



Consumer Panel Barometer – Wave 2 Report

Long term challenges and Portsmouth Water's Vision

11th July 2022





Method

- **Wave 2** of the consumer panel took place between **10th and 28th June 2022**
- A total of **574** Water Talk panellists took part
- All were Portsmouth Water **bill payers**
- Average time for completion was **12 minutes**

Topic coverage

- Future challenges and expectations
- Response to Portsmouth Water's draft Vision
- Which longer-term ambitions are the most urgent
- Top-level views on intergenerational investment and long term bill profile

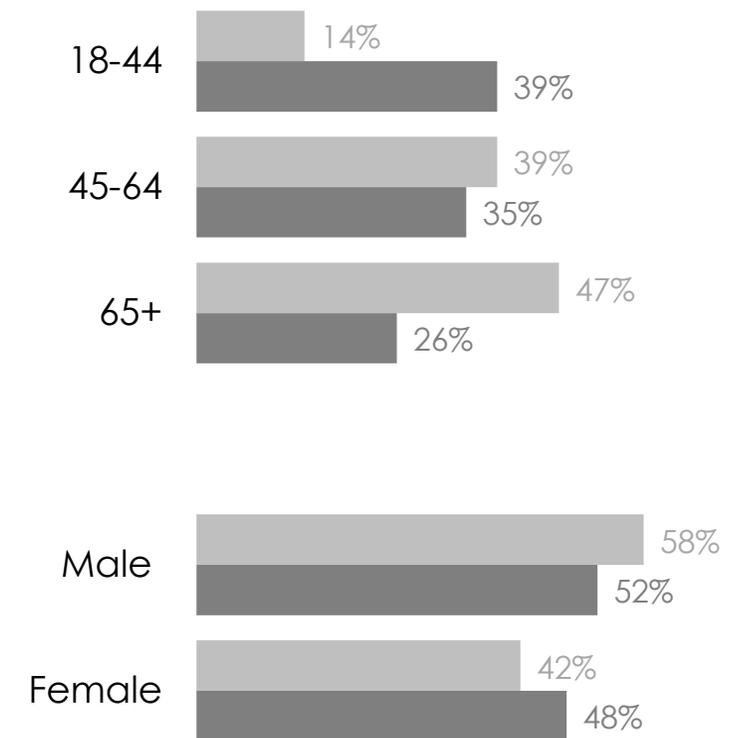
Iterative process building on customer feedback

- The Vision presented to panellists had been refined based on feedback received from consumers in the first round of the qualitative Customer Advisory Panel (CAP)



- The data contained in this report is from customers who have joined Water Talk, the Portsmouth Water Customer Panel
- The total number of interviews (574) is robust for quantitative analysis (i.e. using percentages and comparing sub-groups)
- The data in this report is **weighted** to match the known demographic profile of Portsmouth Water customers (age & gender)
 - This is to compensate for the over-representation of older and male customers on the panel
- It is important to note that the panel is self-selecting, rather than purposively sampled to be representative
 - This means panellists may be more engaged with the water sector & knowledgeable about Portsmouth Water than customers in general
 - Interpretation of the data must bear this in mind. It should be used in conjunction with other data sources to understand different viewpoints and the wider picture.

■ Unweighted
 ■ Weighted to match bill payers in PW region*



* Based on 2011 Census data for the 18+ population of the Portsmouth Water region and nationwide omnibus data on water bill payers



Full breakdown of sample

39. Consumer Panel Barometer - Wave 2 v1.0

The sample is made up of **household** customers who are **bill payers** and includes customers from a **full range of demographic groups** and those displaying **financial and non-financial indicators of vulnerability**. Sample sizes of key customer groups are detailed below:

		Unweighted total (actual number)	Weighted total
TOTAL (Household bill payers)	Total	574	574
Gender	Male	332	295
	Female	236	273
Age band	18-44	79	224
	45-64	223	201
	65+	272	149
Social grade	AB	291	270
	C1	109	122
	C2	62	73
	DE	63	59
	Not stated	49	50
Indicators of vulnerability?	Any vulnerability	163	158
	No vulnerability	411	416
Total water and sewerage charges affordable?	Agree	412	408
	Neutral / don't know	107	109
	Disagree	55	57
Household size (number of people)	1	169	144
	2	288	256
	3+	108	163



Future challenges and expectations



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Panellists are aware of a variety of possible future challenges for Portsmouth Water

Customers mention challenges relating both to the supply of and demand for water, and consider both population and environmental factors spontaneously. Many refer to properties/developments being built in their region.

What do you think the biggest challenge will be for Portsmouth Water over the next 25 years?



"Water shortage due to unpredictable weather conditions."

"To provide on-demand water without interruption to an ever increasing population in the region."

"Will we be completely under the sea by then thanks to global warming and rising sea levels as Portsmouth is below sea level already."

"Maintaining continuity of water supply in the face of climate change and the demands of new housing developments."

"I assume will be the increased requirement for water as more properties are built and aging piping systems that need upgrade or replacement. Then there is the cost increase which may cause hardship for many."

"Supplies are dwindling and demand is increasing so unless desalination using renewable energy sources be put in place in the next couple of years, we are going to face serious challenges."

"Keeping prices at a reasonable rate. Otherwise unsure.."

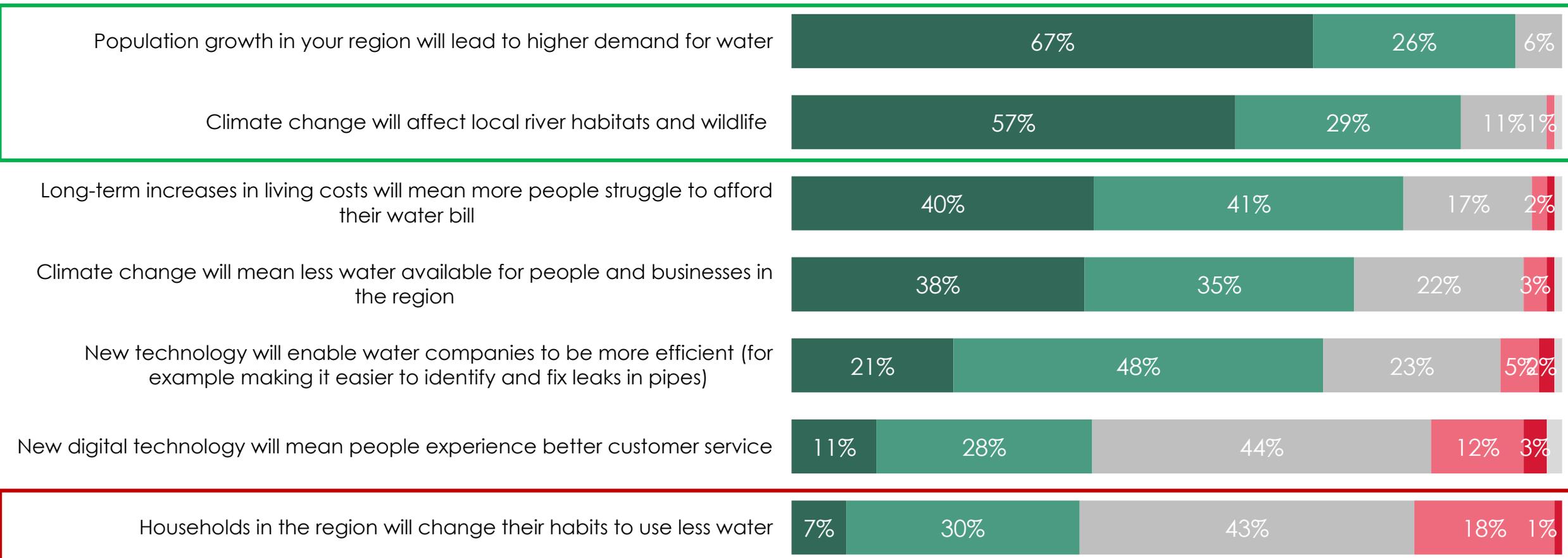
"Supplying water to an ever increasing population whilst reducing the environmental impact of water extraction and storage."

When prompted, 9 in 10 expect population growth will mean higher demand for water

The majority also firmly believe climate change will have an impact on local environments. Meanwhile panellists are much less convinced that in future people will adjust their behaviours to reduce water usage – underlining the challenge faced.

Expectations of what will happen over the next 25 years

■ Definitely happen
 ■ Probably will happen
 ■ May or may not happen
 ■ Probably not happen
 ■ Definitely not happen
 ■ Don't know



Customers struggling to afford their bill are more focused on future increases in living costs

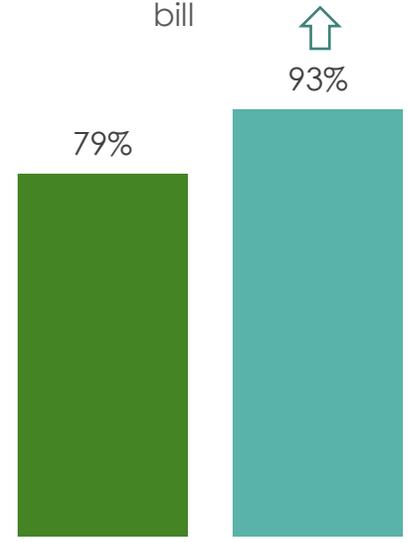
Those who are struggling are also less convinced that new technology will bring greater efficiency and better customer service in future; a less optimistic outlook for this group.



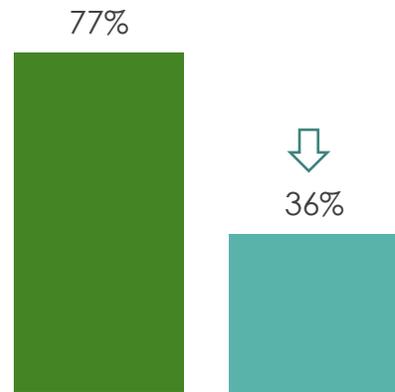
Expectations of what will happen over the next 25 years (% Definitely/Probably will happen)

■ Those who find bill affordable ■ Those who do not find bill affordable*

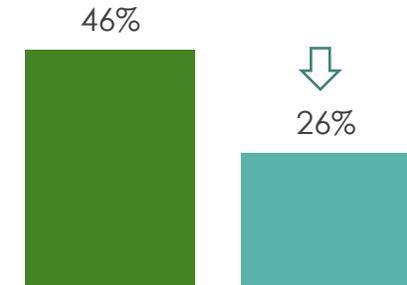
Long-term increases in living costs will mean more people struggle to afford their water bill



New technology will enable water companies to be more efficient (for example making it easier to identify and fix leaks in pipes)



New digital technology will mean people experience better customer service



Q2 To what extent, if at all, do you expect each of the following will happen over the next 25 years? Base: Those who agree water and sewerage charges are affordable (412) Those who disagree water and sewerage charges are affordable* (55) *CAUTION **LOW BASE SIZE**



Response to draft Vision



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The panel particularly like that the draft Vision addresses the environment & sustainability

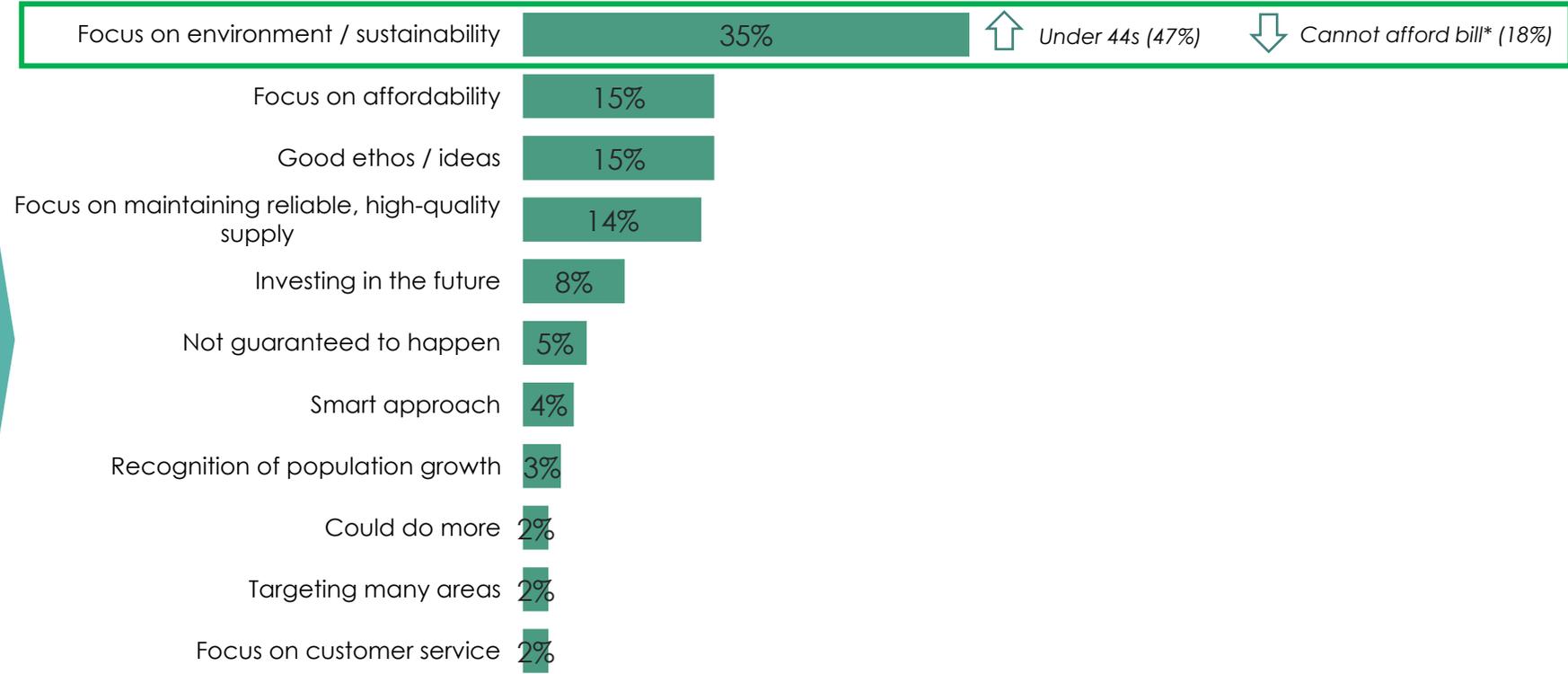
Other specific aspects they spontaneously endorse are the focus on affordability and the focus on resilience. Younger customers are more likely to mention the focus on environment, but this is less salient for those who struggle to pay.

↑ Significantly higher / ↓ lower

Is there anything you particularly like about this vision?

“Our vision, in the face of climate change and population growth, is to serve an affordable, reliable and sustainable supply of high quality water for our customers.

By being smart in our approach we will meet our goals and at the same time protect and enhance the environment for generations to come.”



“It shows that the company appreciates the challenges ahead and that the customer will still expect a quality service. I like the fact that you intend to protect and enhance the environment.”

“I agree with your vision. I like the fact you are stating you’re reliable and affordable so that everyone can pay their water rates to keep doing the job you do. You’re also thinking of the environment.”

“I like that you are planning ahead rather than responding once an issue arises.”

Q3a Is there anything you particularly like about this vision? CODED FROM SPONTANEOUS ANSWERS Base: All (n=574); Under 44s (n=79); Those who disagree water and sewerage charges are affordable* (55) *CAUTION **LOW BASE SIZE**



The main issue with the Vision is that it lacks specific details – people want to know more

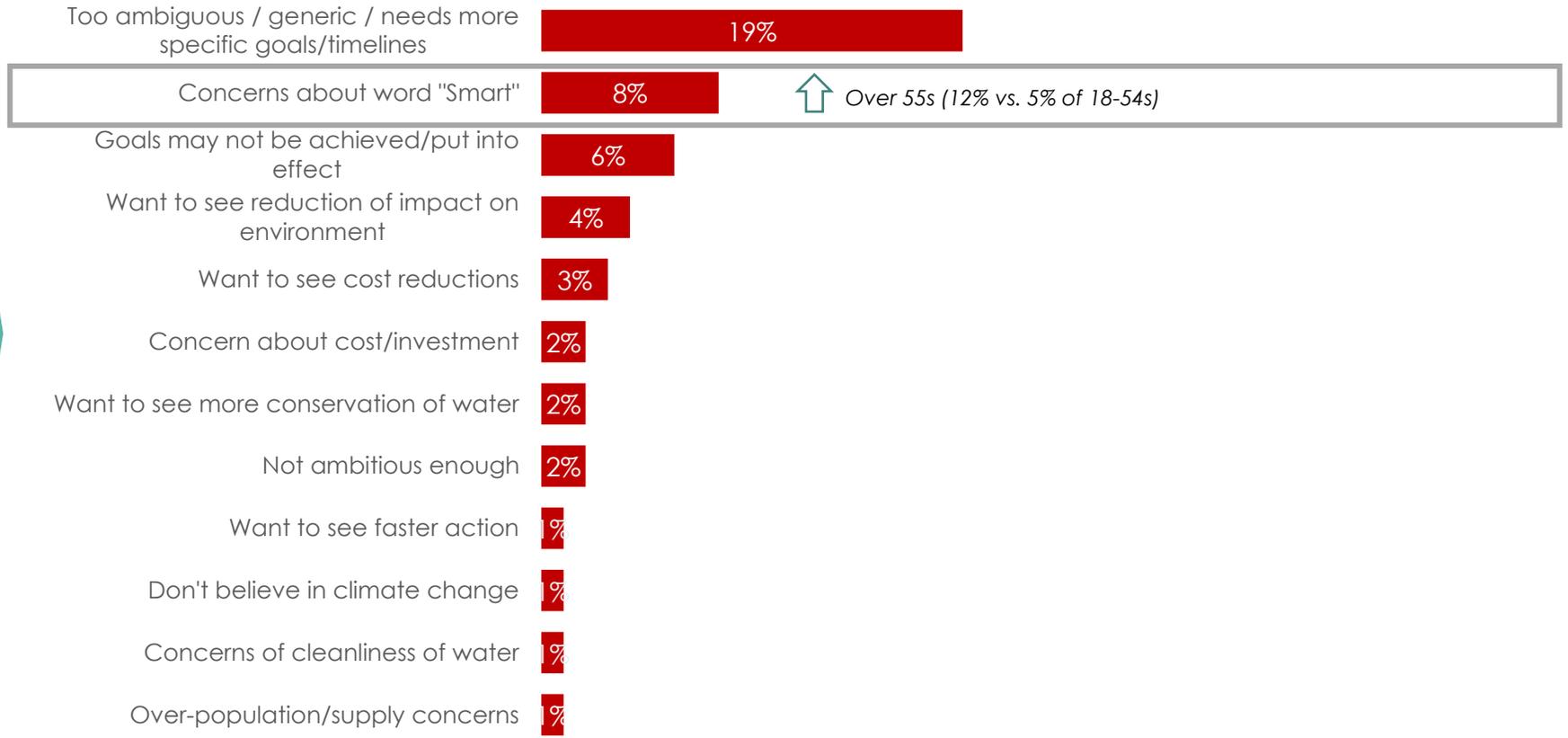
In addition, almost 1 in 10 picked up negatively on the word ‘smart’ - primarily the older audience (55 +). This was often because of a lack of clarity on what ‘smart’ means.



Is there anything you dislike about this vision?

“Our vision, in the face of climate change and population growth, is to serve an affordable, reliable and sustainable supply of high quality water for our customers.

By being smart in our approach we will meet our goals and at the same time protect and enhance the environment for generations to come.”



“It doesn't say how you are going to go about this.”

“By being smart in our approach” What does this mean? It is not explained.”

“The second statement is probably too general. Smart what, smart how and smart when?”

“Too ambitious bound to fail in some areas.”

Q3b Is there anything you dislike about this vision? Base: All (n=574); Over 55s (n=413);



It is encouraging that 7 in 10 think the Vision very or quite closely matches what they'd like

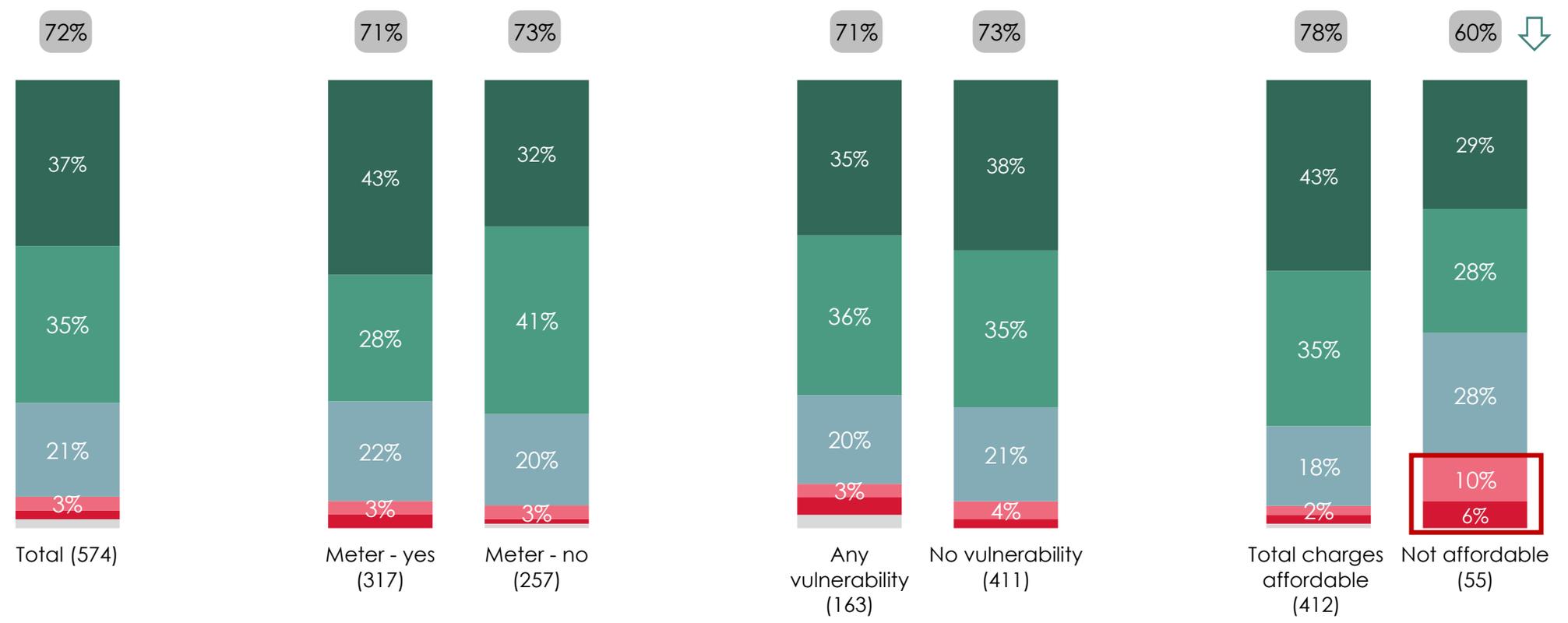
A reasonably consistent view, regardless of whether customers have a meter or exhibit indications of vulnerability. However, those struggling to afford their water & sewerage charges feel the Vision is **less** in line with what they want.

How closely does the Vision match what you would like Portsmouth Water to aim for?

↑↓ Significantly higher / lower

Net: Very/Quite closely matches

- Very closely matches
- Quite closely matches
- I feel neutral about this
- Does not match very well
- Does not match at all
- Don't know

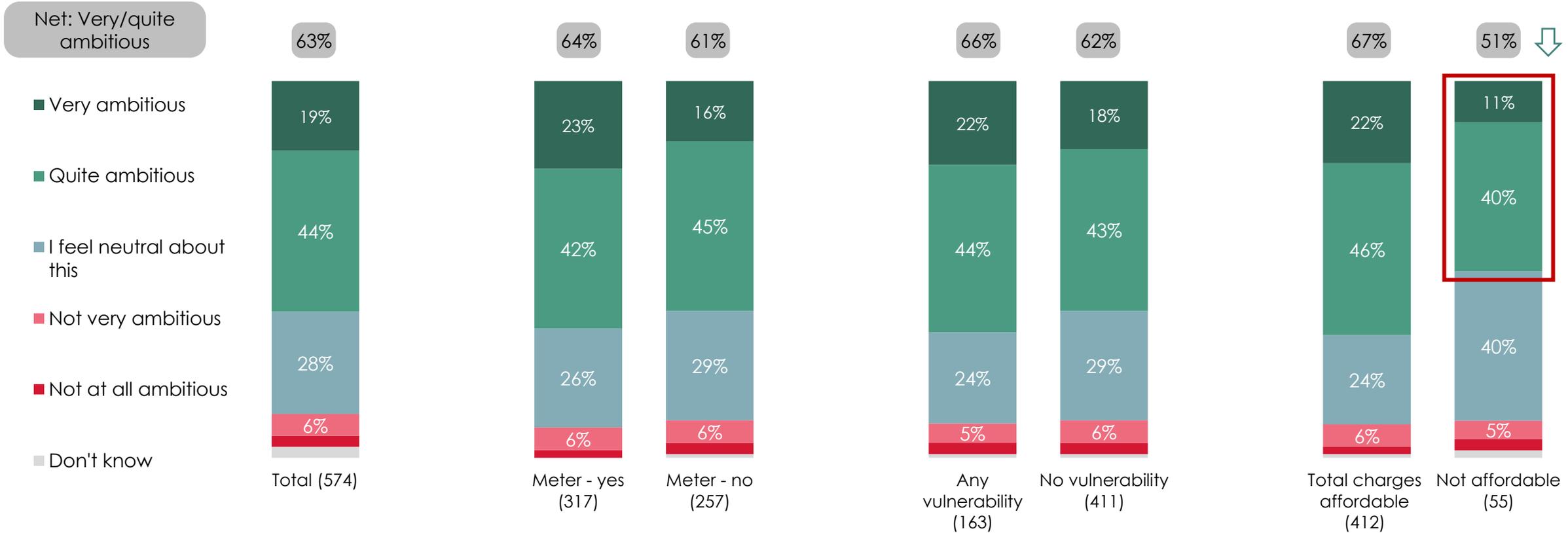


Six in ten think the Vision is either 'very' or 'quite' ambitious

Few significant differences between different customer groups, although those who do not find their bill affordable have a more neutral view – less likely to think it's ambitious.

↑ Significantly higher / ↓ lower

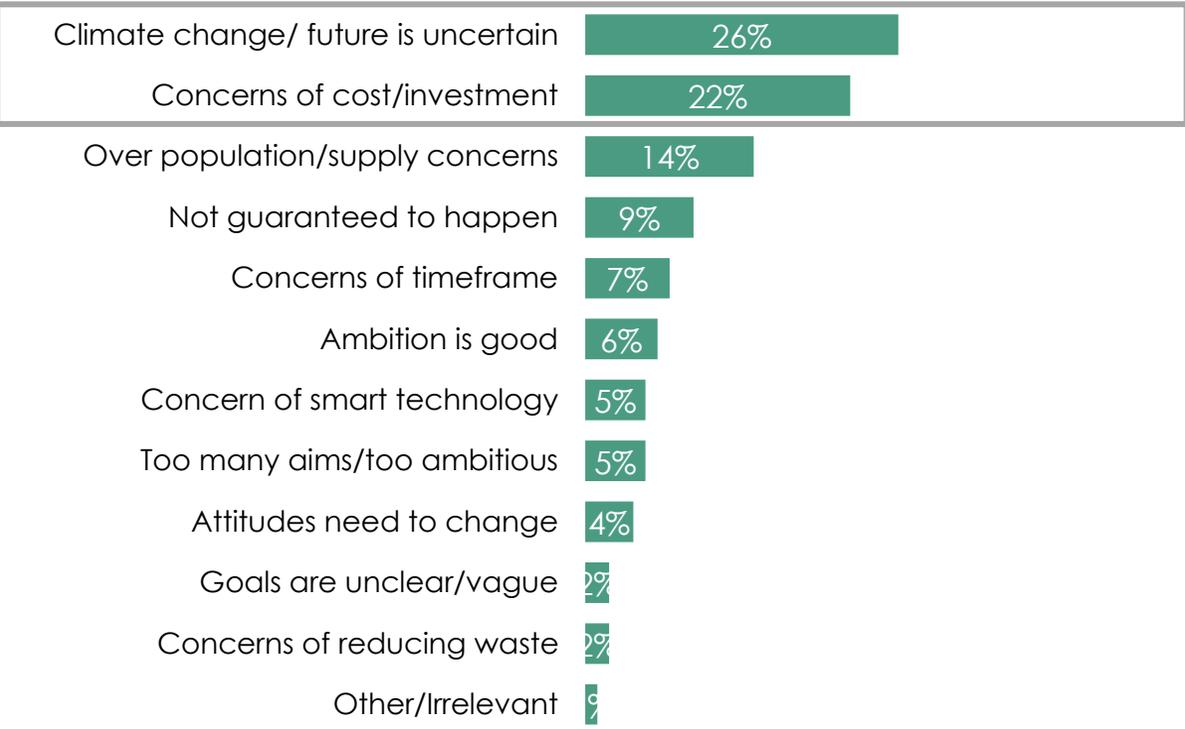
How ambitious do you think this vision is?



Those who believe the Vision is ambitious often think this because it will be hard to achieve

They raise a variety of concerns about how viable it is - including needing to factor in uncertainty over climate change and growing population – plus how this needs to be balanced with cost of investment.

Why is the Vision ambitious?

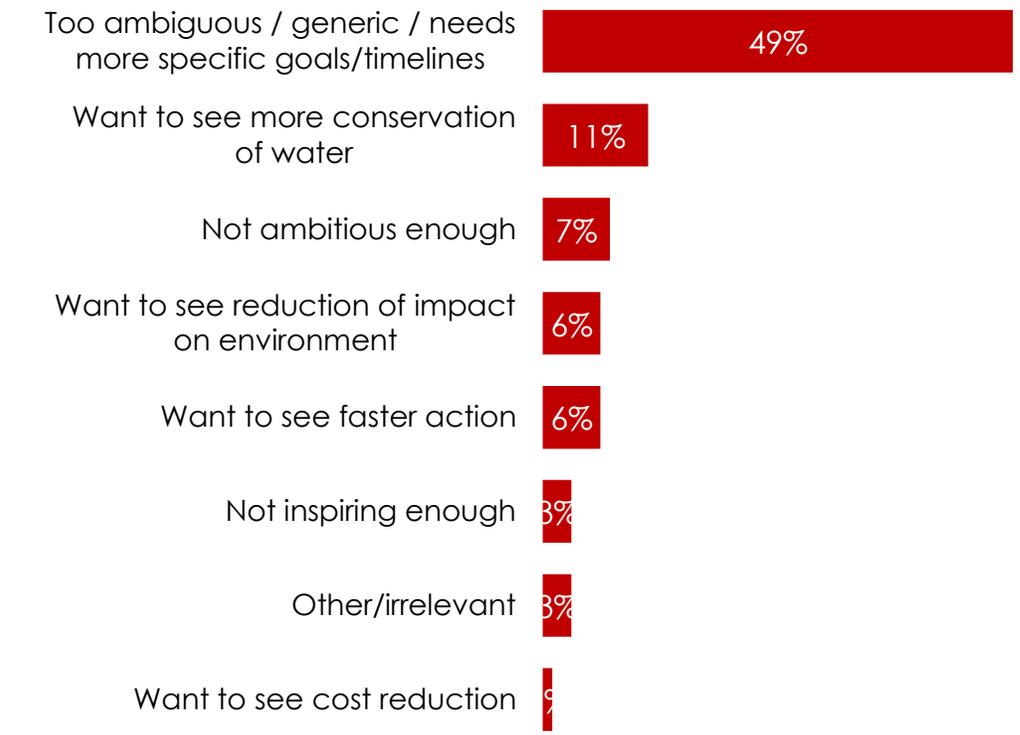


“Uncertainty, climate change is unpredictable, customers behaviour too.”

“Because of the challenges to keep it affordable.”

Q6a Why do you say that this is very or quite ambitious? Is there anything that you think is particularly ambitious? Base: All who say it is very or quite ambitious (n=361)

Why is the Vision not ambitious?



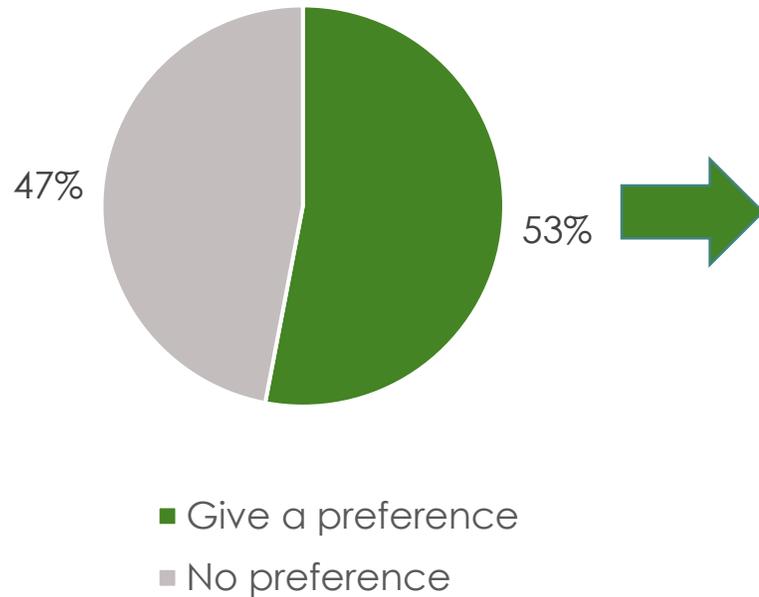
“It simply states that you will be doing what you should already be doing.”

“A theme couched in a lot of words spelling out nothing in particular.”

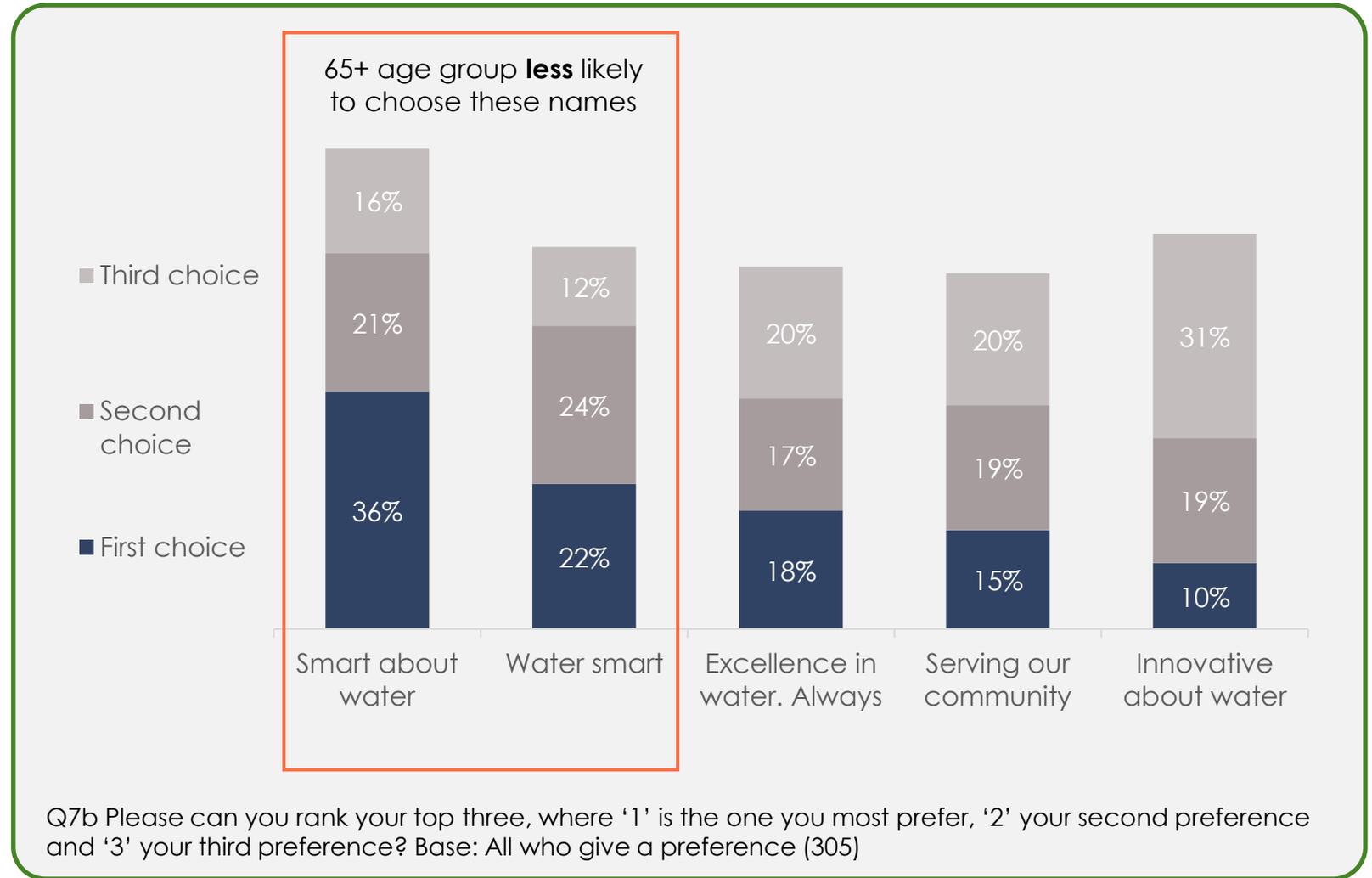
Q6b Why do you say that this is not very or not at all ambitious? Base: All who say it is not very or not at all ambitious (n=50) **LOW BASE** BLUE MARBLE

'Smart About Water' receives the strongest endorsement for naming of the Vision

However, spontaneous response and qualitative work shows that some (often older) people are uncertain about the meaning of 'smart' – it needs to be explained and clarified. Nearly half of panellists don't have any firm preference.



Q7a Portsmouth Water are considering different names for the vision for the next 25 years. Please indicate if you have a preference and are able to rank them ? Base: All (574)



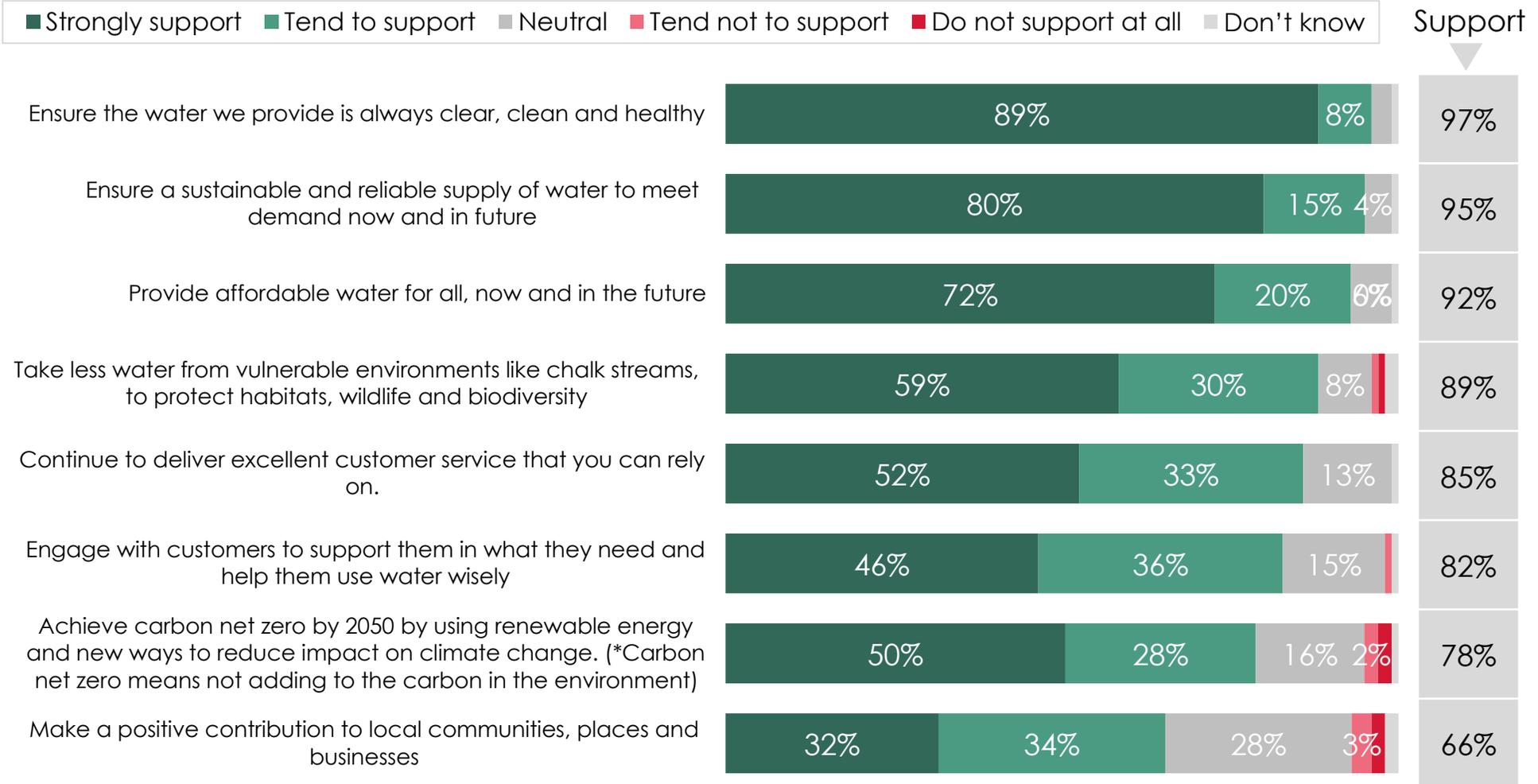


Ambitions and actions



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How much do you support each longer-term ambition?



Provision of clear, clean and healthy water is strongly supported by nearly everyone, followed by ensuring a sustainable and reliable supply for now and the future.

Beyond these two 'essentials'. Providing affordable water for all is also very strongly supported (possibly amplified in the current cost of living crisis).

Taking care of vulnerable environments is next in the list, with a majority strongly supporting.

Support is less strongly expressed for engaging with customers, net zero and 'social purpose' although few are actively unsupportive of these aims.

Q8 Here is a list of possible longer-term ambitions from Portsmouth Water. How much do you support each one, bearing in mind that any new investment may be funded by increased customer bills? Base: All (n=574)

Those struggling with affording their bill give stronger support for 'affordable water for all'

Those who can afford the bill place stronger emphasis on ensuring a sustainable and reliable supply in future. Water quality is a universally strong 'must have' in the long run.

↑ Significantly higher

How much do you support each ambition? (% who strongly support)

■ Those who find bill affordable ■ Those who do not find bill affordable*

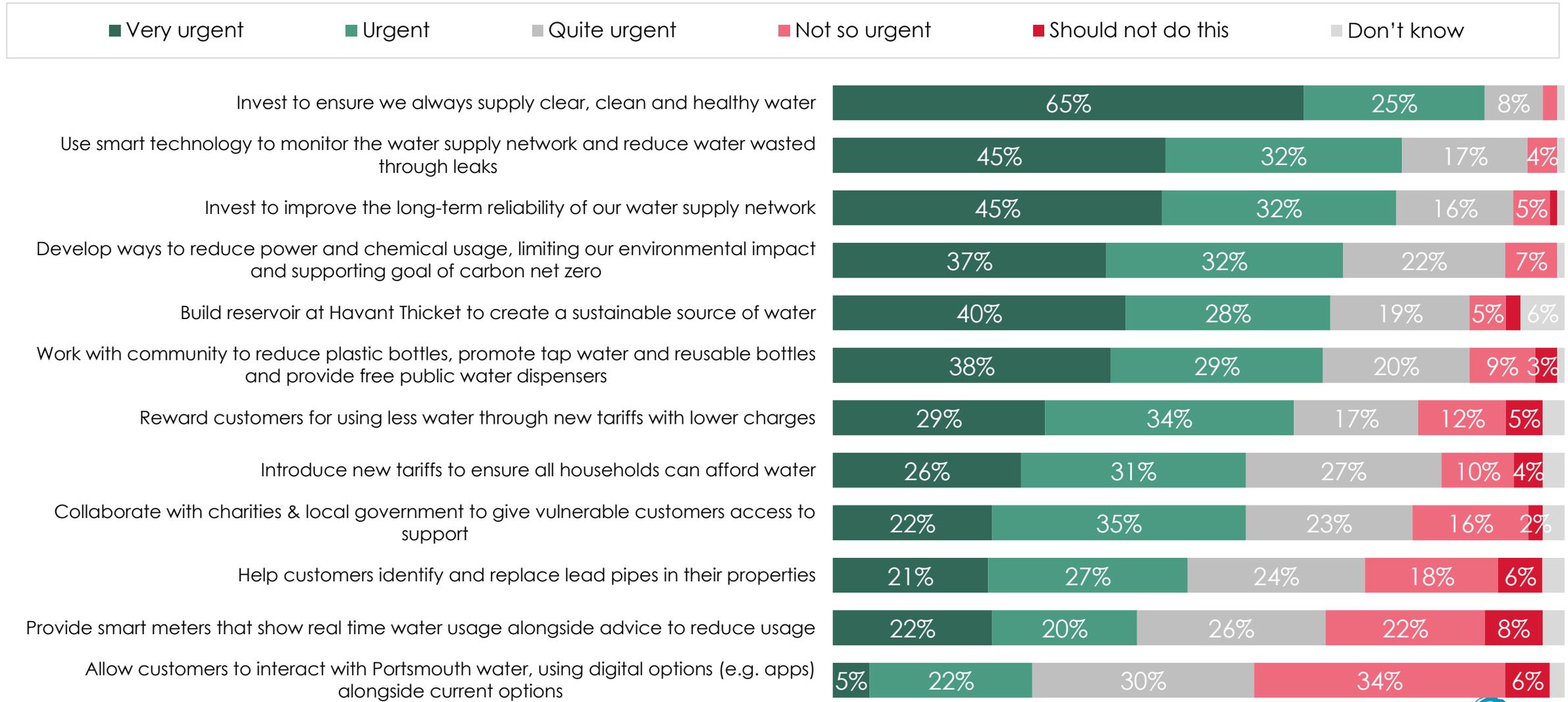


Q8 Here is a list of possible longer-term ambitions from Portsmouth Water. How much do you support each one, bearing in mind that any new investment may be funded by increased customer bills? Base: Those who agree water and sewerage charges are affordable (412) Those who disagree water and sewerage charges are affordable* (55) *CAUTION **LOW BASE SIZE**



Panellists think that starting investment into long-term quality and reliability of supply is urgent

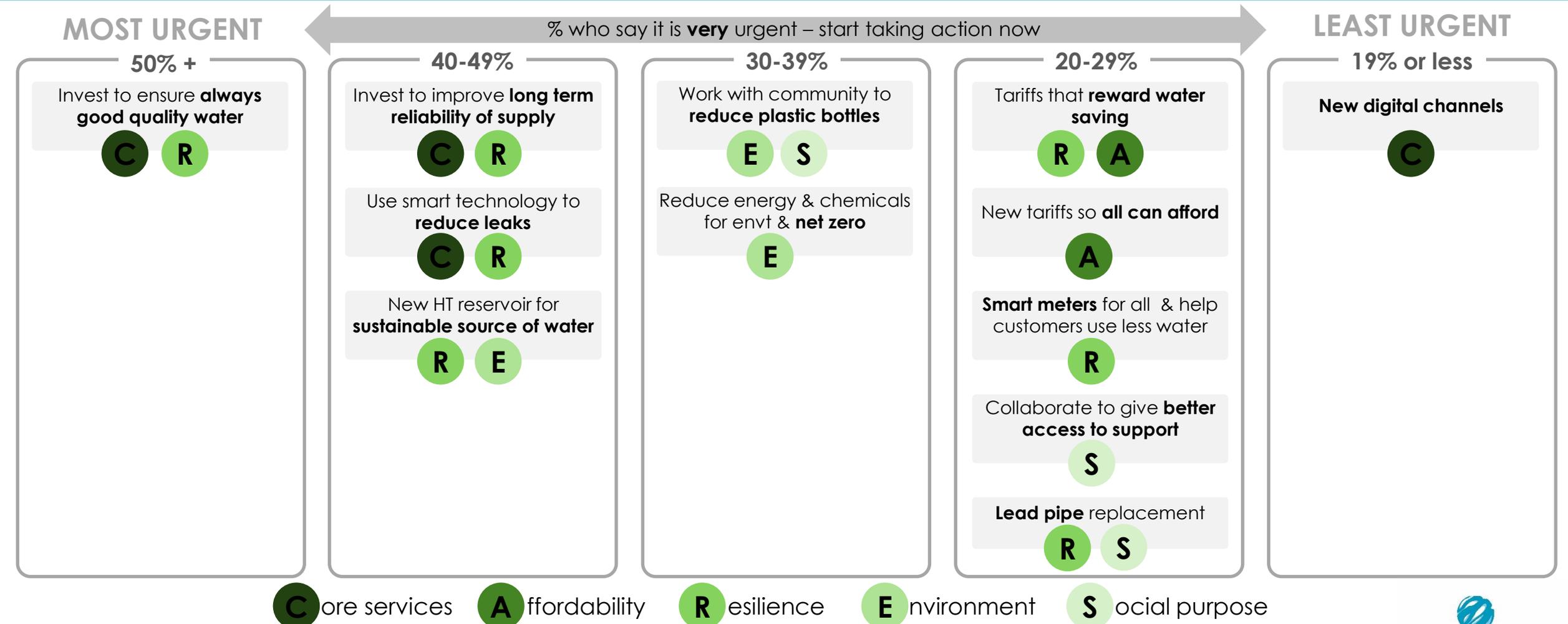
Starting initiatives to reduce leaks and building Havant Thicket (to benefit supply) are also widely regarded as pressing. By some margin the aspect of least urgency is developing new digital options for customers to interact with the company.



Q9 Here's a list of specific actions that could help achieve Portsmouth Water's vision for the next 25 years. How urgently, if at all, do you think Portsmouth Water should start taking these actions, bearing in mind its not possible to do everything at once? Base: All (n=574)

Summary: Which actions are most urgent?

- Amongst the panel, taking actions in the strategic outcome areas of 'core service' and 'resilience' are thought most urgent. Actions focused on environment, affordability and social purpose are thought less pressing.
- Views of the panel can differ from those coming from discussion with the CAP. For example, the CAP places very high urgency on eradicating lead pipes - having being informed about their presence and possible health impact. This indicates that level of awareness & understanding makes a difference to outlook on long-term investment phasing.



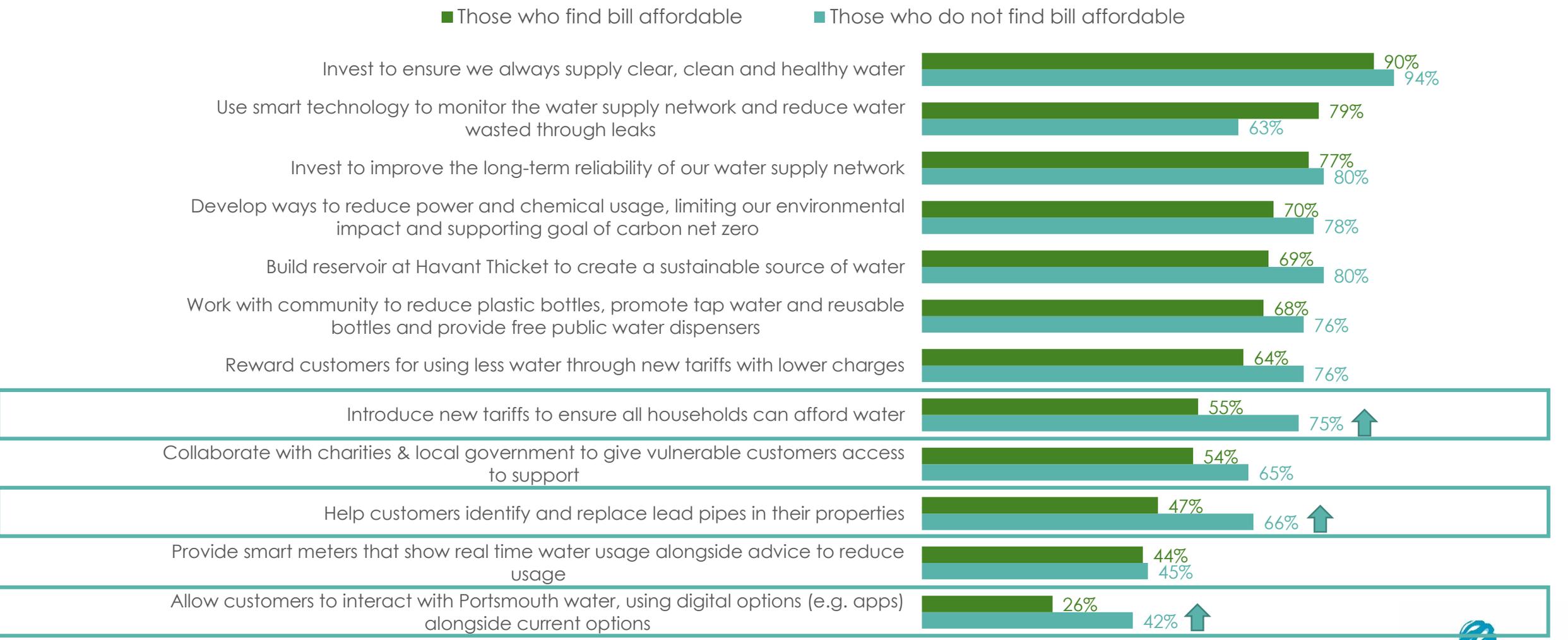
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Those struggling to afford bills more likely to want increased support to help affordability.

There is also evidence they are more likely to want assistance in identifying and replacing lead pipes in their properties, and directionally that they are looking for better access to services (e.g. via new digital options).

Urgency of actions? (Very urgent/Urgent)

↑ Significantly higher



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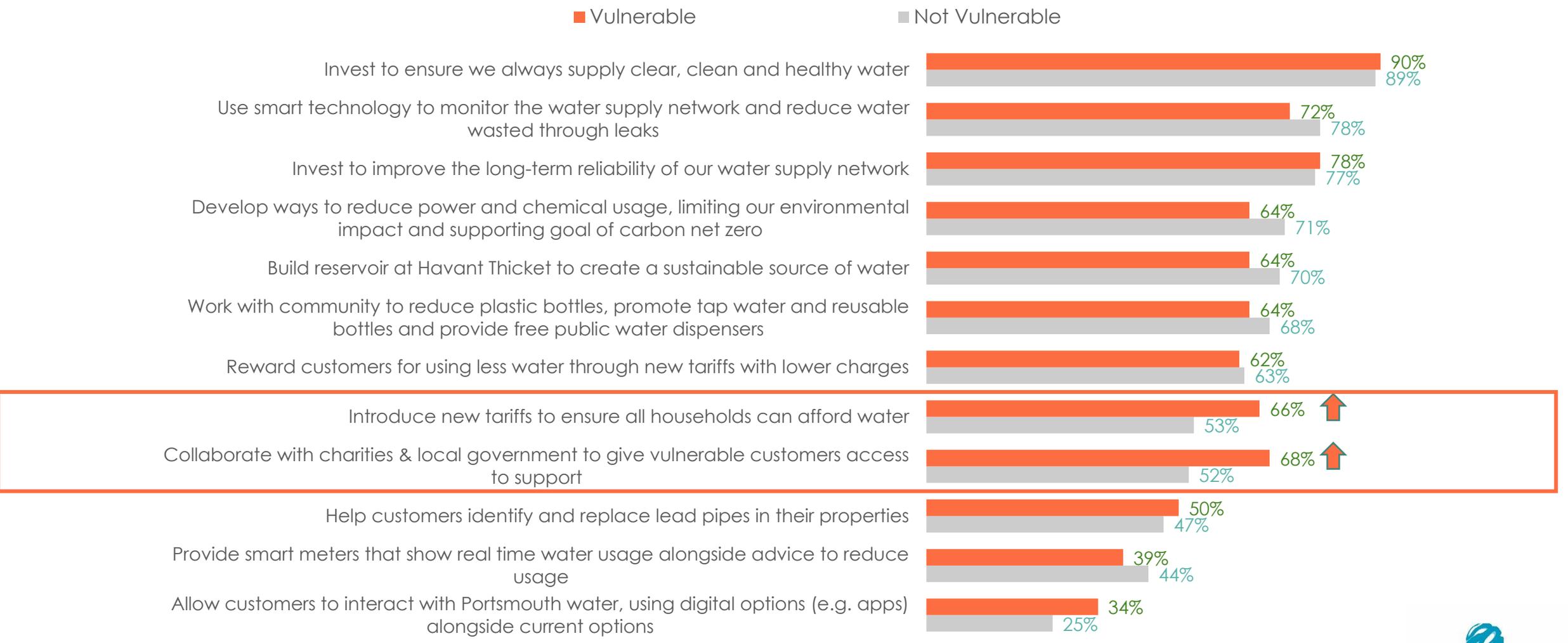


Customers with vulnerabilities are more likely to prioritise increased support & affordability

For vulnerable customers, having Portsmouth Water take collaborative action to improve access to support, and introducing new social tariffs, are in fourth and fifth position – their distinct perspective needs to be recognised.

↑ Significantly higher

Urgency of actions? (Very urgent/Urgent)



Q9 How urgently, if at all, do you think Portsmouth Water should start taking these actions, bearing in mind it's not possible to do everything at once? Base: Vulnerable(143) Not vulnerable (411)



Long term investment and intergenerational fairness

Photo by [Jos Speetjens](#) on [Unsplash](#)

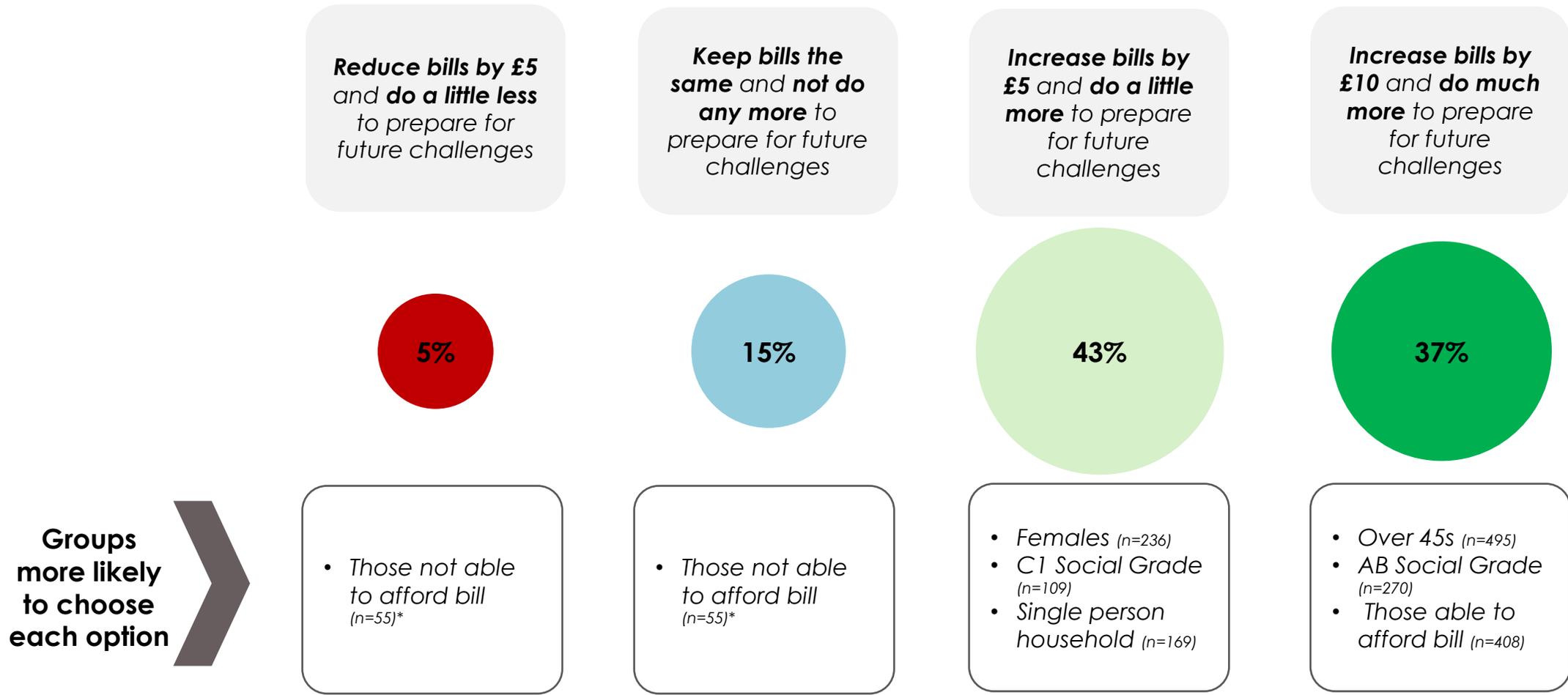


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4 in 5 are amenable to some level of bill increase now to invest more for future challenges

Willingness to pay more to fund investment in the long term future is partly dependent on life stage and household affluence. Those who cannot afford their bill are (unsurprisingly) less likely to endorse a bill increase.

Bill changes versus preparing for future challenges: Preferred option



Q10 Thinking ahead, Portsmouth Water want to get the balance right between preparing for challenges that future generations will face, and keeping bills today affordable. Bearing in mind that Portsmouth Water's bills for supplying water are currently the lowest in the country, which would be your preferred option? Base: All (n=574). Base sizes for individual sub groups indicated above (n=xxx) *CAUTION LOW BASE SIZE

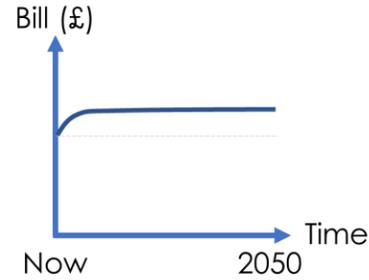
The majority choose a longer-term bill profile that avoids shifting the burden to future generations³¹

While customers who cannot afford their water and sewerage charges are a little more likely to prefer to suspend bill increases for as long as possible, the majority of them still choose a profile that avoids a large future burden.

Long term bill profiles - preferred option:

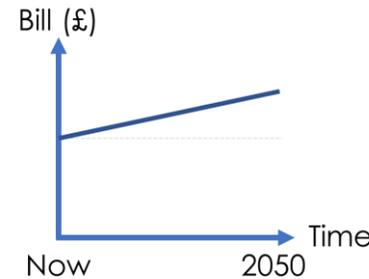
1

Some bill increase in the next few years, then no change, so in 25 years bill payers will pay a little more than today



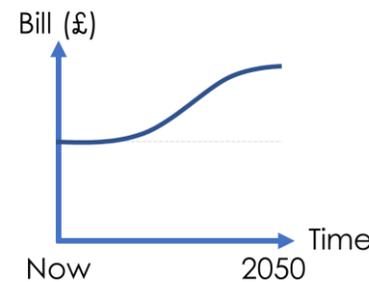
2

Bills rise steadily over time, so in 25 years bill payers will pay quite a lot more than today



3

No bill increase now, then the bill increases so in 25 years bill payers will pay much more than today



Total	Those with any vulnerability	Those with no vulnerability	Those who can afford bill	Those who cannot afford bill
54%	56%	54%	53%	65%
39%	37%	40%	43% ↑	14%
7%	8%	6%	3%	21% ↑

Vulnerable customers no difference in profile preference

↑ Significantly higher



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Q11 Long-term investment to achieve Portsmouth Water's vision will require an increase in customer bills. Bills could increase in different ways over time. For example there could be increases now for current bill payers, or bigger increases in the longer term for future generations. Which one of the following three options would you prefer? Base: All (574) Vulnerable (163) Not vulnerable (411) Charges affordable (412) Charges not affordable (55*)

The majority choose a longer-term bill profile that avoids shifting the burden to future generations³²

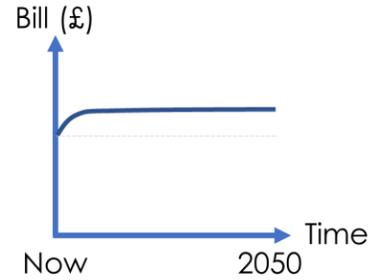
Younger people are slightly more likely than older customers to prefer an increase now to avoid more extreme rises in the longer run.

↑ Significantly higher

Long term bill profiles - preferred option:

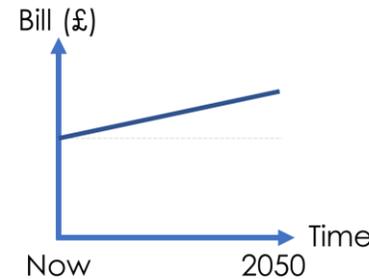
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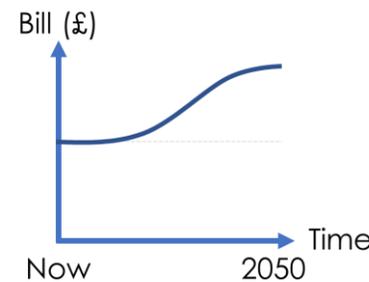
2

Bills rise steadily over time, so in 25 years bill payers will pay quite a lot more than today



3

No bill increase now, then the bill increases so in 25 years bill payers will pay much more than today



Total	18-54 years old	55+ years old
54%	60% ↑	47%
39%	36%	43%
7%	4%	11% ↑

Those under 55 years old are a little more likely to choose a bill profile that rises now but minimises the longer-term bill rise for the next generation of bill payers

A slightly higher vote amongst 55+ for a bill profile that places more of the burden on future bill payers – although this remains only a small minority

Q11 Long-term investment to achieve Portsmouth Water's vision will require an increase in customer bills. Bills could increase in different ways over time. For example there could be increases now for current bill payers, or bigger increases in the longer term for future generations. Which one of the following three options would you prefer? Base: All (n=574); 18-54 (161) 55+ (413)

Executive summary

1

The latest draft Vision receives a broadly positive response, consistent with the previous qualitative research

7 in 10 think that the Vision aligns with what they would like Portsmouth Water to aim for; it reflects the issues that customers think will present challenges in the future, and many appreciate its forward-looking sentiment.

2

While the broad response is positive, 1 in 5 are critical that the Vision lacks detail

A substantial minority think it needs to be accompanied by more specific goals and targets, and they can be sceptical of how Portsmouth Water will achieve its Vision in the absence of this more detailed information.

3

'Smart about water' is the most preferred name for the Vision, but some (older) customers can be negative towards the word 'smart'.

This is often down to uncertainty of what 'smart' means in the context of Portsmouth Water's plans, and as such there's a need for further clarification of how future strategies will be 'smart'.

4

6 in 10 panellists think the Vision is ambitious. However, many think this because it will be hard to achieve! They spontaneously raise a number of concerns and challenges:

Uncertainty about the future of climate change and population growth

The **financial investment** needed to fulfil this vision

Lack of confidence in others to change habits and use less water

5

4 in 5 are prepared in principle to pay more on their bill to invest in the long-term future

Long-term bill profiles which avoid future generations bearing a high burden for investment are generally preferred – even amongst those who are in vulnerable circumstances or currently struggling to afford their bill.

6

Those who cannot afford their bill exhibit some differences in what they want to see in the Vision

This group are more focused on long-term affordability and support. Given this distinct perspective (and lack of ability to pay more on the bill), a distinct strategy with tailored communications may be appropriate for these customers when promoting the Vision.

7

Those with vulnerabilities are broadly similar in their response to the Vision to the wider customer base, but with some specific needs

Vulnerable customers have a distinct perspective on improving access to support, and introducing new social tariffs. These heightened priorities should be recognised when engaging with these customers about the Vision.



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39. Consumer Panel Barometer - Wave 2 v1.0

Standards for high-quality research:	How addressed in this project:
Useful and contextualised	This customer panel forms part of Portsmouth Water's ongoing research. Panellists were originally recruited via a large invitation mailout to c.40,000 customers, selected at random. An initial registration process served to communicate about the purpose of the panel; explain that surveys would be issued regularly; and cover all permissions for recontact. The barometer surveys were used throughout the PR24 research programme to provide a quantitative read on a range of issues. All participants are sent a newsletter after each survey to highlight key findings and how the research is being used.
Fit for purpose	<ul style="list-style-type: none"> • The barometer surveys were all issued via emails to customers who had registered. • The total number of interviews (574) is robust for quantitative analysis (i.e. using percentages and comparing sub-groups) • Survey data was then weighted to match the known demographic profile of Portsmouth Water customers (age & gender) • The panel is self-selecting, rather than purposively sampled to be representative. This means panellists may be more engaged with the water sector & knowledgeable about Portsmouth Water than customers in general. This is borne in mind in the interpretation and triangulation of the data.
Neutrally designed	Blue Marble designed the survey and materials with impartiality. The quantitative survey used balanced answer lists, randomised answer lists and gave options to say 'don't know'.
Inclusive	The barometer surveys reflect a wide range of perspectives by including the views of many hundreds of households and specifically households with vulnerabilities and those who are financially struggling. The invitation to become part of the panel was sent to a random sample of c.40,000 household customers, of which c. 2.5% elected to register. Robust subsamples of a wide range of household customer types and segments were achieved, including younger and older age groups, all social grades and customers with vulnerabilities.
Continual	The barometer panel has and continues to provide Portsmouth Water with an ongoing dialogue with a large sample of PW customers.
Shared in full	Portsmouth Water to publish this report and supporting appendices on its website.
Ethical	Blue Marble is a company partner of the MRS, senior team members are all Members of the MRS and/or SRA. All Blue Marble's employees abide by the MRS Code of Conduct and as such all our research is in line with their ethical standards.
Independently assured	This report assured by Sia Partners

