



BLUE MARBLE

**ACCEPTABILITY & AFFORDABILITY
INTERVIEW GUIDE IDI for NHH
PORTSMOUTH WATER / SOUTHERN WATER**

Overview

1 hour online interview with non-household customers	
5 mins	1. Welcome & Introductions and temperature check
5 mins	2. Reactions to pre-task
5 mins	3. Focus on the long term picture
10 mins	4. Overview of Proposed plan; legally required and performance targets
15 mins	5. Focus on discretionary elements (with phasing)
5 mins	6. Bill impacts
10 mins	7. Alternative shorter-term picture (MUST-DO) & Bill impacts
5 mins	8. Wrap-up, post task & thank you

Introduction & temperature check (5 mins)

Aim: welcome participant to the session, introduce Blue Marble and observers and set out expectations of the event

- Introduce Blue Marble and explain that we are an independent research agency.
- Explain: Confidentiality, GDPR, recording, how data will be used.
- Objective for the session: to help Portsmouth / Southern Water make important investment decisions.
- Role of respondents: to act as representatives of the business community of the Portsmouth / Southern Water region;

- Name, nature of business, role
- Size (no of employees)
- Current challenges in operating environment
- Perspective on the economic climate:
 - How impacting your business?
 - Is it getting better or worse?
 - If not improving, when anticipate the financial situation will start to improve?
- Type of water usage (for industrial use, or used for domestic-type purposes)

Pre-task reactions (5 mins)

Check participant has pre-task to hand - want to get their views on the background information provided.



- General response (spontaneous reactions) to the pre-read
- Probe for any surprises/new information in the pre-read
- Awareness and engagement with water market (probing for both retailer vs wholesaler mentions)
 - Who do you deal with in terms of your water and waste water supply?
 - Perceptions of the companies you deal with for supply/waste/customer services
 - What contact do you have with your water company(ies) and retailer?
 - Participants' sentiment towards their water company(ies)

CHECK/PROBE:

- Understanding of relationship between wholesaler (Portsmouth/Southern Water) and retailer (org that sends bills/deals with customer queries)
- Price review regulated by Ofwat
- The regulators (Ofwat, DEFRA, Drinking Water Inspectorate, EA, CCW)

- Based on what you read in the pre-task where do you think investment and improvement is most needed?
- Are there any areas that particularly matter or don't really matter to your business/organisation?

- Thinking about all the water and wastewater services that Portsmouth/Southern Water provide for your business/organisation and thinking about your bills:
 - What do you think of the value for money of the service you receive from your wholesale water and sewerage services?
 - In what ways are they providing good value?
 - In what ways are they providing poor value?

Focus on the long-term picture (10 mins)

Before we get into the detail of the investment plans for the next 5 years (the 1-pager), we need to understand what Portsmouth/Southern is trying to achieve in the long term. The next slides are to give you a bit more context for this research.

SLIDE 22 - CHALLENGES: *There are some challenges that all water companies have to factor in to their longer term plan (allow respondent a moment to read)*

SLIDE 23 & 24 – LONG TERM PRIORITIES: *Portsmouth/Southern outcomes which are its ambitions or goals for 2050 (Go through each in turn)*

Introduce key performance areas – 5 mins

SLIDE 25 – 2 PLANS: *There are 2 plans that we will be showing you. The 'Proposed' plan includes extra work over and above what they are required by law - to provide extra benefits to customers, the environment and local communities. We will also be showing you a second*



What do you think about the long-term plans Portsmouth/Southern have set out?

- Which one or two outcomes matter most to your business/organisation – why?
- Which matter least? Why?
- Many of these ambitions sit in the 2050 timeframe, with a few achieved sooner than that, are there any which you would like to see achieved sooner than the date given? Probe why.
- Which do you think are most urgent to achieve?
- Which are least urgent? Why?

plan which we are calling the 'must do' plan. It allows Portsmouth/Southern to just carry out the work that they are required to do by law – and would have the lowest impact on customer bills.

SLIDE 26: Here we see the 6 key performance targets again and the investment level proposed for the 2025-30 period. They relate to the performance graphs included in the pre-read.

How do you feel about the targets set?

- Do any seem too ambitious?
- Do any seem not ambitious enough?
- What are your initial thoughts on the proposed bill changes?
- Generally, do you want to challenge any of these targets?
 - If challenge: what would you like to see changed?

Focus on discretionary investments (15 mins)

Now we are moving onto look at the longer term investments where customers have a say in how and when these investments are planned between now and 2050.

SLIDE 27 – phasing example: one aspect we will be discussing when looking at the long term investments is how they phase spending – we particularly want your input here because this will have direct consequences for customer bills.

MODERATOR to talk over the 3 examples: The way companies implement their long term investments will have an impact on who pays. Each scenario equates to the same overall bill amount – the difference is when the investment happens – and who ultimately pays.

- The first scenario is for steady rises which will affect current and future customers similarly.
- In the second scenario, bills would rise more sharply now so that everyone benefits as soon as possible from the improvements. This will mean increasing bills for today's customers (even though they may not benefit from the investments).
- In the third scenario, bills would be kept down as the company would delay investing. They will still meet the long term goals but it means the benefit of the investments come later - and future customers will make the biggest contribution through bills.



- What is best for them as business customers?
- What is fairest for all current and future customers?
- What is best for society?

SLIDES 28 & 29 – 1 PAGE PLANS

We won't be able to discuss all of these in the time but I'd be interested to know which you are most interested in discussing – **select 2 for Portsmouth and talk about them, then 2 for Southern and talk about them. Then scroll to slide (30 – 42) which gives full info around that commitment. Briefly talk through the detail for selected commitment.**

What are your initial reactions to the investments that are proposed?

- Initial reactions to the investment areas:
 - How do these fit with expectations?
 - Any surprises? Any concerns?
 - How acceptable does the plan look (if cost isn't in the equation)
- What are your initial thoughts on the proposed bill changes?
 - How acceptable is the plan once you can see the cost impacts?
 - How affordable is this for businesses?
- Specifically, what are your initial thoughts on the **legally required** (dark blue) aspects?
 - How acceptable are these investment areas
 - Any challenges?

SHOW PHASING SLIDE FOR EACH COMMITMENT (straight after commitment slide, or use general phasing slide) We've been looking at **option B**/the proposed plan

- How do you feel about the proposed target set for this investment?
- Does it feel too ambitious/not ambitious enough/about right?

- Which option do you think is best and why?
- Do you feel this will support the longer term ambition /**2050** target?
- Generally, do you challenge this part of the plan, or do you accept it?
 - If challenge: what would you like to see changed?

Bill impact – proposed plan – 5 mins



SLIDE 48 proposed bill change based on an average non household bill of £1,000 (explaining that they will see a personal bill prediction later on for them to respond to)

- Response to overall bill impact
 - Acceptability of the plan?
 - Affordability of the bill?
 - Which aspects endorse?
 - Which aspect challenge?

Focus on the shorter-term (MUST-DO business plan) – 10 mins

SLIDE 49 & 50 MUST DO SUMMARY Introduce overview and summary of the 'must-do' business plan

- Talk through the areas that will revise the bill changes down

- How do you feel about the 'least cost/must do' plan
- Which of the areas are you least willing to compromise
- Which are you most willing to forego?
- How does this plan impact your business/organisation?

SLIDE 51 BILL COMPARISON based on the average NHH bill

- Response to overall bill impact
 - Acceptability of the plan?
 - Affordability of the bill?
 - Which aspects endorse?
 - Which aspect challenge?

Wrap up and post-task – 5 minutes

To round things up, we'd like you to complete a short questionnaire about some of the things we have discussed today. Explain process.