# Synthesis and Triangulation workstream
## Report 3: August 2022

# About the synthesis

Initial synthesis of research reports

Audience profiling

Ongoing synthesis of research reports

Quarterly reporting

**Q4** **Q1** **Q2** **Q3** **Q4** **Q1** **Q1**

Design Evidence Register

Add to Evidence Register

This is the third report for the Triangulation workstream and builds on the work completed in Q4 2021 and Q1 2022

- The purpose of this workstream is four-fold:

  1. To capture, systematically, all consumer data and insight relating to the 'Big Conversations' (including research commissioned by PW, WRSE puts and other published sources)
  2. To identify where there are gaps in PW's evidence base. Gaps can then be reviewed on a regular basis to inform planned and additional research briefs
  3. To start the process of triangulation early, applying a weighting to every evidence source at the outset
  4. To provide a clear framework to pinpoint where customers and consumers have shaped the business plan

- This is an ongoing process. A snapshot of the Evidence Register is available to view at anytime though it is a dynamic and changing document so Blue Marble will hold the 'Master'. We will issue quarterly summaries throughout the planning period.

Audience profiling

GIS output generated July-Aug 2022

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**Initial synthesis of research reports**

**Design Evidence Register**

**Methodology:**

1. We participated in workshops and meetings with the PW team to understand the strategic objectives. These are reframed in language reflecting the 'Big Conversations' to have with consumers
2. The 'Big Conversations' are the starting point for a structured codeframe to log evidence systematically
3. We reviewed 10+ reports against the draft codeframe, finetuning the sub-themes under each Big Conversation. We now have a fixed set of codes.
4. The design captures details around the method and coverage of each report; and is structured to capture differences by customer segment (NHH, HH, Vulnerable, Future, Stakeholder)
5. Each report is assessed for its role in the Golden Thread, highlighting how insight/data is influencing the business plan

| METHOD AND COVERAGE | | | | | | | |
|---|---|---|---|---|---|---|---|
| METHOD | METHOD NOTES | AUDIENCE(S) | GEOGRAPHIC COVERAGE | TOPIC FOCUS | INFORMED? | OVERALL SAMPLE SIZE | PW REGION SAMPLE |
| 1. RESEARCH – Qual | | 1. Households | area) | 3. Solely PW focus | 1. Uninformed | WRITE IN | WRITE IN |
| 2. RESEARCH – Quant | | 2. NHH | 2. PW – all | 2. Primary PW focus | 2. Informed during exercise | | |
| 3. ENGAGEMENT – Qual | | 3. Future | 3. South East (incl PW) | 1. Seconday PW focus | 3. Previously informed | | |
| 4. ENGAGEMENT – Quant | | 4. Vulnerable | 4. National (incl PW) | 0. No specific PW focus | 4. Not specified | | |
| 5. SECONDARY | | 5. Stakeholders | 5. Other (write in) | | 5. NA | | |
| 6. OTHER (Write in) | | 6. Retailers | 6. NA | | | | |
| 7. NONE | | 7. NAVs | | | | | |
| | | 8. NA | | | | | |

| GOLDEN THREAD | TOPICS (BIG CONVERSATIONS). USE LETTER CODES AND WRITE IN ANY ADDITIONAL SUB THEMES | | | | | |
|---|---|---|---|---|---|---|
| STAGE | 1. Needs, concerns and priorities? | 2. Long term water supply | 3. (Smart) metering | 4. Infrastructure investment now | 5. Interactions with PW | 6. Options for economically vulnerable |
| 1. CONTEXT (Already know) | (a) Core services | (a) Chalk streams / abstractions from sensit | (a) Universal metering | (a) Impact of climate change / net zero | (a) Channel preference | (a) Social tariff |
| 2. VALIDATION (Confirming previc | (b) Support | (b) Water recycling | (b) Smart meters | (b) Inter-generational fairness | (b) CRM Innovation | (b) New support structures |
| 3. SHAPING (Developing previous | (c) Community | (c) (Havant Thicket) Reservoir | (c) Per capita consumption / ( | (c) Level of investment | (c) Billing platform | (c) Water poverty |
| 4. INCLUSION (Checking consiste | (d) Environment | (d) Water sharing (transfer) | (d) | (d) Lead pipes | (d) New service model | (d) Watersure |
| 5. ACCEPTABILITY (Plan testing) | (e) Efficiency | (e) Desalinisation | (e) | (e) Affordability in general | (e) | (e) |
| | (f) Water quality | (f) customer behaviour change | (f) | | (f) | (f) |
| | (g) Wider concerns (state of the nation) | (g) supply vs demand generally | (g) | | (g) | (g) |
| | | (h) Leakage | | | | |
| | | (i) Drought risk | | | | |
| | | (j) Use of green energy to power initiatives | | | | |
| | | (k) Catchment management measures | | | | |

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REPORT 1 (Nov 21): We reviewed 16 reports commissioned or written by Portsmouth Water, Southern Water, CCW, ICS, Ofwat or WRSE.

REPORT 2 (May 22): synthesis now comprises 32 reports with important additions of Portsmouth Water's own research (bold).

REPORT 3 (Aug 22): synthesis now comprises 45 reports from industry sources & a further 5 Portsmouth Water specific reports.

| # | Report |
|---|--------|
| 1 | Customer Engagement and Triangulation PR19 summary |
| 2 | Customer Preferences to Inform Longterm Water Resource Planning Synthesis of Findings – Summary Report Water Resources South East (WRSE) March 2021 |
| 3 | Customer Preferences to Inform Longterm Water Resource Planning Part A Evidence Review Water Resources South East (WRSE) February 2021 |
| 4 | Customer Preferences to Inform Long-term Water Resource Planning Part B Deliberative Research Water Resources South East (WRSE) February 2021 |
| 5 | Customer Preferences to Inform Long-term Water Resource Planning Part C Customer Survey Water Resources South East (WRSE) March 2021 |
| 6 | Semiotics Brand Exploration |
| 7 | Yonder Clockface Initial analysis August 2021 |
| 8 | Water Futures 2050 future customer insights Sept 2021 |
| 9 | Water for Life Hampshire: 3 research documents 'Introductory email; Water options survey and Qualitative summary |
| 10 | WaterVoice Views of current customers on water resources. Summary report |
| 11 | Public views on the water environment |
| 12 | Household customer complaints about water companies ccwater.org.uk |
| 13 | Water Matters: highlights report 2020 |
| 14 | ICS Business Benchmarking Portsmouth Water July 2020 |
| 15 | 2021 Service mark – Assessor Report 2021 |
| 16 | ICS Who do you trust April 2021 |
| 17 | Water Futures 2030 - November 2021 - Metrics for priorities |
| 18 | Water UK Omnibus Research Report Dec 2021 |
| 19 | Water Recycling engagement strategy Nov_30_2021 |
| 20 | Water Futures 2030 - Feedback on Regional Plan Feb '22 |
| 21 | Public Attitudes Towards Smart Water Meters |
| **22** | **Portsmouth Water Foundational Qualitative Research** |
| 23 | Southern Water | Water Futures 2050 Panel | Wave 6 Feedback on WRSE plans |
| 24 | Southern Water | Water Futures Business Panel | Pilot wave Feedback on WRSE plans |
| **25** | **Portsmouth Water Stakeholder research: Business plan priorities** |
| **26** | **Portsmouth Water Barometer Wave 1 Report** |
| 27 | Southern Water Expert Insight Panel Report; SUSSEX, KENT, HAMPSHIRE AND ISLE OF WIGHT |
| 28 | Relish - reputation deep dive 07-03-22 |
| 29 | Southern Water Image & Reputation Research Report |
| 30 | SW Water Futures Wave 5 report_231221_Final Jan '22.pdf |
| 31 | 3522pre01_Spontaneous Priorities_Qual_v2 Dec '21.pdf |
| 32 | Understanding customers' preferences for Performance Commitments at PR24 |
| 33 | Supporting vulnerable customers report 2022 FINAL |
| 34 | Cost-of-living-report-Final.pdf |
| 35 | CCW-Water-Awareness-Report.pdf |
| 36 | Southern Water - Long Term Strategy Session.docx |
| 37 | Water Futures 2030 April 2022 Report.pdf |
| 38 | Affordability Concerns and Diverse Cultures - April 2021.pdf |
| **39** | **Consumer Panel Barometer - Wave 2** |
| **40** | **Customer Advisory Panel - Report 1** |
| 41 | Southern Water: Vulnerable Customer Research - Wave 1 |
| 42 | Southern Water: PR24 - spontaneous priorities customer and stakeholder insights |
| 43 | CMex presentation LYM 20220519 v2.ppt (also read Cmex Summary.xlsx alongside this report) |
| **44** | **Portsmouth Water Audited 2021-22.xlsx AND Portsmouth Q4 2020-21 Final.xlsx** |
| **45** | **Portsmouth Water_FINAL.pdf** |
| **46** | **Portsmouth Water_Vulnerablecustomerssummer2022_Presentation_FINAL** |

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The **Synthesis and ongoing triangulation** includes a wide range of reports drawing on a variety of research and engagement methods across different audiences. These are both larger and smaller scale, and may have varying degrees of rigour in terms of design, analysis and reporting.

We use a two part report evaluation framework to assess: a) the validity / quality of each source overall and b) the relevance of the higher quality reports to the specific Big Conversations.

## a) Assess validity / quality of each source

The **evidence score** indicates the overall quality of each source. It is based on the Blue Marble Executive team's appraisal of report **Robustness** and **Coverage.** A maximum score of 10 signifies a highly robust and credible report that has comprehensive coverage of consumers in the Portsmouth Water area. Lower scores indicate reservations in terms of design, sample size or interpretation within the report, or where the report has lesser (or no) coverage of Portsmouth Water consumers.

Further detail of the rating scales are in the appendix.

**10** = Highly robust and credible for PW area

## b) Assess relevance to each Big Conversation

As part of ongoing **Triangulation**, we also evaluate, for each higher quality report, how **strongly relevant** it is to informing the customer view on each Big Conversation. This is based on the Blue Marble Executive team reviewing objectives and findings in each report

Those which are explicitly designed with a strong focus are designated as '**Primary**' sources for each Big Conversation and thus will have highest weighting in Triangulation. Those where there is a lighter focus are designated **secondary** and are likely to be used as supporting evidence in Triangulation (e.g. helping develop a narrative to further understand Primary evidence).

**PRIMARY**: High quality report which is strongly focused on answering specific Big Conversation

**SECONDARY**: High quality report which is only partially focused on specific Big Conversation
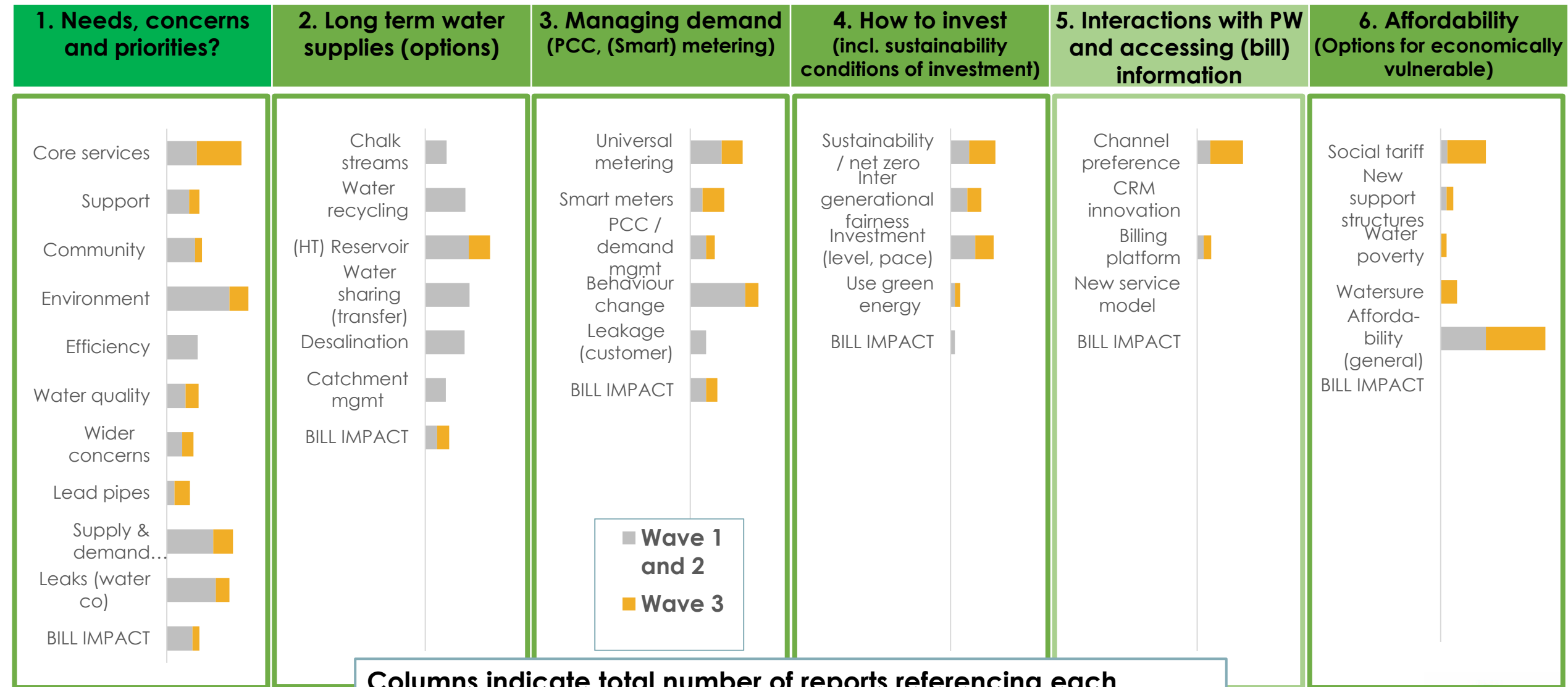
# Updated synthesis report

# A growing base of dedicated high quality evidence.

The latest phase of Portsmouth Water's research and engagement has brought dedicated high quality evidence to big conversation 4 in terms of views on longer-term investment (relating to research into the draft Vision). We also see a notable increase in evidence around the highly topical subject of affordability, with the recent research into Portsmouth Water's vulnerable customers bringing dedicated high quality evidence to this area.
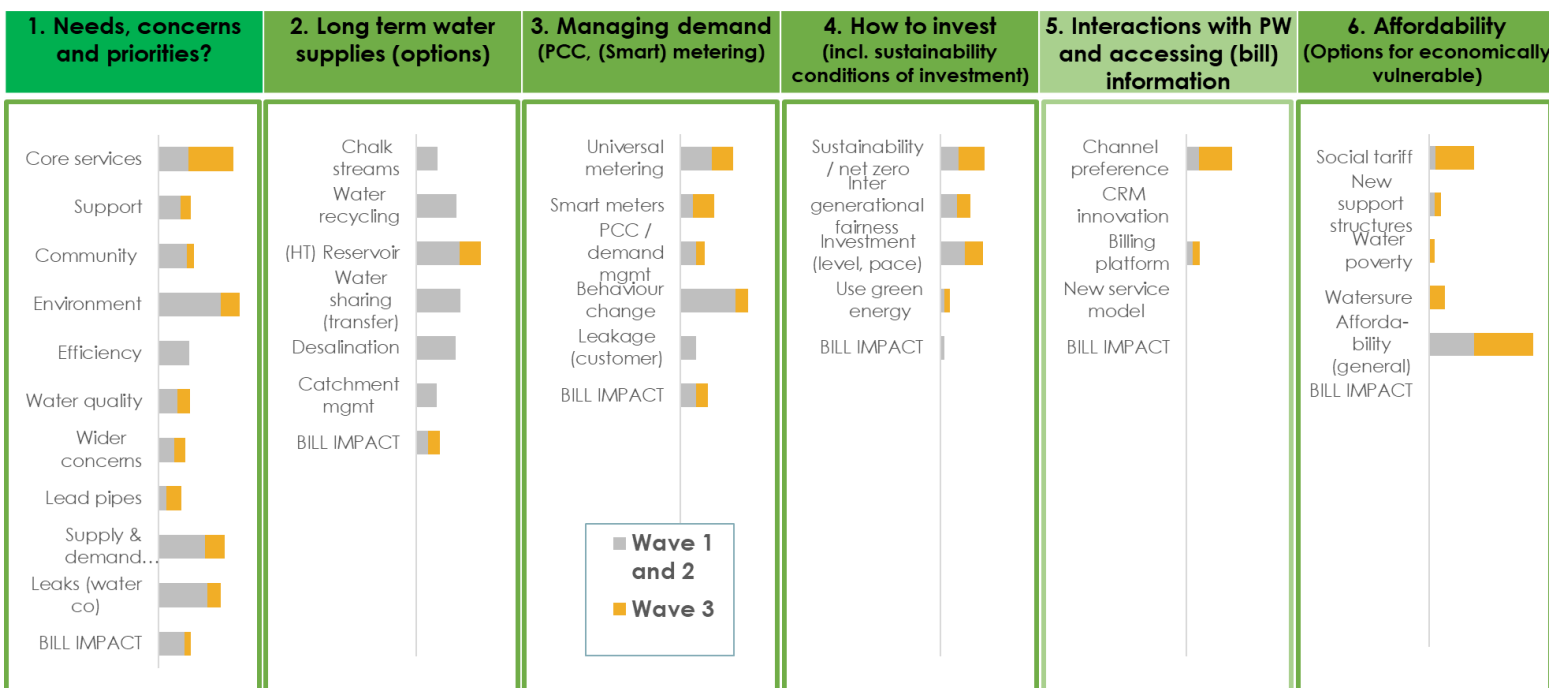
| | Big conversations | | | | | |
|---|---|---|---|---|---|---|
| | 1. Needs, concerns and priorities? | 2. Long term water supplies (options) | 3. Managing demand (PCC, (Smart) metering) | 4. How to invest (incl. sustainability conditions of investment) | 5. Interactions with PW and accessing (bill) information | 6. Affordability (Options for economically vulnerable) |
| **PRIMARY high quality reports** (score 8-10) | 3 (+1) | 3 (-) | 2 (-) | 2 (+2) | - | 1 (+1) |
| **SECONDARY high quality reports** (score 8-10) | 5 (+3) | 2 (+2) | 6 (+3) | 4 (+1) | 7 (+4) | 5 (+2) |
| **Mid quality reports** (score 5-7) | 17 (+5) | 11 (+3) | 12 (+4) | 8 (+2) | 6 (+4) | 11 (+6) |
| **Lower quality / unrated reports** (score 2-4 or unrated) | 4 (-) | 2 (-) | 1 (-) | 2 (-) | - | 2 (-) |
| Total | 28 (+8) | 17 (+4) | 20 (+6) | 15 (+4) | 12 (+7) | 18 (+8) |

**Number of reports at Aug '22**

(Change from May '22)

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# Most individual themes within the Big Conversations now have evidence, but there are still gaps – particularly in Conversation 5 (relating to CRM).



| 1. Needs, concerns and priorities? | 2. Long term water supplies (options) | 3. Managing demand (PCC, (Smart) metering) | 4. How to invest (incl. sustainability conditions of investment) | 5. Interactions with PW and accessing (bill) information | 6. Affordability (Options for economically vulnerable) |
|---|---|---|---|---|---|

Legend: Wave 1 and 2 / Wave 3

**Columns indicate total number of reports referencing each individual theme, weighted to reflect report evidence scores**

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| 1. Needs, concerns and priorities? | 2. Long term water supplies (options) | 3. Managing demand (PCC, (Smart) metering) | 4. How to invest (incl. sustainability conditions of investment) | 5. Interactions with PW and accessing (bill) information | 6. Affordability (Options for economically vulnerable) |
|---|---|---|---|---|---|

Column 1:
- Core services
- Support
- Community
- Environment
- Efficiency
- Water quality
- Wider concerns
- Lead pipes
- Supply & demand…
- Leaks (water co)
- BILL IMPACT

Column 2:
- Chalk streams
- Water recycling
- (HT) Reservoir
- Water sharing (transfer)
- Desalination
- Catchment mgmt
- BILL IMPACT

Column 3:
- Universal metering
- Smart meters
- PCC / demand mgmt
- Behaviour change
- Leakage (customer)
- BILL IMPACT

Legend:
- Wave 1 and 2
- Wave 3

Column 4:
- Sustainability / net zero
- Inter generational fairness
- Investment (level, pace)
- Use green energy
- BILL IMPACT

Column 5:
- Channel preference
- CRM innovation
- Billing platform
- New service model
- BILL IMPACT

Column 6:
- Social tariff
- New support structures
- Water poverty
- Watersure
- Affordability (general)
- BILL IMPACT

**Results from the latest Quarter have built higher quality evidence around long term investment and a lot of more generalised commentary around affordability…**

- Portsmouth Water research has focused on the draft Vision, including views on longer term investment
- Additionally a number of sources focusing on vulnerable groups
- …with affordability often raised as part of wider context across a variety of reports

**Gap analysis**

- Still significant gaps in Big Conversation 5 regarding Portsmouth Water CRM platform
- There is also relatively little dedicated evidence on social tariffs (Conversation 6)
- Forthcoming Barometer will focus on affordability (Conversation 6) alongside smart metering (conversation 3)

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# Big Conversation 1: Needs, concerns and priorities (1 of 2)

## What evidence do we now have?

### Environment
- The environment is higher priority than in PR19: preference for going beyond the minimum & accept paying (small amount) more for environmental Improvements.
- Especially so for **Future customers**
- Sewage release is the dominant environmental issue for the water industry in the South East

### Reliable service
- Very high importance placed on water company efficiency to ensure minimal leakage
- Long term security of supply is also a critical (hygiene) factor

### Customer service
- NHH customers have higher service expectations and want better communication

### Affordability
- Lowest cost is NOT the most important thing for most
- **NB evidence pre-dates cost of living crisis**

## Portsmouth Water specific insights

- For PW customers, while environment is topical, it is only **a medium-level priority for PW** (a water-only supplier)
- Most PW customers identify Southern Water, not Portsmouth Water, as responsible for this

- Reducing leaks, long term supply, company transparency & excellent service all seen as more important than environmental considerations
- Water resource issues and associated environmental impacts not 'top of mind' or well understood
- On learning more about local water resources and chalk streams, customers do rate preserving the local environment as being important for PW

- Customer service appears a higher priority for PW customers: satisfaction is strong and 'local feel' appreciated but service touchpoints need updating

- **Vulnerable customers** place greater emphasis on (bill) support and making it easier to deal with PW
- Indications that PW cust. more worried than others about lead pipes
- **Stakeholders** emphasise PW's responsibility for helping vulnerable customers

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# ① Big Conversation 1: Needs, concerns and priorities (2 of 2)

## NEW insights and evidence: general

| Environment | Reliable service | Customer service | Affordability |
|---|---|---|---|
| Household customers are aware of 'environmental' issues but some disconnect/ disengagement between saving the planet and saving water – potentially influencing priorities | - | - | Cost of living now top of mind: pressures on finances have escalated |

## NEW insights and evidence: PW specific

| | | | |
|---|---|---|---|
| - | • Overall satisfaction at 95% top of industry league<br>• CMEX slightly fallen back in Q1 & Q4 (from strong position)<br>• Operational issues and water quality (& hardness) indicated in lower CMEX | • Satisfaction levels from vulnerability stakeholders has reduced (below ODI level)<br>• Vulnerable customers particularly value easy customer journey & good comms to minimise stress | • Cost pressures indicated in CMEX<br>• VFM at 71% top of industry league |

**Key summary for big Conversation1**

• **A hierarchy of customer priorities (see p.29)**

**Gaps**

• Need a more definitive understanding of (larger) **NHH perspective**
• **Future customer** perspective needs to be validated by dedicated PW research
• Recent reduction in ongoing metrics: is there an explanation for this?
• True implication of cost of living crisis on customer perspectives generally
• Possible implication of July drought on priorities generally



**Higher**
- Ensuring reliable water supply for the future
- Fixing leaks in the pipe network
- Being transparent and accountable
- Even better quality water
- Providing excellent customer service

**Medium**
- Keeping bills as low as possible
- Supporting wildlife and biodiversity
- Reducing carbon emissions to 'net zero'
- Supporting customers to help reduce water consumption
- Helping those who struggle to pay water bill

**Lower**
- Making it easier to deal with them & pay bill
- Providing water meters so everyone pays for what they use
- Assisting with lead pipes
- Installing smart meters to manage water use
- Supporting local communities

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# 2 Big Conversation 2: Long term water supply (options) (1 of 1)

## What evidence do we now have?

### Awareness of water resource issues

- Low awareness of water resources / drought risk / strategic plans

### Demand options

- Consumers think primary focus should be on company efficiency (reducing leaks) and helping customers use less (which links with delivery of wider public value)
- Proposals to abstract less and use catchment management are not well understood but the general principle to protect environments is supported (provided it is effective).

### Supply options

Supply options are secondary in terms of preference. In order:
- Broad support for **HTR**, driven by leisure and environmental benefits, but concern over localised disruption.
- **Catchment management** a popular idea, but role unclear.
- Broadly positive about **water transfer** (if environmentally sensitive / beneficial) but don't want to be dependent on it.
- Mixed views on **water recycling** with concerns over water quality and safety - greater support when people know more.
- **Desalinisation** lower support – high energy, carbon and environmental impact, plus cost.
- **Tankering** has least support.

## Portsmouth Water specific insights

- -

- PW region some slight differences to overall SE region (e.g. slightly less averse to abstraction)

- Very similar: highest support for HTR as their preferred new source, with the majority supporting water recycling too. Then desalination. Water transfers least preferred option.
- PW stakeholders supportive of new sources, provided environmental impact managed

**NEW insights and evidence**
- No new evidence in latest round of reports

**Key summary for big Conversation2**
- **A hierarchy of long term supply preferences (see p.33)**

**Gaps**
- Portsmouth Water customers well represented BUT the voices of NHH and Future customers limited

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# ③ Big Conversation 3: Managing demand (PCC and Metering) (1 of 2)

## What evidence do we now have?

Consumers nationally think the top three actions water companies should take are: Fix more leaks; ask people to use less water ; and reward customers who reduce use

### (Universal) metering

- Metered customers are more likely to help to reduce their water use vs. unmetered
- Some resistance to metering identified (larger households; think bills will increase; don't want to worry about use)
- Younger customers more likely to fit and trial a water meter.

### Smart metering

- Good support for *smart* meters. Benefits are financial saving, enabling informed choices & helping educate

### PCC/behaviour

- Nationwide, only around 1 in 4 are aware of being asked by their water co to use less water
- If customers know water resources are limited, there's high willingness to reduce water use (national)

## Portsmouth Water specific insights

- Universal metering slightly less preferred in PW region vs. SE region overall (WRSE).
- PW customers support meters provided safeguards in place for financially vulnerable
- Stakeholders supportive of meters – in a region with above average usage – but customer engagement/ comms important to get support

- Support for smart meters initially muted, 7 in 10 support once benefits communicated (14% reject smart meters)

- PW customers are less conscious than SW customers of water use, and struggle to think how to use less
- PW customers more resistant to changing water behaviours (compared to SW and SEW customers)

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# 3 Big Conversation 3: Managing demand (PCC and Metering) (2 of 2)

## NEW insights and evidence: general

### (Universal) metering

- Metering potentially source of great anxiety to vulnerable – who will make sacrifices to use less (esp. for those with poor mental health)
- How will vulnerable be protected against bill increases?

### Smart metering

- Stakeholders raise negative experiences of energy smart meters: increased anxiety about bills; obsessive monitoring; concerns smart meters could lead to service being cut off
- Requires clear communications

### PCC/behaviour

- 6 /10 have not taken any action to reduce their water use in the last 6 months. But, most (76%) claim to be open to changing their behaviour if they heard they needed to because of climate change

## NEW insights and evidence: PW specific

- In 2021-2 34% of HH customers were metered - only incremental increases over the previous two years.
- In 2021-2 over 7 in 10 of unmetered customers were aware of option to have a free water meter - fairly stable for the last few years. (NB this contrasts with under 40% who actually have one…).

- Mixed views a from PW sample: see both positive aspects (leak reduction and improving awareness of usage) but also concerns (as above)

- Actual PCC averaged across measured and unmeasured is 160 in 2021-2 (versus target of 140).
- Slight decrease since previous year - related to cold summer & small reduction in WFH?
- BUT Household usage is up 8% compared to pre-Covid, after weather is taken into account.

### Gaps

- Why are PW customers different re behaviour and attitudes to water saving? Drivers not fully explored
- Any differences in customer segments – esp. Future, NHH which are particularly relevant to this Big Conversation
- NB research underway to explore metering perceptions with PW customers

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## What evidence do we now have?

### General principles

- Majority want water companies (nationwide) to go 'beyond the basics' for meeting minimum legal requirements – particularly re: species extinction and climate change.
- Overall, a willingness to pay for investments now to safeguard water resources and the environment for future generations, although expect affordability to be taken into account

### Environmental / net zero targets

- Some evidence (from WRSE) that high energy use a common issue for new supply options; the goal of using green energy is reasonable to most consumers, provided this is at a reasonable cost
- Use of chemicals for water treatment is also a common issue with future options
- NHH customers (in the SE more widely) sceptical of net zero targets (and the associated costs)

## Insights and evidence: PW specific

- Most PW customers would prioritise ensuring reliability and protecting local environments over keeping bills low (and to a lesser extent, minimising energy use).
- PW customers demonstrate bill sensitivity: they want to pay for future investments gradually – no bill shocks
- Most do not want/anticipate large increases as currently satisfied with the service (and largely unaware of future challenges)

- Customers recognise the need to invest to provide good quality water as most urgent - recognising sustainable sources important too - but less so
- Customers positive about partnering with renewable energy provider: supportive of sustainability and use of renewable energy
- Vulnerable customers concur:
  - Want to see/hear about tangible improvements to address climate change and see where their money is going
  - Supportive of an environmental focus - not polluting the environment, protecting/ improving habitats and wildlife

### Gaps

This Big Conversation remains light: new research on plan options will develop these initial themes
- Intergenerational fairness (and what Future customers think)
- Pace of investment
- NHH (in PW region) perspective

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## What evidence do we now have?

### Channel preference

- In general (nationally), if their water company wanted to let customers know about something important, the best way is by email; however younger customers under 35 are more likely to prefer flexible digital channels than older age groups
- Nationally, awareness of social media campaigns to save water is low
- Less then 1 in 10 nationally recall seeing water saving tips on social media in the last year with those on water meters more likely to recall them (although of these, 6 in 10 claim to have taken action).
- Claimed awareness of info sources about river / sea pollution were: 43% TV, 22% newspaper, 20% social media, 13% radio, 9% other online source

## Insights and evidence: PW specific

- Phone most widely used channel for interacting with PW at 41%. Email 27%; Website 23%; In writing (letter) 6%; webchat 2%; social media 1%
- Some PW customers think billing service is due for modernisation
- PW customers expect: quick, effective, efficient, channel choice (including live chat and phone)
- PW customers expect website to cater for straightforward issues
- Automated services seen as unable to deal with many issues (importance of real people to help)

## NEW insights and evidence

- Support organisations want a named contact at PW
- Satisfaction (from support organisations) generally high across all channels
- Customers have mixed views about digitisation - concern that it will be exclusive and as a result exclude those non familiar/not able. NHH more positive, feels aligned to their priorities
- Customer satisfaction ratings of billing maintained a high rating across 2020-1, but fell back in final Quarter of 2021-2.

Out of a total of 145,903 contacts for 2021-2:
- 32% written
- 67% telephone
- 1% webchat (incl WhatsApp)
- 0.03% social media
- 0 SMS

## Gaps

- No evidence collected so far on specific PW proposals e.g. CRM platform, billing platform, new service model (or impact on bill)

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## What evidence do we now have?

### Pre cost of living crisis / pre summer 2022

- Customers open to modest bill increases
- Key expectation: any bill increase accounts for the needs of vulnerable and low-income households
- Affordability needs to be taken into account when investing now for future generations
  - Future customers want affordability efforts to be faster and more radical
- Nationwide picture on bill affordability shows differences by groups:
  - 18 – 29 years most likely to say bills were unaffordable and that their financial situation got worse last year (this is **higher than last year**)
  - Those with a disability or a disabled person in hhld are significantly more likely to disagree that their charges are affordable (same as last year)
  - Those of Asian, mixed or 'other' ethnicity are also more likely to disagree that their charges are affordable, which is also similar to last year

## Insights and evidence: PW specific

- PW customers happy in principle to pay more to help others, provided the schemes reach the right people
- Some PW customers voice concern about bill increases generally (and that general proposals re investments can look costly)
- PW customers with affordability issues can have different views e.g. universal metering - and are less satisfied with PW
- PW low contact with households on the PSR - less than 13% in 2020-21 were contacted.

## NEW evidence since cost of living context

- **Generally** affordability becoming an increasingly important priority
- Future customers esp. care about supporting vulnerable
- Those struggling financially feel less resilient to new cost increases than they did during pandemic
- Desire for better awareness of how bills work and support available

- **Portsmouth Water customers**: low awareness of support schemes amongst vulnerable customers
- Decrease in customers thinking PW bills affordable or fair (2021 Water Matters)
- Stakeholders want PW to be more proactive in delivering schemes to vulnerable customers

### Gaps

Evidence is still fairly generalised and the picture is changing fast with the cost of living biting
- Key gaps: Social tariff; New support structures; Water poverty
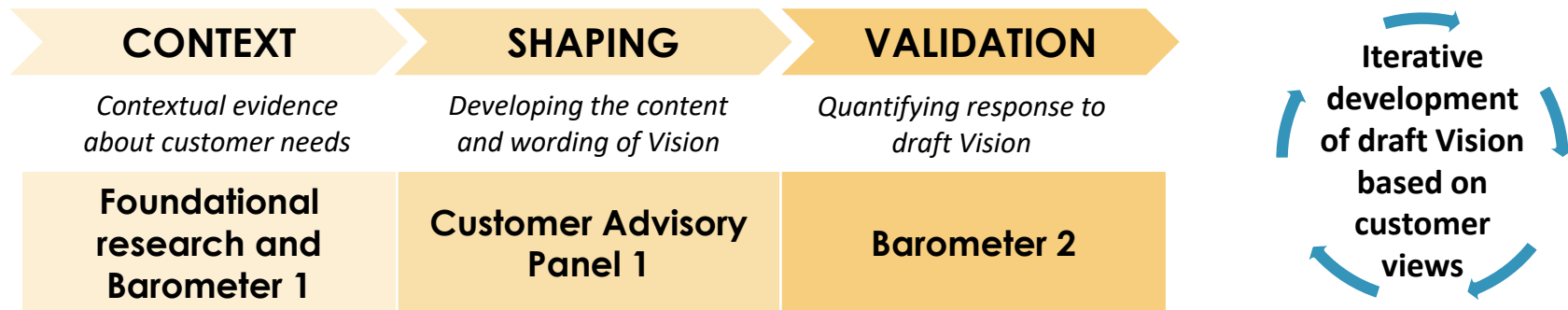- Acceptability of bill increases in new context

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# Spotlight on…

- Draft Vision
- GIS information

# Spotlight: Response to Portsmouth Water's draft Vision

**Context**

- During the latest Quarter a key focus for the research workstreams was to gauge customer reactions to Portsmouth Water's draft 25 Year Vision
- Both the Customer Advisory Panel and the Barometer Panel were used to gather customer views which fed into an iterative process to develop the final Vision statement (released for public consultation in August '22)

| CONTEXT | SHAPING | VALIDATION |
|---|---|---|
| *Contextual evidence about customer needs* | *Developing the content and wording of Vision* | *Quantifying response to draft Vision* |
| **Foundational research and Barometer 1** | **Customer Advisory Panel 1** | **Barometer 2** |

**Iterative development of draft Vision based on customer views**

**How customer feedback shaped the Vision**

- Detailed feedback from the Customer Advisory Panel helped develop language used in the Vision, ensuring it was meaningful (e.g. review of the terms 'wholesome water' 'decarbonise' 'lowest cost' and 'digitalisation')
- In qualitative discussion some felt the initial Vision was too vague, and 1 in 5 panellists were critical that it lacked detail and needed more specific targets
- Some (older) customers were unsure about use of the word 'smart' and needed this to be explained
- Customers gave feedback on their perceived urgency of actions to make the Vision a reality

**Key evidence to support the Vision**

- 7 in 10 panellists thought the draft vision aligned what they would like Portsmouth Water to aim for
- Widespread support for the individual longer term ambitions laid out in support of the draft Vision
- 63% of panellists thought the draft Vision was ambitious – recognising the challenges of future uncertainty, the potential high cost of investment and whether customers would reduce their water use in future.
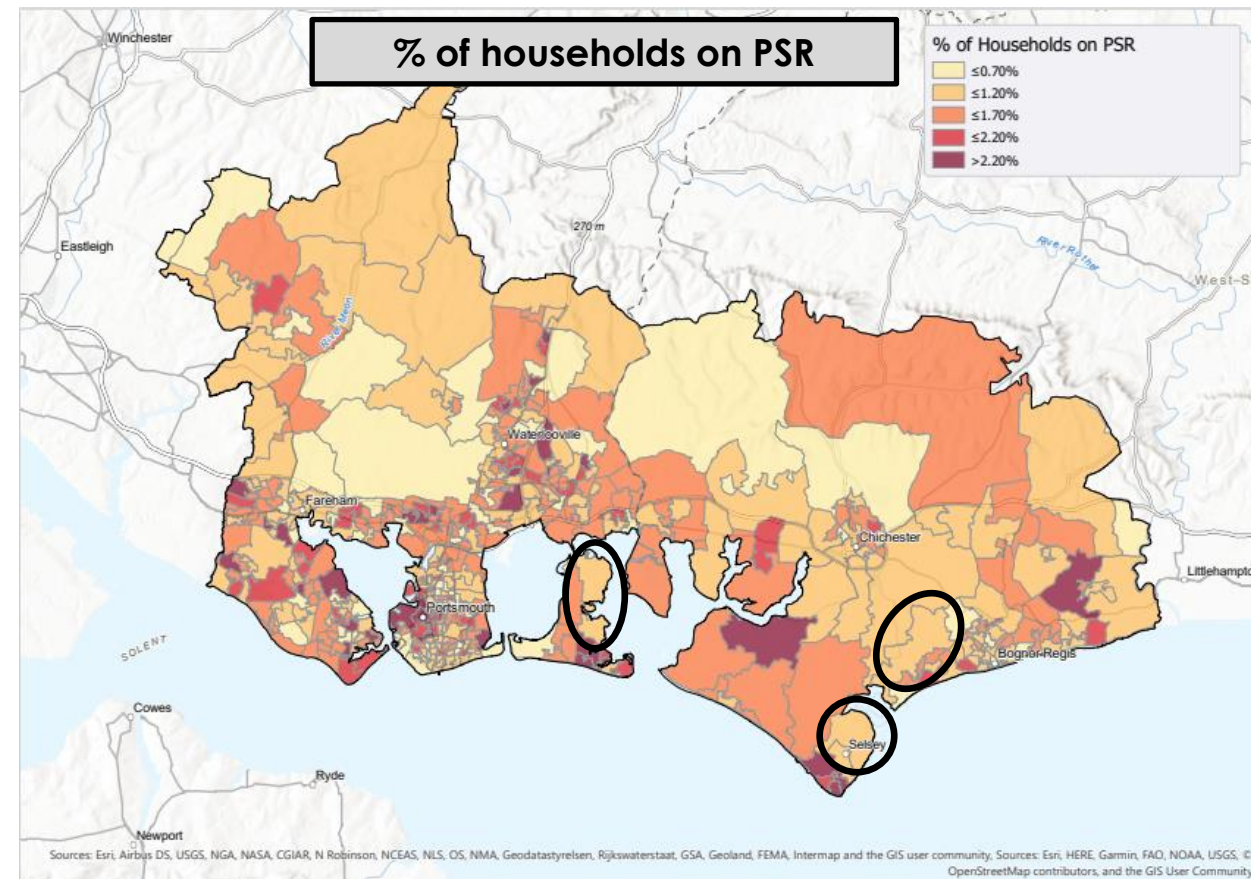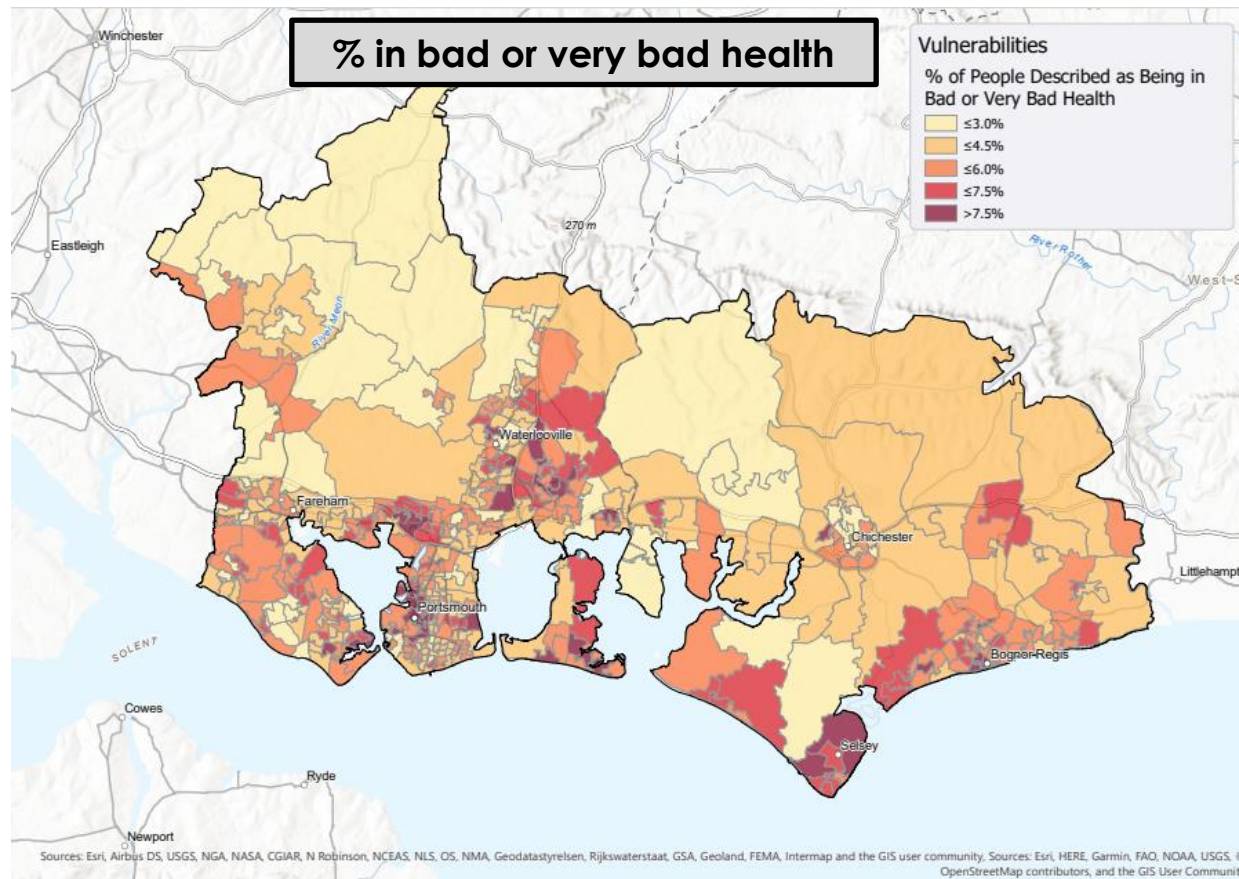
# Spotlight: Better understanding of Portsmouth Water customers through GIS

| Context | • We have worked with the Portsmouth Water GIS (Geographic Information Systems) team to develop:<br>  • A definitive demographic profile of people living within the area served by Portsmouth Water<br>  • Clear visualisation of the geographic distribution of different groups of people across the region – giving insight into the diversity of populations and locations where specific groups (and their specific needs) are concentrated |
| --- | --- |

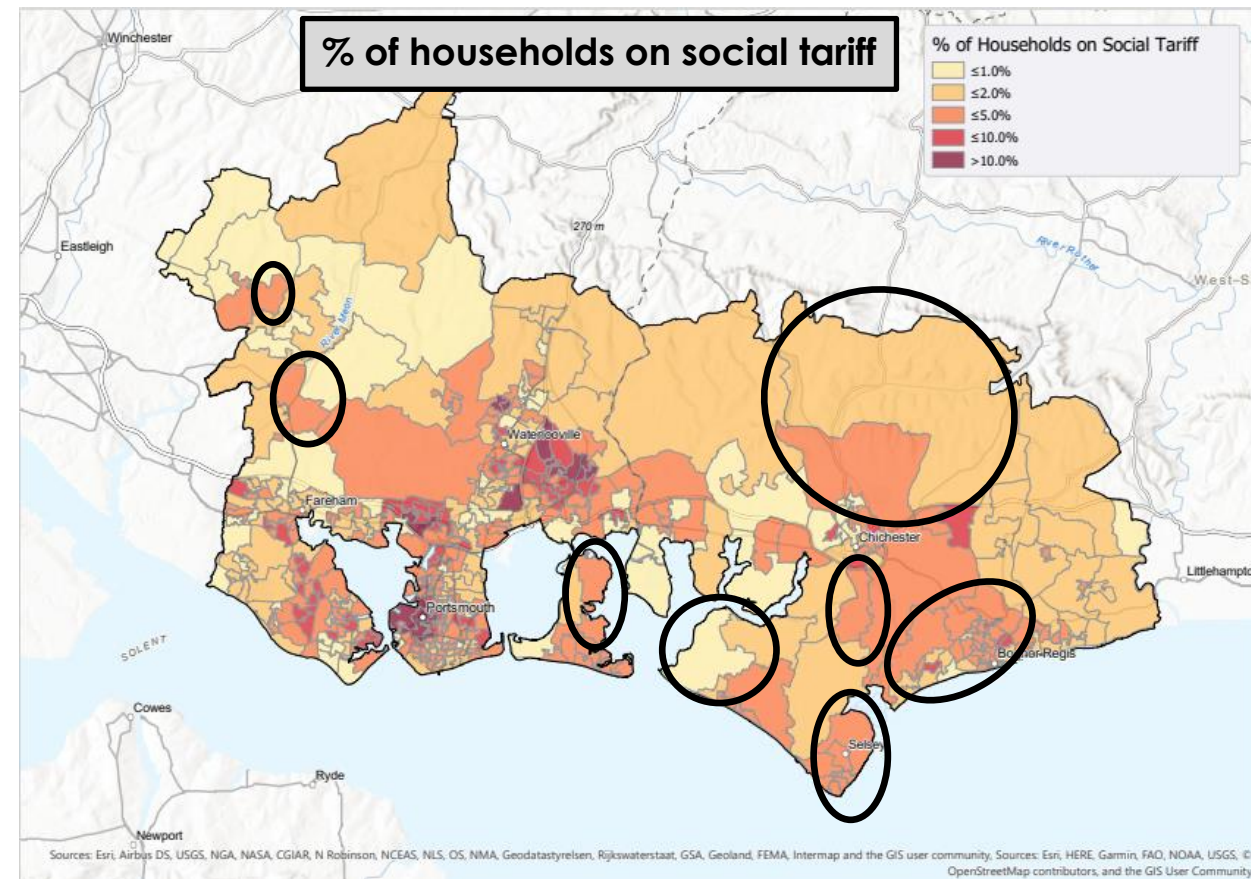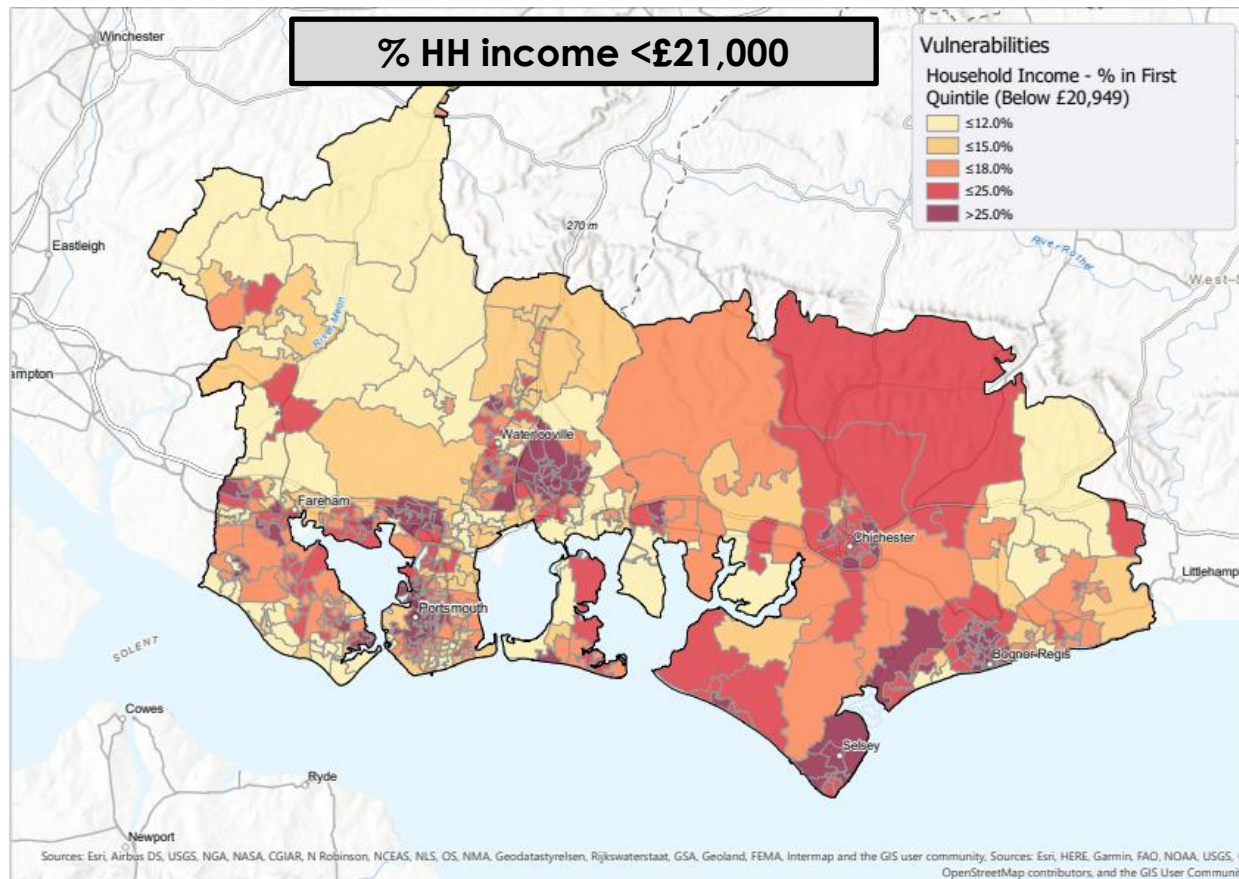| | Key observations | Implications |
| --- | --- | --- |
| **Ethnicity** | Ethnic minorities focused in urban areas (Portsmouth, Chichester) | Targeting for research & engagement to reflect a full range of communities. |
| **Average household size** | A broad divide of larger households in Hampshire (West) and smaller households in West Sussex (East). Although urban areas exhibit a patchwork – different neighbourhoods in close proximity | Implications for acceptance of meters and targeting of water use messages? Some areas not homogenous |
| **Bad and very bad health** | Some districts of cities and large towns (with the exception of Chichester) stand out for poor health – an important indicator of vulnerability. Also poorer health in some coastal towns where there are higher levels of retirement / older demographics | Implications for PSR strategy and targeting – see separate analysis |
| **HH income <£21,000** | Mapping households with income of less than £21,000 acts as a good indicator of where there's eligibility for social tariffs. Low income is evident not just in localised deprived areas of Portsmouth but also several coastal towns and more rural locations towards the Downs. | Implications for social tariff strategy and targeting – see separate analysis |
| **Unemployment** | A West-East divide, with unemployment highest in Portsmouth and Gosport, but low in the Eastern areas of Portsmouth Water's supply area | A key indicator of deprivation and (economic vulnerability) shows densely populated urban areas are a focal point. |

# GIS example analysis: Identifying areas with greatest unmet demand for PSR



- GIS mapping indicates that areas where there is greatest potential unmet demand for PSR include:
  - Hayling Island (East)
  - Selsey
  - Areas to the West and North of Bognor
- Could there be more local community engagement in these areas to boost awareness and uptake?
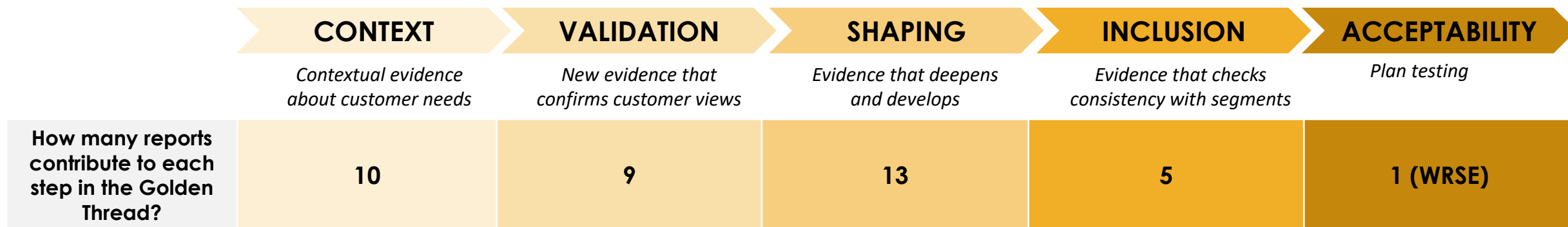
- Using GIS we are able to map households with income of less than £21,000, which is a good indication of households who are eligible for, or on the edge of eligibility for, a social tariff.
- Areas with a high incidence of households with income <£21,000 where currently relatively few are on social tariffs include:
  - Hayling Island (East); Witterings / Itchenor; Selsey; Hunston; Bognor; parts of Chichester (may include students?) and the more rural region to the North of Chichester.
- Attention could be focused in these areas to promote social tariffs and options / assistance for paying water bills.

# Summary

| | CONTEXT | VALIDATION | SHAPING | INCLUSION | ACCEPTABILITY |
|---|---|---|---|---|---|
| | *Contextual evidence about customer needs* | *New evidence that confirms customer views* | *Evidence that deepens and develops* | *Evidence that checks consistency with segments* | *Plan testing* |
| **How many reports contribute to each step in the Golden Thread?** | 10 | 9 | 13 | 5 | 1 (WRSE) |

- We have been monitoring evidence sources and indicating where each has a clear role in 'the Golden Thread' under the high level codes, as shown above
- The key to the Golden Thread is showing where the research and insight has informed aspects of the plan ('you said, we did')
- We need to build this Golden Thread analysis with you, and in relation to:
  - Setting the vision
  - Developing the plan options
  - The draft plan
- Other thoughts:
  - Recent dedicated research into vulnerable customers has helped build more evidence for 'inclusion' – but more to come with forthcoming research into future customers and non household-customers
  - Operational data has now been fed into the synthesis in the form of complaints data and PSR and social tariff volumes
  - Cost of living squeeze continues to be an increasingly important context and highly salient amongst consumers in all research.

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**Synthesis is building some key strands of evidence:**
- ✓ Hierarchy of customer priorities
- ✓ Long term supply preferences
- ✓ General support for the long term vision

**And some strong themes**
- Environmental protection is higher up consumers' agenda for this AMP (though this is driven mostly by sewer pollution concerns)
- Water companies in general under tighter scrutiny: demonstrating efficiency and high performing delivery
- Affordability is going up the agenda

**Some observations emerging about Portsmouth Water customers specifically:**
- In Q1 2022 customers told us they were not expecting bill increases as service is good; new data in Q4 likely to reflect new economic context
- Customers also appeared cost sensitive, although in principle, are prepared to pay something more for longer term investments
- Stakeholders appear to have increasing expectations regarding vulnerability and want to see PW more proactive in this area
- Is customer usage and behaviour different to other regions – and if so why?
  - PCC is higher
  - Indications that more resistant to changing behaviour

**Specific gaps remain:**
- Key segment voices under-represented:
  - NHH (larger) – being addressed
  - Future customers – being addressed
- True impact of cost of living crisis
- CRM and retail plans (not currently in the engagement plan)
- Social tariff acceptability

Potential weakness in the research outputs:
- No dedicated quantitative 'read' over and above the self-selecting Barometer panel sample.
- Recommend planned social tariff research is a robust 'fresh' purposively sampled survey (and includes some key questions to validate other research outputs).

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# Appendix

# Evidence score detail.

## The evidence score is the sum of the 'Robustness Rating' and the 'Coverage Rating'

### Robustness

| | Points |
|---|:---:|
| **High**: Best practice method demonstrated AND sample size proportionate (if applicable) AND high quality analysis & interpretation in report | **5** |
| | 4 |
| **Mid**: Minor reservations* on method OR less proportionate sample size OR some reservations on quality of analysis & interpretation | 3 |
| | 2 |
| **Low**: Major reservations on method OR very small sample size OR major reservations on quality of analysis & interpretation (i.e. bias) OR not customer-based insight | 1 |

**+**

### Coverage

| | Points |
|---|:---:|
| **High**: Highly robust coverage of Portsmouth Water region. | **5** |
| | 4 |
| **Mid**: Moderately robust coverage of Portsmouth Water region (sample / report may cover multiple regions) | 3 |
| | 2 |
| **Low**: No coverage of Portsmouth Water region | 1 |

*Includes where report does not provide adequate evidence of method

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- *All have importance* – some are more widely held priorities than others, and some are higher priority for certain groups
- Broadly consistent hierarchies from the different workstreams; differences are to be expected according to method & audience
- Triangulating the evidence and referencing other sources helps understand the differences and provide a balanced overall view

*Priorities for PW based on balance of evidence*

*Key takeouts from different workstreams*

**Higher**

| Future supply / new ways to supply |
| Fixing leaks |

Consistently very strong endorsement from consumers that the **top priorities** for Portsmouth Water should be **ensuring reliable future water supply** and **fixing leaks** in the pipe network. Stakeholders place less emphasis on investing in new ways to supply, instead advocating demand-side solutions as a top priority.

| Water quality |
| Excellent customer service |

Portsmouth Water's performance on **water quality**, **customer service** and **low bills** are generally well regarded – and remain very important hygiene factors to maintain. For a significant minority of customers, characteristics of the water (taste, hardness) are affecting satisfaction. When we discuss water resource challenges with customers, lowest possible bills become less important but bill sensitivity remains a significant consideration.

| Low bills |

**Medium**

| Environment |
| Carbon |
| Encouraging water efficiency |

Aspects of preventing damage to **local environments**, **reducing carbon emissions** and **encouraging water efficiency** are not always top of mind priorities for customers, but become increasingly important as people appreciate the stretched water resources situation in the region and the impacts of current levels of customer water use. Stakeholders place particular importance on encouraging efficiency (above investing in new sources).

| Helping to pay |

**Bill support** is a higher priority amongst **vulnerable customers**, along with **stakeholders** who are very conscious of deprivation in the area. With the developing cost of living crisis this is likely to be a changing picture to monitor.

**Lower**

| Universal Metering (pay for what use) |
| Smart meters |

Many customers don't initially know or think about the full range of benefits of **universal (smart) metering**, but upon greater understanding of the benefits, along with the context of the local water resource situation, most (but not all) support the idea of a roll out.

| Supporting local communities |

*Priorities for PW based on balance of evidence*

| | Consumer views | |
|---|---|---|
| | **Panel survey** HH customers n=700 'top of mind' view | **Deliberative qualitative** HH, future and NHH n=36 considered view |
| Future supply / new ways to supply | H | H |
| Fixing leaks | H | H |
| Water quality | H | L |
| Excellent customer service | H | M |
| Low bills | M | L |
| Environment | M | M |
| Carbon | M | H |
| Encouraging water efficiency | M | H |
| Helping to pay | M | M |
| Universal Metering (pay for what use) | L | M |
| Smart meters | L | L |
| Supporting local communities | L | L |

**Higher**

**Medium**

**Lower**

**Tap water quality** was generally satisfactory in the qualitative research, and so deemed less of a priority to address. However it's a higher priority in the panel survey, where there's evidence that poor perceived taste, appearance or water hardness is often connected to lower satisfaction. Recent CCW/Ofwat and Southern Water research also assign water quality a very high priority,

Panellists rate **customer service** as a relatively high priority. In the deliberative qual it's not seen as such a pressing priority because it's already thought to be a high standard (reflected in high UKCSI customer satisfaction scores). Nevertheless all customers **expect** service standards to remain high, and so on balance preserving this is a high priority for Portsmouth Water.

In a deliberative context, many feel that because Portsmouth Water's **bills** are already low, an emphasis on low bills is less of a priority. We also see that after informing panellists about the water resources situation, very low bills are not as important as preventing environmental damage. However, from an uninformed point of view, low bills remain important for many, and CCW and Southern Water priorities research also show low bills are of 'medium' importance.

A deliberated viewpoint in the qual research (along with representation of future customers), results in more importance being placed on reducing **carbon emissions**. (We note that research by CCW/Ofwat and by Southern Water place this as a 'lower' priority).

When people know more about the local water resources situation in the context of the deliberative research, more importance is placed on **encouraging customers to save water**. (We note that research by CCW/Ofwat and by Southern Water place this as a 'lower' priority).

Initially customers often do not fully appreciate the potential benefits of **metering**, but there is widespread support for universal (smart) metering when customers are more informed on the full range of benefits.

# Priorities – differences in stakeholder views

**1**

*Priorities for PW based on balance of evidence*

| | Consumer views | | Stakeholder views |
|---|---|---|---|
| | **Panel survey**<br>**HH customers**<br>n=700<br>'top of mind' view | **Deliberative qualitative**<br>**HH, future and NHH**<br>n=36 considered view | **Stakeholder depth interviews**<br>n=7<br>Depth interviews |
| **Higher** Future supply / new ways to supply | H | H | L |
| Fixing leaks | H | H | H |
| Water quality | H | L | L |
| Excellent customer service | H | M | - |
| **Medium** Low bills | M | L | M |
| Environment | M | M | M |
| Carbon | M | H | - |
| Encouraging water efficiency | M | H | H |
| Helping to pay | M | M | H |
| **Lower** Universal Metering (pay for what use) | L | M | M |
| Smart meters | L | L | - |
| Supporting local communities | L | L | (M) |

Stakeholder views are distinguished from consumers in two key ways:

- Greater consciousness of significant levels of deprivation in the area and the need for payment support
- A belief that encouraging demand management should take precedent over investment into new ways to supply water

# Long term water supply (options): What we know so far…

*PW customer hierarchy of supply priorities*

**Highest preference**

**HTR**
- Portsmouth Water customers support HTR as their preferred new source (4 in 10 aware of HT)
- Sustainable, positive community benefits
- But scepticism about topping up with recycled water (impact on quality and wildlife)

*Other options harder to plot on the hierarchy for PW customers specifically*

**Chalk streams & abstraction**
- Low awareness of chalk streams
- General appeal for reducing abstraction but suggestion that PW customers less adverse to abstraction than wider SE
- NHH question impact of reduction in abstraction on businesses & supply chains: communication essential

**Water recycling**
- Majority support water recycling: potential for reliability &
- Some (NHH) think already happens
- But some concerns about quality, safely & wholesomeness
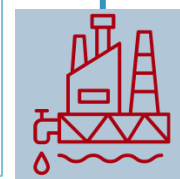- Minority conflate water recycling with CSOs

**Catchment management measures**
- Beneficial for the environment
- But seen as experimental: success not guaranteed (and may be expensive)
- Insufficient alone – need to increase supplies too

**Desalination**
- Long term, appropriate for a coastal location
- But disruptive, eyesore, potentially damaging to marine life
- Also high energy and perceived very expensive

**Transfers**
- Beneficial in theory but also concerns: expense, doesn't lead to self reliance; energy intensive; enlarging pipe network (with leaks and maintenance)
- Short term, with major logistics

**Lowest preference**

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