

## Portsmouth Water

### NHH discussion guide for Developers – 45 minutes **Final (with online survey)**

March-April 2023

#### 1. Introduction (2 minutes)

Thank you for participating in this consultation as Portsmouth Water prepares for the future.

Portsmouth Water are developing their 5-year plan. There are some specific choices that will form part of the plan: these are the focus of the consultation survey that you have (ideally) completed and the consultation document we sent you.

This research will focus on the choices facing Portsmouth Water and reflect on Portsmouth Water's proposed vision for the long term too.

This interview is an opportunity to give us your views and identify where the proposed plans address the priorities of its non-household customers – and specifically with developers as an important stakeholder. Portsmouth Water is also canvassing its household customers. The overarching objective is to anchor its future plans in what matters most to the people of Portsmouth and its surrounds.

I have a discussion guide that I will take us through – but this research is qualitative in nature and designed to be conversational.

Before we start I will just reiterate the details of the research:

- Blue Marble is an independent research agency
- The research session is being conducted on the basis of anonymity and in accordance with the Market Research Society Code of Conduct.
- No personally identifiable information will be passed on to Portsmouth Water or anyone else
- The session will be audio-recorded so that the research team can listen back to the interview afterwards for analysis purposes. The recording will be securely deleted once the project is completed
- The purpose of the call is only for the research described
- You can change your mind about us using your personal data at any time

Blue Marble researcher to ask respondent to confirm if they are happy to go ahead on this basis.

#### 2. Business context (5 minutes)

- Tell me about the organisation:
  - What type of developments do you build? Size and scale
  - Are you regionally or nationally focused?
- Tell me about you:
  - What is your role?
- Tell me about the operating context:
  - What are the main challenges facing your business? And your customers?
  - What are the main opportunities facing your business? And your customers?

#### 3. Perceptions/relationship with Portsmouth Water (5 minutes)

- How would you describe your relationship with Portsmouth Water?
- Explain how you interact with Portsmouth Water: meetings, directed communications, what you see or hear in the media etc.

- How would you characterise the relationship in the development process (partner, enabler, supplier or other)?
- How would you describe Portsmouth Water, its performance and reputation as a water company?
  - Are there areas that you see as particular strengths...
  - ... or weaknesses/areas you'd like to see improved?
- We provided you with the survey and some pre-reading material which we will go through in more detail as the conversation progresses. Before we go into that I'd like to find out:
  - What were your initial thoughts/impressions of the online survey (what you read)?
  - What was your main take out?
    - How do you feel about this?

#### 4. Future bill options (5 minutes)

I'm going to now show you part of Portsmouth Water's plan which looks at the investment Portsmouth Water needs to make to meet their legal obligations and make sure their services are fit for the future. There are 3 outlined options to show how Portsmouth Water can spread the impact of these investments on customer bills.

**Moderator to show stimulus showing future bill options and what they mean**

- What is your first response upon seeing this?
- In what ways, if any, do you think these bill increases will impact customers?
  - How affordable to these bill increases feel?
- In what ways, if any, do you think these bill increases will impact your business activities?
- Looking at the 3 bill options here, talk me through your thoughts on each.
  - Which of the three bill options here do you think is your preferred option? Please talk me through your rationale.
  - Which of the three bill options here do you think would be the worst option and why?

#### FUTURE BILL OPTIONS AND WHAT THEY MEAN

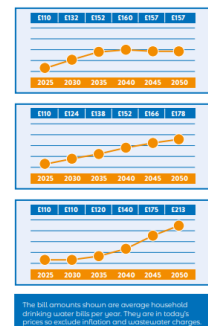
We've looked at the investment we need to make to meet our legal obligations and make sure your services are fit for the future.  
This means bills will go up – but our services will remain Affordable for All. Always.

You will be asked to choose one of three options – each one goes up by different rates at different times.

- In the first option bills increase 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.
- In the middle option 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.
- In the third option, 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.

#### CHOICES FOR 2025-2030

On the next four pages, we explore the areas where we could do more than meet our legal obligations and make progress more quickly. You can choose if you'd like to invest more in these areas. The cost for this would be on top of the bills shown on this page, for the five years of our business plan – 2025 to 2030.



The bill amounts shown are average household drinking water bills per year. They are in today's prices to include inflation and wastewater charges.

#### 5. 4 key investment areas (20 minutes)

We are now going to take a look at the 4 specific investment choices that Portsmouth Water is consulting about and would like to hear your thoughts.

**Moderator to rotate order in which areas are presented.**

We are going to start with [FIRST INVESTMENT AREA]:

**Moderator to show one-pager outlining investment area and talk respondent through.**

## A - REDUCING LEAKAGE

- What is your first response upon reading this?
- How important do you feel this area is as a developer?
- How does this relate to as a developer? **By what time do you think Portsmouth Water should halve leakage?**
- What are your thoughts on the 3 investment options outlined?
  - What are they key things you're taking into account?
  - Which of these options is your preferred?
  - What is driving your choice here?
    - What are they key things you're having to weigh up? *Probe: society, cost/the needs of organisation they work for*
    - How difficult a decision is it to make for you?
  - Are there any specific groups or people you represent who you're particularly thinking about when making this decision?
- Do you have any questions or concerns?


### YOUR CHOICES

#### REDUCING LEAKAGE

We know reducing the amount of water lost through leaks is really important to you. We're committed to at least halving leakage by 2050. This means reducing it from 32 million litres per day in 2017-18 to 16 million litres by 2050. This is enough water to supply a town the size of Bognor Regis every day.

You've told us you want us to do more. However, finding and fixing leaks can be expensive – so we want to give you a choice. We need to at least halve leakage – but we want you to tell us when we should do this by.

Reducing leakage earlier would be better for the environment and reduce our carbon footprint as well as abstract, treat and pump less water.



Low investment: Meeting our commitments	Medium investment: Maintaining or enhancing our service	High investment: Achieving our Vision
<p>Reduce leakage by 50% by 2050.</p> <p><b>PROS:</b> This is the cheapest option and it is less than government's expectations and our own.</p> <p><b>CONS:</b> We won't meet our Vision and it means more water will be lost compared to other options.</p> <p>The total cost over 25 years is <b>£387 million</b>.</p> <p>This option doesn't increase total bills.</p>	<p>Reduce leakage by 50% by 2045.</p> <p><b>PROS:</b> This is less expensive than our Vision and saves more water than waiting until 2050.</p> <p><b>CONS:</b> We won't meet our Vision and it's more expensive than waiting until 2050.</p> <p>The total cost over 25 years is <b>£708 million</b>.</p> <p>The average increase on bills per year is <b>£0.40</b> which means bills will increase by <b>£2</b> over five years.</p>	<p>Reduce leakage by 50% by 2040.</p> <p><b>PROS:</b> We achieve our Vision. You've told us reducing leakage is a big priority.</p> <p><b>CONS:</b> This is the most expensive option.</p> <p>The total cost over 25 years is <b>£778 million</b>.</p> <p>The average increase on bills is <b>£0.55</b> which means bills will increase by <b>£2.75</b> over five years.</p>
This option costs <b>£0</b>	This option costs <b>£0.40</b> each year	This option costs <b>£0.55</b> each year

## B - KEEPING YOUR WATER SUPPLY RELIABLE

- What is your first response upon reading this?
- How important do you feel this area is as a developer?
- How does this relate to as a developer? What are your thoughts on the 3 investment options outlined?
  - **How much should Portsmouth Water invest to improve and upgrade their pipes and pumps, to make ensure a reliable water supply in future?**
  - What are they key things you're taking into account?
  - Which of these options is your preferred?
  - What is driving your choice here?
    - What are they key things you're having to weigh up? *Probe: society, cost/the organisation they work for*
    - How difficult a decision is it to make for you?
  - Are there any specific groups or people you represent who you're particularly thinking about when making this decision?
- Do you have any questions or concerns?


### YOUR CHOICES

#### KEEPING YOUR WATER SUPPLY RELIABLE

Our services are the most reliable in the country and the number of households likely to be without water for three hours in any year is 1 in 100, compared to an industry average of 1 in 20.

Climate change means we'll experience extreme weather events, such as droughts or freezing winters, more frequently. This will put more pressure on our pumping stations, supply works and pipes. Some of our network needs replacing and upgrading to meet today's challenges.

We want to give you a choice about how much we should invest to improve and upgrade our pipes and pumps to make sure water keeps flowing to your taps. We've measured this by how likely it is a customer could be without water for at least three hours – which is the government's definition of a supply interruption.



Low investment: Meeting our commitments	Medium investment: Maintaining or enhancing our service	High investment: Achieving our Vision
<p>Only invest to make sure we meet our legal requirements. This means our services will be as reliable as the industry average.</p> <p>This means the number of households likely to have their supplies interrupted increases from 1 in 100 to 1 in 20.</p> <p><b>PROS:</b> This is the cheapest option and has no additional increase to bills.</p> <p><b>CONS:</b> We won't meet our Vision and it means the level of service we provide customers will fall compared to now.</p> <p>This option doesn't increase total bills.</p>	<p>Spend more to keep our services the most reliable in the country.</p> <p>This means the number of households likely to have their supplies interrupted stays at 1 in 100.</p> <p><b>PROS:</b> This is less expensive than our Vision and means we'll still be the best in the industry, with no change in our services.</p> <p><b>CONS:</b> We won't meet our Vision and it's more expensive.</p> <p>The total cost over 25 years is <b>£46 million</b>.</p> <p>The average increase on bills per year is <b>£0.07</b> which means bills will increase by <b>£3.35</b> over five years.</p>	<p>Achieve our Vision of no customers being without water for more than three hours by 2050.</p> <p>This means no-one should have their supplies interrupted for more than three hours.</p> <p><b>PROS:</b> We achieve our Vision. The customer will be without water for more than three hours. We'll lead the industry and have the most reliable services.</p> <p><b>CONS:</b> This is the most expensive option and the most challenging to deliver.</p> <p>The total cost over 25 years is <b>£56 million</b>.</p> <p>The average increase on bills per year is <b>£1.35</b> which means bills will increase by <b>£6.75</b> over five years.</p>
This option costs <b>£0</b>	This option costs <b>£0.07</b> each year	This option costs <b>£1.35</b> each year

## C - ENHANCING THE LOCAL ENVIRONMENT AND WILDLIFE

- What is your first response upon reading this?
- How important do you feel this area is as a developer?
- How does this relate to as a developer? What are your thoughts on the 3 investment options outlined?
- **Do you think Portsmouth Water should do more beyond their legal requirements to enhance the environment?**
  - If so, why? And how much?
  - If not, why not?
  - What are they key things you're taking into account?
  - Which of these options is your preferred?
  - What is driving your choice here?

### YOUR CHOICES

#### ENHANCING THE LOCAL ENVIRONMENT AND WILDLIFE

We have got a duty to enhance the environment we all rely on and enjoy. Government expects us to do more at certain key sites we own. We measure this by understanding the variety of plants and animals at our sites and seeing how this changes over time. This is called biodiversity net gain.

Portsmouth Water makes £50,000 available in grants every year to help partners improve our environment. This includes things like creating new wildflower meadows and ponds, looking after woodlands and doing surveys to understand what more we could do to enhance the local environment and wildlife.

It's really important we hear from you about how much we should do above our legal requirements to enhance the environment we all rely on and enjoy. The more we invest now, the faster we can improve our environment.



Low investment: Meeting our commitments	Medium investment: Maintaining or enhancing our service	High investment: Achieving our Vision
<p>Make sure the environment doesn't deteriorate at key sites. We own without increasing the amount available every year through grants to enhance the environment we rely on.</p> <p><b>PROS:</b> This is the cheapest option.</p> <p><b>CONS:</b> We won't meet our Vision and government's expectations of us. We won't be able to invest to improve the environment at key sites.</p> <p>This option doesn't increase total bills.</p>	<p>Improve the environment at key sites we own by 2030 without increasing the amount available every year through grants to enhance the environment we rely on.</p> <p><b>PROS:</b> This is less expensive than our Vision and we improve the environment at our key sites.</p> <p><b>CONS:</b> We won't meet our Vision and we'll miss out on partnership opportunities to improve the environment we rely on.</p> <p>The total cost over 25 years is <b>£3.75 million</b>.</p> <p>The average increase on bills per year is <b>£0.06</b> which means bills will increase by <b>£0.30</b> over five years.</p>	<p>Improve the environment at key sites we own by 2030 and increase the amount available every year to £50,000 through grants to enhance the environment we rely on.</p> <p><b>PROS:</b> We improve the environment at key sites across our region and double the support available to improve the environment we rely on. We can make the most of partnership opportunities.</p> <p><b>CONS:</b> This is the most expensive option and the most challenging to deliver.</p> <p>The total cost over 25 years is <b>£4.75 million</b>.</p> <p>The average increase on bills per year is <b>£0.08</b> which means bills will increase by <b>£0.40</b> over five years.</p>
This option costs <b>£0</b>	This option costs <b>£0.06</b> each year	This option costs <b>£0.08</b> each year

- What are the key things you're having to weigh up?
  - How difficult a decision is it to make for you?
- Do you have any questions or concerns?

NB for businesses if time is stretched, lead replacement discussion can be brief

## D - FINDING AND REPLACING WATER PIPES MADE OF LEAD

- What is your first response upon reading this?
- How important do you feel this area is as a developer?
- How does this relate to as a developer? **How soon should Portsmouth Water aim to replace lead pipes at all their customers' properties and premises?**
- What are your thoughts on the 3 investment options outlined?
  - What are the key things you're taking into account?
  - Which of these options is your preferred?
  - What is driving your choice here?
    - What are the key things you're having to weigh up? Probe: society, cost/the organisation they work for
    - How difficult a decision is it to make for you?
  - Are there any specific groups or people you represent who you're particularly thinking about when making this decision?
- Do you have any questions or concerns?

**YOUR CHOICES**

**FINDING AND REPLACING WATER PIPES MADE OF LEAD**

Lead used to be a common material used for water pipes, both in water companies' networks and in people's homes. However, it was banned for new pipes because it can impact the health and development of very young children.

We use harmless chemical additives to reduce traces of lead in our drinking water. We replace lead pipes that belong to us when we find them, and let our customers know how to replace them when we find them too.

We've already replaced many of the lead pipes on our network and are committed to making sure all schools and vulnerable homes have access to water with no exposure to lead by 2030.

We know this is not enough, so we're going to help replace more pipes at our customers' properties. There are about 82,000 homes and 150 schools connected to our network with lead pipes. Working with replacing our steel pipes, we also want to help customers find and replace lead pipes at their homes and want to know whether we should aim to achieve this by 2030, 2040 or 2050.

**Low investment: Meeting our commitments**

All homes have access to water with no exposure to lead by 2030.

**PROS:** this is the cheapest option.

**CONS:** we won't meet our vision and it means it will take a lot longer to reach more customers compared to other options, replacing an average of around 3,000 a year.

The total cost over 25 years is **£162 million**.

This option doesn't increase total bills.

**This option costs £0**

**Medium investment: Optimising or enhancing our service**

All homes have access to water with no exposure to lead by 2050.

**PROS:** this is less expensive than our vision and means we'll replace an average of around 2,350 a year.

**CONS:** we won't meet our vision and this is more expensive than doing the minimum.

The total cost over 25 years is **£183 million**.

The average increase on bills per year is **£1.05** which means bills will increase by **£3.25** over five years.

**This option costs £1.05 each year**

**High investment: Achieving our vision**

All homes have access to water with no exposure to lead by 2050.

**PROS:** we achieve our vision. All homes will have access to water with no exposure to lead and our treatment costs will be lower. Lead's replaced around 3,300 a year.

**CONS:** this is the most expensive option and could be challenging to deliver.

The total cost over 25 years is **£204 million**.

The average increase on bills is **£1.47** which means bills will increase by **£7.35** over five years.

**This option costs £1.47 each year**

## 6. Online survey (6 minutes)

### ONLY IF THEY HAVE NOT COMPLETED THE ONLINE SURVEY

As you'll have seen from the document, there is a short survey that enables you to make the choices and see how the bills are impacted. The survey uses a £500 bill as an illustration but it will be worth considering what this would be for your business' annual bill.

I'll open the survey and run you through it. Please commentate as we go through it – it will take 6 minutes and then we are done!

The **LIVE** link **DEVELOPER** respondents:

**NB: researcher to flick through the information slides at the start of the survey as these repeat what the respondent has just seen.**

<https://alligator.focusvision.com/survey/selfserve/54a/230223?list=99&ds=12>

## 7. And finally (2 minutes)

### ONLY IF THEY HAVE COMPLETED THE ONLINE SURVEY

Thank you for having completed the online survey before the interview. We are interested to know how well that conveyed the topics that we discussed during the interview.

Did the survey give you a good account of the different investment areas?



What information was missing?

How could it be improved?

**Any other feedback for Portsmouth Water?**

Thank you very much for your time today, we really appreciate you taking the time to provide this feedback.

Should you have any questions, please do not hesitate to get in touch.