

# Involving customers in our decision making

June 2026





At Portsmouth Water, we believe that understanding and listening to our customers and communities is fundamental to delivering excellent service. While providing safe and reliable drinking water remains our core responsibility, we recognise that customers need and expect more than a dependable supply. They expect us to understand their priorities, listen to their experiences and ensure their views help shape the decisions we make.

For many years we have invested in customer research, engagement and participation. We do this on an ongoing basis through our customer insight programme, which includes a Customer Advisory Panel, Water Talks quantitative panel research, bespoke customer focus groups and community engagement. We also engage with our local stakeholders and organisations, through our Independent Challenge Group and direct relationships. We have built a strong understanding of what matters most to our customers and communities. This understanding helps us improve services, shape investment priorities and make better decisions on behalf of current and future customers.

This document explains how customer participation supports decision-making across Portsmouth Water.

It is not intended to describe a narrow regulatory process. Instead, it sets out our broader philosophy for customer participation: how we gather evidence, how we involve customers and stakeholders, how independent challenge is used, and how we will apply materiality when deciding the level of customer involvement required.

The approach is deliberately proportionate. Customers do not expect to be involved in every operational decision we make, and they rightly expect us to use our professional expertise to run the business effectively. However, where decisions may have a meaningful impact on customers, communities, affordability, the environment or future resilience, we will consider how customer participation can help improve the quality of those decisions.

# Our customer participation strategy

Customer participation is already an important part of Portsmouth Water's approach to planning and decision-making, but we know we can go further. Our strategy builds on the foundations established through PR19 and PR24, where customer research and engagement were central to understanding priorities, testing investment choices and developing a plan that reflected customer expectations. The learning from that programme has not been treated as a one-off exercise. It has become part of the way we think about future service development, investment, vulnerability, affordability, communications and long-term water resources planning.

We are moving from one-off engagement activities to continuing relationships. Traditional engagement often asks customers what they think at a particular point in time. Participation goes further. It creates an ongoing conversation, helps customers understand the choices and constraints involved, and provides opportunities for customer views to shape how decisions are formed before they are finalised.

Our strategy is based on a simple principle: customer evidence should be available at the points where decisions are shaped, not only when a final decision is taken. This is important because many customer trade-offs are determined early in policy development, programme design, business planning, water resource

planning or investment appraisal. If customer evidence is considered only at the end of a process, its ability to influence the outcome is limited. Our framework is therefore designed to support earlier consideration of customers, while remaining practical and proportionate.

We also recognise that Portsmouth Water starts from a different position to many organisations operating in essential services. We benefit from comparatively strong levels of customer trust, a smaller regional footprint, and lower water bills than many companies. We do not take that position for granted. It gives us a responsibility to maintain trust through openness, good service and evidence-led decisions. It also means our participation approach should be focused where customers can genuinely add value, rather than creating engagement activity that does not influence decisions.

Our participation strategy therefore combines five features: ongoing customer dialogue through Water Talks; a structured research programme; broader community, vulnerability, business and stakeholder engagement; the use of external evidence from CCW, Ofwat and industry research; and customer scrutiny and challenge through our Independent Challenge Group. Together, these features create a rounded view of customer priorities and provide a practical basis for involving customers in decisions that matter.



# Current channels of engagement and participation

No single survey, focus group or engagement activity can fully represent the views of all customers. Customers have different experiences, circumstances and priorities. Some are more affected by affordability, some by service reliability, some by vulnerability or accessibility needs, and others by environmental and long-term resilience issues. This is why we use a broad participation and insight ecosystem rather than relying on one source of evidence.

## Our approaches are:

### Water Talks

A panel made up of 1,000 customers that take part in customer surveys to provide insight on a wide range of business areas and decisions. This provides an ongoing forum through which customers can discuss priorities, test ideas and explore future challenges. It allows us to move beyond one-off consultation and develop a continuing conversation with customers over time.

### Customer Advisory Panel (CAP)

Quarterly focus groups that are made up of participants from our Water Talks panel. It provides a practical way of bringing panellists together for more detailed discussion on particular topics where richer customer conversation is needed.

### Wider Research Programme

This includes quantitative surveys to understand customer priorities across a broader base; qualitative research to explore attitudes and motivations; in-depth interviews where issues require more detail; deliberative research where customers need time and information to consider trade-offs; communications testing to improve clarity and accessibility; and service testing to understand customer journeys. The mix of methods is important because different decisions require different forms of evidence.

### Day to day customer contact

We also learn from customer contacts, complaints, operational feedback, digital interactions and employee insight. Frontline colleagues often see emerging customer issues before they appear in formal research. Complaints and contacts help us understand where services may be falling short or where customers need clearer information. Digital engagement helps us understand how customer expectations are changing and whether our channels are working effectively.



### Staff and operational insight

Our employees speak to customers every day and understand the practical realities of service delivery. Their insight helps us identify emerging issues, understand customer frustration points and test whether proposed changes are likely to work in practice. Staff engagement is therefore part of the customer evidence base, not separate from it.

### Regulator and CCW

We also use evidence from the external landscape. CCW Water Matters provides important evidence on customer satisfaction, trust, affordability and expectations across the sector. CCW Consumer Panel insight provides more regular customer sentiment and can help identify emerging themes. Ofwat research helps us understand regulatory expectations and wider customer evidence. Industry studies, including the materiality research undertaken with Navigator Insight, provide additional evidence about how customers think about decisions and when they expect involvement.

### Community and Vulnerability engagement

Community engagement helps us understand local priorities and ensures our decisions are informed by the communities we serve. Vulnerability engagement, that is building relationships and partnerships with local organisations and charities that support our most vulnerable customers, is particularly important because some decisions can have a greater impact on customers who need additional support. We are building strong relationships with support organisations to understand accessibility, communication needs, affordability challenges and the practical impact of service changes.

### Stakeholder Engagement

We work with local and national stakeholders across our region including forming stakeholder advisory groups specific to large capital investment projects, such as our Havant Thicket Reservoir Stakeholder Advisory Group.

We also engage with communities and stakeholders beyond traditional research channels, including local authorities, developers, business customers, environmental stakeholders and community groups, as well as our Independent Challenge Group. These voices are essential because some decisions affect specific groups more directly than the wider customer base. Targeted engagement helps us understand these impacts and avoid relying solely on an average customer view.

# How evidence flows into decisions

Figure 1

Customer and stakeholder evidence	How it is used	Challenge and feedback
<p>Water Talks, CAP, research, complaints, customer contacts, vulnerability engagement, community engagement, employee insight, CCW, Ofwat and industry evidence.</p>	<p>Evidence is considered during policy development, programme design, business planning, Executive review and Board decision-making.</p>	<p>Independent Challenge Group scrutiny, governance review, evidence logs, annual review and publication of how participation has influenced outcomes.</p>
<p>The aim is to build a rounded view of customer priorities rather than rely on a single survey or one engagement route.</p>	<p>The key discipline is to consider customer evidence early enough for it to influence options and trade-offs.</p>	<p>The outcome should be transparent. Customers should be able to see how their views have been considered.</p>

# How customer participation influences decisions

Listening to customers is important, but participation only creates value if it influences outcomes. The purpose of our framework is to ensure customer evidence is available when decisions are being shaped and that the level of participation is proportionate to the impact of the decision.

Not every decision requires the same level of customer involvement. Many operational and technical decisions are appropriately made by Portsmouth Water using professional expertise. Customers generally expect us to manage the network, operate treatment works, maintain assets, deliver service commitments and run the business efficiently. In these cases, customer evidence may still be relevant, but it may come from existing insight, complaints, performance information or previous research rather than requiring new engagement.

Other decisions have a clearer customer dimension. A decision may affect bills, affordability, customer service, access to support, communication channels, environmental outcomes, resilience or a particular community. In these cases, customer participation can help us understand priorities, test options, identify unintended consequences and improve implementation. The more significant the potential impact, the more important it becomes to consider whether dedicated customer research, Water Talks, CAP discussions, targeted stakeholder engagement or independent challenge are required.

This approach is designed to be adaptable and agile rather than rigid. It allows us to apply the same discipline to different decision types: identify the potential customer impact, assemble relevant evidence, consider whether additional participation is needed, apply challenge, document the judgement reached, and explain how the evidence has influenced the decision. Over time this will create a stronger internal evidence base and improve consistency in how materiality is assessed.



# Applying consumer involvement to support material decisions



Materiality is central to determining the level of customer participation required to support decision making. For Portsmouth Water, materiality is not a fixed list of decisions, and it is not a single numeric threshold. It is a judgement informed by evidence, customer impact, context and proportionality. Customer research, at both company and industry level, provides an important evidence source.

The industry recently commissioned Navigator-Insight Research to undertake research on what customers felt was material. The research explored how consumers interpret material impact and what types of decisions they expect water companies to involve them in. It found that customers most consistently expect involvement where decisions may affect affordability, bills, service reliability, vulnerable customers, health, environmental outcomes, core water services, major social or community impacts and long-term resilience. It also found that customers want involvement to be meaningful and not a tick-box exercise.

The research undertaken by Navigator-Insight with consumers for us also shows why a rigid approach would not be appropriate. Perspectives on materiality vary across different customers and customer groups. A decision may be material for one group but not another. Local disruption may matter most to a small, affected community.

A change to contact channels may matter most to digitally disadvantaged customers. A tariff or support scheme change may matter most to customers struggling financially. Environmental decisions may matter differently to local communities, future customers, recreational water users or customers who place value on environmental outcomes.

Trust also matters. The industry research found that lower levels of trust can reduce the threshold at which customers expect involvement, particularly on high-profile or controversial issues. Portsmouth Water has a different starting point because our customers have historically shown higher trust and satisfaction than many companies and our bills remain comparatively low. This does not reduce our obligation to listen. It means our engagement should be focused on the decisions where customer views can genuinely improve outcomes and maintain trust, rather than involving customers unnecessarily in every operational judgement.

Our initial materiality principles will consider whether a decision has a clear or significant impact on customer outcomes, a meaningful financial impact, a significant effect on service or access to support, a potential impact on vulnerable customers, a material environmental or community consequence, a strong effect on trust, or a concentrated impact on a smaller group of customers. We will also consider whether customer participation has already been sought through an existing planning or research process, for example through WRMP or Price Review engagement.

As a starting point, we expect additional consideration where a decision could create a financial impact greater than 5% of a customer bill, where the impact on customer service or customer outcomes is significant, where customer participation is important to delivering the intended outcome, or where relevant customer involvement has not already been sought. These are not intended to be the only triggers. They provide an initial guide that will be refined as we apply the framework in practice.

# Our materiality lenses

Figure 2

Lens	What we will consider	Likely participation response
<b>Customer impact</b>	How many customers may be affected and how significant the effect could be.	Use existing insight for lower impact decisions; consider Water Talks, CAP or research where impact is more significant.
<b>Affordability and bills</b>	Whether bills, charges, support schemes or affordability could be affected by more than 5%.	Likely to require customer research or targeted engagement, especially where impacts are uncertain or uneven.
<b>Service and access</b>	Whether service quality, reliability, contact channels or access to support could change.	Engagement with affected customers, including customers with accessibility or communication needs.
<b>Vulnerability</b>	Whether customers in vulnerable circumstances could be disproportionately affected.	Targeted vulnerability engagement and stakeholder input.
<b>Environment and resilience</b>	Whether environmental outcomes, future water resources or long-term resilience are affected.	Research, deliberative engagement or Water Talks where trade-offs are material.
<b>Community and local impact</b>	Whether impacts are concentrated in a place, community or specific customer group.	Targeted local engagement and stakeholder participation.
<b>Trust and public interest</b>	Whether the decision is likely to affect confidence, transparency or public legitimacy.	Clear communications, independent challenge and published explanation of how evidence was used.

Customer participation will be supported by governance and challenge. The framework needs to operate across the real points where customer-relevant decisions are formed, including policy development, programme boards, business planning, Executive review and Board decision-making. It should not sit as a separate process that duplicates existing research activity.

Decision owners will be expected to consider customer implications early and document the customer issue, the evidence available, whether the decision is material, and whether additional participation is required. This is particularly important for business planning, water resources and programme activity where options can become narrowed before formal governance.

At Executive level, relevant papers should explain the customer implications, what has been treated as material or not material, how evidence has been used and where challenge has been applied. At Board level, significant material decisions should include a clear explanation of how customer evidence and participation have informed the recommendation.

The Independent Challenge Group provides external scrutiny and challenge. Its role is to test whether customer evidence has been gathered appropriately, interpreted fairly and reflected meaningfully within decisions. We will also consider how a consumer involvement or participation sub-group of the ICG can support decisions where customer insight is particularly important before final approval.



# How we will change our systems and processes

During 2026-27 we will be looking to embed this process deep into our decision making at all levels across the organisation. We will undertake the following key process reviews and changes during 2026-27:

Action	Timing
<b>Review our existing research and insight with customers and stakeholders</b>	December 2026
<b>Embed our new materiality testing into the capital governance process – documentation and assessments</b>	October 2026
<b>Train our teams in the new process</b>	December 2026
<b>Establish Consumer Involvement Rule insight into executive and board papers</b>	December 2026
<b>Capturing board and consumer board engagement</b>	October 2026
<b>Development of Independent Challenge Group involvement</b>	November 2026
<b>Create a clear auditable process of material decisions to support internal learning and annual reporting</b>	March 2027

# Upcoming material decisions and planned engagement approaches

The forward plan below identifies the material decisions currently expected to require customer involvement or customer evidence over 2026-27, and the research and engagement approaches we will take with customers and stakeholders.

It will be updated as new decisions emerge and as programme dates develop.

Some items are already supported by established engagement routes such as WRMP or Price Review research; others may require new or targeted participation.

## Current identified material decisions

Decision	Reason for inclusion	Participation route	Timing/status
<b>WRMP29 and long-term water resources planning including supply and demand side options</b>	Long-term resilience, future supply, environmental outcomes and investment priorities.	Multi-stage research, Water Talks, stakeholder engagement and ICG review.	2026-2027 and continuing through WRMP development.
<b>Drought Plan and restriction policy</b>	Potential impact on customers, businesses, fairness, exemptions and vulnerable customers during dry weather.	Targeted research, Water Talks, stakeholder input and engagement with affected groups.	2026-2027 as plan activity develops.
<b>Social tariff and affordability support design</b>	Potential impact on eligibility, discounts, cross-subsidy, affordability and customers in vulnerable circumstances.	Affordability research, targeted engagement, Water Talks and support organisation input.	2026-2027, aligned to affordability review activity.
<b>Ofwat cost change process</b>	Potential impact on bills, investment and customer outcomes depending on scope and scale.	Use existing PR24 evidence, alongside further research due to bill impacts.	Starting in July 2026 through to December 2027.
<b>Update on consumer involvement (undertaken and planned)</b>	To provide forwards sight and updates on our activities.	Published update.	30 September 2026, 31 December 2026 and 31 March 2027.

## Wider potential areas for engagement to be assessed through the framework

In addition to the currently identified material decisions, several programmes are likely to require customer participation because they affect customer experience, behaviour, support or trust. These areas will be assessed

through the same materiality approach and may require more or less participation depending on the final scope of the decision being taken.

Area	Customer relevance	Participation route	Timing/status
<b>Water efficiency tariffs</b>	Customer behaviour change, incentives, communications and support.	Research, trials, Water Talks, community engagement and employee insight.	Trials will commence in late 2026 with research ongoing throughout 2027-28.
<b>Vulnerability strategy delivery and review (for re-publication in June 2028 or before)</b>	Support for customers who need additional help and accessible services.	Targeted vulnerability engagement, support organisation input, Water Talks and ICG challenge.	Annual review and ongoing delivery.
<b>Environmental priorities and resilience engagement</b>	Environmental outcomes and resilience are important to customers and influence trust.	Water Talks, deliberative research, community and stakeholder engagement.	2026-2027. This work has already commenced and will remain ongoing as part of our continuing research in 2026-27.
<b>Future major investment or service changes relating to PR29 (not covered by the WRMP process)</b>	Will affect bills, service, local communities, environmental outcomes or resilience.	Materiality assessment to determine whether existing evidence is sufficient or new participation is required.	Preparation of potential options for the business planning process.

# Demonstrating impact: You said, we did

Customer participation only has value if it influences outcomes. We will therefore continue to explain how customer views have shaped decisions and how engagement has helped us improve services. This will include examples from affordability support, vulnerability services, smart metering, water efficiency, customer communications and future planning.

The purpose of this approach is not to claim that every customer view can be adopted. Decisions often involve balancing different customer priorities, operational constraints, environmental requirements and affordability.

However, customers should be able to see that their views have been considered fairly and that where we take a decision, we can explain how customer evidence was used.

We will look to develop a consumer insight element into our new website design and annual updates to share examples of participation in action. These examples will help demonstrate where customer views influenced the design of a service, the wording of communications, the approach to support, the prioritisation of investment or the implementation of a programme. Alongside this we will look to publish 6 monthly insight updates starting in October 2026.



# Looking ahead

Customer participation will continue to evolve as customer expectations, environmental challenges and societal priorities change. Our approach is designed to mature through use. We expect our company materiality assessments, engagement routes, evidence logs and participation examples to become stronger as the framework is applied to live decisions.

Our ambition is not to undertake more engagement for its own sake. It is to ensure participation remains meaningful, proportionate and focused on helping us make better decisions.

By combining customer research, Water Talks, CAP discussions, community engagement, stakeholder insight, employee feedback, external evidence and independent challenge, we will continue to ensure customer voices help shape the future of Portsmouth Water.

This approach supports trust, transparency and accountability. Most importantly, it helps ensure that Portsmouth Water continues to make decisions that reflect the needs, expectations and priorities of the communities we serve now and in the future.

For customers, the framework can be summarised simply:

