

Background and objectives

All water companies make plans for the investments needed to ensure customers have secure, reliable and high quality water services – both today and in the future.

Portsmouth Water would like to undertake research with Portsmouth University students to understand their opinions around key water issues and their views on Portsmouth Water's plans for the future.

Approach

We will be carrying out 4 discussion groups, each lasting approximately 90 minutes. Each group will have 7-8 participants who have signed up via the registration form that was circulated among University of Portsmouth students. All group discussions will be held on Tuesday 21 March 2023, in the Denis Sciama Building. Blue Marble moderators will conduct two group discussions concurrently in separate rooms, all groups to be recorded.

Group Discussion Guide

Introduction (10 minutes)

(0 - 10 mins)

Moderator introduction – 5 minutes:

- **Purpose of session:** All water companies make plans for the investments needed to ensure customers have secure, reliable and high quality water services – both today and in the future. Want to understand opinions around key water issues and views on Portsmouth Water's plans for the future.
- **Introduction to Blue Marble:** Independent market research agency who run research on behalf of organisations, not affiliated with Portsmouth Water.
- **Data protection:** Conversation will be audio recorded but will remain confidential and anonymous – Portsmouth Water representatives have signed a confidentiality agreement
- **Encouragement:** Understand that you might not have much knowledge about water companies, but interested in your views as Future Customers, no wrong answers. If anything not clear, please ask. All to participate, feel free to disagree – all viewpoints are interesting.

Group introductions – 5 minutes:

We'd like to get to know each other a bit better.

- Working around the room, please tell us your name, where you are from, what you're studying and what you plan to do after university

Key attitudes of university students (10 minutes)

(10 – 20 mins)

Now that we know a little bit about each other, I'd like to understand a bit more about life as student – what is going on for you right now and your outlook for the future.

- What is it like being a university student today? To be 'you' today?
- What are the key things which come to mind when you think about how things are for you today? – spontaneous at first then prompt where there might be gaps
- PROMPTS:

- Cost-of-living crisis: how is this affecting you? Have you made changes to your lifestyle? How temporary or long term are the impacts likely to be (for your generation)?
- Job prospects: is it a good time to be a university student in terms of job prospects? What are your expectations in terms of life after university?
- Housing: what are your expectations in terms of what kind of place you will live in after university and beyond (location and type of accommodation)? How likely are you to rent vs own? How do you feel about where you expect to live and the type of accommodation you expect to live in?
- Environmental beliefs and behaviours: where are you on the spectrum of 10 = Very environmentally conscious to 1 = Never think about it. Explore your generation's view: is it different to your parents? What actions – if any - do you take to protect the environment/minimise carbon? What steps do you think businesses should be taking, if any?

Perceptions of PW, expectations of water companies (20 minutes) (20 – 40 mins)

We're here to talk about Portsmouth Water and some of its plans for the future. In this next section, we'd like to find out what your impressions of Portsmouth Water are.

- How much do you know about Portsmouth Water? How much interaction have you had with the company? Where have you seen/heard about them?
- From what you know about them, what kind of company do you think they are? What positive things have you heard about them, if any? What negative things have you heard about them, if any?

We would now like to explore what you think water companies do and what you think they should be focussing on in their plans.

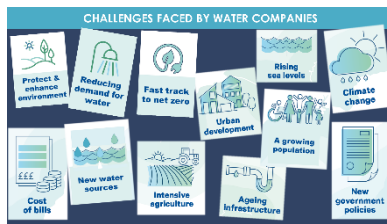
- What do you think water companies do? What services do they provide?

SHOW STIMULUS SLIDE 4 - SERVICES PROVIDED BY WATER COMPANIES



- Bearing in mind the services that water companies need to provide, as illustrated here, what issues do you think might impact their activities in future? What things do you think they should have in mind when they are thinking about providing the above services in the longterm? *If necessary, moderator to prompt respondents by asking how changing weather conditions might impact Portsmouth Water's activities.*

SHOW STIMULUS SLIDE 5 - SUMMARY OF CHALLENGES FACED BY WATER COMPANIES



- To what extent were you aware of these challenges? Which, if any, surprised you?
- *Spontaneous assessment of priorities:* Which of these issues do you think are the most important? Why? Which issues do you think should be addressed most urgently by water companies?
- If you had to prioritise the most important challenges for water companies to get a grip on, which would you choose? And why?
- As you know, this research is for Portsmouth Water – are there any challenges here which you see as particularly important for this area?
- Which would you rank as less important to you/your generation?
- *For each challenge in turn:* How do you think this challenge could impact water company activities? How do you think water companies might have to adjust their activities in response to this challenge?

Introduction to PR24

SHOW STIMULUS SLIDE 6 - WATER COMPANY BUSINESS PLANNING

As part of its planning for the future, Portsmouth Water considered the challenges which we have just talked about and the opportunities they have to improve their services and the environment. They developed a five-year business plan, including a vision setting out what they want to achieve, and the investment needed to maintain and improve its services. This will be funded from customer bills, so it's important that current and future customers have a say in these plans – we are now going to discuss some of the elements of that plan.

(Smart) water meters & water efficiency (20 minutes)

(40 - 60 mins)

A key part of any water company's business plan is how to ensure an adequate supply of clean drinking water in future. This slide shows The Jaws Of Death and illustrates the current situation with water supply.

SHOW STIMULUS SLIDE 7

- On the left of the graph you can see, at the far left, supply far outstrips demand, meaning that there is a large surplus of water – the jaws are wide open and there is more than enough water to go round.
- However, supply has been reducing over time, whilst demand has been increasing – the jaws are beginning to close, and when they reach the middle, the jaws are closed and there is only just enough water to go round, with no surplus.
- If that trend continues, supply will not keep up with demand and there will not be enough water to round, which could lead to supply interruptions.
- Currently we are near the middle - we are about to be caught in the jaws of death where supply and demand are very similar, but could easily tip over into a surplus.

Leakage (10 mins)

One way that we can avoid being caught in the jaws of death is to reduce demand for water. Currently, a lot of clean drinking water is lost due to leakage, both from company pipes and on customers' properties. Limiting leakage would mean that there is more clean drinking water available to meet demand.

SHOW STIMULUS SLIDE 8 – BENEFITS OF REDUCING LEAKAGE

- The national target is set at 50% reduction of leaks from company pipes (rather than pipes on customer properties) by 2050... what do you think of that target?
- How important do you feel it is to have a shorter timetable for reducing leaks e.g. the next 5 or 10 years?

Moderator: However, finding and fixing leaks can be expensive. Portsmouth Water have developed three options for their business plan when it comes to reducing leakage.

SHOW STIMULUS SLIDE 9 – TIMESCALES FOR REDUCING LEAKAGE

They all have different targets and costs attached. The cost shown is the additional cost in future bills. So, the low investment option does not attract a higher bill than is included in Portsmouth Water's so-called 'must-do' plan, it is a target they must achieve in the next period and the bills are based on that target. However, they can choose to do more. But more investment leads to additional charges.

- Which of these three options would you choose? Why?
- Ideally, by when do you think Portsmouth Water should halve leakage? Do you want them to reach these targets even if fixing the leaks costs more to do than the financial loss of leaked water? Should leaks be repaired whatever the cost – or only when it makes financial sense to do so?

Smart Water Meters (10 mins)

SHOW STIMULUS 10 – WATER METERS

MODERATOR TO EXPLAIN: Currently just over a third of Portsmouth Water customers have water meters, which is a much lower proportion than in most other areas in the South East. And very few customers currently have smart water meters. Portsmouth Water plan to install smart meters in most of the homes they supply by 2035 and replace existing meters with smart ones by 2040 to encourage water saving, find leaks and introduce fairer bills. This will help save 8.5 million litres of water a day. The cost of this would be £2m per year on average.

- In the context of water, is it fair that people pay for what they use? Why/why not?
- In principle, should metering be voluntary, where people decide to have a meter installed, or universal, where people must have a meter installed? Why?
- Water companies offer support for customers struggling to pay where meters are a requirement – does this alter your views?
- How much do you support Portsmouth Water's plans to install meters at most homes they supply to encourage water saving and find more leaks? Why do you say that?

MODERATOR TO EXPLAIN: Water meters mean that everyone pays for the water they use. Smart water meters enable real-time monitoring of water use so that customers can see how much water they use, and when, which can then help them save water and money. Any unusual water use (for example caused by a leaking toilet) can also be identified by Portsmouth Water.

- Do you support the use of smart water meters? (So customers can track their water use and spot leaks via an app)? Why do you say that?
- What else do you think Portsmouth Water should be doing to help people save water?
(Note: Portsmouth offers leak repairs, water use audits, water saving devices)

Effective engagement and communication with future customers (10 minutes) (60 - 70 mins)

We would now like to talk to you about your digital lives.

- What is your favourite app at the moment? Why is it so good?
- What apps do you use, if any, which help you monitor things? E.g. banking, energy usage, sports, anything else?
- To what extent do you interact with companies/service providers via apps or social media? Can you relay a particular occasion when you did this?
- Which companies, if any, do you think provide great service or info through their digital platforms (websites, apps etc)? Can you relay a particular occasion when they gave you a great customer experience digitally?
- What examples do you have, if any, of companies that get it wrong when communicating with you digitally?
- If Portsmouth Water was to try to interact with you digitally in future, how do you think they should do it? Which companies should they model themselves on?

Generational fairness (10 minutes)

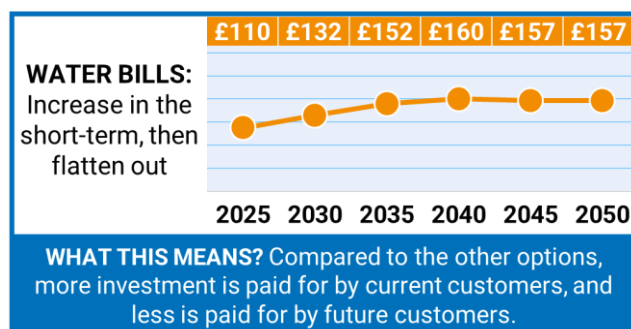
(70 - 80 mins)

MODERATOR TO READ: As we have seen, in the future Portsmouth Water will face greater challenges from climate change, population growth and the need to preserve our environment. This means that it needs to invest more in future to meet its legal obligations to secure safe, reliable drinking water. Investments are paid for through the water bill, so water bills need to increase in future to cover the increased investment Portsmouth Water **has to** make.

Portsmouth Water has worked out three options for bills between 2025 and 2050. These cover the minimum investment the Portsmouth Water **must make** to deliver its services. Bills increase in all of the options to cover this – we would like to explore which rate of increase you think is best and how investment should be shared by current customers and future customers like you.

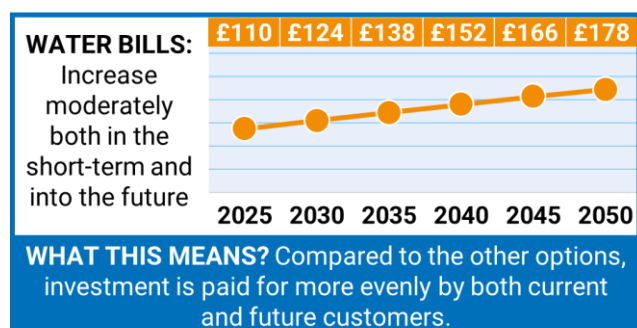
SHOW STIMULUS SLIDE 11 - FUTURE BILL OPTIONS AND WHAT THEY MEAN

1) Option 1 shows bills increasing in the short term then flatten out. Compared to the other options, more investment is paid for by current customers and less is paid for by future customers.



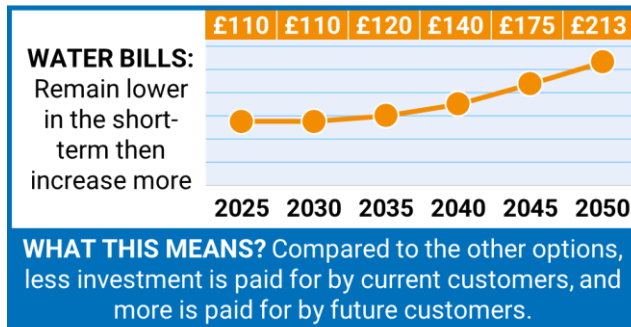
SHOW STIMULUS SLIDE 12

2) In Option 2 Bills increase moderately both in the short term and into the future. Compared to the other options, investment is paid for more evenly by both current and future customers.



SHOW STIMULUS SLIDE 13

3) In Option 3 bills remain lower in the short term, then increase more. Compared to the other options, less investment is paid for by current customers and more is paid for by future customers.



SHOW STIMULUS SLIDE 14

- *Show of hands* - which of these payment options would you prefer?
- *For people who picked each option:* Why would you prefer this option? What are your opinions on the other options?
- Which feels like the fairest option for you? And which is fairest for society as a whole?

Wrap-up (10 minutes)

(80 - 90 mins)

- Final questions & comments
- Thank them for their time
- Inform them about incentive – CHECK DETAILS ON SLIPS (6 digits for sort, 8 for acc no.)
- Advertise the Barometer that is coming up – sign up at same link as previously