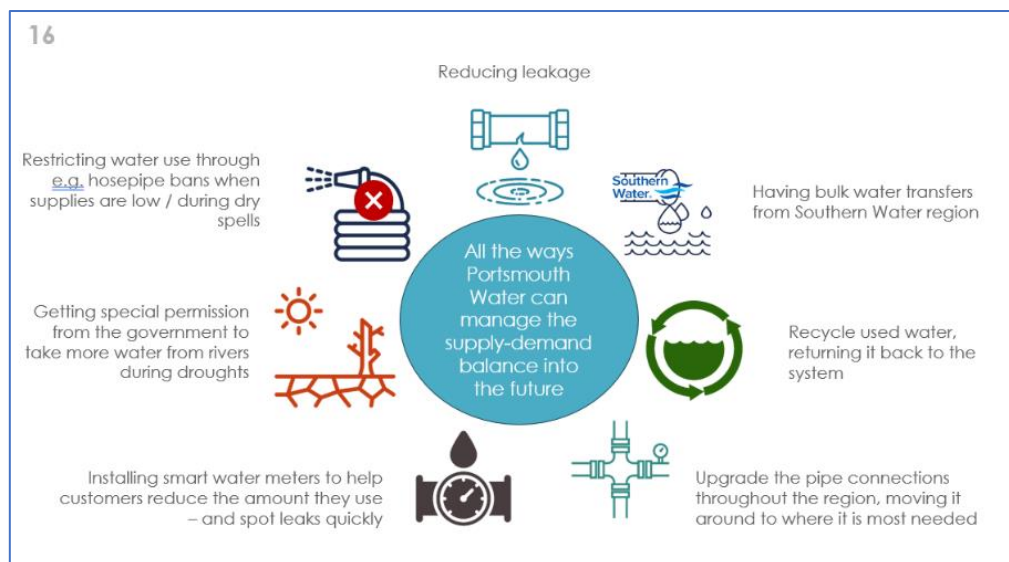


This note provides an interim review of emerging findings on the long-term delivery strategy (LTDS) following part of the discussion with the Customer Advisory Panel in July 2023 (CAP 5)
Please treat with caution: this is not the final analysis but gives a good flavor of the key themes.

1. Recap on the options Portsmouth Water can use to manage the supply-demand balance over the long term.

There is a lot of consistency about the options customer prefer PW to use.

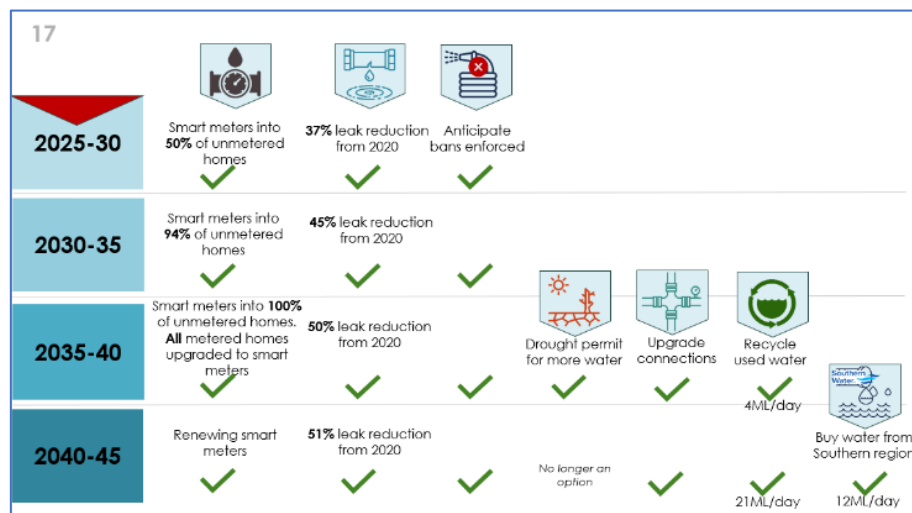
- Combination of upgrading pipes, reducing leakage and for many, recycling water seems the best combination.
- Least popular option is drought permits: seen as damaging to the environment and counterproductive.
- Mixed views about bulk transfer of water, some of which relates to low trust in Southern Water
- Most scepticism about the effectiveness of what are seen as behavioural customer interventions: hosepipe bans and smart meters.



2. Impressions of long-term plans

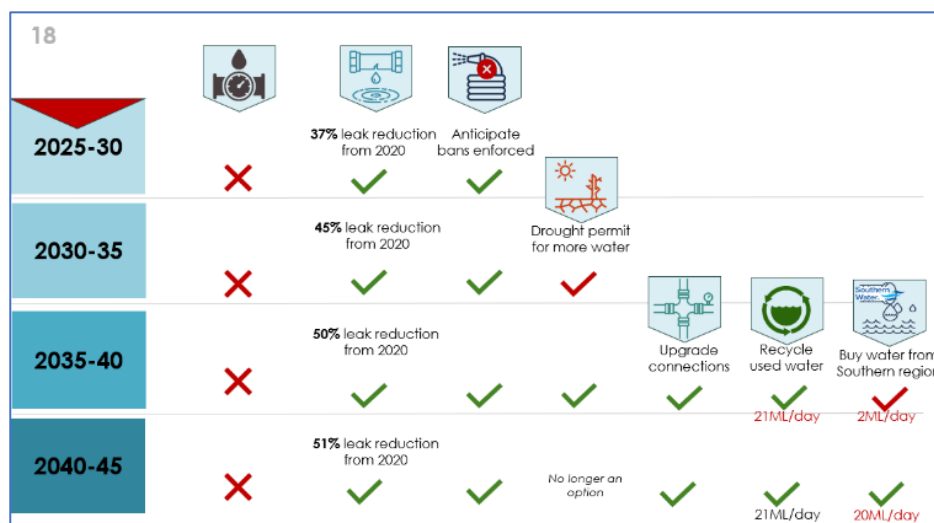
(Smart meter) plan suggests Portsmouth Water putting focus on smart meters, possibly under investing in leakage.

- Customers often do not link smart meters and leak reduction but see as separate initiatives: not clear why smart meters are the main focus of investment while leakage targets look unambitious.
- Many favour water recycling and wonder why this is 15 years away (does it involve building infrastructure?)
- Pleased that drought permit use is limited to 5 years.
- Can't understand why upgrading connections won't start until 2035.
- The later leak target moving from 50-51% looks poor.
- While some think the targets generally look low – others see as an ambitious plan overall.



For the (no smart meter) plan, there is a real mix of views with around half sticking with the smart meter option, others preferring the no-meter option.

- Many don't see the logic of smart meters and their advantage to customers – even questioning their potential to spot leaks when this is pointed out.
- They are disappointed that without the smart meter investment, more can be achieved with reducing leakage.
- The impact on using drought permits sooner is the aspect people are least happy about.
- With the earlier bulk water purchases from Southern Water also causing some concern.



- There's a feeling that the two alternatives are developed to serve PWs agenda:

"They are not at all explaining how and why smart meters increase the amount of water that they can supply to their customers. I think this is a very disingenuous slide because what they're trying to do is make us say, oh, well, we must have smart meters, because other things are going to be seriously affected. But they haven't explained at all how smart meters improve it. What one does know is that smart meters will improve it for them."

In summary:

- When reviewing PW's long-term strategy, customers would like to see more data/information to understand how the order and level of investment has been decided.
 - For example, why improving network connectivity doesn't start to happen earlier, and why does leakage reduction slow down as the plan progresses?
- There is some pushback towards the idea of smart meters and some customers feel they are being 'threatened' into supporting their rollout by the alternative scenario.
- Instead, they would like to see more information / data explaining what smart meters can do in terms of reducing leakage and saving water in order to be able to assess the importance of implementing them.

End.

Addressing Ofwat's research principles

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75. PW_LTDS_Interim Findings	
Standards for high-quality research:	How addressed in this project:
Useful and contextualised	The Customer Advisory Panel (CAP) is designed to be an increasingly 'expert' citizen sample of Portsmouth Water's (PW's) customers and future customers. The investigation into the LTDS was part of the 5 th project for the CAP. For respondents, they were provided with stimulus materials to help understand the question context and in some cases, to help them articulate their preferences. It was possible to use high level stimulus with this sample as they had been party to the planning process and choices though the previous 4 projects they had participated in.
Fit for purpose	<ul style="list-style-type: none"> • Clear objectives that sat within the wider research and engagement programme agreed at the outset • Purposefully recruited sample to reflect all types of Portsmouth Water customers; across all ages, gender, life stage, socio demographic groups • Sample size proportionate for a longitudinal project involving the same participants over time • Included the views of HH, NHH and Future customers – including customers with financial vulnerabilities (i.e. on low income, who have recently lost their job, living in temporary accommodation); and customers in households with health vulnerabilities (including mental health issues) • Method to reflect the nature of the objectives: reoccurring online groups and depths to allow for open-ended, personal reflections
Neutrally designed	Blue Marble designed research materials including the discussion guides, group activities, stimulus materials and homework tasks. These are all designed with impartiality.
Inclusive	<ul style="list-style-type: none"> • Stimulus produced in plain English – all mediated by a research moderator • Online community method allows people to move at their own speed, with homework exercises allowing for deeper reflection between the online community and deliberative events
Continual	A longitudinal approach with 25 customers that would span the 18-month period providing ongoing customer input to the draft plan.
Shared in full	Portsmouth Water to publish this report and supporting appendices on its website.
Ethical	Blue Marble is a company partner of the MRS, senior team members are all Members of the MRS and/or SRA. All Blue Marble's employees abide by the MRS Code of Conduct and as such all our research is in line with their ethical standards.
Independently assured	This report assured by Sia Partners

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<https://www.ofwat.gov.uk/wp-content/uploads/2022/02/PR24-customer-engagement-policy.pdf>