25%.

7.1.2.3 Regional and temporal variations were seen in these numbers, with the biggest increases in total demand in the south (with the exception of London), followed by the midlands and the west of the country. The lowest increases in demand were seen in the north and east of England.

7.1.2.4 The research also found that the increased demand was driven, amongst other factors, by an increasing interest in domestic gardening as a leisure activity. Changes in daily patterns of indoor water usage were also witnessed, led by wider changes in the organisation of life and work, as people had more time to invest in activities within the household and more flexible routines.

7.1.2.5 It was also highlighted that certain non-household sectors (sport and recreational, hotel and restaurant and education) saw reductions in water consumption. Other sectors, such as food production, utilities and health and social work did not see significant changes in water consumption.

7.1.3 How we used this research for decision making

7.1.3.1 We used this research to feed into our Covid uplift factors.

7.2 Economic impacts of Covid 19 on the water sector

7.2.1 We worked with Atkins, Frontier Economics, Water UK and Ofwat to investigate how Covid-19 has impacted the 17 incumbent companies that provide household retail and wholesale water and sewerage services in England and Wales.

7.2.1 Aims of the research

7.2.1.1 The objectives of the project were to:

- develop a set of possible forward looking economic, social and behavioural scenarios that capture the potential breadth of changes that could arise from Covid-19
- identify the impact of the changes to date on water companies, including positive and negative impacts, and
- as far as is feasible, project forward these water company impacts.

7.2.2 Conclusions

7.2.2.1 The study identified that there was a shift in consumption from non-household customers to household customers as a result of increased working from home, furlough and school closures. This meant water companies saw an increase in household consumption and revenue and a decrease in non-household consumption and revenue. An increase in per capita consumption was also witnessed, as well an increase in water production costs, bad debt and the number of people on social tariffs.

7.2.2.2 Social distancing was found to have an impact on the water industry, as it experienced a decrease in travel and discretionary rules whilst seeing an increase in health and safety expenditure.

7.2.2.3 A number of opportunities also arose as a result of the Covid-19 pandemic. These included the implementation of virtual home visits for supporting vulnerable customers and those with affordability issues. The pandemic also accelerated the trend towards handling customer interactions via lower cost digital channels, as well as making greater use of existing technology to enable remote working.

7.2.3 How we used this research for decision making

7.2.3.1 We used this research to feed into our Covid uplift factors.

7.3 Pathways to long-term per capita consumption

7.3.1 Working with Artesia, a data science consultancy, we investigated ways to reduce household water demand over the next thirty to fifty years.

7.3.1 Aims of research

7.3.1.1 The central aim of the report was to allow the water sector to come to a clearer shared view about the possibilities, principles and priorities for reducing household water demand.

7.3.2 Conclusions

7.3.2.1 The research found that:

- The most cost-effective intervention to save water would be a mandatory government-led scheme to introduce labelling on water-using products. This would be linked to tightened building regulations and water supply fittings regulations.
- The strongest performing interventions are those that improve the efficiency of all households over time, utilising technology and behavioural change.
- Household visits, either to deliver water audits or reduce wastage are relatively cheap but save small amounts of water.
- Smart metering facilitates better customer communication and helps to drive customer behaviour change. It also brings a number of key additional benefits associated with water wastage and leakage.
- Innovative tariffs, increasing awareness of water issues through media campaigns, and the implementation of incentives for individual and customers to reduce water use could also be utilised.
- Rainwater harvesting, greywater recycling and community wastewater recycling could be useful interventions in certain situations where other options are limited.

7.3.3 How we used this research for decision making

7.3.3.1 We used this research to feed into our demand management options appraisal process.

7.4 Reducing abstractions sustainably by 2050

7.4.1 We collaborated with UK Water Industry Research Limited (UKWIR) and fellow water companies to investigate how a step change reduction in abstraction from the fresh water environment could be achieved.

7.4.1 Aims of research

7.4.1.1 The key aim of the project was to produce a roadmap, to support UKWIR's strategic aspiration to halve abstraction by half by 2050. It sought to determine how we could take less water from the environment and still satisfy public water supply, in an achievable and sustainable way.

7.4.2 Conclusion

7.4.2.1 It was identified that the following areas should be explored, to enable sustainable reduction by 2050:

- minimising losses from water treatment and networks
- achieving significant reductions in household and non-household consumption
- developing sustainable alternatives to freshwater abstraction
- promoting coherent governance for water, wastewater and stormwater management, and
- evidencing abstraction reductions, and their mitigations.

7.4.3 How we used this research for decision making

7.4.3.1 We used this research to feed into our holistic WRMP24 strategy.

8. Stakeholder engagement

In this section we will:

- provide an overview of the stakeholder engagement we have undertaken to inform the revised draft WRMP24 and Regional Plans
- highlight our regional, partnership and collaborative activities, and
- show our pre-consultation activity.

8.0.1 Our stakeholders care deeply for our region. They have helped us shape our plan throughout. We have engaged with stakeholders such as fellow abstractors, environmental organisations and councils at both a regional and local level, allowing effective conversations to occur as well as constructive challenge.

8.1 Water Resources East

8.1.1 We have been central to the development of WRE and its Regional Plan. We, and our neighbouring water companies have formed weekly Alignment groups where we discuss regional plan and revised draft WRMP24 matters. This has ensured a consistency of approach in data, methodology and processes. It has also created an increased cohesion, furthering shared opportunities.

8.1.2 Active engagement in WRE's technical Task and Finish groups, Catchment Management workshops, and Technical Delivery Group and Stakeholder Advisory Group has also ensured we have been able to work with stakeholders including but not limited to:

- agricultural abstractors
- energy abstractors
- county and local councils
- non-governmental organisations
- regulators
- other regional groups
- local wildlife groups
- local catchment groups

- water efficiency groups, and
- academic institutions.

8.1.3 This engagement has given us opportunities to explore new options and innovations, as well as opportunities to investigate the sharing of water resources.

8.2 Partnership working

8.2.1 We established partnerships and working groups to develop our two strategic resource options, Fens and Lincolnshire reservoirs. These reservoirs have the potential to offer many social, economic and environmental benefits to their local areas. They also have the potential to benefit areas further afield by reducing abstractions from chalk streams and rivers, as well as other sensitive environments.

8.2.2 The stakeholders that are involved in these partnerships have provided critique and challenge, as well as support. We have taken the opportunity to share our water resource planning challenges with them, and explore how we could help alleviate other problems, such as flooding.

8.3 Collaborating with other water companies

8.3.1 We continue to work with our fellow water companies through the water resource planning frameworks: RAPID, regional planning and WRMPs. Discussions through WRE, WREN and the Regional Reconciliation process has ensured more collaboration than ever before. We also have regular meetings with our neighbouring water companies to discuss the sharing of water and the development of joint water resources and opportunities.

8.4 Stakeholder engagement throughout the development of the plan

8.4.1 Stakeholder engagement throughout the development of our plan has been important to us, not just through the consultation period. We have engaged with regulators, retailers, local authorities, environmental and catchment groups to discuss the challenges we have and what is in our plan for their local area. This engagement has continued post draft WRMP24 consultation, helping to develop our revised draft WRMP24.

8.4.2 A summary of this engagement is shown below in [Table 3](#).

Table 3 Summary of our stakeholder engagement prior to revised draft WRMP24 submission

| Date | Stakeholder | Topic |
|---------------------|--|--|
| January 2021 | Environment Agency | WRMP24 method statements |
| March to April 2021 | Environment Agency, Historic England and Natural England | Consultation on SEA scoping |
| June 2021 | Environment Agency and Natural England | Overview of feasible WRE supply-side options |
| June 2021 | Environment Agency | Initial best value planning criteria and associated metrics |
| July 2021 | Environment Agency | WINEP integration with WRMP24 |
| August 2021 | Environment Agency | Sustainability reductions approach |
| August 2021 | Consumer Council for Water | WRMP24 customer engagement strategy |
| September 2021 | Environment Agency | Emerging Regional Plan and impact on WRMP24 Environmental destination scenario investigations |
| October 2021 | Environment Agency | Customer engagement overview Feasible supply-side options overview |
| November 2021 | Drinking Water Inspectorate | Feasible supply-side options overview |
| December 2021 | Environment Agency | Licence caps and impact on WRMP24 Update on Strategic Regional Options and the Emerging Regional Plan |
| January 2022 | Various | Pre-consultation webinars |
| January 2022 | Environment Agency | Demand management strategy Emerging Regional Plan update |

| Date | Stakeholder | Topic |
|---------------|--|---|
| January 2022 | Ofwat | Overview of WRMP24 processes |
| February 2022 | Environment Agency | Summary of pre-consultation webinars Environmental destination scenarios WRMP24 tables |
| February 2022 | Consumer Council for Water | Overview of customer engagement |
| March 2022 | Environment Agency | Environmental destination Supply-side options Initial modelling results |
| April 2022 | Environment Agency | Using the best value plan framework Impact of timing of licence caps on supply demand balance Summary of customers' views |
| April 2022 | Ofwat | Responding to Ofwat's comments from the last pre-consultation meeting |
| May 2022 | Environment Agency | WRMP24 least cost plan Update on environmental destination |
| May 2022 | Consumer Council for Water | Overview of demand management strategy Update on customer engagement and insight |
| May 2022 | Drinking Water Inspectorate | Overview of demand management strategy and supply-side option development process Discussion on desalination and water reuse Overview of customer insight |
| May 2022 | Marine Management Organisation | Overview of desalination options |
| May 2022 | Natural England | Overview of demand management strategy and supply-side option development process Environmental assessment inputs into WRMP24 Approach to environmental assessments for designated site |
| May 2022 | Environment Agency and Natural England | Supply-side option workshops |

| Date | Stakeholder | Topic |
|----------------|--|---|
| June 2022 | Environment Agency | WRMP24 preferred plan development |
| June 2022 | Market Operator Services Limited | WRMP24 demand management strategy |
| July 2022 | Environment Agency | WRMP24 preferred plan development |
| July 2022 | Milton Keynes Council | Overview of WRMP24 preferred plan |
| July 2022 | Natural England | WRMP24 preferred plan development |
| July 2022 | Waterwise | WRMP24 demand management strategy |
| August 2022 | Borough Council of King's Lynn and West Norfolk | Overview of WRMP24 preferred plan |
| August 2022 | Consumer Council for Water | Overview of WRMP24 demand management strategy and business as usual customer engagement |
| August 2022 | Environment Agency, Historic England and Natural England | Overview of WRMP24 preferred plan and environmental impacts |
| August 2022 | Inland Waterways Association | Overview of WRMP24 preferred plan |
| August 2022 | Norfolk County Council | Overview of WRMP24 preferred plan |
| September 2022 | River Lark catchment group | Overview of WRMP24 preferred plan and WINEP initiatives |
| September 2022 | Suffolk County Council | Overview of WRMP24 preferred plan |
| October 2022 | Essex Suffolk Rivers Trust | Overview of WRMP24 preferred plan |
| November 2022 | Broadlands Catchment Partnership | Overview of WRMP24 preferred plan |
| December 2022 | Environment Agency and Natural England | Overview of WRMP24 Environmental Assessments |
| January 2023 | MOSL, Ofwat, retailers, wholesalers, WRE | Overview of NHH research findings and next steps |
| January 2023 | WRMP24 stakeholder webinar | Overview of the draft WRMP24 |
| January 2023 | Environment Agency | Planning factors Reservoir hydrology |
| February 2023 | Natural England | WRMP liaison call |
| February 2023 | Environment Agency | WRMP24 interconnector deep dive |

| Date | Stakeholder | Topic |
|---------------|---|--|
| February 2023 | National Farmers Union | Overview of draft WRMP24 |
| March 2023 | Essex County Council | Overview of draft WRMP24 |
| March 2023 | Environment Agency | WRMP24 deep dive |
| March 2023 | Environment Agency | WRMP24 deep dive |
| March 2023 | MOSL | Overview of draft WRMP24 |
| April 2023 | Environment Agency | Draft WRMP24 consultation feedback |
| April 2023 | Natural England | Draft WRMP24 consultation feedback |
| May 2023 | Environment Agency | NHH workshop |
| May 2023 | Environment Agency | Revised draft demand management strategy Revised draft WRMP24 changes |
| May 2023 | Natural England | Revised draft demand management strategy |
| May 2023 | Royal Society for the Protection of Birds | Draft WRMP24 consultation feedback |
| June 2023 | Royal Society for the Protection of Birds | Draft WRMP24 consultation feedback |
| June 2023 | Suffolk Growth: Water Forum | Revised draft WRMP24 overview and NHH demand management |
| June 2023 | Environment Agency | Revised draft Best Value Plan update |
| June 2023 | Historic England | Draft WRMP24 consultation feedback |
| June 2023 | Suffolk Water Summit | Revised draft WRMP24 overview and NHH demand management |
| June 2023 | Natural England | Revised draft WRMP24 discussion |
| June 2023 | Local Planning Authorities webinar | Revised draft WRMP24 and NHH demand management |

8.5 Webinars

8.5.1 We wanted to create an interactive consultation, engaging with a wide breadth of stakeholders. To achieve this, we invited 263 stakeholders to three pre-consultation webinars held throughout January 2022. Sixty-three stakeholders attended, representing 37 different organisations. These organisations included our regulators, local authorities, non-governmental organisations and interested local parties.

8.5.2 Our technical experts discussed our approach to WRMP24 and the challenges anticipated for WRMP24. These discussion points included:

- the timing of 1 in 500 year drought resilience
- the level of environmental destination to be achieved
- the timing of achieving our environmental destination, and
- the high forecasted growth for the region and uncertainties around the OxCam Arc.

We also discussed the demand management and supply-side options available to us, as well as our best value plan framework.

We received 28 questions during the webinars as well as via email afterwards. Common front of mind themes highlighted by our stakeholders included affordability of bills, as well as the need to ensure a synergy between WRE and our WRMP24. Stakeholders were also aware of growth in the region and asked how we would respond to it, whilst managing the needs of the environment.

8.5.3 We also held webinars for our consultation, inviting questions from a wide breadth of stakeholders, as well as targeted webinars for local authorities. We will continue to hold webinars, both for wider and targeted audiences, to allow meaningful discussion on our plan, as well as attending stakeholder meetings to discuss our plan and local and regional issues.

8.6 Our stakeholders' views

8.6.1 For details on how stakeholders' views have been included in our plan, please refer to the Statement of Response to the draft WRMP24 consultation and the revised draft technical supporting documents; all available at anglianwater.co.uk/wrmp.

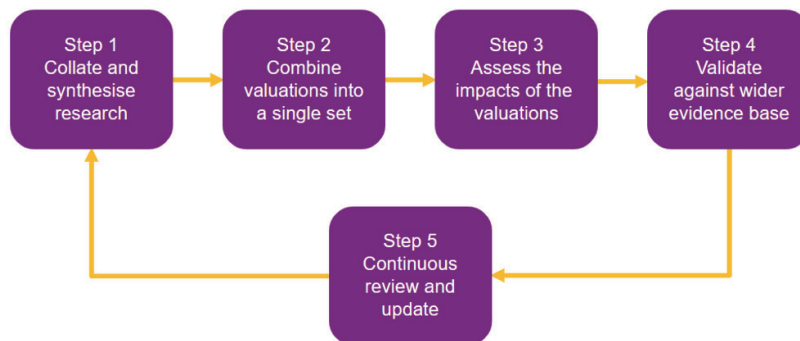
9. Drawing conclusions, testing conclusions and informing business decisions

In this section we will:

- discuss the independent synthesis, and
- provide an overview of customer insight.

9.0.1 We are proud of our history of good quality, robust customer engagement. The findings of this previous engagement have been triangulated, by an independent consultant, with the new insight gathered through our updated customer engagement approach. This has formed a rolling synthesis report, using the methodology shown in [Figure 11](#) below.

Figure 11 Our triangulation approach



9.0.2 The synthesis report uses a transparent and consistent weighting process using a framework for triangulation best practice approaches, derived by Sia partners¹⁴ on behalf of the Consumer Council for Water. This approach was tested with our Independent Challenge Group. The weighting process for this triangulation is achieved by analysing the quality of each piece of new evidence, scoring the methodology, collection and interpretation of each source, along with the contribution and depth of the activity in relation to the area it is informing. This method helps reduce the risk of bias.

9.0.3 The results of this synthesis report have helped form overarching conclusions that can be tested with customers, and used in our business decision making. Potential conflict with existing analysis is highlighted within this synthesis report, as well as new insight to areas not previously covered. The synthesis report, which is updated on a quarterly basis, has also been validated by using a wider range of datasets, such as industry-wide research.

9.1 Customer Principles

9.1.1 High-level conclusions from the synthesis report have then been used to develop broad customer principles that can be applied to business decision making. These have been organised into the following categories to reflect the four outcomes we are using for business planning:

- Be a responsible business.
- Delight our customers.
- Provide safe, clean and reliable water, and
- Promote a flourishing environment.

9.1.2 To ensure we are being transparent in the development of our strategies, both the Customer Principles and Customer Synthesis Report can be viewed at <https://www.anglianwater.co.uk/about->

[us/our-strategies-and-plans/listening-to-our-customers/](#). We have used these documents to feed our customer insight into decision making for WRMP24.

- 9.1.3 We detail these findings, particularly those related to our key questions for WRMP24 in Section 4, and how they have been used for decision making in the forthcoming section.

9.2 What environmental destination are we seeking to achieve in the long-term?

- 9.2.1 The synthesis report indicates that our customers believe that achieving environmental destination targets is crucial for the future of the planet. Our customers also show real support for nature recovery and achieving sustainable abstraction, minimising our carbon impact and avoiding displacing biodiversity whilst keeping as much water in sensitive areas as possible¹⁵.
- 9.2.2 When presented with the scenarios for environmental destination, most customers opted for the medium scenario of 'restore and improve' (known as BAU+) which means achieving good ecological conditions across all rivers, as well as improving biodiversity in and around rivers and streams. The selection of this scenario seems to be driven by a desire to balance environmental improvement with financial security and concerns over affordability. However, a moderate bill impact (£4.40-£4.60)¹⁶ over the next 25 years was considered acceptable.
- 9.2.3 We tested this insight with our Customer Board, with the majority of members advising that BAU+ was their preferred scenario with several expressing concerns about the costs for the higher destination¹⁷.
- 9.2.4 In further engagement, our customers indicated that cost could be a barrier, with river abstraction reduction being highlighted as an area where cost could be a limiting factor for customer preferences¹⁸.

15 Faldrax Consulting, May 2023, Anglian Water Customer Engagement Synthesis Report v9, WINEP- Sustainable abstractions
16 Please note this was engagement was undertaken before the cost of living crisis and was not based on robust pricing research.
17 Anglian Water Customer Board, July 2023, Responses to survey on Long term Ambition Plan
18 Faldrax Consulting, May 2023, Anglian Water Customer Engagement Synthesis Report v9, Customers' priorities- investment
19 incling, April 2022, Intro to WRMP24 and Drought Resilience topics, page 18
20 Trinity McQueen, August 2022, WRMP24 Preferred Plan Customer Feedback Research, page 15

- 9.2.5 Customers also told us we should prioritise environments most at risk¹⁹. And, when trade-offs have been discussed, customers told us that we should prioritise environmental improvements over drought resilience when we have surplus water available²⁰.

9.2.1 Informing business decisions

- 9.2.1.1 We have planned for the BAU+ scenario in our revised draft WRMP24, in line with the preference that our customers and regulators have expressed. Please refer to the WRMP24 Decision Making technical supporting document, Section 3 for further information.
- 9.2.1.2 Our environmental destination for WRMP29 will be informed by WINEP investigations commencing shortly and continuing to 2027. These scientific investigations will help us prioritise the environments most in need and implement solutions in these areas sooner, as requested by our customers and stakeholders. Please refer to the WRMP24 Sustainable Abstraction and the Environment supporting technical document, Section 7 for further information.
- 9.2.1.3 We will also prioritise environmental improvements over drought resilience when we have surplus water, in line with our customers' feedback. Please refer to the WRMP24 Decision Making technical supporting document, Section 6 for further information.

9.3 When should we reach our environmental destination?

9.3.1 Most customers feel our environmental destination should be achieved between 2030-40, sooner than the 2050 target. However, there are variations between customer segments and a desire for robust planning to be in place ²¹.

9.3.1 Informing business decisions

9.3.1.1 We have set an ambitious strategy to deliver environmental destination between 2036 and 2040. This timing will also ensure we maximise low regret investment, as we will be able to adapt our plan to take into account the outcome of the AMP8 WINEP investigations. Please refer to the revised draft WRMP24 Decision Making report, Section 6 for further information.

9.3.1.2 We have also committed to prioritising sensitive areas sooner when surplus water is available. Please refer to the revised draft WRMP24 Decision Making technical supporting document, Section 6 for further information.

9.4 Are the likely frequencies of our drought resilience measures acceptable?

9.4.1 Providing a constant supply of clean drinking water is seen as fundamental for a water company. Customers raise the need to not only maintain but improve and upgrade the current infrastructure and increase water storage to ensure continual supply. Satisfaction with performance on unplanned interruptions is relatively high, and most of these customers support maintaining, rather than improving, current service levels, with 97% saying they are satisfied with the reliability of supply.

9.4.2 We do, however, see customer valuations significantly increase over length of interruption and unplanned supply interruption with inconvenience regarding toilet use and personal hygiene seeming to be the driving factors which cause concern.

9.4.3 Focusing on drought restrictions, customers largely agree with hosepipe bans being necessary when water supplies are limited and during hot, dry weather which aligns with PR19 insight where , the majority of research suggested customers were satisfied with the current Level of Service for hosepipe bans and non-essential use bans and didn't see these restrictions as a priority area for investment.

9.4.4 However, there is a proportion of customers (1 in 6 in one study) who feel the use of potential restrictions is unacceptable and insight from PR14 and PR19 demonstrated that customers would view the use of standpipes as a gross failure and completely unacceptable in a modern country like Britain. Generally, they felt that rota-cuts should be avoided, especially when they understood that schools and many businesses would need to close. When looking at how to communicate regarding water restrictions direct, clear, and assertive communications are favoured²².

9.4.5 In a quantitative survey conducted in March 2022, 72% of our customers felt that a 1 in 10 year risk of a hosepipe ban was acceptable²³. Seventy three percent of customers felt that a 1 in 40 year risk of non-essential use bans was felt to be acceptable by 73% of our customers. Less acceptable was the risk of emergency measures²⁴, with the majority of customers believing that we should move from a 1 in 200 year to a 1 in 500 year level of drought resilience²⁵.

9.4.1 Informing business decisions

9.4.1.1 Our Levels of Service for temporary use bans and non-essential use bans will continue to remain 1 in 10 years and 1 in 40 years, respectively. We are moving to 1 in 200 year drought resilience in 2025 as part of our WRMP19 strategy, and 1 in 500 year drought resilience will be in place by 2040/41. We will prioritise environmental improvement over enhanced drought resilience

21 Faldrax Consulting, May 2023, Anglian Water Customer Engagement Synthesis Report v9, WINEP-Sustainable abstraction
22 Faldrax Consulting, September 2023, Anglian Water Customer Engagement Synthesis Report v9, Water Resources- Supply.
23 Emotional Logic, June 2022, Anglian Water: Customer Engagement Quantitative Research final report, page 35
24 Emotional Logic, June 2022, Anglian Water: Customer Engagement Quantitative Research final report, page 35.
25 Emotional Logic, June 2022, Anglian Water: Customer Engagement Quantitative Research final report, page 36

when we have surplus water, as guided by our customers. Please refer to the revised draft WRMP24 Decision making technical supporting document, Section 6 for further information.

9.5 How much should we rely on measures such as drought permits and orders?

- 9.5.1 Drought permits were unknown to the majority of our customers prior to engagement²⁶, with a third of household customers in our quantitative survey not knowing water companies take water from rivers. Even less were aware that this might happen at times of drought when the risk to the environment is greater²⁷.
- 9.5.2 Once drought permits had been discussed, 43% of our customers were in favour of reducing their use. However 39% stated that they were unsure about it, suggesting a need for further information²⁸, and engagement.
- 9.5.3 When our customers were asked how we should prioritise implementing drought resilience, reducing the usage of drought permits was not a priority. Instead, they highlighted the need for affordable solutions²⁹. This could indicate that, when looked at holistically, customers want us to focus on delivering affordable solutions. This has been fed into our decision making processes.

9.5.1 Informing business decisions

- 9.5.1.1 We recognise that our customers told us we should reduce the use of drought permits. When we move to 1 in 200 year drought resilience in 2025, our risk of using a drought permit will decrease. This will further decrease in 2039/40 when we move to a 1 in 500 year drought resilience.

- 9.5.1.2 Drought permit use will remain a last resort and we will continue to abstract sustainably to ensure our reservoir levels remain at target. If drought permits are utilised, we will work with our regulators to undertake any necessary environmental monitoring.

9.6 When should we achieve a 1 in 500 year drought resilience?

- 9.6.1 Achieving drought resilience by 2039 is largely seen as the right timescale by our customers, particularly non-household customers³⁰. Although future customers are more inclined to wait³¹. This is reiterated by targeted WRMP24 engagement that showed customers do not prioritise increasing drought resilience sooner than 2039³².
- 9.6.2 In our LTDS focus groups³³, our customers told us, although they strongly dislike the idea of water restrictions, they prefer the idea of the reservoir solutions. They like the fact it's cheaper and the time difference of 5 years is negligible in comparison to desalination and water reuse. They also felt that it seemed counter intuitive to emit more carbon when climate change, exacerbated by carbon emissions, is reducing the amount of water available to us..
- 9.6.3 We tested this insight with our Customer Board, with 71% of members expressing their preference for achieving enhanced drought resilience when the Fens and Lincolnshire reservoirs become available, rather than investing in desalination and water reuse³⁴.

9.6.1 Informing business decisions

- 9.6.1.1 Our customers told us that moving to increased drought resilience by 2039 felt right. We are planning to move to 1 in 500 year drought resilience by 2040/2041, which will allow the Fens and

26 Faldrax Consulting, May 2023, Anglian Water Customer Engagement Synthesis Report v9, Water Resources- Supply
27 Emotional Logic, June 2022, Anglian Water: Customer Engagement Quantitative Research final report, page 43
28 Emotional Logic, June 2022, Anglian Water: Customer Engagement Quantitative Research final report, page 44
29 Emotional Logic, June 2022, Anglian Water: Customer Engagement Quantitative Research final report, page 46
30 Faldrax Consulting, September 2022, Anglian Water Customer Engagement Synthesis Report v6.1, Water Resources- Supply
31 Faldrax Consulting, September 2022, Anglian Water Customer Engagement Synthesis Report v6.1, Water Resources- Supply
32 Trinity McQueen, August 2022, WRMP24 Preferred Plan Customer Feedback Research, page 12,
33 Trinity McQueen, 2023, Shaping Anglian Water's Long Term Deliver Strategy
34 Anglian Water Customer Board, July 2023, Responses to survey on Long term Ambition Plan

Lincolnshire reservoirs to be online. When surplus water is available, we will prioritise improving the environment rather than increased drought resilience, in line with our customers' expectations. Please refer to the revised draft WRMP24 Decision Making technical supporting document, Section 6 for further information.

9.7 How are supply-side and demand management options prioritised?

- 9.7.1** Before any supply-side options can be considered there is a strong view to 'get your house in order' first. For a significant majority of customers that means fixing leaks. Leakage features consistently across research as the second most important thing we need to do (behind providing good quality water), driven by the view that leakage is just wasteful. Some customers say leakage reduction should be undertaken 'at any cost', although this does differ across segments³⁵.
- 9.7.2** However, we also have strong evidence that suggests there is a common misconception that reducing leakage reduces bills³⁶. When it was explained to customers that there are cheaper alternatives to leakage reduction, many felt that while leakage reduction is important, affordability should also be a key consideration³⁷. When we tested our leakage strategy with our Customer Board; all members voted their preference for leakage reduction at 38% rather than 50%, due to cost³⁸.
- 9.7.3** Customer side leakage, although less familiar, is also prioritised, with support for customers needing financial help with this viewed positively³⁹.

- 9.7.4** The next priority for our customers when considering water resources options, is reducing customer consumption, with education being a key element of its delivery. There is recognition that this can be difficult to achieve⁴⁰. Reducing customer consumption is closely followed by metering with most customers seeing compulsory metering as a fair way to charge for water. The views on compulsory metering seem to have been shifting since PR14 with more general acceptance⁴¹.
- 9.7.5** There is also a real interest in smart meters and the benefits they can deliver⁴², as well as the belief they could make bills fair and affordable⁴³.
- 9.7.6** When discussing supply-side options, water reuse and reservoirs were highlighted as being preferred supply-side options. Reservoirs are seen as a familiar, tried and tested option which are environmentally friendly and an attractive community asset⁴⁴. They also like the fact it's cheaper and that it seems counter intuitive to emit more carbon by using desalination and water reuse when our climate challenges have been exacerbated by carbon emissions⁴⁵.
- 9.7.7** Our customers did tell us that it is difficult for them to imagine reservoirs and the natural benefits - as even those who live fairly close to one have not had a lot of exposure to them recently. Instead, it is easier for them to grasp the benefits for leisure; then the natural benefits can work in the background/be enjoyed by them when they are there⁴⁶.

35 Faldrax Consulting, May 2023, Anglian Water Customer Engagement Synthesis Report v9, Water Resources- leakage

36 Trinity McQueen, 2023, Shaping Anglian Water's Long Term Deliver Strategy

37 Incling, August 2017, 'Drought resilience: Exploring customer acceptance and buy-in'

38 Anglian Water Customer Board, July 2023, Responses to survey on Long term Ambition Plan

39 Faldrax Consulting, May 2023, Anglian Water Customer Engagement Synthesis Report v9, Water Resources- leakage

40 Faldrax Consulting, May 2023, Anglian Water Customer Engagement Synthesis Report v9, Water Resources- Demand Management

41 Faldrax Consulting, May 2023, Anglian Water Customer Engagement Synthesis Report v9, Water Resources- Demand Management

42 Faldrax Consulting, May 2023, Anglian Water Customer Engagement Synthesis Report v9, Water Resources- Demand Management

43 Faldrax Consulting, May 2023, Anglian Water Customer Engagement Synthesis Report v9, Affordability and Social Tariff

44 Blue Marble, September 2021, Anglian Water Customer Engagement Final report, page 38

45 Trinity McQueen, 2023, Shaping Anglian Water's Long Term Deliver Strategy

46 Trinity McQueen, 2023, Shaping Anglian Water's Long Term Deliver Strategy

9.7.8 Water reuse is seen as being economically and environmentally friendly⁴⁷. There is also a less of the 'yuck' factor seen in recent engagement, with perception that it is being undertaken already and is utilising an existing resource⁴⁸.

9.7.9 Desalination is perceived to be quite an expensive process that needs new technology to be invested in and built, so there is concern that this could lead to bill increases. Some customers also mentioned that they feel it could cause the water to taste odd or salty at the end of the process⁴⁹. They also expressed concern about its environmental impact⁵⁰.

9.7.1 Informing business decisions

9.7.1.1 We have evaluated all of our insight and remain committed to leakage reduction, increasing our ambition for revised draft WRMP24. We have taken into account our customers' views and created a diverse package of demand management options. These include finishing the rollout of smart meters across our region, giving our customers more visibility of, and control over, their usage.

9.7.1.2 We will complete our smart meter rollout by 2030, which will help us to alert customers to leaks on their own property. We will continue to assist customers in vulnerable circumstances and explore whether any additional help is needed.

9.7.1.3 We will implement compulsory metering as we believe it is fair to pay according to the amount of water that is used, as do the majority of our customers. The concerns expressed by those who believe measured charges should not be compulsory indicate they are worried about those who cannot afford it, with the vulnerable and those with low incomes and/or large families being highlighted as being particularly at risk. We understand these concerns and will continue to speak to vulnerable customers to ensure we have the right packages of support available to them. Visibility and education on our existing support will also be

essential. Please refer to the revised draft WRMP24 Demand Management Preferred Plan technical supporting document for further information.

9.7.1.4 We are mindful of customers' concerns about affordability and our decision making process shows that driving down leakage would result in a bigger bill impact to customers than investing in new supply-side options. This is why we have chosen not to pursue a 50% leakage reduction by 2050. However, we recognise that customers have a desire to go further, and part of our strategy is to explore how new and emerging technologies could help us to achieve further leakage reductions in a more cost effective manner. Please refer to the revised draft WRMP24 Demand management preferred plan technical supporting document for further information.

9.7.1.5 For our supply-side options, we are planning to deliver two reservoirs, the Lincolnshire and Fens reservoirs. These will take surplus water from rivers during the winter and store it until needed by customers. We recognise that customers demonstrate a wide desire for outdoor spaces and note the value of recreation and open areas on both physical and mental wellbeing. We have incorporated this into our reservoir site selection process, as well as our best value plan framework.

9.7.1.6 Our customers have told us we should concentrate on the core activities that make us a good utility company, rather than focussing on additional benefits such as public value. We have noted this and continue to work in partnerships with others to facilitate these opportunities whilst ensuring other funding routes are explored (i.e. not customers' bills).

9.7.1.7 Following customer feedback, we recognise that water recycling discharges are a resource we could be utilising, especially those which go into the sea. We have prioritised this option type for an earlier delivery than desalination plants. We commit to ensuring any information we relay about water reuse is digestible and accessible, particularly when it comes to technical explanations of how things work.

47 incling, April 2022, Intro to WRMP24 and Drought Resilience topics, page 8

48 Faldrax Consulting, May 2023, Anglian Water Customer Engagement Synthesis Report v9, Water Resources- Supply

49 incling, May 2022, Water desalination and Water reuse, page 8

50 Blue Marble, September 2021, Anglian Water Customer Engagement Final report, page 38.

9.7.1.8 For desalination, we believe it does have its benefits. It is drought resilient, can be scaled so its sizing meets the need, and there are potential opportunities to utilise green energy. We will continue to seek out international knowledge from those who currently operate desalination plants. In keeping with the thoughts of our future customers, the technology associated with desalination has, and will continue, to improve. This may make it an increasingly attractive proposition as our abstractions from inland waters reduce in order to protect the environment.

9.8 What are our customers' preferences for our Best Value Plan?

9.8.1 The principle of a 'best value plan' (not the cheapest, but the best for society and the environment) wins approval. However, our customers want us to prioritise core business activities (such as protection of the environment, managing flood risk and drought resilience) over the 'added value' elements (boosting the local economy, consulting customers, and creating public amenities)⁵¹.

9.8.2 For PR24, across all the engagement conducted, the provision of high quality drinking water is our customers' top priority⁵². There is also significant support, and a willingness to pay, for repairing leaks and drought resilience⁵³.

9.8.3 Environmental improvement, helping vulnerable customers and helping customers understand their water use are also important to our customers⁵⁴.

9.8.1 Informing business decisions

9.8.1.1 Our customers co-created our best value plan objectives in 2020 and have been involved throughout our best value planning process. They have fed back on the objectives on a qualitative basis, before telling us their preferences in a quantitative survey.

9.8.1.2 The preferences expressed in the quantitative survey have been used to rank the best value plan objectives. These have then been applied in our decision making process. Please refer to the revised draft WRMP24 Decision making technical supporting document, Section 3 for further information.

9.9 Affordability and social tariff

9.9.1 Views do seem to have shifted from PR19- customers are spontaneously mentioning the effects post-Covid and the 'cost of living crisis', which are likely to be influencing their views. There is a core desire from customers for bills to be fair and affordable and some see that smart metering could be helpful in this. There is frustration when bills go up and real concern for those who are financially vulnerable with a more 'citizen-focused' mentality, meaning it is important to protect those on lower incomes. But, customers are strongly against covering other customers' bad debt so there is a need to reassure that these customers are receiving as much support as possible to stop them getting to that situation. When rating Anglian Water's activities, keeping prices affordable ranks as number three⁵⁵.

9.9.1 Informing business decisions

9.9.1.1 We recognise that times are challenging for our customers and we continue to engage with the vulnerable to ascertain whether additional support is required. We will engage with our customers about affordability in our PR24 programme, as well as our normal business as usual activity, such as described in Section 6 of this document.

9.10 Community support

9.10.1 Our customers express a wide desire for outdoor spaces, and see the value of recreation and open areas on both physical and mental wellbeing. However, added benefits are not seen as a preference ahead of the 'core' services we provide.

51 Faldrax Consulting, May 2023, Anglian Water Customer Engagement Synthesis Report v9, WINEP- Sustainable abstractions
52 Faldrax Consulting, May 2023, Anglian Water Customer Engagement Synthesis Report v9, Customers' priorities- service
53 Faldrax Consulting, May 2023, Anglian Water Customer Engagement Synthesis Report v9, Customers' priorities- investment
54 Faldrax Consulting, May 2023, Anglian Water Customer Engagement Synthesis Report v9, Customers' priorities- service
55 Faldrax Consulting, May 2023, Anglian Water Customer Engagement Synthesis Report v9, Affordability and social tariff

9.10.2 Customers see public value as having to fulfil five specific criteria: be local community centric; have long term justifiable value; be sustainable; be water relevant and low maintenance ⁵⁶. Our customers also told us they would have a higher willingness to pay for improvements to ecology rather than recreation ⁵⁷.

9.10.1 Informing business decisions

9.10.1.1 We will continue to explore the concept of public value during our development of the reservoirs. Community benefits are also a major consideration for our reservoir planning as we believe that the Fens and Lincolnshire reservoirs have the potential to provide facilities for local communities, as well as tourism benefits.

9.10.1.2 The provision of community benefits is being explored as part of our WRMP24 Demand management strategy. Please refer to the revised draft WRMP24 Main report, Section 8, the revised draft WRMP24 Decision Making technical support document and the RAPID gate two submissions for further information.

9.11 Education

9.11.1 A lot of our customers tell us that they didn't realise there is a shortage of water in our region. Whilst that shows that we manage what we have effectively, we also need to educate our customers on why water efficiency is important and the challenges that we face.

9.11.2 For PR24, our customers appreciate the need to educate, highlighting the need to discuss water saving through the provision of information and feedback on usage. Customers also ask us to have an increasing community presence to help 'spread the word', using simple language that relates directly to them⁵⁸.

9.11.1 Informing business decisions

9.11.1.1 We will take this insight and feed into our communication and water efficiency strategies.

⁵⁶ Faldrax Consulting, May 2023, Anglian Water Customer Engagement Synthesis Report v9, Community Support- CSR

⁵⁷ Faldrax Consulting, May 2023, Anglian Water Customer Engagement Synthesis Report v9, Community Support- CSR

⁵⁸ Faldrax Consulting, May 2023, Anglian Water Customer Engagement Synthesis Report v9, Education

⁵⁹ Faldrax Consulting, May 2023, Anglian Water Customer Engagement Synthesis Report v9, Net zero

⁶⁰ Trinity McQueen, August 2022, WRMP24 Preferred Plan Customer Feedback Research, page 12.

9.12 Net Zero

9.12.1 Most of the insight on carbon is from PR19, but a more recent PR24 study confirmed similar findings that customers generally support Anglian Water's efforts to reduce its own carbon footprint. However, carbon reduction is low in terms of importance overall with the PR19 outcomes engagement ranking it 10th and the recent PR24 priorities work ranking it 13th⁵⁹.

9.12.2 For specific WRMP24 customer engagement, reducing the carbon impact on the environment was the second highest priority for our customers, closely followed by ensuring low bill impacts for customers⁶⁰.

9.12.1 Informing business decisions

9.12.1.1 As part of the development of WRMP24, we consider both the carbon associated with the construction of new options (known as capital carbon) and carbon produced through operational activities (known as operational carbon). We have prioritised options with lower operational carbon, such as demand management options and reservoirs. We are also already working on how their capital carbon can be reduced, building on the work we have completed for the strategic pipeline currently being built.

9.12.1.2 Phasing options so that higher operational carbon options are towards the end of the planning period gives us more time to explore lower carbon options, and also gives us greater opportunity for sourcing green energy. Please refer to the revised draft WRMP24 Decision Making technical supporting document, Section 8, Appendix C and D for further information.

9.13 Wider environmental impact

9.13.1 Most of the insight is from PR19 but recent engagement and business as usual insight show that environmental protection is considered an important aspect of Anglian Water's work.

Customers seem to prioritise improvements that have a wider impact across the region (including river water quality) and they have strong preferences for avoiding deterioration⁶¹.

9.13.1 Informing business decisions

9.13.1.1 The environment is important to us too. We will have reduced abstraction licences from the environment by 85 million litres a day by 2025 and we also have the largest Water Industry National Environmental Programme between 2020 and 2025. We will continue to build on this with initiatives such as the Get River Positive programme⁶² and the Norfolk Water Strategy programme⁶³.

9.13.1.2 We will further our understanding of our region by conducting environmental investigations commencing shortly and continuing to 2027. These will help us determine the environmental areas that are most sensitive to abstraction, so we can undertake a targeted approach for our environmental destination. Please refer to WRMP24 Decision making technical supporting document, Section 6 for further detail.

9.14 Water quality

9.14.1 Customers have told us they want a potable, safe, reliable water supply available to everyone. This is, many point out, AW's 'raison d'être' and the absolute base level of expectation. Across all PR19 and PR24 research, water quality ranks highly. Customers view quality through the lens of taste, smell and appearance, with hardness being a concern. While it was accepted that hard water is a feature of where they live there was some suggestion in PR19 research that hardness was a source of dissatisfaction⁶⁴.

9.14.1 Informing business decisions

9.14.1.1 We have ensured that our plan will provide safe, reliable drinking water to our customers. As part of this consideration, we have considered how we will integrate desalination into our existing

infrastructure in the long term. Please refer to the revised draft WRMP24 Supply-side option development technical supporting document, Section 6 for further information.

9.15 Working with retailers and developers

9.15.1 Retailers want to see an improved customer service for their customers in terms of timeliness and quality of response. They are generally concerned about the current metering arrangements as the data that is generated is considered poor quality and across different wholesalers inconsistent. They therefore support a move to smart metering and see this as major enabler of water efficiency⁶⁵.

9.15.1 Informing business decisions

9.15.1.1 We will continue our engagement with retailers and the non-household market, as well as our development of non-household demand management options, including smart metering. This has progressed since draft WRMP24 and has taken a prominent place in our long term strategy. Please see the revised plan WRMP24 Demand management preferred plan technical supporting document, Section 9 for further information.

61 Faldrax Consulting, May 2023, Anglian Water Customer Engagement Synthesis Report v9, WINEP- Wider environmental impact including Biodiversity

62 [Get River Positive \(anglianwater.co.uk\)](https://www.anglianwater.co.uk)

63 [Norfolk Water Strategy Programme - Water Resources East \(wre.org.uk\)](https://www.wre.org.uk)

64 Faldrax Consulting, May 2023, Anglian Water Customer Engagement Synthesis Report v9, Water quality

65 Faldrax Consulting, May 2023, Anglian Water Customer Engagement Synthesis Report v9, Working with retailers and developers



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