

## PART ONE

**Thank you for agreeing to participate in this important project.**

**The research event will involve discussing future investment plans for Portsmouth Water and Southern Water**

- Please read the following information before coming to the research event. This is designed to give you some background information to the topics we will be discussing.
- This exercise should take no longer than 20 minutes
- Please don't worry if you don't understand or remember the information – it will all be recapped during the research – and there will be time for questions.
- Please complete the short survey at the end of the document at least the day before the event.



# Water companies in England and Wales

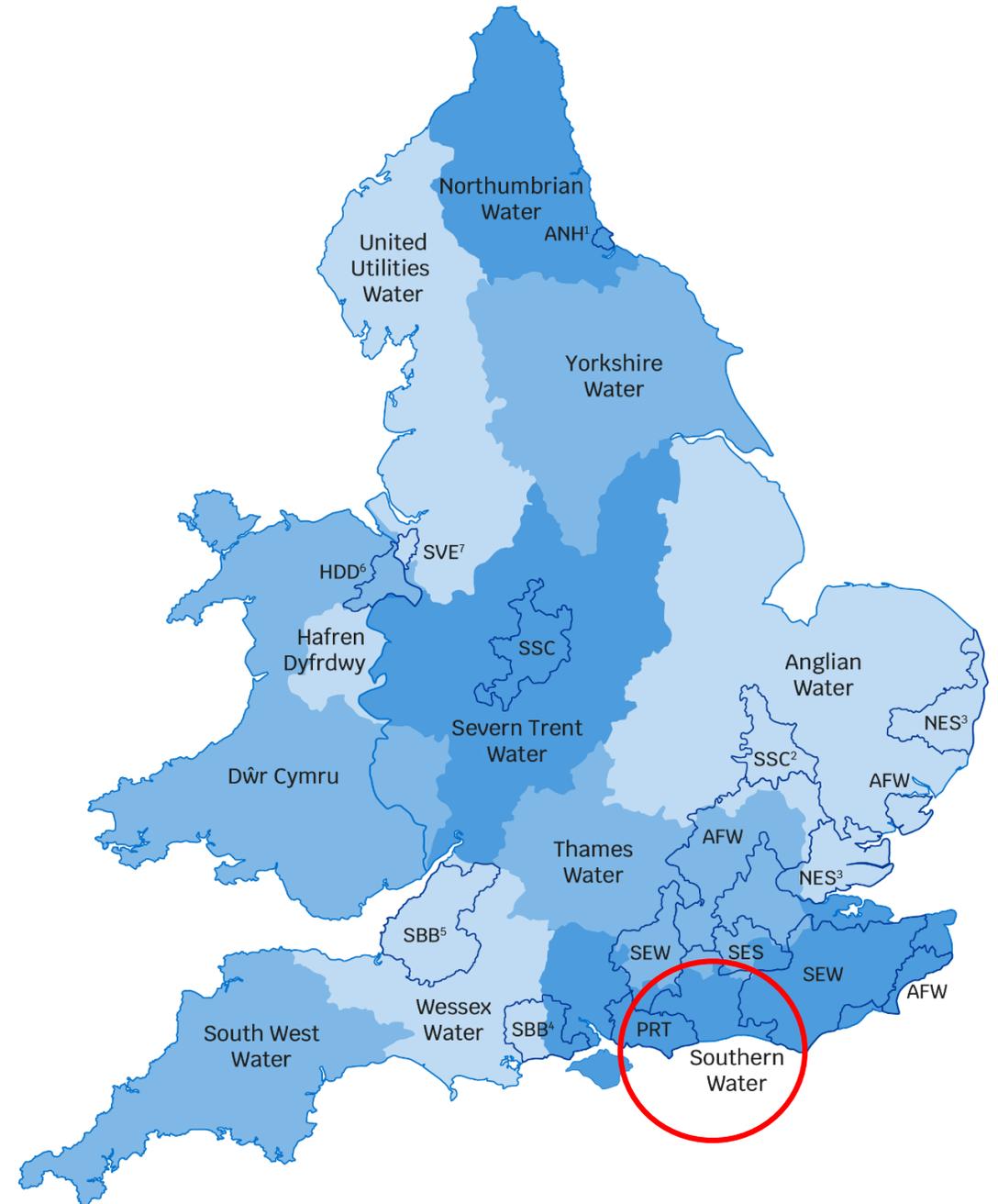
There are 11 water companies that provide **both water and sewerage services**

There are also 5 companies that provide **water services only**

Some households have 2 separate suppliers:

e.g. people in the Portsmouth Water area receive **water services from Portsmouth Water** and **sewerage services from Southern Water**

Business customers can choose their water and sewerage retailer. While this retailer is the first point of contact for business customers, water companies (also known as the 'wholesaler') still provide water and sewerage services to business customers on behalf of the retailer.



# Where do Portsmouth Water and Southern Water operate?



- Portsmouth Water provides **water supply services** across Hampshire and West Sussex, serving the towns of Portsmouth, Chichester, Fareham, Gosport, Havant and Bognor Regis.
- It provides clean drinking water to 324,000 homes and businesses in the area.



**Businesses in the region receive water from Portsmouth Water, but primarily deal with their retailer who bills them and provides customer services.**



- Southern Water provide **wastewater services** to more than 4.6 million customers across Kent, Sussex, Hampshire and the Isle of Wight, **including in Portsmouth and Bognor Regis**
- It also provides water to 2.6 million customers in the region, **but not in Portsmouth and Bognor Regis**

Every five years, **water companies develop a 'business plan'** that sets out how they want to develop their services, and the proposed cost to customers.

As customers are not able to choose their water company, water companies must give them a say about **what they want from their services and the price they pay.**

Talking to customers also helps water companies **prioritise what to do first or what to do most of** – because they are not able to fund everything they would like to do or do all of the things that customers might want them to do.





The business plan and prices are then **finalised by Ofwat** in a process known as the Price Review. There is more information about this here: 'All about the price review'. Available at:

<https://www.youtube.com/watch?v=OWmivC93AF8>

One of the ways that people have their say is through this research, which will explain what the plans are for where you live, and ask what you think – whether the plans are '**acceptable**' to you and whether you can **afford** the proposed bills from 2025-2030.

Companies also have to show to Ofwat that their **plans reflect what their customers want** – that means refining the plans based on what customers tell them.





## Water services

Provided by



## Wastewater services

Provided by:



1. Water is collected and treated

2. Clean water supplied to homes and businesses

3. Customers receive safe water

4. Customers can flush and forget...

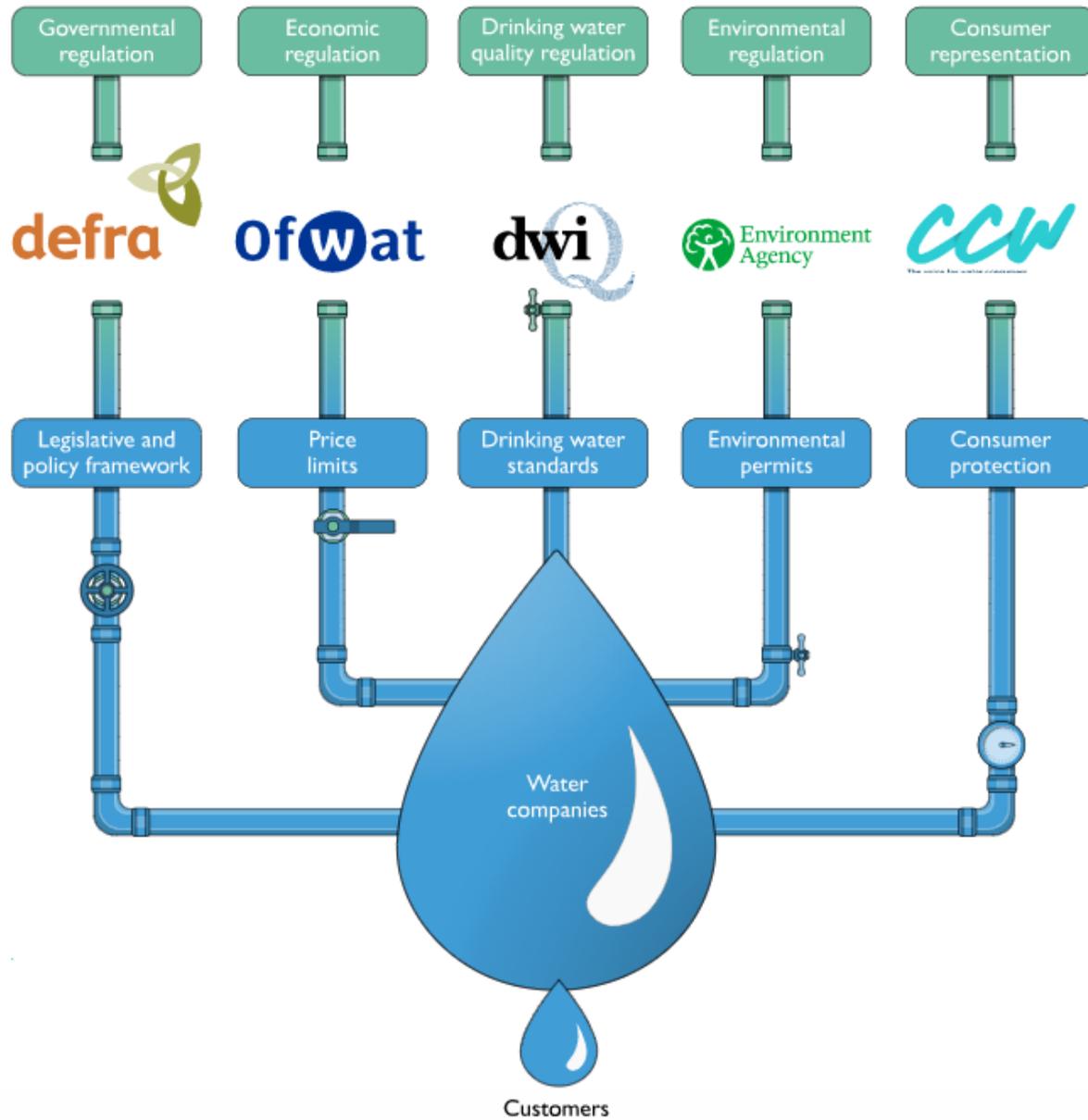
5. Wastewater is collected

6. Wastewater treated & returned to the environment

7. Customer services and billing

**You receive bills and customer service from your water retailer**

# Who regulates water companies?



Water companies are heavily regulated.

There are tough consequences if companies fail to meet their legal requirements, or their commitments for customers and the environment.

**Defra:** Department for Environment, Food and Rural Affairs

**DWI:** Drinking Water Inspectorate

**CCW:** Consumer Council for Water

Water companies are currently part way through their five-year business plan for 2020 to 2025. They have **service level targets, called 'performance commitments'**, in every five-year business plan.

These **targets are based on what customers have previously told companies they would like them to do**, and on Ofwat's assessment of what companies should deliver. These targets cover a wide range of the different services that water companies provide.

**Ofwat monitors water company performance** against each performance commitment every year to see if they have met the service level in their business plan.

We are now going to show you how well your water and/or sewerage company is doing on some of their performance commitments, compared to other water companies in England and Wales. These performance commitments are a snapshot of the wide range of services companies provide. We are showing these examples as customers have told us they are particularly important to them.

Water companies have to provide **reliable services**, and plan for their services to be **resilient** to changing weather patterns and demand from consumers.

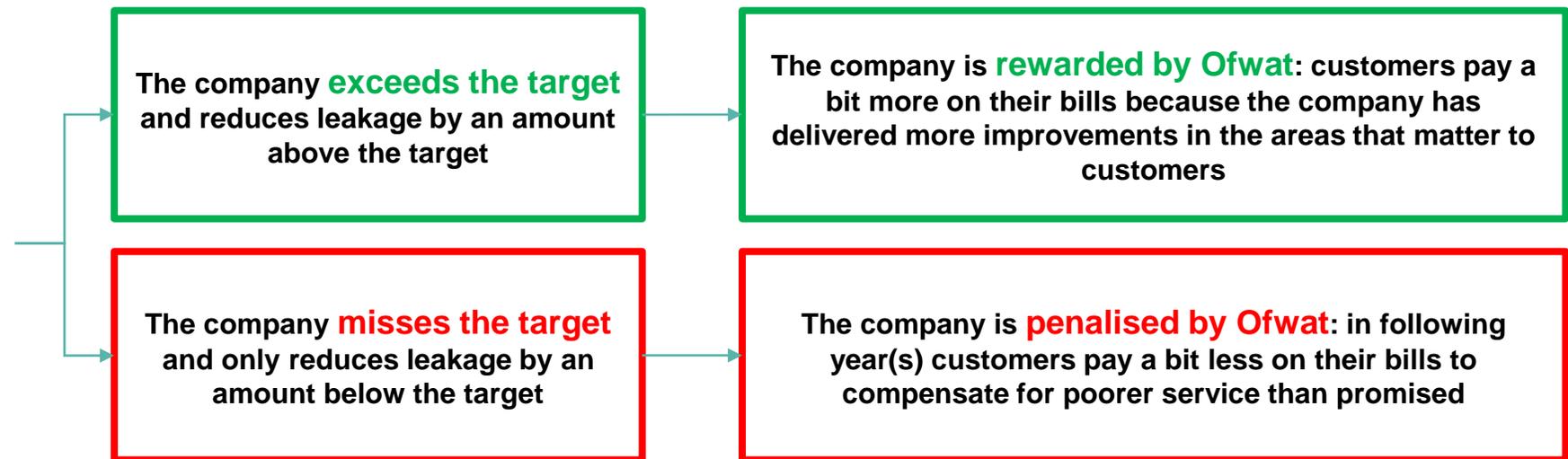
Companies can **miss** or **exceed** performance commitment targets for a number of reasons.

*For example, leaks from pipes happen more often after very cold weather, which can contribute to a company not meeting the target, and flooding from sewers is less likely in dry weather, which can lead to higher performance for sewer flooding service targets*

## Example:

Water company sets a performance commitment based on customer priorities:

*To reduce leakage from water mains and pipes*





## How has my bill been affected by Ofwat's penalties and incentives?

- Southern Water **passed 8** and **failed 9** performance commitment targets and had a net negative £40.1m, as they were behind targets. This is returned through a household and business customer bill reduction.
- Last year Portsmouth Water **passed 18** and **failed 8** performance commitment targets, earning an overall reward £0.755m, meaning that this amount could be obtained through household and business customer business bills. However, £0.333M of reward was deferred to future years, reducing bill increases during the current cost-of-living crisis.

## PART TWO

### Next we are showing you how Portsmouth Water and Southern Water perform in relation to other water companies across England and Wales

- The water industry uses a number of measures to assess performance. Because the water companies are very different in size and number of customers, these measures are often ‘normalised’ to give a fair comparison
  - E.g. on the next slide you’ll see information about the number of minutes households are without water per property per year. This is an average: in reality, most houses don’t experience problems but some will be without water for longer periods. But to be able to compare companies, the total interruption time is divided by all households in the region
- Please read the information and consider where you are happy with Portsmouth Water’s and Southern Water’s performance – and where you would like to see improvements.



# Water supply interruptions, without warning, for 3-6 hours



If a water supply is interrupted without warning for between 3 and 6 hours, it would not be possible to draw water from the taps or flush the toilet; it may be necessary to buy bottled water.

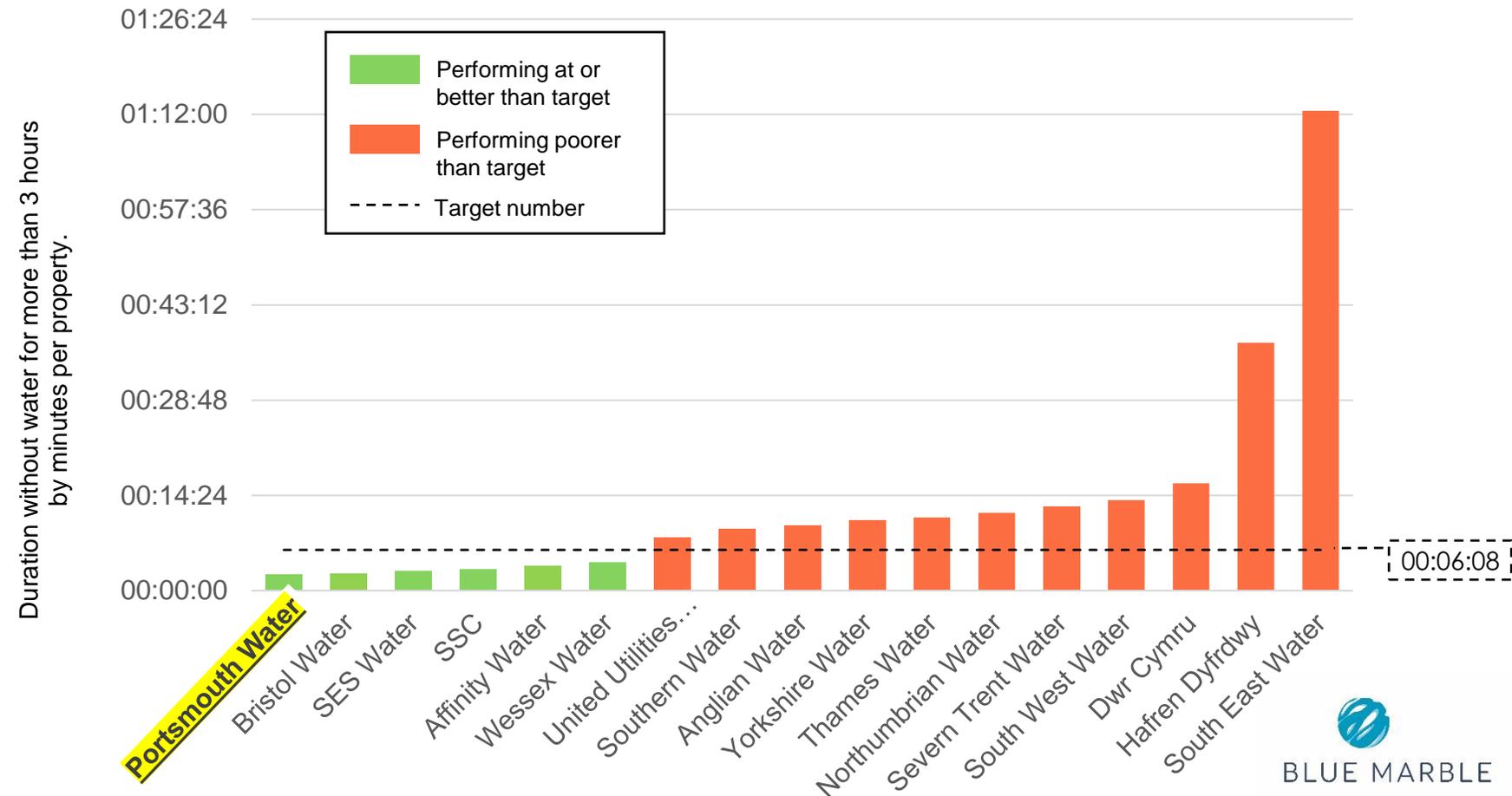
Company performance against target.  
(A lower percentage is better.)

Water and Sewerage company	Performance Against Target
<b>Portsmouth Water</b>	<b>-62%</b>
Bristol Water	-59%
SES Water	-52%
SSC	-47%
Affinity Water	-39%
Wessex Water	-32%
United Utilities Water	+30%
Southern Water	+53%
Anglian Water	+60%
Yorkshire Water	+73%
Thames Water	+80%
Northumbrian Water	+92%
Severn Trent Water	+106%
South West Water	+123%
Dwr Cymru	+164%
Hafren Dyfrdwy	+511%
South East Water	+1083%

## Water companies measured on the length of time properties are without water.



Duration without water for more than 3 hours  
by minutes per property.  
(A lower bar / number is better.)



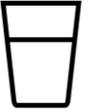
# The appearance, taste and smell of tap water

Tap water may look discoloured or taste/smell different to usual. Although still safe to drink, people may prefer bottled water as a precaution until it returns to normal.

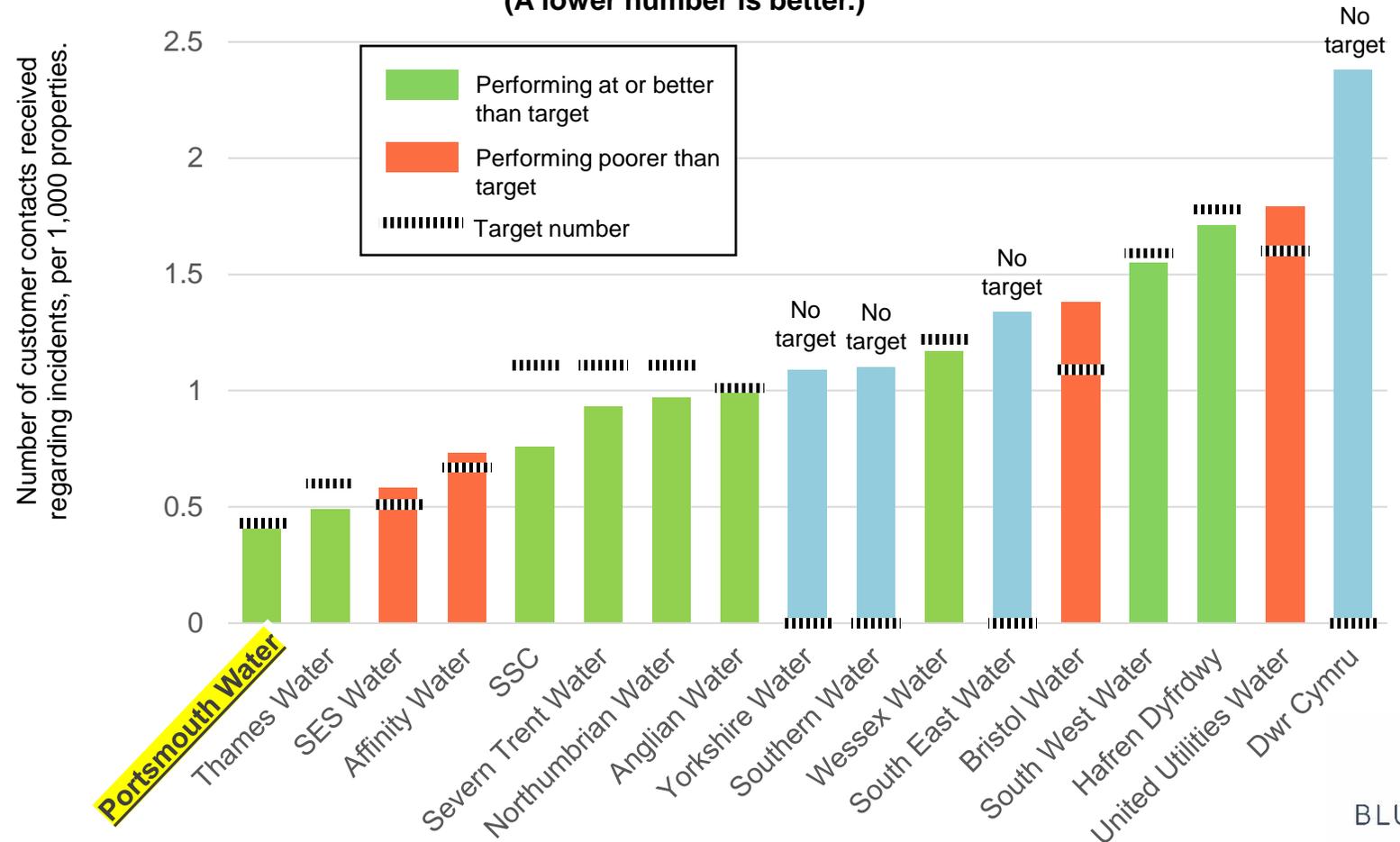
Company performance against target.  
(A lower percentage is better.)

Water and Sewerage company	Performance Against Target
<b>Portsmouth Water</b>	<b>-5%</b>
Thames Water	-18%
SES Water	+14%
Affinity Water	+9%
SSC	-32%
Severn Trent Water	-16%
Northumbrian Water	-13%
Anglian Water	+2%
Yorkshire Water	No target
Southern Water	No target
Wessex Water	-4%
South East Water	No target
Bristol Water	+27%
South West Water	-3%
Hafren Dyfrdwy	-4%
United Utilities Water	+12%
Dwr Cymru	No target

## Water companies measured on the number of customer contacts regarding the appearance, taste and smell of tap water.



Number of customer contacts received regarding incidents, per 1,000 properties.  
(A lower number is better.)



# Sewage flooding of properties

An escape of sewage inside properties is highly inconvenient, disruptive and a potential health risk. In bad cases, people need to move out of their properties while things are put right.

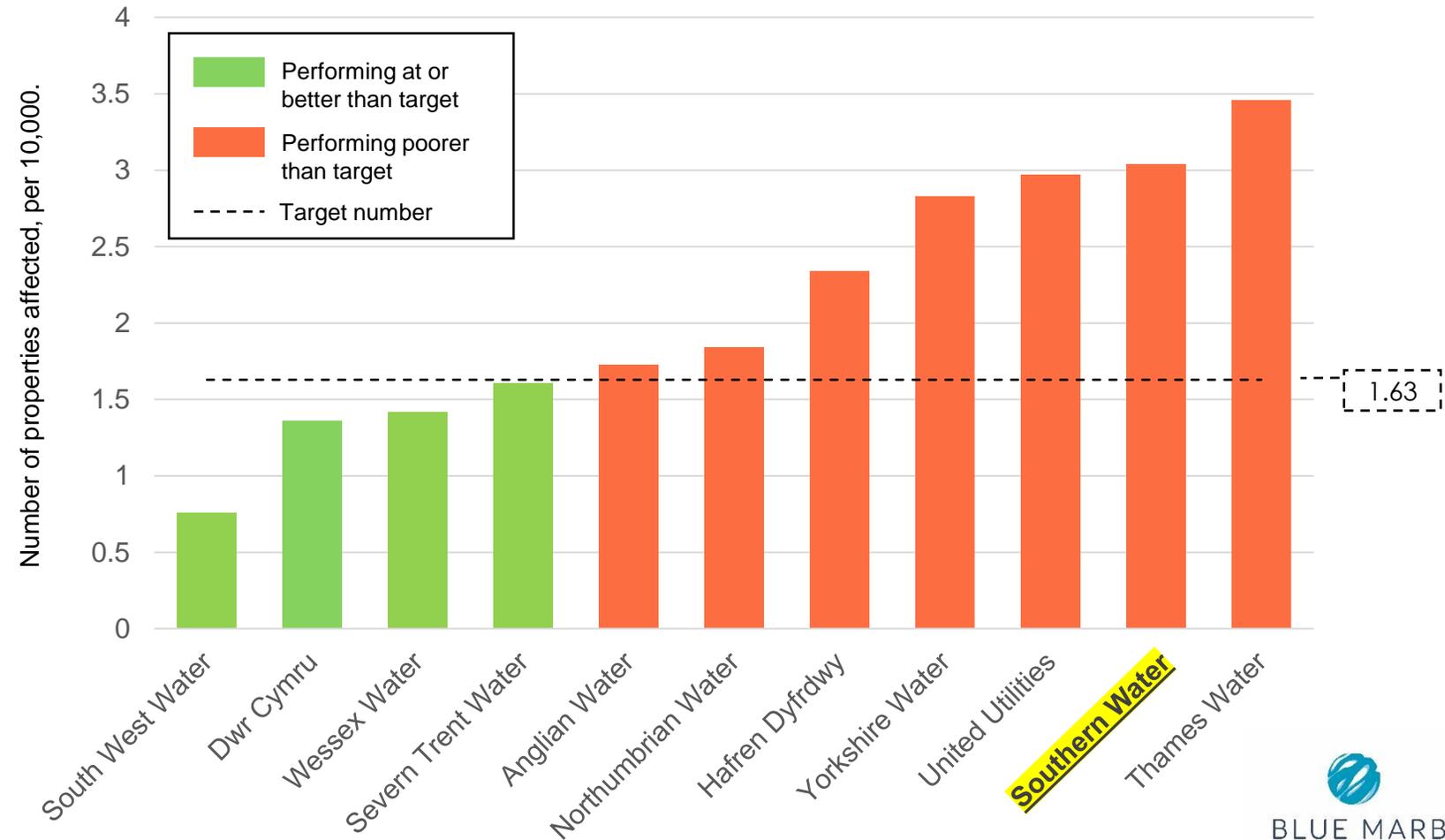
Company performance against target.  
(A lower percentage is better.)

Water and Sewerage company	Performance Against Target
South West Water	-53%
Dwr Cymru	-17%
Wessex Water	-13%
Severn Trent Water	-1%
Anglian Water	+6%
Northumbrian Water	+13%
Hafren Dyfrdwy	+44%
Yorkshire Water	+74%
United Utilities Water	+82%
<b>Southern Water</b>	<b>+87%</b>
Thames Water	+112%

## Water companies measured on the incidents of sewage flooding properties.



Number of properties affected, per 10,000.  
(A lower number is better.)



# Sewage flooding of gardens or outbuildings

An escape of sewage into gardens or access points to peoples' properties is inconvenient and unpleasant and can restrict access.

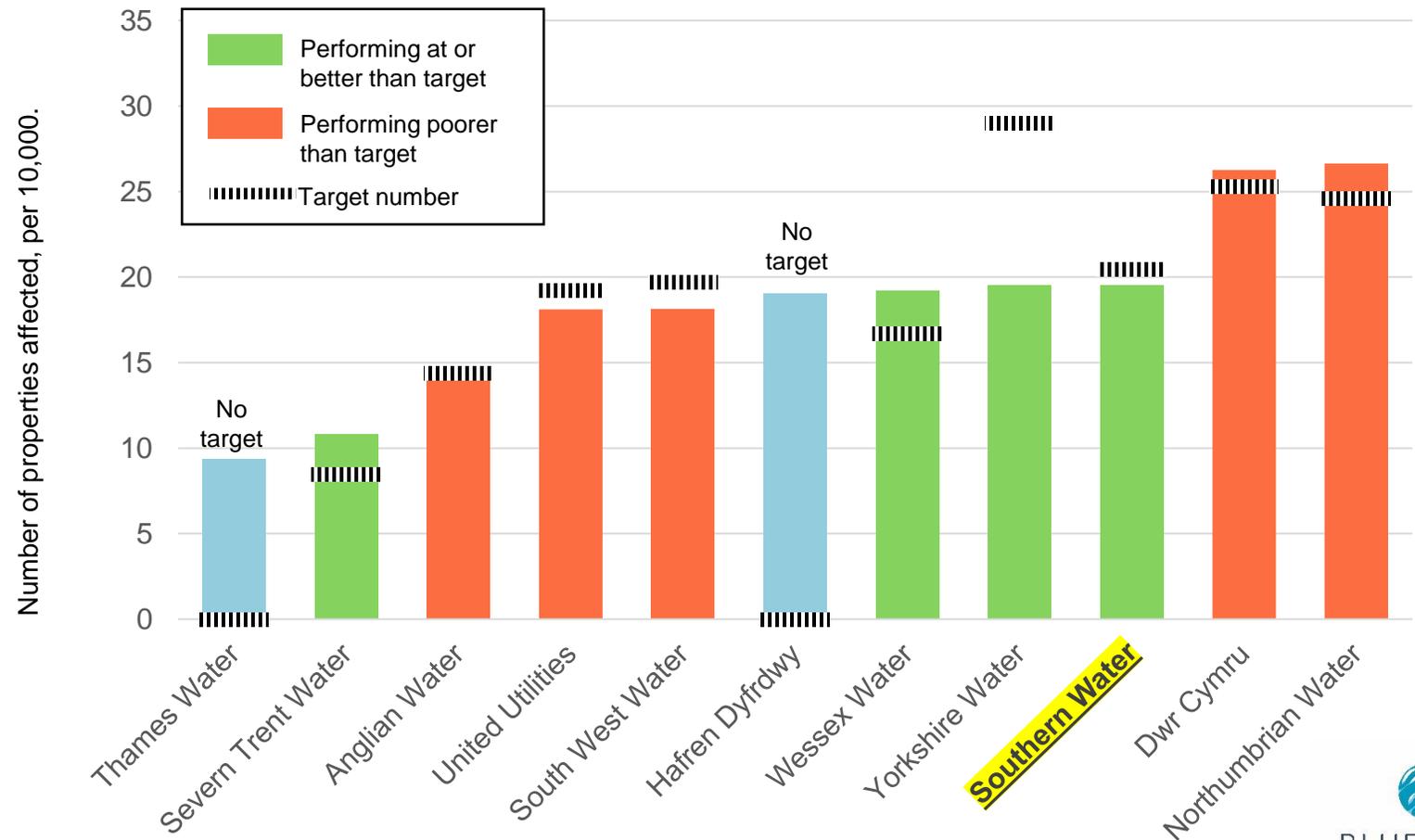
Company performance against target.  
(A lower percentage is better.)

Water and Sewerage company	Performance against target
Thames Water	No target
Severn Trent Water	+27%
Anglian Water	+1%
United Utilities Water	-6%
South West Water	-8%
Hafren Dyfrdwy	No target
Wessex Water	+15%
Yorkshire Water	-33%
<b><u>Southern Water</u></b>	<b><u>-4%</u></b>
Dwr Cymru	+4%
Northumbrian Water	+8%

## Water companies measured on the incidents of sewage flooding gardens or outbuildings.



Number of properties affected, per 10,000.  
(A lower number is better.)



# Reducing leaks

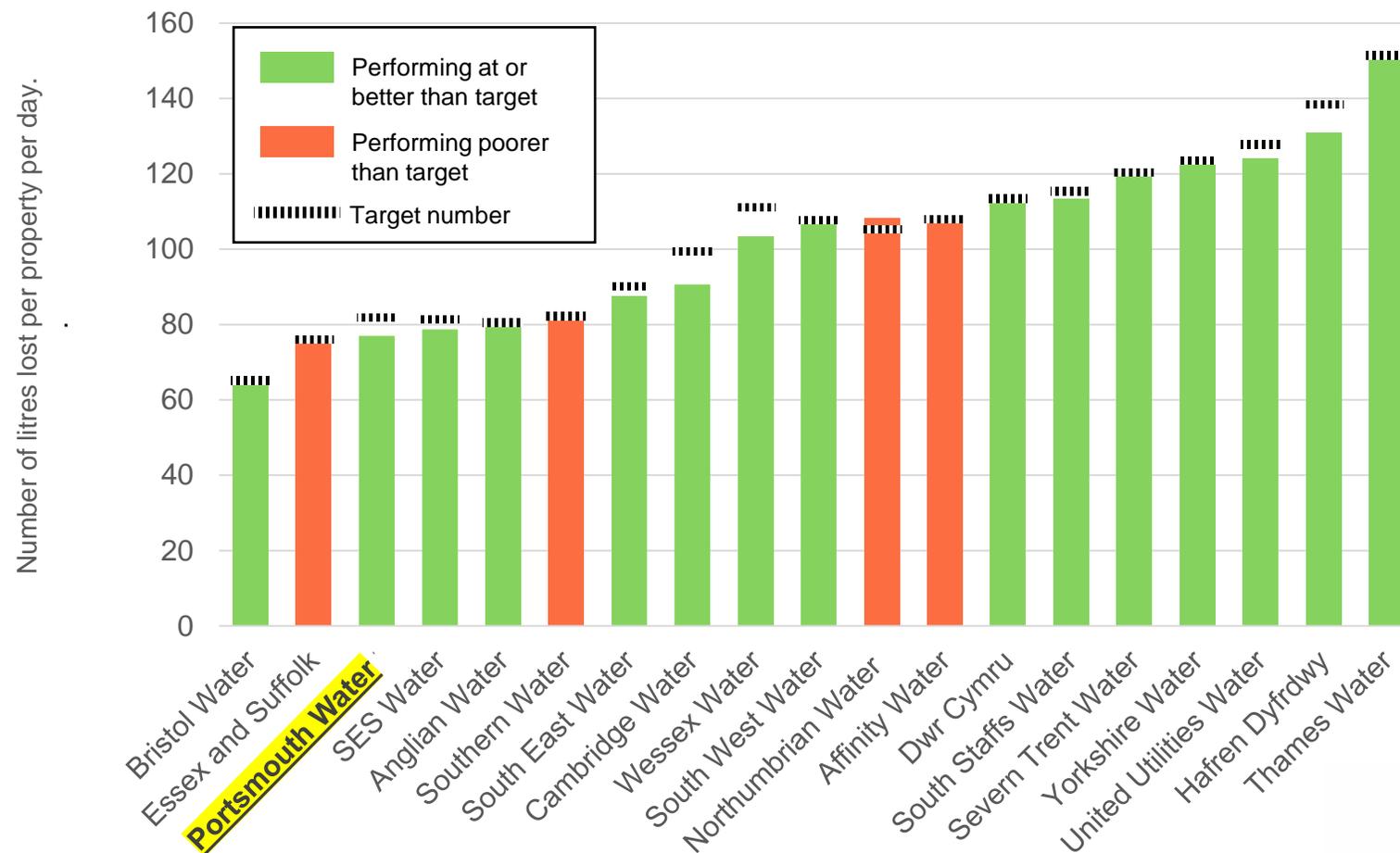
Leaks can affect customers directly if their water supply is affected. They are sometimes unnoticed if underground. But leakage is often seen in the media and has a cost to people on their bills and a cost to the environment.

Company performance against target.  
(A lower percentage is better.)

Water and Sewerage company	Performance against target
Bristol Water	-0.3%
Essex and Suffolk	+0.5%
<b>Portsmouth Water</b>	<b>-6.0%</b>
SES Water	-3.3%
Anglian Water	-0.5%
Southern Water	+1.1%
South East Water	-2.8%
Cambridge Water	-8.8%
Wessex Water	-7.1%
South West Water	0%
Northumbrian Water	+2.9%
Affinity Water	+0.6%
Dwr Cymru	-1.0%
South Staffs Water	-1.7%
Severn Trent Water	-0.6%
Yorkshire Water	-0.5%
United Utilities Water	-2.9%
Hafren Dyfrdwy	-5.3%
Thames Water	0%

## Water companies measured on the amount of water lost due to leaks from water mains and pipes.

Number of litres lost per property per day.  
(A lower number is better.)



# Pollution of rivers and bathing waters

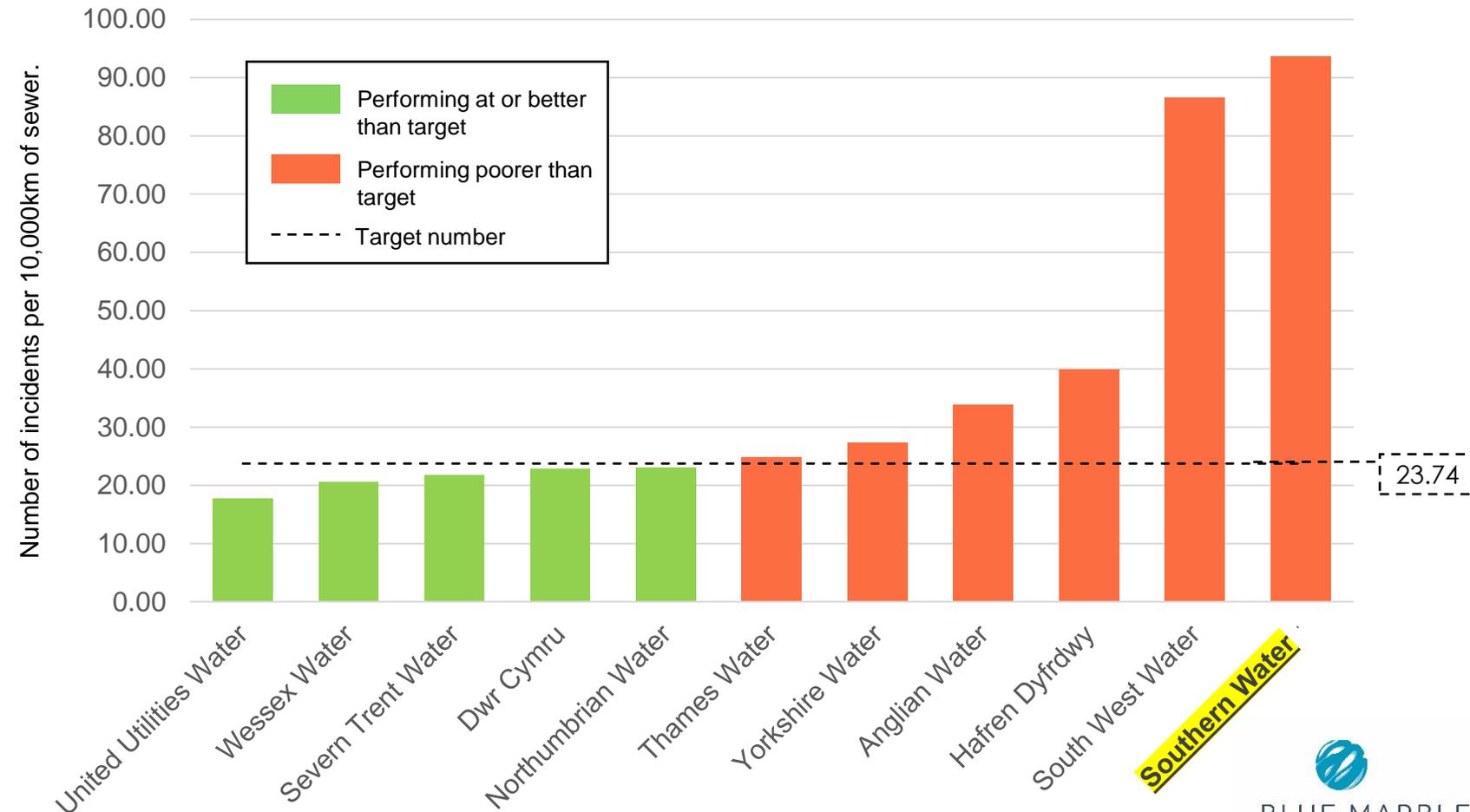
Discharges from sewage treatment or networks can affect rivers and bathing waters. This can have a minimal effect on the river ecology or a major effect depending on the scale.

Company performance against target.  
(A lower percentage is better.)

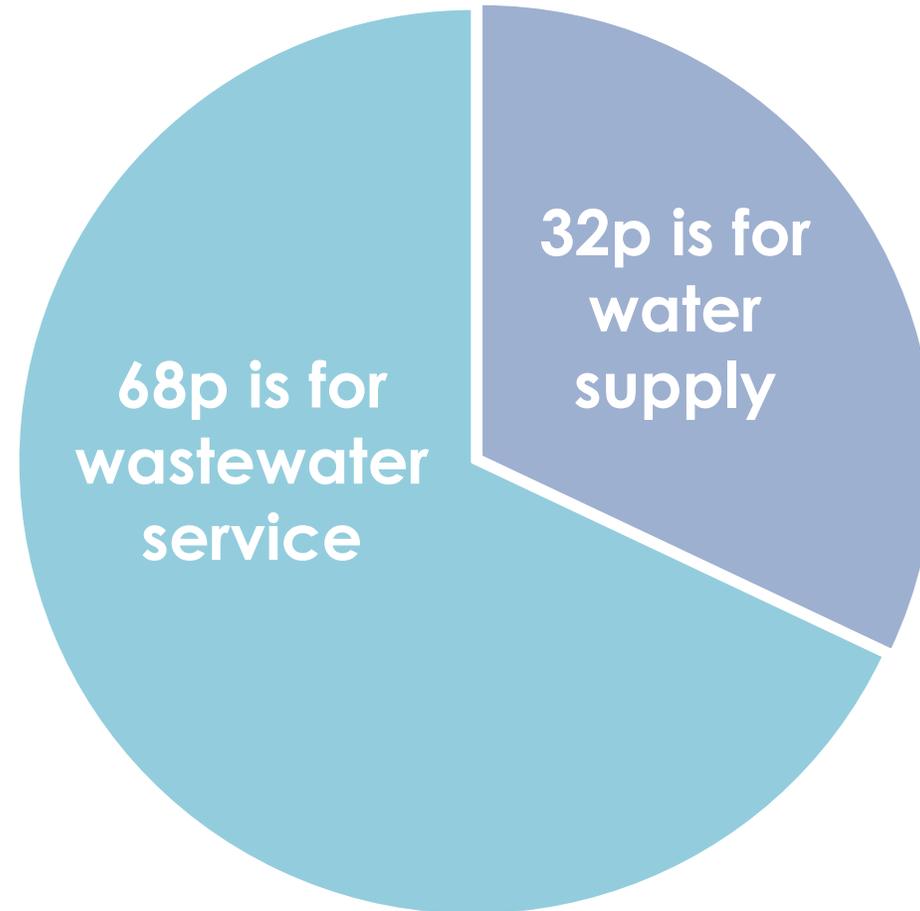
Water and Sewerage company	Performance against target
United Utilities Water	-25.3%
Wessex Water	-13.2%
Severn Trent Water	-8.1%
Dwr Cymru	-3.6%
Northumbrian Water	-3.2%
Thames Water	+4.7%
Yorkshire Water	+15.3%
Anglian Water	+42.2%
Hafren Dyfrdwy	-70.9%
South West Water	+264.7%
<b>Southern Water</b>	<b>+294.4%</b>

## Water companies measured on the number of incidents of pollution of rivers and streams.

Number of incidents per 10,000km of sewer.  
(A lower number is better.)



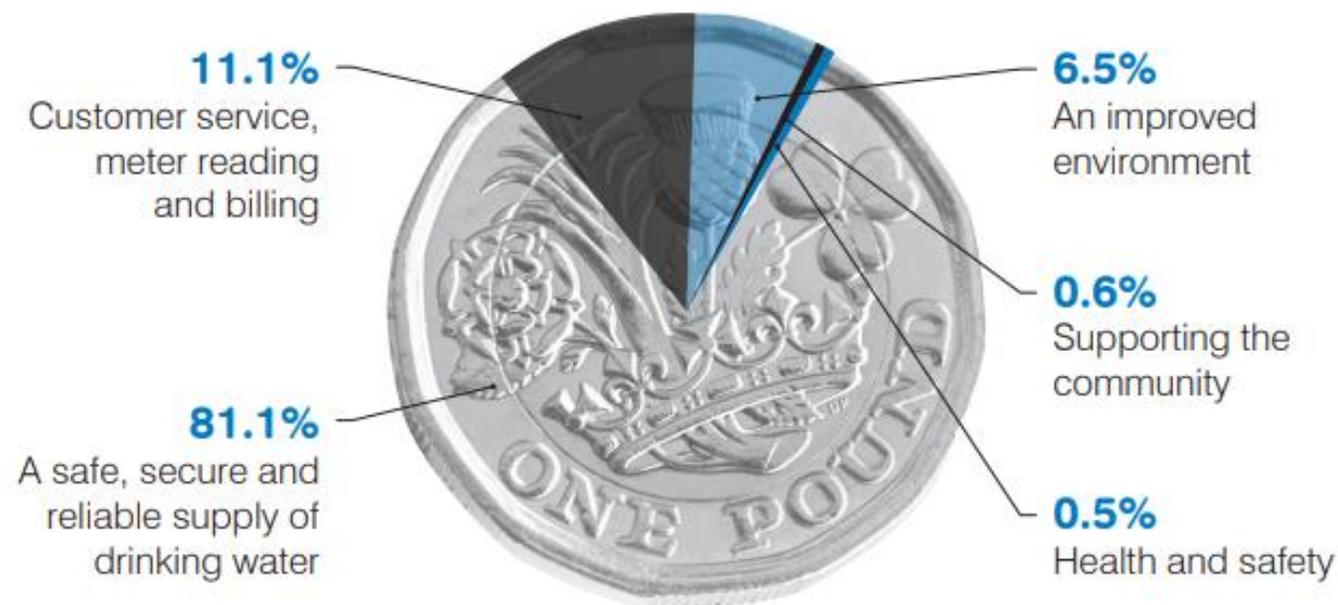
For an average business customer, for every £1 spent:



## Your water bill



### How your bill is made up...



## Household wastewater bill breakdown



**2p**

Taxes, rates and licences



**10p**

Long-term funding of investment



**26p**

Maintaining and improving our operations such as our sewers



**41p**

Maintaining our assets and improving our environment

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## PART THREE

**Finally we are showing you a headline summary of Portsmouth Water's & Southern Water's proposed business plans for 2025-30.**

- Please remember that Portsmouth Water's business plan relates to your drinking water services, while Southern Water's plans relate to your wastewater services
- We will be discussing in more detail all the different elements of this plan when we meet you at the research event
- Once you've read it, please us the short (3 question) survey to note down your comments and questions
- Remember that this research is about customers like you having their say on the plans before they are submitted to the regulator.



# Portsmouth Water's Business Plan for 2025 - 2030



## WATER SUPPLY INTERRUPTIONS LASTING LONGER THAN THREE HOURS

### CHALLENGE

Maintain our water supplies as the most reliable in the country, and at least as reliable as they are today (an average of 2 minutes 15 seconds).

### 2025-2030

Invest more to upgrade ageing water treatment works, pumps and water mains. To maintain our industry leading service, would cost an additional £3.35 plus inflation on bills by 2030.

### LONG TERM

Keep our services the most reliable in the country and work towards no interruptions beyond three hours.



## THE APPEARANCE, TASTE AND SMELL OF TAP WATER

Maintain our position as one of the best performing companies with lower contacts than the industry target.

Add more ultraviolet treatment to our works, partner with landowners to stop pollutants reaching water sources and replace more water mains.

Keep our water quality contacts among the lowest in the country.



## REDUCING LEAKS

Maintain our position as one of the best performing companies and reduce leaks from 77 litres per property per day to 56 litres by 2030.

Transform our network into a 'smart' one to monitor flows, employ advanced sound and satellite technology, repair leaks on customers' supply pipes free of charge (conditions apply) and increase our workforce. Our fast-track plan to reduce leakage would cost an extra £2.75 plus inflation on bills by 2030.

Halve leakage by 50% by 2040, 10 years earlier than we must.

## WHERE WE'D LIKE TO INVEST TO DO MORE



## INSTALLING SMART METERS

### CHALLENGE

Our customers use more water than most in the UK. We need to make better use of water available and find and fix more leaks to meet the challenges of climate change, population growth and to protect the environment.

### 2025-2030

Install smart meters for nearly half our customers, supported by water-saving advice and tools for households and businesses, as well as free leak repairs on supply pipes (conditions apply). We'll make sure all customers can afford their bill.

### LONG TERM

Install smart meters for all households by 2035 and trial innovative water-saving tariffs.



## REMOVING LEAD PIPES

Lead water pipes are now banned because they can impact the development of young children. We've replaced most lead pipes on our network and use harmless chemicals to reduce traces of lead. We want to remove lead pipes completely.

Replace lead pipes so all schools and vulnerable homes can access water with no exposure to lead by 2030, and at a further 15% of homes. The 15% of homes would cost an extra £41 million and add £5.25 plus inflation on bills by 2030.

Find and replace lead pipes at all homes by 2060.



## IMPROVING THE ENVIRONMENT

The environment we rely on is under threat from climate change. We want to further improve land we own for plants and animals and give more grants to help others create wildflower meadows, ponds, improve woodlands and do research.

Improve the environment at our key sites and double the grants we give each year to £100,000. To increase our environmental work would cost an extra £4.75 million and add 40p plus inflation on bills by 2030.

Continue to invest in environmental partnerships to maintain the environment for water supplies.



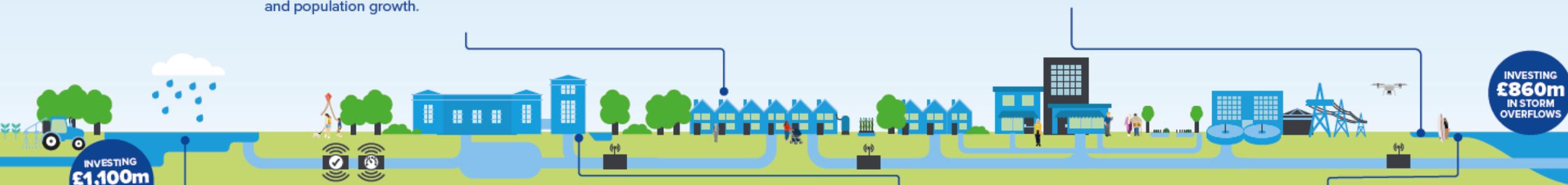
# Southern Water's business plan for 2025-30

Common areas across water companies	Sewer flooding	Pollution incidents
By 2030 we'll...	focus on customers most frequently impacted and reduce internal flooding from <b>1.04</b> to <b>0.99</b> and external flooding from <b>15.5</b> to <b>14.7</b> per 10,000 homes.	focus where it matters most to reduce <b>serious incidents to zero</b> . We'll also reduce overall incidents from <b>19.4</b> to <b>17.7</b> per 10,000km of sewer.
We'll do this by...	working in partnership to reduce pressures on our networks and prevent water entering our sewers – as well as using data to predict where flooding might happen.	improving how we predict where issues might happen by installing better monitoring, making our assets more resilient and investing in new ways to prevent rainwater entering the system.
By 2050 we'll...	build a fully digital network, which enables us to prevent issues from happening and is resilient to the impacts of climate change and population growth.	continue protecting the environment and reducing pollution as a top priority.



**INVESTING  
£1,100m  
IMPROVING  
OUR RIVERS**





**INVESTING  
£860m  
IN STORM  
OVERFLOWS**

	Improve river water quality	Increasing resilience	Storm overflows
By 2030 we'll...	reduce the impact of nutrients and chemicals on around <b>1,000km</b> of rivers.	have protected at-risk sites from coastal erosion and power outages to help improve the reliability of our services.	reduce storm overflow spills by 25%, prioritising environmentally sensitive areas like shellfish waters and 27 top spilling overflows.
We'll do this by...	upgrading our treatment works to meet new standards and working with partners to restore habitats, create new ones and prevent diffuse pollution from farms, industry and roads.	upgrading our sites to make them more resistant to extreme weather and work with partners to reduce the risks from coastal erosion and subsidence.	using innovative ways to reduce the amount of rainwater entering our sewers, installing more monitors to identify issues faster and building storage tanks for the long-term.
By 2050 we'll...	have restored all the chalk streams in our region and improved the quality of all the protected habitats and all waterbodies to be meeting good ecological status.	have greater protection from climate change, population growth and a smarter, more resilient network.	reduce spills from storm overflows by up to 75% and improve all bathing areas to excellent standard.

## Our customers' other priorities

Portsmouth Water & Southern Water's proposed commitments to improve on the key performance areas						
				TODAY's performance	Target by 2030	What this will add to your bill, per year
	<b>Supply interruptions</b>		Average time without water per household	2 minutes 15 seconds	 2 minutes 15 seconds	<b>£0.67</b>
	<b>Water Quality</b>		Contacts per 1,000 population	0.41 contacts	 0.33 contacts	<b>£0</b>
	<b>Internal sewer flooding</b>		Incidents per 10,000 connections	1.04	 0.99	} <b>£0.36</b>
	<b>External sewer flooding</b>		Incidents per 10,000 connections	15.5	 14.7	
	<b>Leakage</b>		Litres per property per day	77	 56	<b>£0.55</b>
	<b>Pollution</b>		Incidents per 10,000km of sewer	19.4	 17.7	<b>£6</b>



THANK YOU FOR READING THIS INFORMATION. PLEASE ANSWER THE QUESTIONS IN THE LINK BELOW BEFORE COMING TO THE RESEARCH.

<https://forms.office.com/e/KMdLk5XkrB>

(NB paper copy also available, please contact us if you require one)

WE LOOK FORWARD TO CHATTING WITH YOU IN THE RESEARCH SESSION.

Please have this document somewhere to hand during your research session



BLUE MARBLE