

# PORTSMOUTH WATER DELIVERY PLAN

Delivery Plan Report - Technical Summary



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# 1. PORTSMOUTH WATER DELIVERY PLAN - INTRODUCTION

This technical summary is to be read in conjunction with our Summary document published on our website.

It provides a more detailed view of the risks and mitigations, schemes and changes that are presented in the data tables, from our business plan baseline. It is independently assured for the first quarter (April to June) of year 1 (FY25/26).

## 1.1 Progress to date:

We're committed to keeping everyone—customers, regulators, and partners—informed about how our work is going.

## 1.2 Programme performance and key risks

At this stage, we remain confident in our ability to deliver our Price Control Deliverables (PCDs) on time. We are aligning our budgetary requirements with OFWAT's cost challenge from the final determination, which comprised a challenge of 3%, or £6m (in 2022-23 prices).

We are providing an assessment on the three key areas of delivery of the programme: Cost, Time (timescale to address the PCD) and Quality (in this case, meeting the PCD requirements), with a Red / Amber / Green rating of our assessment as defined by OFWAT. This can be found in the table 1 below.

**OFWAT definition of Green, Amber or Red is as follows:**

- Green = Performance is on track to meet the PCD output requirements (or WINEP, WRMP, NEP, DWI statutory requirements if earlier). No indication of any factors which may cause performance to deteriorate from PCD requirements in the following years.
- Amber = There is a risk that meeting PCD output requirements (or WINEP, WRMP, NEP, DWI statutory requirements if earlier) is not on track (or there are indications requirements may not be met in the following years), but mitigations are in place to address issues and PCD output target is expected to be achieved by 30 June 2030 (or WINEP, WRMP, NEP, DWI statutory dates if earlier).
- Red = PCD output requirements (or WINEP, WRMP, NEP, DWI statutory requirements if earlier) are not going to be met in full (unless agreed with the EA/NRW/DWI) and there are insufficient mitigations in place to meet the requirements by 30 June 2030 (or WINEP, WRMP, NEP, DWI statutory dates if earlier).

**Table 1 - Portfolio Delivery Assessment**

Enhancement									
PCD Number	Description	Outputs		Cost Status		Timeline Status		Quality Status	Overall RAG Assessment
PCDW8	Water WINEP/NEP Investigations	Water WINEP/NEP Investigations <b>10 investigations total</b>	G	We are confident in our understanding of the costs involved and are firmly in control of the plan. Based on current expenses and quotes for ongoing work, we anticipate staying within the budget.	G	We are planning to deliver 7 outputs early (FY26/27)	G	Based on early delivery of 7 schemes and planning in flight for the remaining 3, at this early stage, we are forecasting to meet or overperform this.	G
PCDW14 PCDW13	Raw Water Deterioration and Taste, Odour and Colour	Legal instruments <b>Nitrates reductions at two sites</b> <b>UV treatment</b> <b>Cryptosporidium</b>	A	Based on the size of the requirements, it is likely that the costs allocated for this item will not be sufficient as part of the notice was not accounted for in the cost allowance and Ofwat applied a 10% cost challenge to our nitrates programme. We are working on an efficiency plan to identify the options to return within cost envelope.	G	We have had an early start on investment for one of the schemes and are planning the second one early as part of our prioritisation. We are working on our outage plan to ensure we are delivering our service whilst delivering the projects.	G	We plan to meet the deliverables. We will require more maturity in the plan and detailed design to provide a firmer assessment	G
PCDW15	Lead communication and supply pipes	Total of 185 lead replacements for schools and nurseries by 2030, split in: <ul style="list-style-type: none"><li>• lead communication (65no)</li><li>• external supply (60no)</li><li>• Internal supply (60no) pipes</li></ul>	A	The current budget may be insufficient to cover all replacement needs, despite Ofwat funding our business plan costs in full. Further optimisation and review of the plan in year 1 will enable us to understand the full extent of the challenge.	A	Schools may allow work only during the holiday season due to H&S concern. We are liaising with the schools and nurseries to ensure that we are aware of their constraints and will reforecast the delivery to meet their requirements.	A	We understand where lead pipes are and believe we will be able, to meet the outcomes from year 2 onwards and the full AMP requirements; however, at this point we need further planning to evidence the deliverable as Green. Monitoring of lead is continually being checked, and appropriate phosphate dosing is being carried out.	A
PCDWW32	W Resilience CC Uplift	Spend on scheme as a % of allowance	A	We are currently in the inception phase and will be able to provide more certainty on the cost allocation once we have a detailed plan addressing our highest risks.	A	We are currently in the inception phase and will be able to provide more certainty on the timeline once we have a detailed plan addressing our highest risks.	A	We are currently in the inception phase, and further work is needed to detail the highest risks before we can demonstrate our ability to deliver the required level of investment in this area.	A



Enhancement									
PCD Number	Description	Outputs		Cost Status		Timeline Status		Quality Status	Overall RAG Assessment
PCDW12	Metering new	New installations Household meter upgrades Non household meter upgrades Meter Replacements Connected meters	A	We have identified a funding gap for the programme which we highlighted in our Draft Determination response. Despite increased funding in the final determination there remains a funding gap of c.£5m. We are actively working on an efficiency plan to identify options to return within the budget. However, this remains a significant challenge due to the size of the gap.	G	We are currently in contract with our key partners (data and meter provision, installation). The early delivery of the smart meter programme demonstrates our capability to meet the allocated timeline for meter installations. While there are risks associated with customers asking to become new optants, creating additional workload outside the planned profile, we are actively working on mitigation strategies and will re-optmise the delivery profile accordingly	G	We are actively working to accelerate the installation of smart meters (from 3,200 to 10,000), aiming to deliver higher benefits to our customers earlier. The completion of the Kraken implementation in AMP7 is a key enabler for this smart rollout. As the first water company with a fully smart-enabled CRM system by design, we are well-positioned to lead this initiative.	G
PCDW9	Efficiency	Water demand savings (benefit)	G	Demand reductions will be achieved through the implementation of customer meter installations, coupled with remote monitoring and reporting of water usage. This will facilitate the identification of customer-side leakage and consumption patterns, enabling targeted interventions to improve water efficiency	G	Progress on demand efficiencies will be aligned with the timelines and status of PCDW12, ensuring coordinated delivery and performance tracking.	G	The Demand Reduction Programme is designed to deliver a reduction in customer water demand by 4.6 ML/d – We anticipate that the demand reduction will align with the installation of metering, and we will be able to validate these benefits further once we have sufficient data to correlate with our assumptions	G
PCDW16a	Resilience	Service reservoirs with new enhanced bypass provision	G	The detailed design costs will offer a more precise evaluation of affordability; no risks identified at this point.	G	The current plan and the scheme we have delivered early have demonstrated that the delivery timescale is achievable. The detailed design phase will provide us with a more granular view of this timeline.	G	Because of the cost control and timeline assessments, we are confident that we will meet the PCD.	G
PCDW17b	Cyber	Number of schemes	G	A detailed risk matrix has been developed for the project and risk provision has been made. Procurement review has been completed, and costs are aligned with expectations. Following this process, we believe we can deliver the required outcomes for the costs allowed in the final determination, which were lower than in our business plan. Until detailed design has been completed, the cost uncertainty will remain.	A	Compensating controls will be introduced through this programme to ensure the regulatory deadline is achieved and more work is to be expected to complete the investment needs in the future. As the deadline is 2028 and there are a lot of activities, we are reviewing our programme carefully to ensure we meet all requirements.	G	We believe that we will be able to meet the outcomes by March 2028; however, a refined assessment will be possible once we have completed detailed design of the different projects making the programme.	G
PCDW17a	SEMD	Number of schemes	G	We are currently in the inception phase and will be able to provide more certainty on the cost allocation once we have a detailed plan.	G	Some work has already started on the project for specific sites, the required efforts required to meet the outcome align with the 2030 deadline. When the scheme enters detailed design, we will be able to refine the assessment.	G	Early indication of planning in year 1 following the business case submission is that we will meet the March 2030 deadline. When the scheme enters detailed design, we will be able to refine the assessment.	G

Base									
PCD Number	Description	Outputs		Cost Status		Timeline Status		Quality Status	Overall RAG Assessment
PCDB1a	Mains renewals - base	Base wholesale water model funded renewals in kilometres	A	To achieve the best outcomes for customers—improving asset health, reducing leakage, and minimising supply interruptions—we must tackle complex and costly network areas. The available funds and base budget are insufficient to cover the highest value mains. We are scrutinising the profile to ensure that we deliver best value for our customers whilst remaining within the envelope.	G	We are confident that we can meet the delivery timescales required annually and on a cumulative basis across the AMP. We have demonstrated in AMP7 that we can absorb the level of activity required to deliver the length of pipe replaced. We now have all the delivery partners in place to deliver the work.	G	We are planning acceleration of delivery in the first year and the replanning of the work is done to accelerate the benefits to our customers and the environment.	G
PCDB3	Water network reinforcement	Water network reinforcement		We believe that the forecasted growth has now been stimulated, and developers are requesting more reinforcement than anticipated at PR24. Additionally, an update to our models indicates that more reinforcement is required than initially expected. We are currently planning more expenditure in this area, which could impact our overall affordability. We are collaborating with local authorities to better understand the development profile and assess if we can return within the original budget.		We are managing the timescales for delivery by collaborating with local authorities and developers to address uncertainties around their needs. This proactive approach helps us adapt and refine the delivery profile as necessary.	G	Despite the uncertainty surrounding the total length of reinforcement required, we are confident in our ability to achieve the desired outcome. We will monitor this requirement quarterly to ensure we meet the necessary objectives.	G
			A						

## 2. TECHNICAL REPORT

### 2.1 Progress and Strategic Context

#### 2.1.1 AMP8 Readiness

To prepare for the next five years of investment, which is 150% bigger than the last five years, PWL is undertaking a step change in scale and ambition. We have established a new directorate focused on asset management and capital delivery, led by our new Chief Asset Officer, Carol Cairns, who has extensive experience in this area of work through her career in the water industry. A new leadership team with experience across water, utilities, and construction is in place with a new structure supporting the size of the programme.

#### 2.1.2 Intelligent use of DEFRA acceleration and transition funding

PWL has effectively utilised £10m of DEFRA accelerated infrastructure delivery and transition funding over the past two years to prepare for this next five-year price control period (AMP8). This funding was made available in FY22/23 to prepare for the delivery in FY25/26.

In addition, shareholders have supported acceleration of ~£5m of AMP8 investment in FY25 to support delivery of our AMP8 commitments. This has put PWL in a good position to be able to deliver the required outcomes defined in our business plan for 2025-2030.

We have started early on our eCAF (Cybersecurity) programme and our demand reduction and smart meter installations programme which has also put us in a good position to deliver these significant programmes of work.

#### 2.1.3 Business Plan early start – our Demand Reduction Programme and Smart Meter installations

We're investing in reducing water use to protect future supplies, lower bills, and cut carbon emissions. We've launched a major smart meter programme. Smart meters automatically track water use, helping customers understand and manage their consumption. Our new Kraken system supports this by combining meter and customer data to offer tailored advice. We've appointed all the contractors to do the work and will work in partnership with them to reach our targets.

Please note that this report does not include updates related to the Havant Thicket Reservoir project, which is subject to separate regulatory oversight and is reported through alternative mechanisms.

### 2.2 Delivery plan report methodology

#### 2.2.1 Delivery Approach:

We're planning work by region and in phases to reduce disruption. Early planning helps us avoid delays with materials and shutdowns. We're also improving cyber security and reactivating old sites to boost capacity. All delivery partners are now onboarded, supported by training and shared tools to ensure smooth collaboration.

#### 2.2.2 Delivery Organisation:

In FY24/25, to support the increased investment programme within AMP8 we appointed a Chief Asset Officer to develop our Asset Directorate, to enhance our asset management and capital delivery capabilities.

This directorate is responsible for the delivery of the capital plan as well as assurance of the plan. Below is a diagram of the directorate's structure.



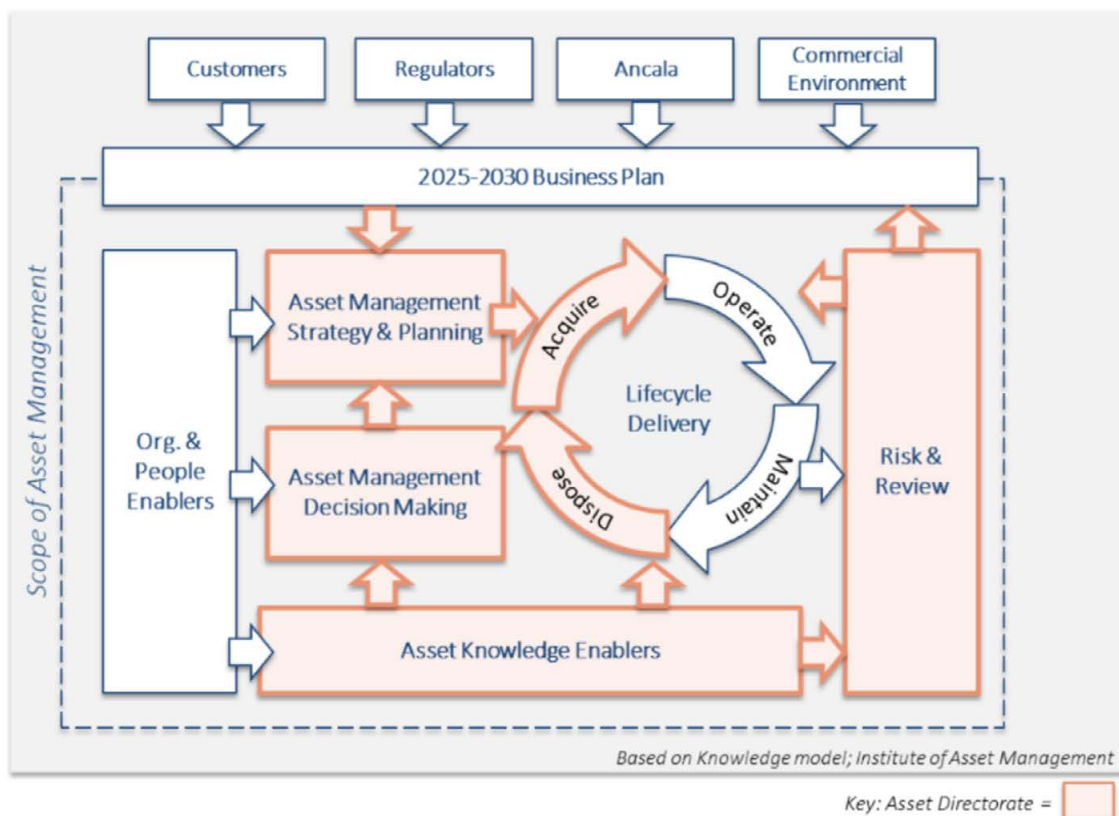
**FIGURE 1 - PWL ASSET DIRECTORATE STRUCTURE**



The team aligns to the Asset Management Principles as defined in the Institute of Asset Management process (see below flow chart) and applies the principles of the Association of Project Management (APM – an industry recognised process for delivering change and the environment for project delivery).

Internally, the Capital Delivery department is responsible for ensuring the delivery of the plan, on time, to scope and on budget. As a second line of assurance, the Capital Programme Assurance team provides robust governance for the delivery of the capital plan for AMP8 and beyond.

**FIGURE 2 - PWL ASSET DIRECTORATE ACCOUNTABILITY LINK WITH THE IAM PROCESS**





### 2.2.3 Capital Programme Assurance:

The new Capital Programme Assurance function created in the new Asset Directorate is responsible for assurance of the information provided by the delivery team. They are also responsible for the programming and planning of the delivery plan, in collaboration with the Delivery department.

Their role is to focus on:

- Optimising the Capital Investment Plan.
- Tracking performance and providing support for mitigation and recovery in case of deviations, through threshold management of cost, quality and time tramlines, and risk management.
- Governing the controls of the projects lifecycle.
- Providing commercial assurance, performance management & reporting of the delivery of PCDs.

These efforts are being integrated across all major delivery streams, resulting in enhanced programme visibility, accountability, and performance forecasting. PWL has reviewed all investment lines and associated projects in the business plan, identifying investments linked to PCDs. By tracking time, cost, and quality through our capital programme assurance process, we have applied controls to determine the stage of delivery for each project.

This ongoing effort will help us keep improving and stay in line with OFWAT's feedback as part of our continuous improvement.

In addition to the Asset Directorate, the Finance and Regulation directorates also provide oversight and assure the accuracy of PCD reporting.

### 2.2.4 Delivery Plan methodology:

We have followed the below steps:

- Clear Definition of Deliverables: We have established precise and measurable deliverables that align with strategic goals and regulatory PCD requirements for each project or programme. We also ensure all reporting aligns with relevant regulatory frameworks, such as OFWAT's milestones and definitions.
- Regular Monitoring and Tracking: We have a robust system to monitor progress, track time, cost, and quality, and identify any deviations from the plan, and we are enhancing this process to provide greater controls.
- Proactive Risk Management: We identify potential risks early and develop mitigation strategies to address them promptly.
- Transparent Communication: We maintain open and transparent communication channels with stakeholders, ensuring they are informed about progress, challenges, and achievements.
- Performance Forecasting: We use data-driven insights to forecast performance and make informed decisions to keep the programme on track.

By following these steps, PWL can effectively report on key deliverables, demonstrating accountability and commitment to achieving its PCDs and wider programme on time, quality and cost.

### 2.2.5 System capabilities

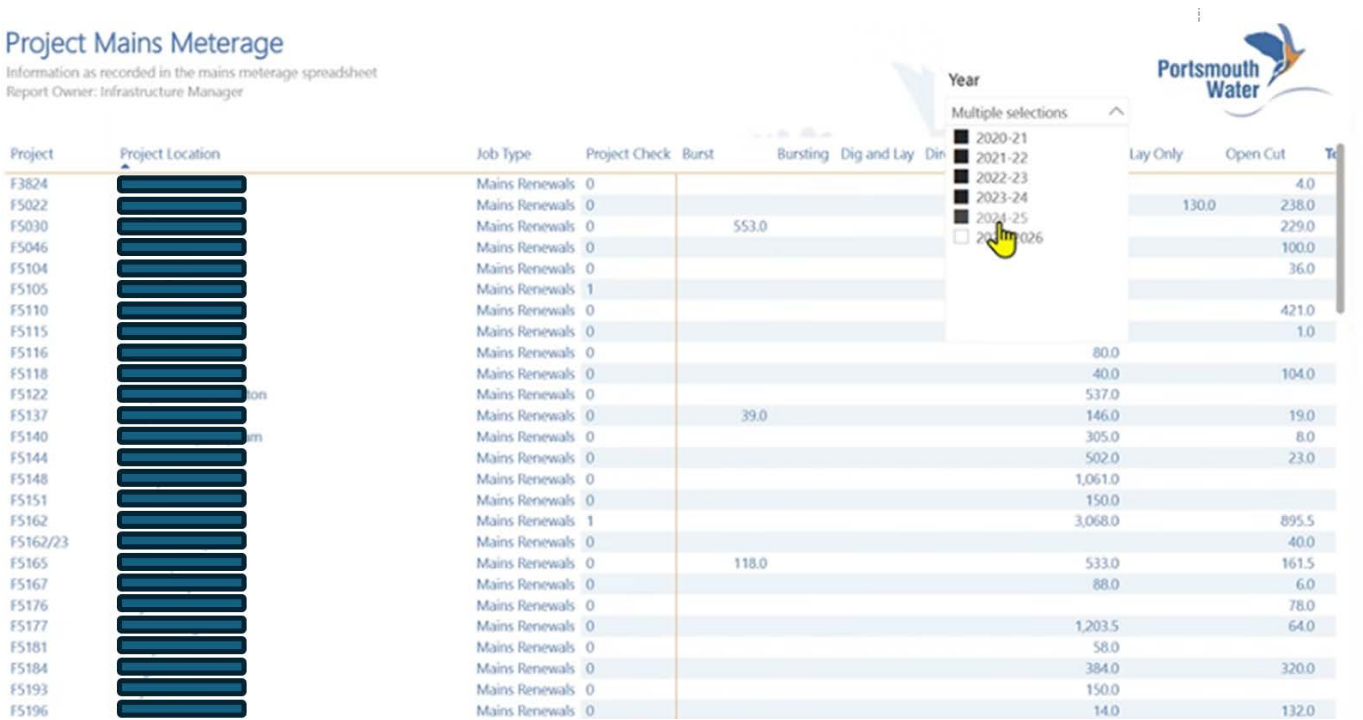
We have invested in new system capabilities to enhance our delivery of a larger investment programme. We have implemented the Copperleaf decision support tool to improve programme management and optimisation. To further enhance project and programme management, we are rolling out the use of Fluid, which provides projects, programme and effective portfolio reporting. Both systems are integrated with our established ERP system, IFS. Additionally, we have planned further investments in our ERP during AMP8 to enhance our asset management systems.

We have developed further dashboard tools to track the outcomes of the PCDs, examples of these are demonstrated on the following screenshots for tracking our meter installation process for the Demand Reduction Programme:

FIGURE 3 - SMART METER INSTALLATION DASHBOARD



FIGURE 4 - MAIN RENEWAL DASHBOARD



## 3. DELIVERY PLAN FEEDBACK AND ASSURANCE

### 3.1 OFWAT feedback on our draft delivery plan submission

OFWAT recognises that the process is evolving and has asked that we use a new template. They have also asked that whilst our detailed technical plan was useful, we must publish a 4-page summary for our customers so that we can be transparent in our reporting. They have asked us to continue reporting on our risks and provide an update on progress at each quarterly submission.

OFWAT confirmed the new timescales for submissions of November 2025, followed by a draft submission in the Spring 2026 and final submission in the summer of 2026.

### 3.2 Our top schemes.

As a company we are committed to sustainable service delivery, we continuously assess, prioritise, and deliver infrastructure schemes that support resilient water systems, public health, and economic growth. Our top schemes have been strategically selected based on a comprehensive evaluation against seven key criteria: Scale, Timing, Complexity, Criticality for Growth, Stakeholder Priority, and Risks to Delivery. Below are the schemes which were selected and the rationale explaining why these schemes are high profile.

- West Street + Maindell UV – This scheme has been selected based on its cost and complexity for delivery.
- Eastergate Group Nitrate + Drought – This scheme has been selected based on its cost, timing and complexity for delivery.

As the delivery programme matures, we will continue to assess emerging schemes, and future reports will identify those anticipated to meet the reporting and monitoring criteria.

### 3.3 Summary of Assurance Review – June 2025

We are required to have our submission externally audited. Our auditors, Jacobs, provided the following feedback and assurance on our plan. The detailed findings can be found in Appendix E

The audits were conducted on 6th, 9th, 10th, and 18th June 2025.

The auditors found that the PCD delivery plans are in early stages but supported by good quality evidence and systems. The auditors agreed that we were on track for all PCDs except PCDB3a (network reinforcement), which is forecast to overspend by at least £1.2m (29%) due to increased developer activity. All other PCD forecasts align with original Ofwat figures. Portsmouth Water is currently tracking to meet all PCD targets and interim milestones.

In the deep dives' audits, the teams demonstrated strong understanding of processes and accuracy in submissions. The audit found minor issues with date accuracy (WQ UV scheme, SEMD, Cyber) – now corrected. The WINEP profiles were also updated per Environment Agency agreements.

The auditors agreed that the RAG assessments are appropriate and should be regularly updated. They also recognised that the AMP8 capital programme was initiated, with expansion underway to accommodate larger scale programmes of work. The highlight that our Project Delivery System and governance processes are aligned with Ofwat milestones and that PWL has tools in place for tracking and approvals (e.g., PM reviews, gateway papers).

Sample checks confirmed data accuracy, with some issues in scheme completion dates now corrected. Data governance processes are appropriate; only non-material issues identified.

Recommendations (Non-Material) for which we are delivering an action plan:

- Introduce methodology documents for each PCD.
- Implement a change control log for reporting to Ofwat.

We have accepted those findings and are putting in place the items recommended.

### 3.4 Strengthening Customer Trust and Transparency – our Independent Challenge Group

Looking ahead, we are committed to doing more to demonstrate how increased capital investment is directly benefiting our customers and their communities. These investments are not just improving our infrastructure and services; they are delivering tangible value to households and local businesses alike.

We believe we are uniquely positioned in the way we serve both our customers and the wider community. This relationship is central to everything we do, and we are actively working to grow and deepen this connection through a range of focused initiatives, including:

- **Enhanced Collaboration with the Consumer Council for Water (CCW):** We are taking on greater responsibility to align more closely with CCW's mission, offering free, impartial advice and ensuring that customers feel empowered and supported when engaging with water companies.
- **Demonstrating Value for Money:** We aim to be more transparent in how we communicate the benefits and outcomes of our services. This includes clearly showing how every pound invested lead to better service quality, resilience, and customer satisfaction.
- **Elevating Local Voices and Stories:** We plan to spotlight more local stories that reflect our work and impact within the communities we serve. By highlighting real customer experiences, we aim to make our work more relatable and visible.
- **Strengthening Customer Engagement and Scrutiny:** We will deepen our interaction with customers through more meaningful engagement activities and by actively working with our Independent Challenge Group. This will ensure that feedback is not only heard but used to drive improvement across the business.

Through these efforts, we intend to build even greater trust and transparency, ensuring our customers feel confident that we are investing wisely and in their best interests.

### 3.5 Publication to our website

We have not redacted any items from the document.

PWL endeavours to be as transparent and open as possible to meet its customer engagement commitments. If redaction is required, we will ensure that we only redact the necessary information, still providing visibility to our customers and stakeholders on our website.

We foresee some security and commercial risks in the publication of the information on the company website, which are listed below.

- If the publication of some information impacts on any future tendering exercises, we may redact some of the values on our website. This is unlikely to happen as the publication will fall post awards of contracts. However, we reserve the right to redact some information in this specific case.
- If the publication of named schemes impacts on the security of a site (foreseen mostly on the eCAF and SEMD programmes, though there could be some implications in other areas as well), we reserve the right to redact the name of the site / scheme to ensure that we conserve the integrity of our infrastructure security.
- Where the publication of a specific scheme detail or value impacts on the viability of a commercial agreement, or on our customers, we might choose to roll up costs and details at programme level to support the anonymity of said scheme. We are foreseeing this scenario on the Lead replacement programme which could identify specific customers' locations.

Should we have to redact any pieces of information, we will inform OFWAT of our intention to redact in our submission and will provide an explanation to our customers on the reason for redaction.

## 4. CONCLUSION

Through early investment, strategic planning, and a clear focus on delivery, we are not only meeting expectations, but we are also working to exceed them.

Our accelerated approach to programme implementation, particularly in smart metering, reflects our dedication to achieving meaningful outcomes for our customers, stakeholders, and the environment.

We appreciate the opportunity to demonstrate our capability and progress, and we look forward to continued collaboration and transparent reporting throughout this regulatory period.

As a business we believe that we are ahead on the delivery of the plan and will continue to demonstrate that we are maintaining an improvement of the level of investment, efficiencies, time and resources.



# 3. APPENDICIES

## APPENDIX A - Changes to Programme/Schemes RAG status.

In this section we will seek to outline any Programme or schemes which have transitioned from a RAG status of Green into Amber, as well as from Amber to Red. The basis of the information detail will be the following:

- Reasons for rating change
- Actions to resolve

This will be laid out as per below: We are providing an example for our Lead Replacement programme as illustration.

CHANGES TO PROGRAMME/SCHEME RAG STATUS					
Scheme name	Scheme ID	Status change	PCD reference	Reason for change	Actions to be taken to address change
Lead Replacement	PwWide000283	N/A	PCDW15	Highlighted as a potential risk, due to the restricted access period to premises operational needs.	Early identification and engagement of premises to ensure planning and outages can be arranged, and believe we will be able to meet the outcomes from year 2 onwards and the full AMP requirements; however, at this point we need further planning to evidence the deliverable as Green
Climate Change Resilience	PwWide000762	N/A	PCDWW32	Currently, we are planning for the list of projects that will meet the requirements. We call this the inception phase.	Additional analysis is required to define the highest climate change risks and to plan the necessary actions at our sites.  We remain confident in delivering the required level of climate resilience within the next five years and will continue to review and prioritise the sites that represent the most effective investment at this stage

## APPENDIX B - Material changes to PCD output delivery

In this section we will seek to outline any Programme or schemes where delivery falls below 85% baseline of the delivery profile, and Subsequent negative movements of greater than 10% of baseline profile, below 85% profile.

The basis of the information detail will be the following:

- Reasons for status change and negative movement
- Actions to resolve

Please note that there are currently no programmes or schemes that we have identified that falls within the reporting criteria, that have not been identified in Appendix A

DELIVERY FALLS BELOW 85% BASELINE DELIVERY PROFILE					
Scheme name	Scheme ID	below 85% baseline	PCD reference	Reason for change	Actions to be taken to resolve

SUBSEQUENT NEGATIVE MOVEMENTS OF GREATER THAN 10% OF BASELINE PROFILE, BELOW 85% PROFILE					
Scheme name	Scheme ID	Subsequent % change	PCD reference	Reason for change	Actions to be taken to resolve

## APPENDIX C - Material changes to PCD expenditure profile

In this section we will seek to outline any Programme or schemes where delivery falls below 75% baseline expenditure profile, and Subsequent negative movements of greater than 10% of expenditure profile, below 75% profile.

The basis of the information detail will be the following:

- Reasons for status change and negative movement
- Actions to resolve

Please note that there are currently no programmes or schemes that we have identified that falls within the require reporting criteria.

We expect that year 1 will see regular changes in the expenditure profiles of schemes as we are refining the programme, delivering detail design and identifying specific schemes in years 2 – 5.

DELIVERY FALLS BELOW 75% baseline expenditure profile					
Scheme name	Scheme ID	below 85% baseline	PCD reference	Reason for change	Actions to be taken to resolve

SUBSEQUENT NEGATIVE MOVEMENTS OF GREATER THAN 10% of expenditure profile, below 75% profile					
Scheme name	Scheme ID	Subsequent % change	PCD reference	Reason for change	Actions to be taken to resolve

**APPENDIX D - Material negative movement in Interim Milestones**

In this section we will seek to outline any Programme or schemes where there is a movement of 20% of the schemes within a PCD group move more than 90 days later than any given milestone.

The basis of the information detail will be the following:

- Reasons for Negative movement of 20% of the schemes within a PCD group move more than 90 days
- Actions to resolve

Please note that there are currently no schemes that we have identified that falls within the required reporting criteria.

We expect that year 1 will see regular changes in the milestones and number of schemes as we are refining the programme, delivering detail design and identifying specific schemes in years 2 – 5.

Please note that there are currently no programmes or schemes that we have identified that falls within the reporting criteria, that have not been identified in Appendix A.

NEGATIVE MOVEMENT OF 20% OF THE SCHEMES WITHIN A PCD GROUP MOVE MORE THAN 90 DAYS LATER THAN ANY GIVEN MILESTONE					
Scheme name	Scheme ID	Movement % change	PCD reference	Reason for change	Actions to be taken to resolve



## APPENDIX E - Assurance Summary

Below is the excerpt from the “Delivery Plan Report Portsmouth Water.pdf” produced and submitted by Jacobs, our independent assurer for this delivery plan submission.

### Summary of Key Findings

*The assurance programme was undertaken over Microsoft Teams through several audit sessions on 6th, 9th, 10th and 18th June 2025. We note that the PCD delivery plans are still in the early stages of their enactment.*

*However, we considered that the evidence provided during our audits was of good quality and systems were in place to deliver and monitor the various PCDs and associated programmes and projects. The teams demonstrated a clear understanding of the requirements and processes, and they have established steps to ensure accuracy and completeness in their submissions.*

### Progress on expenditure

*At this early stage in the programme, expenditure is on track for all PCDs other than for network reinforcement expenditure (PCDB3a) which is currently forecast to spend an additional £1.2m (approximately 29%) due to an increase in developer activity. For all other PCDs, there is no change from the original information provided by Ofwat and in the FD. We would expect this to form part of the company's change log.*

### Progress against PCD targets and interim milestones

*At this initial stage in the programme, Portsmouth Water are tracking to deliver the PCD targets and interim milestones consistent with the FD for all of the PCDs. We carried out deep dives on all of the PCDs, and found the following:*

- *The team had a good understanding of the PCDs and programmes or projects within them.*
- *The PCDs have generally been compiled correctly from the Ofwat tables. However, issues were found with the dates of a WQ UV scheme, SEMD and Cyber programmes. This was corrected in the meeting but we recommend this is checked for the final submission.*
- *Changes have been made to the WINEP schemes profile reflecting dates agreed with the EA. All other PCDs are unchanged from the Ofwat issued baseline.*
- *The team have undertaken a RAG review of each PCD and the assessments are a fair reflection of current status. This should be regularly reviewed.*

### Delivery plan

*You have initiated your AMP8 capital programme through your established programme management processes but due to the increase in size of the AMP8 programme are expanding the size of teams and developing new systems. A number of these will be in place from September 2025.*

*You have a Project Delivery System process in place with alignment to the Ofwat Interim Milestones where required. From our discussions, we considered the team had a good understanding of the PCDs and programmes or projects within them and there were tools and systems in place for the delivery of programmes and schemes within the DP for each area reviewed. The team are using a number of tools to track delivery, including PM review meetings, and project gateway papers approvals.*

*We have conducted sample checks on the information you are reporting in each of your delivery plan tables to confirm that reported data matches information held in your underlying systems.*

*We found issues with the dates of completion for three schemes mentioned above but all other information was aligned with the Ofwat FD and PCD tables.*

*We have also evaluated the processes and controls you have in place to govern your data table submission. These were found to be appropriate with only non-material actions being raised.*

*We made the following non-material recommendations:*

- *A methodology document for each PCD would help set out the background, targets, financial impacts, delivery strategy and monitoring plan.*
- *A change control log will also be required which can be reported on to Ofwat.*

*As mentioned in our introduction, the submission date for the final delivery plan has been extended to the 12th August. Ofwat has also provided company specific feedback and some changes in data tables. We will conduct further checks on your final delivery plan tables to ensure that data transposition has occurred correctly and confirm that they address Ofwat's feedback on your draft submission.*

### Conclusion

*Overall, based on our scope of work and the limited assurance undertaken, we did not find any material misstatement. We consider that:*

- *the delivery plan covers all enhancement schemes and areas of expenditure covered by PCDs;*
- *the company has identified all PCDs for which interim milestones may be required;*
- *the company has a delivery plan in place in the PCD areas where interim milestones have been identified;*
- *the interim milestones identified by the company are consistent with such plan;*
- *there are no movements of over one quarter in scheme target completion dates compared to original business plan;*
- *the scheme target completion dates in the delivery plan meet statutory and regulatory obligations; and*
- *we have not identified any areas where we disagree with the Company RAG assessments of performance against PCDs.”*



