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South Staffs Water - PR24 Engagement Programme Assurance

Final Report
September 2023

CONTACTS

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Executive Summary

Purpose of the assurance

Ofwat have set out guidance on the standards they expect from companies regarding high-quality research and engagement for PR24 in their final methodology published in December 2022. The regulator expects companies to provide assurance that their customer engagement programme is of high quality and that customers' views have been appropriately taken into account when developing the PR24 business plan and long-term delivery strategies.

To support South Staffs Water with this requirement and demonstrate that its approach meets Ofwat's standards, Sia Partners is carrying out an independent assurance of the quality of its PR24 customer engagement programme across two areas:



01

**Assurance of
overall
engagement
programme quality**



02

**Assurance of the
use of customer
engagement
evidence**

We have undertaken an iterative approach to this assurance with a previous report covering our review over June and July 2023. It has been updated following additional research delivered by South Staffs Water, notably the PR24 Quantitative Acceptability & Affordability Testing (AAT) and the subsequent triangulation of insights for the PR24 plan has been completed.

This report considers new research that has been carried out over the summer, with Sia Partners applying its assurance framework to two new reports (A16 and A17), as well a detailed consideration of how South Staff Water's has responded to the recommendations set out in the Phase 1 report.

This final report also includes an PR24 Engagement Programme Assurance outcome statement from Sia Partners.

Timelines and Approach

Timeline of the PR24 engagement assurance

We have taken an iterative approach to our assurance of South Staffs Water's engagement programme with this report covering the two phases of Sia Partners' review.

Our approach across the respective phases is outlined below:

Phase 1: June - July 2023

- Established an engagement quality assurance framework aligned to Ofwat and CCW standards and wider best practice evaluation frameworks in other regulated industries (e.g., RIIO-2).
- Provided external and independent assurance of the overall programme and key pieces of research against best practice - reviewing outputs, approaches and providing guidance for further research.
- Assessed South Staffs Water's triangulation approach against the Consumer Council for Water (CCW) best practice guidelines.

Phase 2: September 2023

- Phase 2 assurance repeated the above steps in Phase 1, incorporating additional research, including PR24 Acceptability & Affordability Testing (quantitative)
- Undertook an assessment of South Staffs Water's response to our Phase 1 recommendations
- Provided a final assurance outcome statement on South Staffs Water's PR24 engagement programme

Assurance Outcome

South Staffs Water (SSC) covers two supply regions – South Staffs (SSW) and Cambridge (CW). All SSC studies reviewed as part of this assurance programme, as well as the majority of the collaborative studies such as the Water Resources East (WRE) and Water Resources West (WRW), cover and relate to both regions.

Ofwat's assessment of South Staffs Water's evidence of business plan engagement for PR19 was that it was deemed to have been of high-quality. The business was shown to have used a range of engagement techniques and an understanding of different customer segments.

Following our review of South Staffs Water's approach and evidence for its PR24 business plan, it is Sia Partners' view that the engagement programme to date is well-designed and of a consistently high standard. It continues to build on the progress made in the engagement programme for their previous price control, showing a clear and consistent thread from the strategy through to the delivery and triangulation of research. This is clearly an improvement on the PR19 process where it was noted that there had been no extensive evidence of ongoing engagement with customers prior to May 2017.

We recognised that the engagement programme was ongoing during our Phase 1 review and identified areas of improvement within our interim assurance report that was delivered in July 2023. Following this report, South Staffs Water undertook a thorough review of the research sources they had provided and either offered more comprehensive detail or, where necessary, carried out further research to enhance their programme. By implementing these recommendations, South Staffs Water has taken the opportunity to improve their evidence base further ahead of this final assurance iteration and these improvements are noted within this report. Below we summarise our conclusions following the completed assurance review:

Assurance of the engagement programme quality

- **Engagement Quality:** A comprehensive examination of the existing evidence base and the individual research projects forming the foundation of the program reveals that the standards and principles set by Ofwat for high-quality engagement and research have been fulfilled. While most research projects met Ofwat's standards across all aspects, it was recognised during the Phase 1 report that some research reports would have benefited from greater clarity regarding stimuli used/questions asked to participants and some reports could have outlined their efforts to include marginalised groups, such as those digitally excluded or individuals who speak English as a second language. SSC has subsequently provided further detail around the stimuli used and plans to engage with community leaders in ESL communities, alongside gathering key insight from SSC employees within those communities to improve their understanding ahead of submission.
- **Engagement Coverage:** Following a thorough examination of the material provided by South Staffs Waters, Sia Partners can certify that the customer engagement programme exhibits sufficient insight coverage across all of Ofwat's PR24 Core Insight areas reviewed. Some areas, including 'ODI rates research' and 'Bespoke PCs' have not been assured as the ODI research was carried out centrally by Ofwat, and no Bespoke PCs have been proposed by SSC for PR24.

Assurance of the use of customer engagement evidence

- **Triangulation Approach:** The process has been logical and thorough, closely aligning to CCW's recommendations. This has resulted in a compelling bank of evidence that demonstrates South Staffs Water's effective utilisation of customer perspectives, building on the work undertaken during the PR19 process. Additionally, the use of a panel of experts to arrive at a group decision, provides an independent view on key topics related to the triangulation process and brings a balance to the decision-making.

What has changed since Phase 1?

Following the initial phase 1 assurance, a second round of research papers has been evaluated using the Sia Partners' framework. These papers included:

Document Title
A16 - SSC Social Tariffs Research
A17 - Young Innovators Panel
A18 - SSC Quantitative Affordability & Acceptability Testing Report

The assurance of these papers resulted in consistently strong scores across all areas, which led to an overall improvement in the breadth, depth and robustness of the research evaluated (a full breakdown of source quality insight assessment areas can be found in the [appendix](#)).

'A16 - SSC Social Tariffs Research' was awarded a (3) in all five of the quality insight categories. The objectives of the research were presented at the start of the report and it focuses on the engagement of customers regarding the future assure tariff. Stimulus material and questions which were posed to participants in the survey were found throughout the report and it was found to be neutral in design. A large sample size was also appropriate for engaging with the variety of methods of engagement successfully meeting the research objectives. Regarding the inclusivity of this report, a broad range of audiences were engaged with a detailed breakdown of the participants age, gender, socio economic grade, Index of Multiple Deprivation, for both quantitative and qualitative methodology types. Qa Research were the agency used to conduct the research and adhere to the Market Research Society Code of Conduct ensuring ethical standards have been met.

'A17 - Young Innovators Panel' was awarded a (3) in all five of the quality insight categories. The objectives of the research were provided at the start of the report and falling within two main categories. The first to develop a teaching resource aimed at KS3 delivering water efficiency education and the second to gather insight from future customers on issues such as the environment, acceptability of future business plan proposals, investment phasing and intergenerational fairness. The research was found to be neutral in design through the provision of stimulus material screenshots alongside key findings with good use of direct quotations found throughout the report. The sample size and methodology were deemed appropriate to meet the research objectives and, considering the specificity of the research, the inclusivity category was met using future customers across SSC region. The research was carried out by Blue Marble, a member of the Market Research Society who fully abide to the ethical code of conduct.

'A18 - SSC Quantitative Affordability & Acceptability Testing Report' across all 5 quality testing areas this report was awarded (3). The need for this research was understood through the detailed context, stimulus and questions provided alongside the key findings allowing no bias to be found. The sample sizes exceeded the minimum prescribed Ofwat/CCW guidelines for both HH and NHH customer groups. Through the use of well displayed demographic sampling data and a 'boost factor' application to ensure over representation of certain groups does not occur, Sia Partners agree that the study was inclusive. The research was conducted by Accent who agree to fully adhere to the ethical standards of

the Market Research society. This paper serves as one of the two central research components in the context of affordability and acceptability testing. It establishes a strong foundation by employing significant sample sizes to assess customer perspectives on both the present and future affordability of bills and the acceptability of proposed water service plans.

How South Staffs Water has responded to Phase 1 Recommendations

Recognising that the research and validation procedures was still ongoing during the Phase 1 assurance review conducted in July 2023, Sia Partners identified opportunities for South Staffs Water to strengthen its capacity to demonstrate that its research aligns completely with Ofwat's quality benchmarks and that the findings had been rigorously validated in accordance with industry best practices.

This section reviews how South Staffs Water has responded to key recommendations from Phase 1 and demonstrates how overall findings have evolved.

Key Recommendations and response

1. Long Term Delivery Strategy

Response 1. SSC maintain that due to the depth of studies, such as the Customer priorities tracker, it may not be feasible to include information on specific strategic projects, such as the Fens Reservoir, given the broad range of materials covered and alternative key objectives some reports may have. However, this is a point of consideration for future iterations of work to increase coverage across SSC's research programme. Future reports such as WRMP24 AAT research and PR24 AAT study, will involve 'Long-term delivery strategy' projects such as universal metering and the Fens reservoir, showing consideration that recommendations will be acted upon on in the future.

2. Further work should be considered that involves the digitally disengaged and those speaking English as a second language

Response 2. Despite the potential impact on SSC's wider engagement programme, it was determined that engagement with ESL would be challenging at this stage. Additionally, SSC is looking at options moving forward to engage with community leaders as a method of boosting the response rate which is key issue in reaching such audiences as ESL. Evidence has also been provided of engagement with ESL and digitally disengaged customers and one example of this can be found in 'A16 - Social Tariffs Research' demonstrating where recommendations have been acted upon. There are plans to further increase engagement through current SSC employees to gain valuable insight into hard-to-reach communities so that their recommendations can be implemented in future business plan decision-making and supplement the research further. Regarding digitally disengaged groups, further evidence has been provided during Phase 2 that demonstrates that their viewpoints have been included in the research studies and can be fed into future business plan decision making.

3. While the triangulation approach has closely aligned with the CCW framework, greater focus could be given to what work has been done to address divergence or resolve conflict of views across engagement sources or customer types.

Response 3. SSC has reached out to their research team at Impact to incorporate all outstanding PR24 studies, including AAT research, into the relevant thematic reviews, as a crucial component of the triangulation process. This will address any divergence and conflict from sources through a well thought out weighting system

4. Audience

Response 4. SSC research study briefs and proposals include the customer situation and whether they need to be covered to a greater degree based on the research objectives. SSC agreed with Impact that additional thematics will be provided in appendices, making it easily visible for the reader and displaying a view of stakeholders vs customer, as well as the differences between HH and NHH customers. The example thematic documents have been provided and offer confidence that recommendations have been understood and actions are in place for future iterations of work.

5. Detailed findings and stimulus

Response 5. Pre-PR24 submission, SSC maintain best efforts were made to cover off representation of in-depth findings supported by stimuli. Further use of the “best practice project report” will serve as a guide for agencies to remain consistent when writing reports and further include a standardised approach to appendix structure and usage, which will ensure agencies provide stimulus materials alongside key findings so that any potential bias can be determined and scores remain consistent across agencies.

6. Research study is Useful and Contextualised

Response 6. SSC has asked Accent to update the link between research on the overall PR24 and WRMP24 engagement programme, displaying it within the ‘A04 SSC WRMP-Themes 1&3 Managing Droughts, Leakage Ambition, Universal metering, Environmental Ambition Quantitative Insight’ report. Accent has been asked to update their report linking how the research supported the wider PR24 and WRMP24 engagement programme.

7. Research study is Neutrally Designed

Response 7. In the instance of ‘A01 Priorities tracker Year 3 Quantitative Insights’, SSC has now provided stimuli and questionnaire evidence showing direct response to recommendations leading to an improved score of (3). Regarding ‘A05 Garden Water Usage-Understanding behaviour change’ Blue Marble has provided detailed discussion guides which improves the transparency of the research practices and can now be awarded a (3) in this category.

8. Research study is Fit for Purpose

Response 8. Focusing on ‘A03 Findings from the WRAP’s (Water Resources Advisory Panel) Theme: Strategic Decisions’ an explanation into sample size selection has been provided explaining that due to budget limitations the selected sample size was deemed appropriate given the use of the research outcomes and that it ensured a range of voices were still heard; with this additional context a score of (3) has now been awarded. Similarly, in ‘A05 Garden Water Usage-Understanding behaviour change’ a note has been added to the main report providing context of the longevity of the research, natural limitations due to budget restrictions and manageability of the study as it focused on measuring outside water usage, thus being difficult to increase sampling size for this case. Regarding ‘A06 H2Online – South Staffs Water and Cambridge Water – Water Resource Management Plan 2024, Acceptability and Affordability Testing study’ the self-selecting nature of the study was noted with a representative sample being engaged within the main study run by Turquoise to enable full representation. With regards to ‘A10 Promoting water efficiency among Non-Household customers’, further engagement is planned to support delivery of NHH initiatives but the sample size was judged to be proportionate to the SSC customer base as it covered a range of NHH retailers and non-household sectors.

9. Research is Inclusive

Response 9. Regarding ‘A01 Priorities Household Tracker Year 3 Quantitative Insights’, an updated report has been provided by SSC which includes a detailed breakdown of Accent’s sampling approach stating why the survey is online only for HH customers, as customers who do not get online viewpoints can be shared within the qualitative study. With further budget following PR24, SSC have created a strong case to increase the budget for this area and enable a face-to-face survey format thereby fulfilling this recommendation to increase inclusivity. In ‘A03 Findings from the WRAP Theme Strategic Decisions’, SSC maintain that they have confidence in the methods used to represent their customer base to inform WRMP24 planning with an updated note which demonstrates how a digitally disengaged audience were included in the overall programme. For ‘A04 SSC WRMP: Themes 1&3 Managing Droughts, Leakage Ambition, Universal Metering, Environmental Ambition Quantitative Insights’, Accent have agreed to update the quantitative report to increase clarity regarding customers who are not able/willing to engage in the online survey.

For 'A06 H2Online - South Staffs Water and Cambridge Water - Water Resource Management Plan 2024, Acceptability and Affordability Testing study', the self-selecting nature of the study was noted with a representative sample picked up within the main study run by Turquoise and mitigating any issues of inclusivity. In 'A08 WRMP24 Acceptability Testing - Wave 1 Report', Turquoise are planning to update their quantitative report to increase the clarity on how customers who can't/won't get online were included in the study. Regarding 'A10 Promoting water efficiency among non-household customers', an additional note was added to the report detailing context for sample inclusivity and why the methods were used to engage the NHH group, resulting in the award of a score of (3).

10.Consistency across research agencies

Response 10. To ensure consistency when using a variety of research agencies, a "best practice project report" is under composition which will be provided to any agency under contract with SSC. The report will come into effect from 2024 onwards and create consistency when reporting on topics so that SSC can be awarded the highest band of scores.

Sia Partners' PR24 Assurance Approach

We have undertaken a three-tiered approach to reviewing South Staffs Water's engagement evidence, with the objective of providing assurance of the engagement quality and use across the PR24 business plan.

1a. Assess the quality of key PR24 customer research sources against Ofwat's PR24 engagement standards:

- Evaluate and score key PR24 sources using a framework based on Ofwat's minimum standards and Sia Partner's expert engagement benchmarking / assurance experience.
- Create overall RAG by combining individual scores and provide an overarching quality assurance assessment across Ofwat's criteria for high quality research.

1b. Assess South Staffs Water's strength of evidence coverage across Ofwat's core insight categories for PR24:

- Review overall PR24 engagement programme (available and planned) against Ofwat's core insight areas (also considering best practice approaches being adopted across the sector).
- Determine South Staffs Water's strength of coverage across these areas and identify any potential gaps.
- Provide a set of recommendations for improvement (if applicable) based on review of engagement programme quality and coverage of the key topic areas.

2a. Assess South Staffs Water's Triangulation approach against CCW guidelines and best practice:

- Review whether and how the business has implemented triangulation of customer engagement evidence, applying a framework based on CCW guidance and best practice.
- Including interviewing key insight leads / partners that are undertaking triangulation / synthesis of customer insight to understand how the approach has been implemented
- Assess whether insights have been appropriately recorded and weighted, and whether any insight tensions / divergence between insight sources or segments have been appropriately identified.

1a. Assessment of the quality of key PR24 customer research sources against Ofwat’s PR24 engagement standards

Methodology to assess the quality of sources

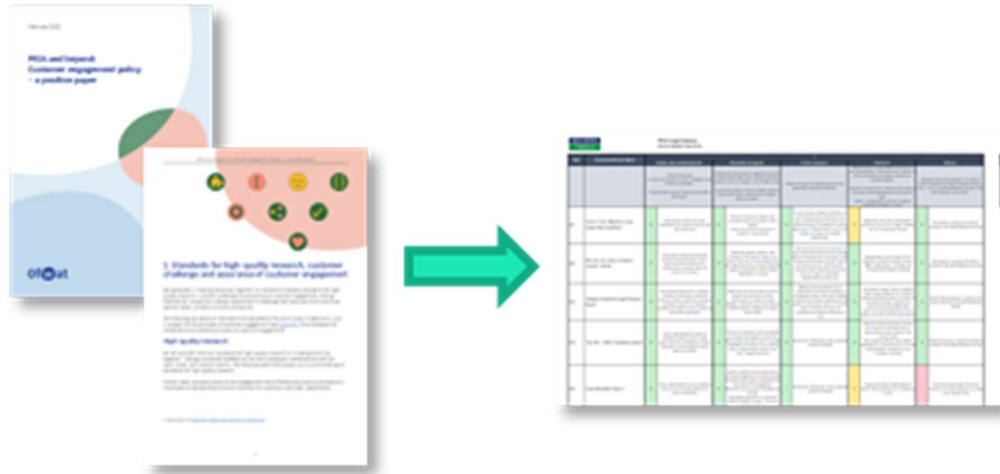
Several key engagement reports provided by South Staffs Water were assessed under Sia Partners’ PR24 customer engagement assurance framework, based on Ofwat’s PR24 engagement standards (see [Appendix A](#)). For each source we assessed whether the research met was:

1. **Useful and contextualised** - Demonstrated clearly why the research has taken place and its ambitions links clearly to the PR24 programme.
2. **Neutrally designed** - Comprehensive list of questions and stimulus materials are neutral in design and any unavoidable bias (if inherent) is acknowledged in research findings.
3. **Fit for purpose** - Research methodology and sample size is appropriate and demonstrably well-justified for the objectives of research.
4. **Inclusive** - Research clearly includes a range of audiences, representing the regional customer base and reports variances by audience where possible.
5. **Ethical** - Research is conducted in line with the ethical standard of a widely recognised research body.

Per source					
Score	Useful & Contextualised	Neutrally designed	Fit for purpose	Inclusive	Ethical
1	Ambition or objectives of research are not clear and potentially irrelevant	Clearly biased questions/stimuli, inherent biases not acknowledged, or questions/stimulus not provided	Unclear how methodology or sample is aligned to research objectives	Clear and obvious lack of range of audiences	Unclear or unknown whether research is conducted in line with widely recognised ethical standard
2	Research links to PR24 programme priorities but not clearly demonstrated	Questions or stimulus are generally without bias, or select questions / stimulus provided	Research methodology and sample is appropriate for the objectives of research	Research may include a considerable range of audiences, but is not detailed or presented clearly in findings	N/A
3	Demonstrated clearly why research has taken place and its’ ambition links clearly to PR24 programme	Comprehensive list of questions and stimulus materials are neutral in design and any unavoidable bias if inherent is acknowledged in research findings	Research methodology and sample size is appropriate and demonstrably well-justified for the objectives of research	Research clearly includes a range of audiences, representing the regional customer base, and reports variances by audience where possible	Research is conducted in line with the ethical standard of a widely recognised research body

Figure 1: Ofwat Engagement Standards for Individual Sources

Through the assessment of key sources against Ofwat’s criteria for high quality research a red, amber, green (RAG) table and scores were generated providing insight and recommendations for improvement. An example is shown below with detailed findings of the individual papers found in [Appendix B](#).



The three remaining Ofwat engagement standards were deemed to apply more broadly to the PR24 engagement programme as a whole. We therefore assessed these at an aggregated level across all sources, rather than broken down per source:

- 6. **Continual** – Regular engagement undertaken throughout PR24 and business as usual, in addition to specific engagement on certain topics.
- 7. **Shared in full with others** – Appropriate research findings published early to as wide an audience as possible, including methodology and stimulus materials.
- 8. **Independently assured** – Independent assurance has been undertaken.

Programme wide			
	Continual	Shared in full with others	Independently assured
1	No regular engagement undertaken	No research findings shared / or planned to be shared	No independent assurance
2	N/A	Select research findings shared (or planned to be shared) with a select audience	N/A
3	Regular engagement undertaken throughout PR24 and business as usual, in addition to specific engagement on certain topics	Appropriate research findings published early to as wide an audience as possible, including methodology & stimulus materials	Independent assurance undertaken

Figure 2: Ofwat Engagement Standards for Overall Programme

Findings of the assessment of quality of insight sources

Assessment of individual sources

Ofwat have provided clear criteria for best practice when evaluating individual research sources and ensuring high-quality research (as outlined in the methodology above). Sia Partners have applied this scoring framework, in conjunction with internal criteria for evaluation, with detailed findings displayed in the following section.

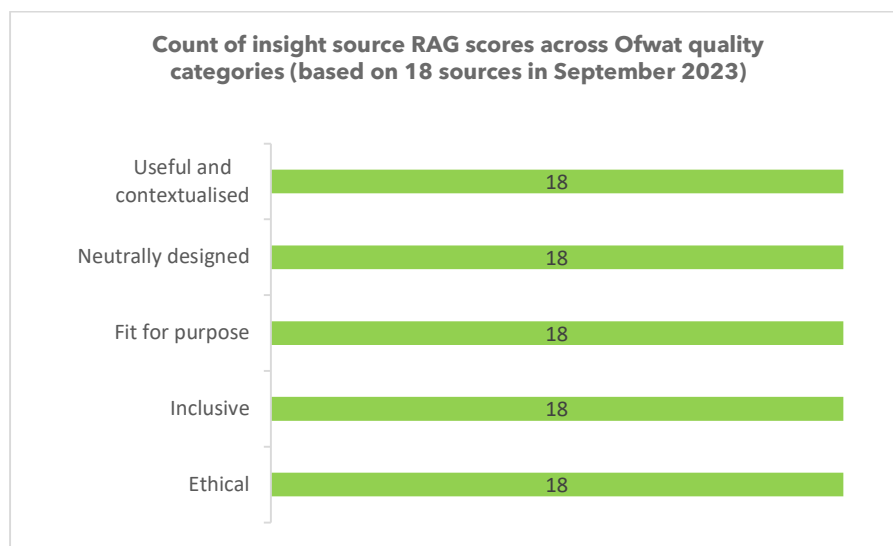


Figure 3. Graph to illustrate the scores provided across Ofwat’s quality assessment categories

Useful and Contextualised

With regards to the ‘Useful and contextualised’ category, by stating the engagement objectives and rationale upfront, the research reports can greatly enhance readers’ comprehension. By clearly and precisely incorporating objectives at the outset, these reports establish a foundation for understanding the subject matter and purpose of the engagement. All eighteen research papers received a score of (3), indicating a consistent practice of explicitly listing research objectives and linking them to future business decision-making processes. Figure 4 below has an illustrative example of well-presented objectives.

Most research papers were of a high standard; however, one outlier was found to be slightly below the rest in terms of the ‘Useful and contextualised’ category in the first phase of assurance. This research paper was ‘SSC WRMP: Themes 1&3 Managing Droughts, Leakage Ambition, Universal Metering, Environmental Ambition Quantitative Insights’. The background section in this report needed further context around how WRMP24 fits into the broader PR24 engagement programme, providing the reader with greater background at the outset and allowing a clearer understanding of the purpose of the engagement. Before Sia Partners Phase 2 review, SSC provided an updated report which included the contextual link to demonstrate how the research supported the overall engagement programme in accordance with Phase 1 recommendations.

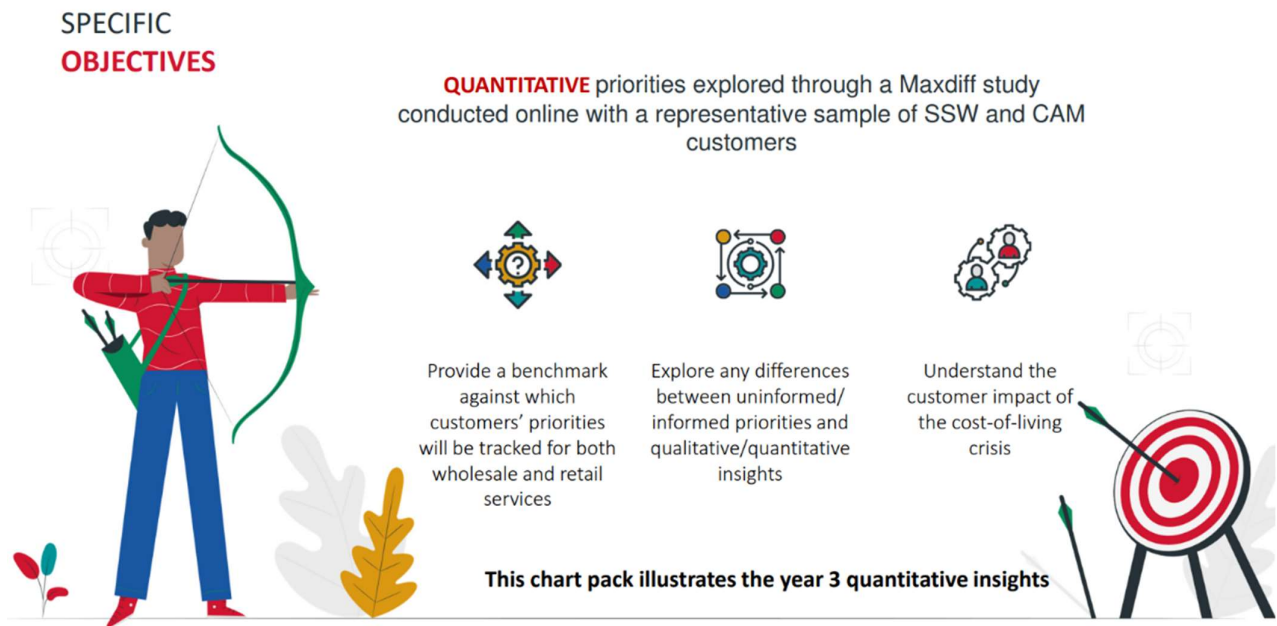


Figure 4. An example of clear well-defined aims for research that develops the readers understanding for the aims of the report.

Neutrally designed

Within the 'Neutrally designed' category, it is recommended that South Staffs Water offer explicit stimuli or include the questions posed to participants to demonstrate how any potential research bias has been managed and mitigated. All eighteen research papers received a score of (3), enabling a thorough evaluation of the research questions and ensuring scrutiny for any potential bias. The findings from the research provided indicated that no bias was detected in the research questions or stimuli provided to participants.

Common themes within the "Neutrally designed" category included the transparent presentation of specific questions posed to participants. Additionally, the category featured clear displays of sample stimuli alongside key research findings and effective use of direct quotations from respondents. This contributed significantly to reader comprehension, offering direct insights from customer participants. In specific reports such as 'WRMP24: MCDA, Theme 2 & Strategic choices, Themes 1&3 Research Method Statement' a weighting system was utilised, to further emphasise neutral design.

Those research papers which received a score of (2) in the first phase of assurance provided high level information which has the potential for misinterpretation and the ability to influence the key findings. Additionally, in the 'SSC Customer Priorities Tracker Year 3 Quant Insights Final' report it was somewhat unclear if further stimuli were used within the sessions. The gaps previously mentioned have now been corrected by providing additional information such as stimulus materials and discussion guides used in the engagement, which led to the scores in the papers being upgraded to a (3) for this category.

Fit for Purpose

The 'Fit for Purpose' category ensures that the sample and methodology are suitable for effectively achieving the research objectives. In this case, the research conducted by South Staffs Water fulfilled the criteria for receiving a score of (3), with all eighteen studies meeting this requirement.

Both quantitative and qualitative methodologies were used in the reports provided. Naturally more participants were engaged in the quantitative research reports and no issues arose regarding the sampling sizes. Generally, the methodologies used were appropriate to meet the research objectives and best practice was adhered to. Multiple papers used a weighting system that enabled discrepancies in customer viewpoints to not be over-represented, which could have had the potential to skew the overall results and research findings.

Common trends were identified in three of the qualitative research studies where low to medium size sample sizes were achieved but failed to address a wider audience in specific instances such as "A05 Garden Water behaviour" in the first phase of assurance. This had the potential to raise concerns that the South Staffs Water customer base were not fully represented, which can create issues with the full range of wider market insights. These concerns previously mentioned have been largely met as the context for why the sample sizes for A05, A06 and A10 were chosen has subsequently been provided and it is our view that the rationale for the sample sizes in those instances was sound.

Inclusive

To achieve a high score in the 'Inclusive' category, research should strive to involve diverse audiences and socio-demographic groups whenever possible and appropriate given the topic of research. Furthermore, it is crucial to provide an analysis of the differences among various respondent groups. However, in the research carried out by South Staffs Water, not all the criteria were met in certain instances in the first phase of assurance. Prior to the Phase 2 of assurance, SSC provided Sia Partners with updated evidence showcasing inclusivity for all research papers that were not previously awarded a (3).

All of the research reports provided showed clear instances of the well-represented customer base. Specifically, SSC demonstrated the inclusion of a range of customer age, social grade, gender, as well as domestic household, non-household, vulnerable customers. This further emphasised the importance of engaging a range of different customers to ensure a fair representation of customer opinions has been heard, feeding into future decision-making processes.

In the first phase of assurance, persistent trends emerged, leading to instances of lower scores (2). These aforementioned trends included the lack of engagement of digitally excluded customers, which in turn will limit the customer insight available from the group and potentially leading to misrepresentation of those who have not been heard. While efforts have been made in Phase 2, future work can be improved further involving specifically ESL customer groups.

Ethical

South Staffs Water utilised a variety of research partners, including; Accent & PJM Economics, Blue Marble, Explain Market Research and Turquoise Thinking. All of these are members of the Market Research Society (MRS) and adhere to the code of conduct mentioned in Ofwat's guidelines. South Staffs Water has therefore been awarded a (3) in the 'Ethical' category.

Document Title	Useful & Contextualised	Neutrally designed	Fit for purpose	Inclusive	Ethical
A01 - Priorities Household Tracker Year 3 Quantitative Insights	3	3	3	3	3
A02 - WRMP24: MCDA, Theme 2 & Strategic choices, Themes 1&3 Research Method Statement	3	3	3	3	3
A03 - Findings from the WRAP's (Water Resources Advisory Panel) Theme: Strategic Decisions	3	3	3	3	3
A04 - SSC WRMP: Themes 1&3 Managing Droughts, Leakage Ambition, Universal Metering, Environmental Ambition Quantitative Insights	3	3	3	3	3
A05 - Garden water usage - Understanding behaviour change	3	3	3	3	3
A06 - H2Online - South Staffs Water and Cambridge Water - Water Resource Management Plan 2024, Acceptability and Affordability Testing study	3	3	3	3	3
A07 - Customer preferences on added value for large resource schemes - Final Report	3	3	3	3	3
A08 - WRMP24 Acceptability Testing - Wave 1 Report	3	3	3	3	3
A09 - SSC Company Specific Adjustment Research - PR24 Draft report v4	3	3	3	3	3
A10 - Promoting water efficiency among Non-Household customers	3	3	3	3	3
A11 - Priorities Research Qualitative Research - Year 3	3	3	3	3	3
A12 - SSC Long term delivery Strategy customer research - Draft report June 2023	3	3	3	3	3
A13 - Acceptability and Affordability Testing Stage One Qualitative Research	3	3	3	3	3
A14 - SSC Net Zero Citizen Jury Research Report	3	3	3	3	3
A15 - WTP PR24 Qualitative Report from Testing Attributes	3	3	3	3	3
A16 - SSC Social Tariffs Research	3	3	3	3	3
A17 - Young Innovators Panel	3	3	3	3	3
A18 - SSC Quantitative Affordability & Acceptability Testing Report	3	3	3	3	3

Broader Engagement Programme

Ofwat have provided criteria for best practice when evaluating programme-wide high-quality research. These standards ensure that research is continual, shared in full with others and undergoes independent assurance. Sia Partners have applied this framework in conjunction with internal criteria for evaluation, with detailed findings displayed in the following section.

Programme-wide (as of July 2023)		
Continual	Shared in full with others	Independently assured

Continual Engagement

Developing on SSC's approach in PR19, they have transitioned to a more targeted approach ('You said, We did') whereby customers are engaged further post-feedback from BAU or strategic study. This has taken place as it provides a clearer line of sight between customer viewpoints and the direct actions SSC are taking because of this. Continual methods of engagement were also demonstrated in SSC research programmes with evidence of further engagement after customers participate in the 'Customer Priorities Tracker', 'Quantitative Tracker survey' 'WRMP24 WRAP qualitative form' and 'H2Online Household Communities'.

In addition, many engagement reports have also been shared, demonstrating the prior examples of engagement best practices. With plans to continue the triangulation process in future PR24 phases, SSC was awarded a (3) in the 'Continual Engagement' category.

Shared in full with others

South Staffs Water share a multitude of reports related to WRMP24 with water companies within their WRE/WRSE and WRW regions. This further bolsters the consistency of research across many water companies, which is in line with the Ofwat CCW guidance.

Sia Partners have also been provided with evidence that SSC have uploaded their WRMP24 local engagement studies as well as draft submission plans (currently 40 documents), with plans to upload new studies when the WRMP24s are finalised and published.

SSC have indicated they are in the process of setting up a more formalised area on both company websites to exhibit their PR24 research, enhancing their previous approach undertaken in PR19. In addition, SSC have plans for wider communication supporting these processes. As a result, SSC has been awarded a (3) with regards to 'Shared in full with others' by adhering to the prescribed guidance from Ofwat/CCW.

Independently assured

South Staffs Water has commissioned Sia Partners to provide independent assurance for its customer engagement research in the current period, ensuring compliance with Ofwat's best practices for conducting high-quality research.

In the assurance process 2 workstreams were undertaken:

- *Assurance of engagement quality* - this entails the assessment of the quality of the engagement programme and assessing the engagement sources (A01-A14).
- *Assurance of engagement use* - assessing South Staffs Water's applied triangulation insight synthesis approach against CCW guidelines for best practice triangulation at PR24.

This assurance work successfully meets the framework criteria and a score of (3) has been awarded for the 'Independently assured category'.

1b. Assessment of strength of evidence coverage across Ofwat's core insight categories for PR24

Methodology to assess the strength of coverage

In its PR24 methodology, Ofwat highlighted core areas where it expects companies to undertake engagement to inform the development of their business plans.

Within Ofwat's final methodology for PR24, it outlines that some customer research should be done collaboratively. By working with CCW and water companies, Ofwat have therefore implemented a collaborative approach to customer research for certain, common elements of PR24. This consistent research approach is important as it allows a better assessment of plans against one another and enables a comparison across all companies.

However, Ofwat recognises that it is also necessary for companies to undertake further, company-specific research with their customers. This engagement provides companies a chance to inform and test specific elements of their plans with their customers, including the nature and phasing of their statutory requirements and discretionary expenditure, as well as other priorities that have been identified through their broader engagement.

South Staffs Water have shared the PJM Economics 'Collaborative ODI Research' report which Ofwat had commissioned on behalf of the water companies. This evidence of 'ODI rates research' has been fed into SSC's triangulation approach alongside other, South Staffs-specific WTP research. Also, South Staffs Water decided against including a bespoke PC around 'Water Abstraction' in the Cambridge area. Therefore, neither the 'ODI Rates Research' nor 'Bespoke performance commitments and related ODI rates' categories have been assessed as part of this assurance phase.

Therefore, Sia Partners assurance work has involved undertaking a review of South Staffs Water's coverage in the following prescribed categories:

- Customer Priorities
- Affordability and Acceptability
- Company specific outcomes involving investment proposals/schemes
- Long term delivery strategies
- Where companies seek to deliver wider environmental and social benefits beyond their minimum statutory requirements and at a greater cost to customers

The following section provides a thorough insight into the 'Strength of Coverage' findings. Sia Partners have reviewed 18 key sources as part of the assurance of South Staffs Water's engagement for PR24, with the full source list viewable in the [Appendix](#). The methodology uses a one to three scoring mechanism evaluating if the research is:

1. **Methodologically sound** – Clear aims with strong sampling methodology used, also consideration of barriers to inclusion present.
2. **Rigorously gathered** – Thorough discussion of data collection procedures, noted a range of perspectives and extensive detail of feedback.
3. **Credibly interpreted** – Engagement work interpreted accurately and fairly with detailed outline of all perspectives and issues discussed.

A '**contributory score**' is also given to each insight, from each event, to evaluate its relevance to a certain topic (service area).

The categories above are based on the HM Treasury Magenta book which provides guidance on the evaluation of government policies, programmes and projects. The main purpose of the Magenta Book is to promote good practice in policy evaluation ensuring that decisions are based on robust evidence and analysis.

The scores were then collated into a red, amber, green (RAG) table which assesses the cumulative strength and robustness of the categories displayed.

Source robustness scoring				
Score	Insight source scoring			Feedback scoring
	Methodologically sound	Rigorously gathered	Credibly interpreted	Contributory evidence
1	Limited or no methodology, unplanned with no aim or objective.	Limited discussion of data collection technique, who collected the data, or the procedure for recording differing opinions.	Lack of credible interpretation with potential for bias. Limited or no discussion of feedback points in the conclusion.	Vague, high-level feedback with only a tangential relevance to the topic in question.
2	Some aims of engagement, but limited discussion of sampling, knowledge levels and stakeholder backgrounds.	Some discussion of data collection and the methods. Limited depth of feedback and range of opinions.	Some link and discussion of the engagement details in the event report, including some differing views.	Feedback not necessarily fully aligned to the topic and only provides a limited insight and thus moderately useful.
3	Clear aims, sound sampling methodology and consideration of barriers to inclusion.	Thorough discussion of data collection procedures, noted a range of perspectives and extensive detail of feedback.	Engagement work interpreted accurately and fairly with detailed outline of all perspectives and issues discussed.	Specific, clear and relevant information with clear link to the topic discussed. High value added.

Findings

The subsequent section will provide a comprehensive overview of the appropriate research papers relating to each core area highlighted by Ofwat. This will encompass a detailed examination of the research reports, while also identifying common trends observed across them.

South Staffs Water have conducted and planned a sound PR24 engagement programme and Ofwat's core areas of engagement have been generally well covered by delivered or planned engagement.

Ofwat's Core Insight Areas	Source	RAG
Customer Priorities	A01, A02, A03, A04, A07, A10, A11, A12, A13, A14, A15, A16, A17, A18	
ODI Rates Research		N/A
Affordability and Acceptability	A13, A18	
Company-specific outcomes involving investment proposals/schemes	A07, A08, A13, A16, A17	
Bespoke performance commitments and related ODI rates		N/A
Long-term delivery strategies	A02, A03, A04, A06, A11, A12, A13, A16, A18	
Where companies seek to deliver wider environmental and social benefits beyond their minimum statutory requirements and at a greater cost to customers	A02, A03, A04, A05, A07, A12, A13, A14	

Customer priorities

Evidence base - A01 Priorities Household Tracker Year 3 Quantitative Insights, A02 WRMP24: MCDA, Theme 2 & Strategic choices, Themes 1&3 Research Method Statement , A03 Findings from the WRAP's (Water Resources Advisory Panel) Theme: Strategic Decisions ,A04 SSC WRMP: Themes 1&3 Managing Droughts, Leakage Ambition, Universal Metering, Environmental Ambition Quantitative Insights , A07 Customer preferences on added value for large resource schemes - Final Report, A10 Promoting water efficiency among Non-Household customers, A11 Priorities Research Qualitative Research - Year 3 , A12 SSC Long term delivery Strategy customer research - Draft report June 2023, A13 Acceptability and Affordability Testing Stage one Qualitative Research, A14 SSC Net Zero Citizen Jury Research Report, A15 WTP PR24 Qualitative Report From Testing Attributes, A16 SSC Social Tariffs Research, A17 Young Innovators Panel.

The theme of "Customer Priorities" emerged as a significant and recurring focus in the majority of the research reports. In the evaluation of the "Customer Priorities" section, a score of (3) was assigned due to its widespread presence in the provided research and its ability to effectively showcase and articulate customer priorities. This assessment was further aligned with PR24 planning aspirations and long-term developments within South Staffs Water. The identified priorities were recognised as important information for guiding and influencing future business plan decision-making processes. This

comprehensive coverage of customer segments demonstrated the strength and reliability of the analysis, resulting in consistently high scores across the various areas examined.

Affordability and Acceptability

Evidence base A13 Acceptability and Affordability Testing Stage One Qualitative Research, A18 Affordability and Acceptability Testing Quantitative Fieldwork.

The theme of “Affordability and Acceptability” was initially addressed in SSC’s main qualitative AAT report, effectively meeting the prescribed qualitative guidance provided by Ofwat/CCW. SSC provided ample evidence demonstrating the utilisation of deliberative discussions with household and non-household customers, alongside online focus group engagements with future bill payers, vulnerable household customers and non-household customers. Adherence to the prescribed sampling sizes for each group was also exhibited, with the key findings analysis mentioning support for each plan, differences customer types may hold in reference to each plan variation, intergenerational fairness and the effects on affordability and acceptability of each plan.

Overview of service enhancements

Strong support for almost all service enhancements outlined in the Proposed plan Electric vehicle fleet investment is the only exception where there was not full support Confused as to why the resilience measures are deemed ‘voluntary’ as these are seen as critical			
	Environmental Challenges £12.10 per year	Water Quality Challenges £2.50 per year	Resilience Challenges £2.30 per year
	Statutory plus voluntary	Statutory plus voluntary	All voluntary
Importance	High	Very important as impacts on taste and safety	Critical
What’s driving high/low importance	<ol style="list-style-type: none"> Restore the water environment New water sources e.g. reservoir Metering technology <p>Less commitment to investment for electric vehicles but use money for something else</p>	<ol style="list-style-type: none"> Filtration/disinfection Lead pipes removal critical 	<ol style="list-style-type: none"> Laying more pipes Smart sensors/technology Upgrading sites with power generators <p>All seen as critical vs voluntary</p>
Cost/Benefit	Cost felt to be reasonable £1 a month Benefits securing water supply, ‘habitats flourishing’, new tariffs	Cost is negligible	Cost is negligible
Any Segment Differences	Support from majority (1 or 2 climate deniers)	Support across but feels critical for Cambridge Water	None

57

Figure 5. An example of service enhancement options South Staffs Water with monetary value of impact on bills provided.

Within ‘A18 Affordability and Acceptability Testing Quantitative Report’, the research objectives were presented under section ‘2.2 Objectives’ providing the direction, structure and purpose of the research. To maintain consistency across different water companies, Ofwat/CCW specified the wording to be used in the questionnaire, as the main basis of gathering quantitative insight for the quantitative portion of AAT. SSC adhered to these guidelines and provided evidence of their compliance in ‘Appendix E’. The prescribed sample sizes for each customer group were successfully met achieving 1,001 household (HH) interviews and 122 non-household interviews (NHH). The aforementioned sample sizes were found to be proportional to both Cambridge and South Staffs supply regions and demographically representative, providing the detailed breakdown and methodology used in sampling participants for the research questionnaire. Both the recruitment material and incentives were presented and aligned with the provided guidance. Overall SSC’s quantitative AAT research was effective and fully adhered to the prescribed Ofwat/CCW guidelines, which allowed Sia Partners to award a (3) in this category.

Company specific outcomes involving investment proposals/schemes

Evidence base – A07 Customer preferences on added value for large resource schemes – Final Report, A08 WRMP24 Acceptability Testing – Wave 1 Report A13 Acceptability and Affordability Testing Stage One Qualitative Research, A16 SSC Social Tariffs Research, A17 Young Innovators Panel.

Among the eighteen research reports, five of them stood out for their substantial exploration of ‘Company-specific outcomes related to investment proposals or schemes’. These reports demonstrated a comprehensive and in-depth research effort. The section dedicated to company-specific outcomes earned a score of (3) due to the valuable insights gathered from respondent opinions on these outcomes.

The five research reports exhibited information regarding “Company-specific outcomes related to investment proposals or schemes” mainly focusing on schemes such as Restoring the water environment, new smart metering rollout, lead pipe removal, upgrading technology to predict pipe failure improving resilience of the water system and the Fens Reservoir. The research was represented clearly and provided comprehensive detail of customer viewpoints and support for such schemes.

The Fens Reservoir scheme in particular is a major, proposed investment scheme which has undergone a broad programme of robust engagement and covered across the ‘WRMP24 thematic review report’ and the ‘Customer preferences on added value for large resource schemes’. Further support for the scheme was also found in wider engagement documents such as the WRE plans, as well as other broader external sources, to generate a deep evidence base.

In addition, the other prominent scheme SSC are focused on is the Universal Metering rollout. Demonstration of deep dive customer opinion has been exhibited across multiple reports including “Findings from the WRAP (Water Resources Advisory Panel) DEEP DIVES on Universal Metering and water transfers” and ‘Young Innovators Panel’. In this instance ample evidence has been provided which enabled Sia Partners to ensure “Company specific outcomes involving investment proposal and schemes” has been implemented in SSC’s engagement programme.

Long term delivery strategy

Evidence base - A02 WRMP24: MCDA, Theme 2 & Strategic choices, Themes 1&3 Research Method Statement , A03 Findings from the WRAP’s (Water Resources Advisory Panel) Theme: Strategic Decisions, A04 SSC WRMP: Themes 1&3 Managing Droughts, Leakage Ambition, Universal Metering, Environmental Ambition Quantitative Insights ,A06 H2Online - South Staffs Water and Cambridge Water - Water Resource Management Plan 2024, Acceptability and Affordability Testing study, A11 Priorities Research Qualitative Research - Year 3 , A12 SSC Long term delivery Strategy customer research - Draft report June 2023 , A13 Acceptability and Affordability Testing Stage one Qualitative Research, A16 SSC Social Tariffs Research, A18 Affordability and Acceptability Testing Quantitative Fieldwork.

Evidence of engagement on the “Long-term delivery strategy” was found in nine out of the eighteen research reports, indicating a substantial presence of coverage in the material provided. Additionally, the LTDS was covered in real depth across the WRMP24 as well as the standalone LTDS research. As a result, SSC has been awarded a score of (3) for this category.

Six out of nine research reports demonstrated relatively positive trends, consistently receiving a score of (3). These trends primarily related to the provision of in-depth information on schemes, presented in a clear manner and were reasonable in how they would impact customer bills.

Whilst the majority of papers scored well, further improvements could be made when presenting more in-depth rollout of specific schemes enabling the reader to gain a deeper understanding. While the LTDS may not be the main objective of the engagement, providing additional information about

important strategic projects like the Fens reservoir and Universal Metering within these documents (in addition to others) would greatly benefit customers.

Where companies seek to deliver wider environmental and social benefits beyond their minimum statutory requirements at a greater cost to customers

Evidence base - A02 WRMP24: MCDA, Theme 2 & Strategic choices, Themes 1&3 Research Method Statement, A03 Findings from the WRAP's (Water Resources Advisory Panel) Theme: Strategic Decisions, A04 SSC WRMP: Themes 1&3 Managing Droughts, Leakage Ambition, Universal Metering, Environmental Ambition Quantitative Insights, A05 Garden water usage - Understanding behaviour change, A07 Customer preferences on added value for large resource schemes - Final Report, A12 SSC Long term delivery Strategy customer research - Draft report June 2023, A13 Acceptability and Affordability Testing Stage one Qualitative Research, A14 SSC Net Zero Citizen Jury Research Report.

Among the eighteen research reports, seven of them distinctly addressed the topic of "Where companies seek to deliver broader environmental or social benefits beyond their minimum statutory requirement at an additional cost to customers." This underscores the significance of this category to South Staffs Water, with the majority of evidence garnering high scores. As a result, a score of (3) was awarded in this category.

The research findings unveiled common trends concerning broader environmental and social benefits. Specifically, they highlighted the importance of biodiversity projects with the gauging support for specialist habitats created for wildlife and new wetland areas. Social initiatives identified include land-based recreation, increasing availability of walking and cycling paths, while Net Zero initiatives include carbon offsetting, renewable energy generation and identifying ways to become more energy efficient.

These trends were demonstrated by presenting the specific annual cost each customer would bear to achieve these benefits. This approach enabled participants to express their viewpoints on price adjustments, with the majority favouring relatively low-cost allocations. This preference arose from the cost-effectiveness achieved when distributing the burden among a larger customer base. Moreover, the stimuli and questions effectively gauged whether participants required additional information to lend full support. Recognising the significance of this engagement aspect, it becomes imperative to identify methods for improvement, aligning with best practices, and continuing to improve as new developments occur. An example screengrab can be found below demonstrating the impact on bills when analysing 'Where companies seek to deliver wider environmental and social benefits beyond their minimum statutory requirements at a greater cost to customers'.

Prioritising the key investment areas

Following going through the detail of the five areas of the Net Zero strategy, the below table shows the five areas of focus within the strategy, as shown to jurors.

Action in Net Zero plan	Contribution to 2030 carbon targets *	Estimated impact on annual bill from 2025 **	Achievable by 2030?
Renewable energy generation	69%	£3.30 or 2% (SSW) £2.75 or 2% (CAM)	?
Leakage reduction	11%	£6.60 or 4% (SSW) £5.50 or 4% (CAM)	?
Education and making better use of water	9%	£1.50 or <1% (SSW) 75p or <1% (CAM)	✓
Moving away from fossil fuels	7%	£3.30 or 2% (SSW) £2.75 or 2% (CAM)	?
Identifying opportunities to become more energy efficient	3%	£3.30 or 2% (SSW) £2.75 or 2% (CAM)	✓

Figure 6. An example of wider environmental and social benefits specifically focusing on South Staffs Waters plans for net zero.

2a. Assessment of Triangulation approach against CCW guidelines and best practice:

The purpose of this part of the assurance process is to review how South Staffs Water has implemented triangulation within its engagement programme and evaluate to what extent it provides a robust, balanced and high-quality synopsis of customer comments and input across evidence sources.

Previous assessment from Ofwat of South Staffs Water’s PR19 submission found that robust evidence of triangulation was shown to support the plan and SSC were only one of two companies to have been scored “B” for their customer engagement. South Staffs Water therefore stated that their intention was to evolve their approach to the triangulation of customer views for PR24 rather than undertake a radical overhaul which other companies may be considering.

Methodology to assess the triangulation approach.

CCWater have outlined the criteria for what good triangulation should look like at PR24. These core principles (as shown in Figure 7) act as a minimum benchmark for companies but avoid prescribing specific methods. It is expected that companies should be able to innovate further beyond these should they wish so we have applied this framework in conjunction with industry best practice and Sia Partners’ own best practice framework.

Sia Partners’ approach to assessing South Staffs Water’s triangulation involved:

- ✓ A review of how the business has implemented a triangulation of customer engagement evidence, applying CCW’s guidance and best practice.
- ✓ Interviewing key insights who are undertaking triangulation / synthesis of customer insight to understand how the approach has been implemented.















Figure 7. CCWater’s PR24 triangulation best practice guidance

- ✓ A review of data in the Excel database as well as PR24 Triangulation Reports into the Process, Methodology and Final Results.
- ✓ An assessment of whether insights have been appropriately recorded and weighted, and whether any insight tensions / divergence between insight sources or segments have been appropriately identified.

Findings from the assessment of the assurance approach

South Staffs Water’s triangulation approach was assessed against each component of CCW’s framework and given an RAG scoring across each element.

Area	Evidence of South Staffs Water’s triangulation methodology
 1. Engagement and triangulation should be an ongoing process	
 2. Triangulation should make use of a wide range of inputs, and these should not be solely engagement insight	
 3. Triangulation should be informed by a transparent and consistent weighting framework	
 4. Balanced decisions should be at the core of triangulation	
 5. Validation of findings should make use of a wide range of datasets	
 6. Companies should seek independent assurance of their process and outcomes.	

South Staffs Water have provided detailed insight into their PR24 triangulation process. As demonstrated by the scoring in the table above, it is Sia Partners’ view that South Staffs Water have clearly demonstrated how their triangulation methodology draws from various approaches and frameworks, including CCW and other recent, best-in-class work by utility companies. The result is a clear, logical and structured approach.

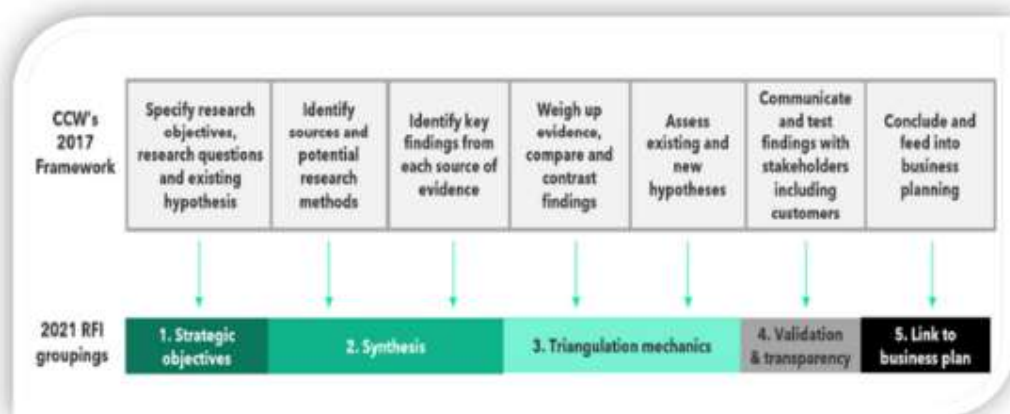


Figure 8: South Staffs Water’s triangulation framework

Engagement and triangulation should be an ongoing process

The triangulation framework provides an over-arching methodology and a golden thread from the strategic objectives through the customer research and into the business plan.

SSC has made significant progress in enhancing its Business-as-Usual insights programme. There is a clear demonstration of triangulating insights on an ongoing basis, which not only facilitates the implementation of action plans to meet the PR19 Performance Commitments (PCs) but also consolidates the findings from customer priorities research conducted during PR19. This collective body of research then supports the fundamental components of SSC's upcoming Long-term plan (LTP) extending until 2050, as well as its preparations for PR24.

To ensure effective monitoring of progress throughout the triangulation programme, a comprehensive actions tracker log has been maintained. This log captures both new actions and ongoing discussions, with weekly project management meetings take place involving the Impact and SSC insight team. Additionally, regular update review meetings are also conducted with the broader PR24 project team, facilitating progress updates and enabling strategic actions to be considered. The frequency of these meetings ensures that the project remains on track and allows for timely adjustments and decision-making.

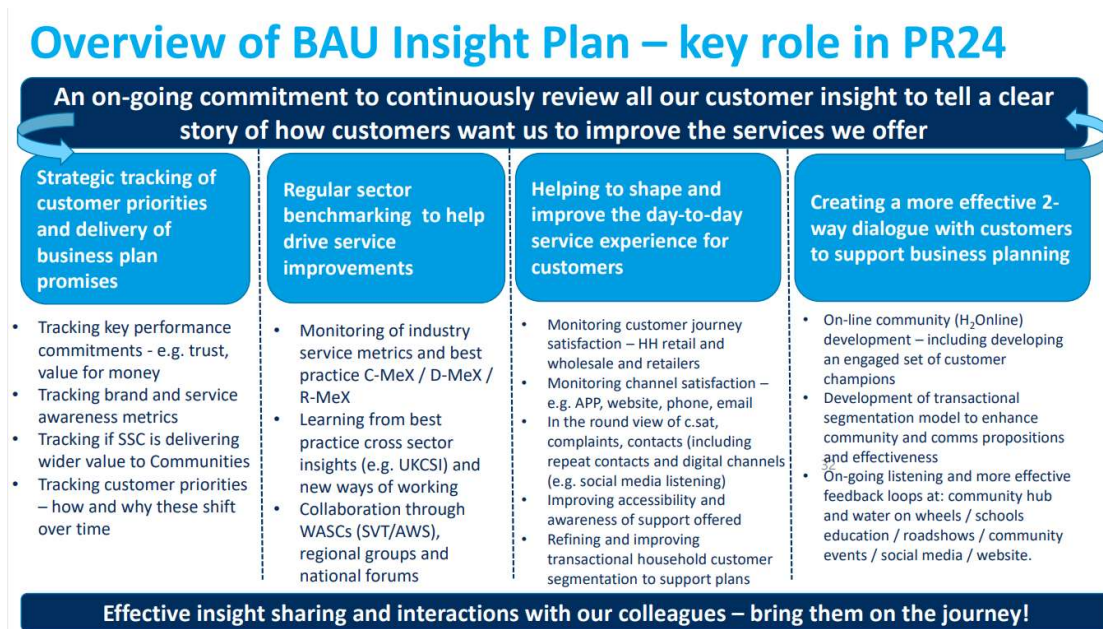


Figure 9: An example screengrab demonstrating SSC's ongoing Business-as-Usual insights programme

Triangulation should be informed by a transparent and consistent weighting framework

South Staff Water were able to demonstrate how a scoring and weighting framework had been used to triangulate results for WRMP priorities and WTP values, with detail included on how more granular scoring was created and applied. The outputs from these were then fed into the wider triangulation approach and framework.

Triangulation should make use of a wide range of inputs, and these should not be solely engagement insight

South Staffs Water have demonstrated a wide range of inputs with over 40 reports examined as part of this assurance process (with many more conducted as part of the engagement programme). Importantly, there was a suitable balance of external pieces of research, collaborative research and company-specific research commissioned by SSC.

Validation of findings should make use of a wide range of datasets

The triangulation process draws on the outputs from a range of sources, including NERA WTP PR24 research, ODI PR24 results, previous PR19 results and other relevant research and insight. It also

explicitly calls out the need to ensure the priorities of future, hard to engage and vulnerable customers are included within the narrative of the business plans. This use of more diverse data sources to serve as a foundation for making informed business planning decisions has also assisted with the step-change in the approach to supporting PR24 and Long-term Plan (LTP) development.

Balanced decisions should be at the core of triangulation

Following PR19, South Staffs Water's updated approach has seen the development of a triangulation methodology that includes a technical component which delivers the key inputs to the WTP values, triangulating customer valuations to integrate them into investment modelling tools such as CBA investment optimisation and WRMP priorities. It also includes a thematic review which delivers a comprehensive understanding of the customer priorities based on specific themes or customer segments. Importantly, it also recognises that while relevant frameworks have been developed to guide the triangulation approaches, it remains an inexact science. Therefore, the use of the Delphi Method for the first time, whereby a panel of experts are surveyed into order to arrive at a group decision, provides an independent view on key topics related to the triangulation process and bring a balance to the decision-making.

Companies should seek independent assurance of their process and outcomes

South Staffs Water has engaged Sia Partners to offer independent assurance of its customer engagement research, ensuring adherence to Ofwat's guidance around best practice for conducting high-quality research.

Phase 2 assurance conclusions

Conclusions

Sia Partners' assurance review has established that South Staffs Water has delivered a high-quality and thorough customer engagement programme for PR24. The programme has built a rigorous and comprehensive evidence base to inform its PR24 business plans and the triangulation methodology closely adheres to the recommendations outlined by CCW.

This final assurance review is based on the 18 key sources and other, supporting materials from South Staffs Water's PR24 engagement programme, which were shared with Sia Partners between June and September 2023. We appreciate that there may be other existing engagement evidence available for consideration that it was not practical or prudent to have included within this assurance review.

Below we summarise our conclusions following the completed assurance review:

Assurance of the engagement programme quality

- **Engagement Quality:** A comprehensive examination of the existing evidence base and the individual research projects forming the foundation of the program reveals that the standards and principles set by Ofwat for high-quality engagement and research have been fulfilled. While most research projects met Ofwat's standards across all aspects, it was recognised during the Phase 1 report that some research reports would have benefited from greater clarity regarding stimuli used/questions asked to participants and some reports could have outlined their efforts to include marginalised groups, such as those digitally excluded or individuals who speak English as a second language. SSC has subsequently provided further detail around the stimuli used as well as plans to engage with community leaders in ESL communities, alongside gathering key insight from SSC employees within those communities to improve their understanding ahead of submission.
- **Engagement Coverage:** Following a thorough examination of the material provided by South Staffs Waters, Sia Partners can certify that the customer engagement programme exhibits sufficient insight coverage across all of Ofwat's PR24 Core Insight areas reviewed. Some areas, including 'ODI rates research' and 'Bespoke PCs' have not been assured as the ODI research was carried out centrally by Ofwat, and no Bespoke PCs have been proposed by SSC for PR24. In some research reports, the inclusion of digitally disengaged customers would have been of benefit to ensure the whole of South Staffs Water's customer base are represented in future decision making. However, in general, the evidence was to a very high standard and address the 'Core insight areas' provided by Ofwat.

Assurance of the use of customer engagement evidence

- **Triangulation Approach:** The process has been logical and thorough, closely aligning to CCW's recommendations. This has resulted in a compelling bank of evidence that demonstrates South Staffs Water's effective utilisation of customer perspectives, building on the work undertaken during the PR19 process. Additionally, the use of a panel of experts to arrive at a group decision, provides an independent view on key topics related to the triangulation process and brings a balance to the decision-making.

Appendix

A: Ofwat PR24 engagement standards

A summary of Ofwat’s principles of engagement and minimum standards for high-quality research, customer challenge and assurance of customer engagement



Ofwat PR24 Final Methodology: <https://www.ofwat.gov.uk/wp-content/uploads/2022/07/Draft-methodology-main-document.pdf>

Ofwat PR24 Customer Engagement position paper: <https://www.ofwat.gov.uk/wp-content/uploads/2022/02/PR24-customer-engagement-policy.pdf>

B: Detailed breakdown of Sia Partners' assessment of key sources against Ofwat requirements for high quality research

All scoring for the following section can be found in brackets before main text description, ranging from 1 as the lowest score to 3 as the highest possible score e.g. (1), (2), (3).

A01 - Priorities Household Tracker Year 3 Quantitative Insights

Useful and contextualised - (3) Clear, specific objectives set out at the start of the report that articulate the purpose and where the research fits within the broader engagement programme.

Neutrally designed - (3) Some examples of the MaxDiff questions are provided along with quotes from participants. Further stimuli has been provided within the updated report and no bias was determined. Effective use of quotations and data throughout the report.

Fit for Purpose - (3) Set quotas to ensure sample is representative of household customer base in each of the two supply areas - South Staffs Water and Cambridge Water - with final data set weighted according to targets

Inclusive - (3) The Segmentation Analysis mentions the inclusion of people from all regions of SSC's client base, with a clear layout of demographic sampling. Accent have now added discussion of the limitations of online engagement in relation to the digitally disengaged customers.

Ethical - (3) Accent and PJM Economics are both registered with the Market Research Society (MRS) who adhere to the MRS Code of Conduct.

A02 - WRMP24: MCDA, Theme 2 & Strategic choices, Themes 1&3 Research Method Statement

Useful and contextualised - (3) Context provided around broader need for a Water Resource Management Plan, as well as how this research feeds into a wider programme of quantitative research to explore customer views and values on specific issues relating to WRMP24.

Neutrally designed - (3) Examples of stimulus slides shown within report to aid the presentation. Additionally, Appendix has full transcripts provided.

Fit for Purpose - (3) Large sample size which was appropriate for the style of engagement with minimum and maximum quotas applied to ensure a broadly representative sample against which weighting was applied.

Inclusive - (3) Research was targeted to ensure those customers seen to be under/not at all represented were engaged through both SSC sample and commercial panels. These include: digitally excluded, social grades DE, non-white customers and those at the extremes of the age spectrum.

Ethical - (3) Accent and PJM Economics are both registered with the Market Research Society (MRS) who adhere to the MRS Code of Conduct.

A03 - Findings from the WRAP's (Water Resources Advisory Panel) Theme: Strategic Decisions

Useful and contextualised - (3) Background and context to research set out clearly from the outset, including both the topic areas that will be explored as well as how it ties into the remainder of the engagement programme

Neutrally designed - (3) Examples of exercises and stimuli provided throughout the report. Quotes from participants provide greater depth to answers and the feedback received.

Fit for Purpose - (3) 47 participants in total is reasonable given the depth and timings of the engagement. Further context was given around choices sample size was limited due to budgetary restrictions with a range of audiences still engaged to meet specific research objectives.

Inclusive - (3) Appendix provides clear breakdown of the range of customers engaged and demonstrates a good coverage over a cross-section of groups. Commentary on how digitally disengaged have been engaged has now been provided.

Ethical - (3) Community Research are registered with the Market Research Society (MRS) who adhere to the MRS Code of Conduct.

A04 - SSC WRMP: Themes 1&3 Managing Droughts, Leakage Ambition, Universal Metering, Environmental Ambition Quantitative Insights

Useful and contextualised - (3) Background section was initially light touch and could have done with further context around how the WRMP24 fits into the broader PR24 engagement programme. Phase 2 has provided an update on how the research links WRMP24 with PR24.

Neutrally designed - (3) Evidence of the stimuli and questions are provided within the report.

Fit for Purpose - (3) Large sample size with 1180 interviews and the final data set weighted according to set targets.

Inclusive - (3) Good coverage across a range of demographics and types of customer. Consideration into how digitally excluded customers are engaged has been addressed involving 102 face-to-face interviews allowing digitally disengaged customers viewpoints to be included within the research.

Ethical - (3) Accent are registered with the Market Research Society (MRS) who adhere to the MRS Code of Conduct.

A05 - Garden water usage - Understanding behaviour change

Useful and contextualised - (3) Initial objectives, along with additional objectives which arose within the study, are clearly articulated at the beginning of the report.

Neutrally designed - (3) Some information around the exercises and the information provided to the participants was provided but at a high level. Quotes from some participants included in the report. Updated discussion guides have now been provided in phase 2 establishing no bias within the research.

Fit for Purpose - (3) Small sample size of 15 households from across 5 different regions. Note on sample size has been updated for phase 2 adequately explaining why the sample size is appropriate.

Inclusive - (3) Appropriate mix of household composition, age, socioeconomic, urban / rural etc chosen.

Ethical - (3) Blue Marble are a member of the Market Research Society (MRS) and abide by its Code of Conduct.

A06 - H2Online - South Staffs Water and Cambridge Water - Water Resource Management Plan 2024, Acceptability and Affordability Testing study

Useful and contextualised - (3) Report provides a background into both the WRMP and how this research informs the broader work in this area.

Neutrally designed - (3) Report includes screengrabs from the introductory video, direct quotes from participants as well as stimuli / questions alongside the results.

Fit for Purpose - (3) All survey respondents are members of H2Online communities and therefore self-selecting. Provides clear benefits of respondents being engaged and informed however they are also not fully representative. However, the main study run alongside the survey enables the section to be scored well as participant views are treated as self-selecting representative sample.

Inclusive - (3) Although the study is self-selecting survey with future customers, as well as no information regarding how the digitally excluded were considered. The main study run alongside the survey enables this paper to be scored well as this paper is a component of wider research with sampling used and digitally disengaged customers are engaged within the main study.

Ethical - (3) Explain Market Research is a member of the Market Research Society (MRS) and abide by its Code of Conduct.

A07 - Customer preferences on added value for large resource schemes - Final Report

Useful and contextualised - (3) Objectives of the research clearly laid out at the start and how the conclusions will feed into future submissions.

Neutrally designed - (3) Introduction into different Stated Preference methods with the rationale behind why the researchers had made the decision to structure the survey as they did. Examples of introductory stimulus screens and choice cards were provided.

Fit for Purpose - (3) Large sample sizes with 5902 HH and 553 NHH taking part in the survey. The sample data was then weighted to UK census data (HH) and UK business population estimates (NHH).

Inclusive - (3) Online interviews among domestic customers from all six water companies. NHH customers and some customers in vulnerable circumstances were also identified using this approach. Face to face interviews were conducted to ensure coverage amongst hard to reach, vulnerable and digitally disengaged customers.

Ethical - (3) Accent and PJM Economics are both registered with the Market Research Society (MRS) who adhere to the MRS Code of Conduct.

A08 - WRMP24 Acceptability Testing - Wave 1 Report

Useful and contextualised - (3) Clear introduction into SSC, the need for an updated WRMP and how engagement informs this is provided at the outset, alongside the specific research objectives.

Neutrally designed - (3) Report includes the questions alongside the stated preferences, as well as fact checks where customers views may differ from the actuals.

Fit for Purpose - (3) Relatively large sample size with 718 customers (split over HH, NHH and Future) and a split across age / gender / socioeconomic grades.

Inclusive - (3) Samples were reflective of the regional estimates based on ONS data. Pre phase 2 review Turquoise have updated their quantitative report to demonstrate how customers who will not or can not get online are involved in the wave 2 of research, with comment on a representative sample of vulnerable customers were met successfully.

Ethical - (3) Turquoise Thinking is a member of the Market Research Society (MRS) and abide by its Code of Conduct.

A09 - SSC Company Specific Adjustment Research - PR24 Draft report v4

Useful and contextualised - (3) Well-presented objectives providing direction for the reader and how the research feeds into the proposed business plan PR24 period.

Neutrally designed - (3) Stimulus provided were presented clearly with no detectable bias. Effective use of quotations throughout.

Fit for Purpose - (3) Research sample is strong engaging 1520 participants in total split amongst HH, NHH and Vulnerable customers, plus demographics. Methodology is appropriate using both qualitative and quantitative methods in line with best practice.

Inclusive - (3) Wide range of audiences engaged naturally more so in the quantitative method. However, the qualitative methodology also provided adequate breadth of customers. Overall, fully representing SSW customer base.

Ethical - (3) Impact research is a member of the Market Research Society (MRS) and abide by its Code of Conduct.

A10 - Promoting water efficiency among Non-Household customers

Useful and contextualised - (3) Objectives are provided at the beginning of the report. Context of previous stages was provided, some potential to improve includes the detailed context of the report.

Neutrally designed - (3) Stimulus screenshots are provided through the report along with some direct questions asked to participants. Direct quotes from participants are also provided.

Fit for Purpose - (3) Sample size deemed appropriate for qualitative depth interview methodology, in turn enabling the research objectives to be met. Phase 2 has provided extra detail on the sampling approach deemed appropriate and fit for purpose after this addition.

Inclusive - (3) Research states this is not wholly representative of businesses in the region. Additional notes have been added explaining no businesses were left out but fell to a lack of engagement with plans of using a different approach to increase sampling size in next iteration of work to ensure even more representation of NHH customers.

Ethical - (3) Blue Marble is a member of the Market Research Society (MRS) and abide by its Code of Conduct.

A11 - Priorities Research Qualitative Research - Year 3

Useful and contextualised - (3) The research presents the aims and context of the research well. Also demonstrated how the research will feed into South Staffs long term planning including AMP7.

Neutrally designed - (3) Stimulus and pre task materials are provided within the report. Direct quotes from participants are also utilised. No direct bias detected.

Fit for Purpose - (3) Research sample size is fitting to meet the qualitative methodology.

Inclusive - (3) Range of audiences engaged including a variety of locations, life stages, economic segments.

Ethical - (3) Accent are registered with the Market Research Society (MRS) who adhere to the MRS Code of Conduct.

A12 - SSC Long term delivery Strategy customer research - Draft report June 2023

Useful and contextualised - (3) Clear background\context for the research was provided. Detailed research objectives on key topics were well presented and suitable for the in-depth reporting style.

Neutrally designed - (3) Report includes detailed stimulus and questions, enabling bias to be determined, of which there was none. Effective use of direct participant quotation present through the report.

Fit for Purpose - (3) Quantitative 980 and qualitative 52 samples were deemed appropriate to meet the research objectives.

Inclusive - (3) Detailed breakdown of audiences engaged, well representing the regional customer base for both South Staffs and Cambridge. Variances is documented where possible with groups holding different viewpoints in some cases.

Ethical - (3) Turquoise Thinking is a member of the Market Research Society (MRS) and abide by its Code of Conduct.

A13 - Acceptability and Affordability Testing Stage One Qualitative Research

Useful and contextualised - (3) Well-presented clear context and objectives provided early on in the report. Demonstration of how they feed into PR24 decision making.

Neutrally designed - (3) No bias found within the report or stimulus materials providing the exact questions asked to participants. Effective use of quotations throughout the report.

Fit for Purpose - (3) Sample sizes across the board met the prescribed size, with suitable methodologies to successful achieve the research objectives.

Inclusive - (3) Full demographic breakdown provided within the stimulus appendix material, highly detailed. Within the report variances between different customer groups were recorded clearly.

Ethical - (3) Accent are registered with the Market Research Society (MRS) who adhere to the MRS Code of Conduct.

A14 - SSC Net Zero Citizen Jury Research Report

Useful and contextualised - (3) Well defined research objectives aiming to inform a set of 'golden threads' from customer feedback which can be used to inform future decision making.

Neutrally designed - (3) Screenshots provided throughout the report, explaining the process and viewpoints jurors/respondents had towards stimuli. No bias was detected from material provided.

Fit for Purpose - (3) Sample size of 48 was deemed appropriate for qualitative methodology while also meeting the research methods.

Inclusive - (3) Full respondent/juror breakdown provided effectively recording variances in respondent group viewpoints and knowledge levels in specific cases.

Ethical - (3) Explain Market Research are registered with the Market Research Society (MRS) who adhere to the MRS Code of Conduct.

A15 - WTP PR24 Qualitative Report From Testing Attributes

Useful and contextualised - (3) Aim of the research is presented clearly and effectively conveyed their objective. Willingness to Pay is examined for 12 service attributes.

Neutrally designed - (3) Detailed study design was provided with no bias found. Example screens are provided giving the participant the issue at hand, current situation and what could change in 2025-2030, inclusion of the different £ value options.

Fit for Purpose - (3) Research sample of 1,709 is appropriate for meeting research objectives.

Inclusive - (3) Multiple customer types were engaged with a variety of life circumstances such as digital to fully represent the SSC customer base. Using face-to-face interviews for customers in circumstances such as digital exclusion.

Ethical - (3) Qa Research have adhered to the Market Research Society Code of Conduct.

A16 -SSC Social Tariffs Research

Useful and contextualised - (3) Research objectives presented at the beginning of research in summary were to engage with customers about the future of the assure tariff which is crucial to understand to aid in future planning.

Neutrally designed - (3) Stimulus materials and questions posed to participants were present alongside key findings with no bias determined.

Fit for Purpose - (3) Sample size of 1,579 was deemed appropriate with a variety of different research methods conducted successfully meeting research objectives.

Inclusive - (3) Strong efforts in engaging a wide range of audiences had taken place, with detailed breakdown of groups involved bolstering this point.

Ethical - (3) Qa Research have adhered to the Market Research Society Code of Conduct.

A17 - Young Innovators Panel

Useful and contextualised - (3) Research objectives are provided at the beginning of the report providing direction for the reader to follow coming from two main strands firstly to develop a teaching resource delivering water efficiency education and secondly to gather insight from future customers on the environment, acceptability of business plan proposals and investment phasing & intergenerational fairness.

Neutrally designed - (3) The study provided stimulus materials alongside key findings with good use of quotations throughout the report.

Fit for Purpose - (3) Sample size of 25 in the Young Innovators Panel and 95 in the supporting schools survey and methods of engagement were appropriate to meet research objectives.

Inclusive - (3) Considering the research objectives it would not be appropriate to engage a wide range of audience in this instance, however mention of engaging students from across the region

Ethical - (3) Blue Marble are a member of the Market Research Society (MRS) and abide by its Code of Conduct.

A18 - SSC Quantitative Affordability & Acceptability Testing Report

Useful and contextualised - (3) Detailed objectives are provided in section 2.2, with the overarching aim of demonstrating customer support for the SSC PR24 business plan 'Securing Your Water Future'. This is further broken down into understanding customer priorities preferences when discussing investment plan decisions, to display customer bill affordability viewpoints, delve deeper into why customers feel an aspect of the business plan is acceptable or unacceptable, demonstrate that a range of affordability impacts in different futures is present within the research.

Neutrally designed - (3) Full list of questions posed to participants are present within the report and adhere to the prescriptive Ofwat/CCW guidelines, ultimately leading to a neutral design.

Fit for Purpose - (3) 1,001 household (HH) and 122 non-household (NHH) interviews were conducted exceeding the minimum sample sizes required from Ofwat/CCW. Alongside appropriate methods of engagement to meet research objectives this report was deemed fit for purpose.

Inclusive - (3) Broad range of audiences displayed in the demographic breakdown and Index of Multiple Deprivation (IMD) participation table. were engaged with availability to respond to questionnaire by letter makes certain digitally disengaged groups can participate.

Ethical - (3) Accent are registered with the Market Research Society (MRS) who adhere to the MRS Code of Conduct.

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The urgent need to limit the scale of climate change is widely acknowledged. Sia Partners has been committed to accelerating carbon reduction and the energy transition for 15 years. 12% of our revenue is generated by offerings related to climate change; we help clients in the public and private sectors navigate the on-going global transition to a low-carbon economy. We firmly believe that profound mitigation and adaptation are necessary to build a sustainable, resilient world of tomorrow.

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