Summary report

Autumn Accountability Session with Portsmouth Water

As part of CCW's Water Voice programme, Accountability Sessions allow community members to challenge water company performance, question senior representatives and agree actions to enhance customer experiences and drive meaningful improvements.

Accountability Session | Monday 26th October 2026
Report published: Wednesday 4th November

Community members questioned Portsmouth Water's senior representatives about progress since the Spring Accountability Session and the practical improvements they should expect. Discussion focused on website delivery, leakage and how the company responds to concerns about service and performance.

The Action Plan Review examined the priorities, resources and timetable behind website improvements. The Performance Review challenged the company on preventing leaks, demonstrating progress and taking further action when targets are missed.

The Q&A questions covered drought measures, fair contributions to water saving, the benefits of AI, and executive pay and dividends.

The key discussion points, company responses and community requests are outlined on the following pages.

Action Plan Review
Q1: Website development and delivery

Members wanted easier access to online information, clarity over where website upgrades ranked as a company priority and visible improvements before the full website relaunch.

Portsmouth Water outlined a 2-phase delivery for the new website; initial improvements by 1st December 2026 and a full rebuild in June/July 2027. Members requested clearer milestones, comparisons with other companies and representative user testing.

Performance Review
Q2: Leakage reduction and prevention

Members challenged Portsmouth Water to explain what had changed after missing its 2025/2026 leakage target and how it would prevent future leaks.

Portsmouth Water described preventative maintenance, the smart meter roll out and new leak detection technology. Members requested evidence of their impacts on leaks, clearer metering information, interim leakage milestones and triggers for further investment.

Q&A Q3:
Drought and water demand

Members asked when stronger drought measures would begin and how households and businesses would contribute fairly.

Portsmouth Water explained its groundwater triggers, statutory drought plan and work with both households and non-households to reduce water usage. Members welcomed the explanation.

Q&A Q4:
AI and customer benefit

Members wanted AI to improve the service but staff members to retain human contact and responsibility for decisions.

The company described tools supporting staff and identifying potential leaks. Members asked how AI ambitions would feature in its five-year planning, including what it hoped to achieve by 2030.

Q&A Q5:
Executive pay and performance

Members questioned executive rewards and dividends while bills rise and leakage performance needs improvement.

Portsmouth Water explained performance linked bonuses and the role of investor returns. Members asked for financial information to be easier to find, with no other actions made.

What is the purpose of this report and what happens next?

This report summarises the key discussions and actions raised by Water Voice community members during the **Portsmouth Water** Accountability Session held on **26th October 2026.** The actions outlined reflect the improvements community members would like **Portsmouth Water** to make. These are community-led requests and do not represent confirmed commitments from the company at this stage. **Portsmouth Water** will create a formal action plan by **Thursday 3rd December 2026**, setting out its response to each action, what it intends to deliver and the proposed timescales.

CCW will then monitor progress against the company's commitments and provide monthly updates, allowing community members to see what has changed and continue to hold the company to account.

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Q1: Action Plan Review

Strengthening the company's existing actions

How are you prioritising and resourcing the website development to make sure the Action Plan commitments [1,2,3,4,5] are delivered and when will customers see the improvements?

Context from the session:

Several commitments depend on improvements to Portsmouth Water's website. Members wanted reassurance that the work had sufficient priority and resources, represented value for money and would deliver benefits before the full relaunch. The company described a phased approach, combining clearer navigation and refreshed presentation with a later rebuild and integration of supporting systems.

Members welcomed early improvements and the intention to maintain systems continuously. They also wanted a clearer account of what would change, when it would change and how people with different communication and accessibility needs would benefit.

Regulatory and existing activity context:

Portsmouth Water said it had already refreshed website content, introduced its Kraken[1] billing system and strengthened internal technical capability, supported by an external agency. Their existing action **P2**[2] is delivered, with the existing actions **P1**[3], **P8**[4], **P9**[5] **and P12**[6] all in progress. The pre-existing action plan give July 2027 as the revised date for the website to become an active customer tool.

Actions requested by community members:

1A. Compare digital services and identify learning

- Publish a comparison table showing how Portsmouth Water's digital services and connectivity compare with other water companies, including what it could learn from their approaches.

1B. Clarify website priorities, resources and delivery milestones

- Provide a simple explanation of how the website programme will deliver meaningful improvements.
- **Priorities and resources:** Explain where website upgrades sit among company priorities and what resources are allocated to meet the early December and June/July deadline.
- **Visible milestones:** Show month-by-month improvements from November through to June or July, distinguishing early changes from the full rebuild.

1C. Improve access across communication channels

- **Offline information**: Improve paper and other offline communications alongside online services.
- **Social media**: Make greater use of social media to communicate leaks and other incidents.
- **App access**: Confirm the plans and timetable for launching the app, including how customers will access key information and whether it will provide notifications about local water-supply problems.

Actions requested continued overleaf...

[1] Kraken - https://www.kraken.tech/

[2] Portsmouth Water, Action 2: *Promote easy-to-read summaries of company commitments and performance through customer communication channels following publication of performance results in August 2026.*

[3] Portsmouth Water, Action 1: *Relaunch the company website with easy-to-understand, customer friendly performance summaries and KPI information integrated directly into web pages rather than PDFs.*

[4] Portsmouth Water, Action 8: *Include dedicated information on executive rewards within the new website.*

[5] Portsmouth Water, Action 9: *Expand website content to provide customers with more information about network pressure and related issues.*

[6] Portsmouth Water, Action 12: *Review and improve how water quality information is explained on the new website, including information on water quality events and customer concerns.*

Q1: Action Plan Review

Strengthening the company's existing actions

How are you prioritising and resourcing the website development to make sure the Action Plan commitments are delivered and when will customers see the improvements?

Actions requested by community members:

1D. Test improvements with a representative range of customers

- Ensure the new website is tested across all customer types before launch, including customers who are: older, with vulnerabilities, lower digital skills and whose first language is not English

Company response and clarification required:

Portsmouth Water said the first improvements to the website's appearance and ease of use were expected by the 1st December. A more complete website rebuild was expected in June/July 2027.

The company said all requests for Question 1 were reasonable and agreed to act on them. However, it did not confirm exactly what it would deliver or when for each request.

Portsmouth Water confirmed an app was currently being developed, with staff testing early versions. Portsmouth Water offered to share more information about its launch but did not give a date or confirm whether it would include local incident alerts.

Portsmouth Water's formal response should clarify these points, along with the staff and funding available, key delivery dates, communication improvements and plans to test the website with a representative range of users.

Q2: Performance Review

Challenging the company's performance and service delivery

What are you doing differently now that the leakage target has been missed and what further action or investment will you commit to if performance does not improve as planned?

Context from the session:

Members wanted to know what Portsmouth Water was doing differently after missing its leakage target, beyond work already planned. The company explained how recent extreme weather resulted in ground movement, which caused an outburst of leaks this summer.

They described current preventative maintenance, new leak detection technology, smart metering and staff capability. Members welcomed progress but felt the number of repairs highlighted the scale of the problem.

They wanted **stronger prevention measures, evidence that the company's maintenance and leak-detection work are actually reducing leakage, and interim milestones showing whether leakage performance is recovering**. Questions about metering, covered in **Action 2b,** also exposed uncertainty about installation, bills and responsibility for repairs.

Existing activity context:

The company described current leak management techniques, involving; preventative mains replacements, night-time water pressure management, satellite detection, leak 'sniffer' dogs and a trial using existing fibre-optic cables to pinpoint leak locations. They reported approximately 15,000 smart meters had been installed over the last 18 months, with an ambition for all household and non-household properties to have a smart meter installed over the next five years. Existing actions **P15**[7] **and P16**[8] already address customer side leak detection and support; existing action **P17**[9] covers collaboration involving social housing and vulnerable people.

New actions requested by community members:

2a. Explain and strengthen preventative work

- **Network improvements:** Tell customers about current and planned leakage work, including replacements of ageing main pipes.
- **Practical benefits:** Show how preventative work reduces leaks and bursts in the areas where it takes place.
- **Climate readiness:** Explain how preventative works accounts for more future climate variability, including more frequent hot, dry summers.

2b. Make smart meter rollout and support clear

Explain what households can expect when a smart meter is installed and what support is available.

- **Rollout:** Clarify whether smart meter installation is compulsory and what the installation timescales are.
- **Property prioritisation:** Identify how different property types are prioritised for installation, including where vulnerable households and businesses fall.
- **Operation and billing:** Explain how meters work, how they help identify leaks and how metering affects bills.
- **Repair support:** Clarify what assistance is available when a leak is on private pipework, including for households outside vulnerable categories.

The explanation should also address the concern raised about whether a household could be charged for water used by others or for firefighting.

Actions requested continued overleaf...

[7] **Portsmouth Water, Action 15:** *Review analogue-meter high-usage processes to identify improvements in how potential leaks are detected and customers are supported.*

[8] **Portsmouth Water, Action 16:** *Automate leak alerts for smart meter customers and review the leak allowance process to identify and reduce customer friction around evidence requirements.*

[9] **Portsmouth Water, Action 17:** *Expand collaboration with Social Housing Providers and vulnerable customers to support metering, leak repairs, water efficiency and affordable bill management.*

Q2: Performance Review

Challenging the company's performance and service delivery

What are you doing differently now that the leakage target has been missed and what further action or investment will you commit to if performance does not improve as planned?

Actions requested by community members:

2c. Set clear leakage milestones and triggers for further action

Show how Portsmouth Water expects to recover leakage performance and what will happen if progress falls behind again.

- **Recovery milestones**: Share interim leakage targets and timescales, progress against them and whether the company expects to meet its next target.
- **Delivery capability**: Explain the timescales for trialling, and, if successful, deploying new leak-detection technology, including the fibre-optic approach
- **Further intervention:** Explain when Portsmouth Water would take further action if leakage targets were not met, and which additional measures or investment it would consider.

This response must explicitly distinguish changes made because the target was missed from work that was already planned.

Company response and clarification required:

Portsmouth Water described these actions as feasible and agreed to provide further detail on all.

For Action 2A, they explained that climate change was already affecting their preventative measures planning assumptions and capability. The CEO also recognised the need for more network replacement, referring to wider industry concerns about asset health.

No specific additional investment amount, numerical recovery milestone or escalation trigger was agreed. The fibre-optic approach remained a trial; wider deployment was described as probable if the trial proved successful, rather than guaranteed.

The formal Action Plan response should address all three requests, particularly what has changed following the recent missed leakage target, expected recovery and how it plans to improve performance.

[1] The Water Voice Barometer survey is a monthly survey tracking community members' views of their water company. The referenced statistic reflects the proportion of responding Portsmouth Water community members reporting that they felt they received value for money. Note of this statistic has also been made in the session transcript.

Q&A: Q3

Further questions about the company's services and accountability

What would need to change in groundwater levels or demand before you took stronger action than you did this summer and how would you ensure any additional water-saving measures are shared fairly between households and non-household users?

Context from the session:

Members wanted **clearer ground rules for stronger drought measures and reassurance that businesses would contribute alongside households**.

Portsmouth Water explained that its response depends on groundwater levels and that the relevant drought-plan trigger had not been reached. Stronger appeals to save water would precede restrictions.

Portsmouth Water said it was rolling out smart meters to both households and businesses and working closely with both groups to reduce water use. For businesses, this included comparing their consumption with similar businesses to identify unusually high water use or possible leaks. The questioner said they were satisfied with the explanation.

Existing activity context:

The company described an existing drought plan and ongoing groundwater monitoring. It said aquifer levels had stopped falling, but further autumn and winter rainfall was needed for replenishment.

Company response and outstanding clarification:

The main answer explained the general sequence of drought measures but did not specify numerical groundwater or demand triggers, or precisely how restrictions would be shared fairly between households and businesses. These remain clarification points on the original question, rather than agreed new actions.

Q&A: Q4

Further questions about the company's services and accountability

How will you use AI and other new technology to deliver clear benefits for customers?

Context from the session:

Members wanted **AI to deliver practical service benefits as well as internal efficiency**.

Portsmouth Water described using AI for staff administration, a trial tool supporting customer-service staff and potential applications for detecting unusual network activity and leaks. It stressed the need for clear value from technology and said reducing routine work could free staff to help people with more complex needs.

One member emphasised that people should remain responsible for decisions and asked how AI ambitions would feature in the company's five-year plan. The company supported looking ahead, but did not specify a detailed roadmap.

Existing activity context:

Portsmouth Water said it had an AI-use policy in place. It was also testing "Kevin", an AI tool that helps customer service staff answer customer enquiries by accessing customer account details and water-usage information. It was supporting staff rather than answering telephone calls itself.

Portsmouth Water was also exploring how AI could help detect problems and leaks in its water network. It had not yet begun exploring its use in water treatment processes.

New actions requested by community members:

4A. Use AI to support staff while retaining human responsibility.

- Explain how AI will help staff provide better service, including freeing time for complex needs, while people remain responsible for decisions.

The company can address this by demonstrating how its existing AI-use policy ensures that staff remain responsible for decisions.

4B. Set out AI ambitions within business planning

- Set out Portsmouth Water's AI ambitions within its five-year business plan, including how it expects to use AI by 2030 and the benefits it aims to deliver for people using its services.

Company response and outstanding clarification

Portsmouth Water endorsed the need to understand how it would use AI in future planning. Members indicated satisfaction and raised no further questions.

However, the response did not establish a commitment to publish a defined 2030 roadmap, specific targets or a delivery date. The formal response should confirm how Action 4B will be addressed and explain how the existing approach satisfies Action 4A. Leakage technology delivery should be addressed primarily under Action 2C.

Q&A: Q5

Further questions about the company's services and accountability

How do you justify executive pay, bonuses and dividends when bills are rising and some areas of performance still need improvement?

Context from the session:

Members questioned the justification for executive rewards and dividends while bills were rising and leakage performance needed improvement.

Bob Taylor, the CEO, said his pay was towards the lower end of the sector and explained that bonuses reflect several weighted performance targets, with the relevant element removed when a target is missed. Decisions were overseen by a remuneration committee largely comprising independent board members.

Chris Milner, Chief Financial Officer (CFO), explained that paying dividends gives shareholders a return on their investment and helps attract continued investment. He said shareholders had invested over £170 million in Portsmouth Water over the previous three years.

The questioner was satisfied with the response, and no further community questions followed.

Existing activity context:

Portsmouth Water said its Annual Report and Accounts explains how executive bonuses are calculated. Separately, Chris Milner said dividend payments were being limited because of the investment and risks associated with reservoir construction. The existing actions **P5**[10] **and P6**[11], concerning transparent and accessible explanations of executive rewards, have now been delivered. The existing action **P8**, providing dedicated information within the new website, remains in progress.

Further requests raised by the questioner:

No additional community action was agreed.

The Chair suggested that company bonus information should be made easier to find outside complex financial documents. This was a suggestion for Portsmouth Water to consider, rather than a specific company undertaking. It should be reviewed against existing actions **P5, P6 and P8** before creating any additional commitment.

Outstanding clarification:

The company explained the general basis for rewards and dividends but did not quantify the effect of the missed leakage target on actual bonuses or directly explain the relationship between rising bills and these payments. These are limits to the answer, rather than evidence of agreed changes to pay or dividend arrangements.

[10] **Portsmouth Water, Action 5:** *Improve transparency around executive rewards by publishing clear information on the website and in company reporting, including how rewards are linked to performance and delivery commitments.*

[11] **Portsmouth Water, Action 6:** *Include clear and accessible explanations of executive rewards in published reporting, including how rewards are linked to performance metrics.*

Attendance list

Bob Taylor	CEO of Portsmouth Water
Matthew Hamilton	Chief Customer Officer of Portsmouth Water
Matt Foster	Head of Leakage Strategy at Portsmouth Water
Maxine Foyle	Chief Information Officer at Portsmouth Water
Chris Milner	CFO of Portsmouth Water
Clare Glen	Qualitative Research Director of Taylor McKenzie Research (TMcK) –Lead facilitator
Bev Keogh	Independent Board Member for Consumer Council for Water (CCW) - Chair
11 x Community Members	Water Voice Community Members under Portsmouth Water

Session transcript

CWW Chair: Good evening, everybody and thank you so much for joining us this evening, my name is Bev Keogh, I will be chairing tonight's session and I'm an independent board member and deputy chair of the Consumer Council for Water. Tonight's session is part of our Water Voice programme, and the purpose of Water Voice is quite simple but very important, and that is to give customers a stronger, more direct voice in how their water company performs, communicates and improves.

Tonight's session is about accountability. It's an opportunity for all of you, as community members and panel members, to question the senior leadership team from Portsmouth Water directly, about the issues that matter the most and around what needs to improve and what will change as a result of this discussion.

It's not a complaint's hearing and it's not a technical inquiry but it is a structured, customer led conversation focused on accountability, learning and agreeing to get to clear and practical actions.

The topics that we will cover tonight have not been chosen by the company, they've been shaped by you as community members through the pre-task briefing session that we held, also from gathered Spotlight research that CC Water have received and also, the wider Water Voice discussions with the wider community members. In short, panel, this is your agenda.

Before we start the session, I just want to be able to set quite a clear tone of how I would like us to behave on the session this evening. I really do expect this to be a respectful, but challenging discussion. Community members should feel able to speak very openly and honestly about your experiences and your expectations. But equally, I will expect from Bob and the team, some really clear and transparent responses and Bob and team, I will interrupt if I have to, to ask you to make it clearer but hopefully we won't need to do that this evening.

To everybody, if you're not speaking, if you could keep your microphone muted, that avoids background noise and playback for other people. The session will be fully transcribed and all the agreed outcomes for this evening will be published and put on the CCW website, and the team will also publish their Action Plan.

We are building on the original Action Plan from the sessions that we held earlier in the year and that will be in response to any commitments made this evening, of which I'm sure there will be a few and we will add those to the Action Plan that already exists and that transparency and that publication of actions, is a key part of what makes this process really meaningful.

In terms of some ground rules for our discussions, one person talking at a time generally helps when you're virtual, keep our contributions quite focused and concentrate on forward looking actions where we can - not to say you can't give some context, but things like what will change and by when? And importantly, how will customers know?

So now, I'm going to do some introductions for those joining us this evening. First of all, we have with us, Clare Glen, she's our independent facilitator. Clare, from Taylor McKenzie Research, is going to guide the majority of the customer-led discussions this evening and we'll make sure that all of the voices are heard.

Representing Portsmouth Water this evening, we're delighted to have Bob, Chief Executive, Matthew, the Chief Customer Officer, Matt, the Head of Leakage, Maxine, the Chief Information Officer and Chris, the Chief Finance Officer, joining us this evening. Thank you all for being here, it means a lot to have you present with us this evening.

I'm now going to hand over to Clare and she's going to explain exactly how the session will run in a bit more detail, but it's a privilege to chair the session with you all this evening and let's hope that we can make it really meaningful for both customers and company. So Clare, over to you.

Session transcript

TMcK Facilitator: Brilliant, thanks so much, Bev and thanks everybody for your patience in starting the session, hopefully nothing will go wrong, technology wise, for the rest of the evening. But just before we begin, I'd love to briefly tell you a bit about how the names and the transcript is going to be handled from this session.

In this room, we'll just be using first names only and in the published transcript and report, customer names will be anonymous. After the session, community members will have the opportunity to flag anything that is personal that you want to be redacted, or anything you prefer to be removed or further anonymised before the transcript is published, so you have the opportunity to review that.

The purpose of the transcript is to capture live what we're saying and to accurately reflect the discussion and the actions that we agree tonight, and it's not to single out anyone in particular, any individual in particular.

As we've reviewed in the briefing session, there are three parts to tonight's session. The first part will be a review of the existing Action Plan and to challenge Portsmouth Water on the action, or actions, the community agreed needed to be strengthened. The second part, we will ask one new performance challenge question and that was developed in the briefing session, the issue was developed from the community members and it was prioritised in that session. The third part of the discussion, we'll move onto a shorter Q&A session, where community members will ask the additional questions that we prioritised in that session, so there were three questions that we came to at that point.

For each of the first two questions, we use the same accountability cycle. A community member will ask the agreed question, Portsmouth Water will have five minutes to respond and I'll try and get a wee clock up to make sure we're staying to time. And then community members react to that response from Bob and the team and identify what's clear, what's missing and what needs strengthening.

As I mentioned, we'll be creating a live document in the background and that will be capturing the specific actions and outcomes that should form part of Portsmouth Water's follow-up Action Plan. Portsmouth Water will then have a short opportunity to explain if any of the proposed actions are not feasible and why. During the Q&A, we'll use a sort of lighter version of that process and the nominated community members will ask the question, the company will respond and the question asker, whoever you are, and the wider community can also follow-up and any additional commitments will still be captured live.

As we did in the briefing session, before we get started, it would be great to have a very quick round of introductions. Please could everybody just tell me your name and the area you live, where specifically in the Portsmouth Water area that you're based. I'm going to go round the screen, can I start with Community Member 1?

Community Member 1: Hi, I'm Community Member 1, I live in Southbourne, West Sussex.

Community Member 2: Hi, I'm Community Member 2 and I live in Gosport, Hampshire.

Community Member 3: Hi, I live in Bishops Waltham.

Community Member 4: Hi, I'm Community Member 4, I live in Portsmouth.

Community Member 5: I'm Community Member 5, I live in Portsmouth also.

Community Member 6: Hi, I'm Community Member 6 and I'm from Havant in Hampshire.

Community Member 7: Hi, I'm Community Member 7 and I live in Felpham, near Bognor Regis.

Session transcript

Community Member 8: Hi, I'm Community Member 8, I live in Waterlooville.

Community Member 9: Hi, I'm Community Member 8, I live in Southsea.

Community Member 10: Hi, Community Member 10 and I live in Fareham.

Community Member 11: I'm Community Member 11 and I live in Gosport also.

TMcK Facilitator: Thank you so much everyone, I'm going to hand back to Bev to kick off the session.

CCW Chair: Thanks, everyone. So, we now begin with our first question, so that's going to be to Bob and Matthew. This question will look back at the commitments that have already been made in Portsmouth Water's Action Plan. During the briefing session, community members identified that a number of Action Plan commitments rely on Portsmouth Water's website being improved, so I'm now going to invite Community Member 3 to ask that first question please, so I'm going to hand over to you.

Community Member 3: Thanks Bev, thank you for the opportunity to ask this question. As Bev said, we talked quite a lot about the need to improve the website and we talked about whether there was enough priority being given to this work, whether the company has the right resources and expertise in place to do it and whether that approach that was being taken represented good value for money for customers.

We also felt that as customers, we should not have to wait for the full website relaunch, where improvements can be made sooner. So the overarching question is really, how are you prioritising and resourcing the website development to make sure the Action Plan commitments are delivered and when will customers see these improvements?

CCW Chair: Thank you, Community Member 3. In responding, it's going to be really helpful if Portsmouth Water team, if you could be as specific as possible, ensuring that your responses are to the point and free from jargon, as they can be.

Community members, just a reminder to make a note of what you hear and if anything feels unclear, incomplete or perhaps not strong enough, then make a particular note of that so that you can have that discussion with Clare. Bob and Matthew, I'm going to hand over to you and Clare, if you could put the timer on the screen please, I think it's quite handy for Bob. Bob, over to you.

Bob Taylor: Good evening again, everyone, thank you, Bev for your introduction, a pleasure to be here again and great to see such a spread of customers from across the patch, you've done a pretty good job there, CC Water, of getting a good, consistent representation there.

Communication is so important and we were very supportive in the last session of this being raised this as a concern and it's something that you can never be complacent about it, and we do value the importance of communication very highly in the business. Just to cut to the chase on the website, we have gone through a tendering process, we are on the point of making an award to a company to build a new website for us.

I mean there are two things really that you need to do in terms of the website. There's obviously the IT part of it, the functionality of it and the ease with which people can sort of move around and find what they need, but also then the content on it, the actual information that's on there. So, we haven't been waiting for a new website to refresh the content, we've been doing that in the background anyway, but we do recognise that the website is out of date.

It's part of a wider challenge in Portsmouth Water actually, we have a lot of IT infrastructure that's in need of upgrading and we do have a plan over the next few years to basically replace everything.

Session transcript

You probably know from the last conversation we had, or you might have seen that from the notes, that we have recently replaced our billing system with something called Kraken which is the billing system that Octopus Energy use. One of the advantages of Kraken, for example, is its ability to send out all sorts of different communication to all sorts of different kinds of customers, in all sorts of situations, it's vastly improved from what we had before.

So there's a lot going on outside of the website, the website is an important part of it, of course but we pride ourselves on being able to communicate with lots of different kinds of customer and there are many customers who are not particularly keen on digital communication, even though it's becoming a bigger part of everyone's lives, so we do continue with good old letters in the post and other forms of text and email communication.

We're building up our database in terms of the numbers of email addresses that we have of our customers, which again is a very important and efficient way of distributing information. We are also working very hard to make sure our communications in incident mode, when something goes wrong - and things will go wrong in the water industry, I'm sure you're aware of that - but what's most important is the way that you, that we, as water companies respond to those things that go wrong and how we keep our customers posted as to the action that we're taking.

We did have a small incident two or three weeks ago where we had a number of properties that we, well we had a failed sample from a hydrant outside one of these properties and we were concerned about that, so we issued what we call a Boil Water Notice to customers. That means we went to every single customer, knocked on their doors, gave them bottled water, issued the Boil Water Notice to them and then we flushed the system, resampled and all the samples came back okay, so we were able to raise that within 48 hours.

But we had a couple of councillors actually who went public on that, saying how well we managed the communications albeit to a relatively small group, I think it was 70 properties that were involved with that and it gets more complicated, the bigger the scale.

So I think we are making progress, as I said earlier, we're not complacent, there's always work that we can be doing but by upgrading our systems and our understanding of what customers want actually, not what systems can do but how the customers can serve, how we can serve the customers in the way that they want from those systems, that's really important for us and the flexibility that we're able to give as well rather than treating customers in the same way, just tailoring our responses to different customer needs is really key.

We are undergoing, in many ways, a massive communication exercise with customers through our smart metering programme.

CCW Chair: Bob, sorry, I'm just going to interrupt because we're out of time, but I just want to give you a chance to go back to the question, please. I think the question here and what you've said is really interesting and helpful and you have been refreshing the content of the website. The award is imminent for the contractor to rebuild and reshape the website going forward.

The question that the panel are asking you this evening is based on the fact that a number of your action plan commitments are dependent on the website being delivered and they're particularly keen to understand the timeline of when they will see these improvements. I wonder if I could just take you back to that point, I don't know whether that's you or whether you want to bring Matthew in at all?

Bob Taylor: Matt is handling this and one of Matt's important responsibilities is communication to customers, so Matt can fill in some of the detail here but we are about to award a contract, so we're talking about months rather than years or even longer than that before the new system will be available. Go ahead, Matt.

Session transcript

Matthew Hamilton: Thanks Bob and thanks everyone for the opportunity to speak today. So just following on from Bob, we have awarded a contract to an agency to deliver. What's critical in that is we were ambitious with our timeline of a full deployment at the end of December, but we're doing it in two phases.

We're working to get a reskin of the website and a new front end of the website in the next four to six weeks, so we should see that by the end of November. That's going to give us a refresh, clearer navigation and easier to find information but there's still going to be clunky elements at the back end as Bob said, in terms of the functionality. And there's a bigger programme of work happening which will look to do a complete rebuild and full integration into all of the technical systems that Bob touched on, I believe you've spoken about previously, that will give us much greater capability, much greater accessibility and really deliver some of these key actions that are on the log. What we're looking at is that two phase, end of December and then full deployment by June, possibly July next year.

Just to touch on the prioritisation and the skills sets, one thing that Portsmouth Water has done in the last 24 months is really bolster its capability inhouse from a technological standpoint. So, we've had very critical expertise in the business that's able to build and deploy these types of systems, which means that we have less reliance on third parties. It might mean we need additional support, we have brought an agency in to help with some of the functionality but we do believe we've got the right skills sets inhouse, supplemented by third parties, to effectively prioritise and, I think, what's critical here everything we build on the technology front, we will always maintain it. We've found that with some of our systems that we've left - they've got dated and they're not fit for purpose.

We've set out to keep our products evergreen, so with the website and critically with the capability of the back-end systems, our teams will be able to keep that up to date and make sure that we're looking at continuous improvement and keeping it fresh as we go along.

CW Chair: Thanks, Matthew. So, Clare, I'm going to hand back to you. We ran over there, but I think it was an interesting discussion and worthwhile the panel hearing some of the background context from Bob, and the more practical, 'what's happening now' information from Matthew. So, Matthew is saying new front pages of the website by the end of November, the functionality that sits behind that then is going to be driven by a wider piece of work.

I suspect the panel are going to want to know what does that timeline of content being launched look like? But I'll hand over to you, Clare, for you to have that discussion with the panel. Thank you, Bob and Matthew. I'll come back to you shortly.

TMcK Facilitator: Brilliant, thank you so much for your input there, Bob and Matthew and thanks Bev. I just want to hand over to the panel now to hear the response but just to say, as you listen to each other, as you discuss what you've heard so far, think about do you understand what's changed? Do you understand what still needs to happen? Do you know when it will happen, as Bev mentioned there? And does it go far enough in terms of answering our question that we've posed.

Tell us what feels clear, what feels concrete, what still feels a bit vague perhaps or uncertain and anything that's missing. And as a result, we'll try and create some new commitments that perhaps need to be strengthened on this one. So, if you find yourself asking another question, let's try and turn it into what do I still need to see or hear and what's that commitment going to look like in terms of an action? Community Member 3, as you asked the question, I don't know if I could come back to you, if you would be happy to address and then we'll go back to the rest of the panel.

Community Member 3: Can I just clarify this first stage, please? Because I've heard November, I think I've heard November and December mentioned, so when will the first stage be ready please,

Matthew?

CCW Chair: Community Member 3, I'm going to answer that because Matthew will come back in later, we heard end of November. If you need more clarity on that, then I think that's something we can put to Matthew after this discussion, okay?

Community Member 3: Okay, fair enough.

TMcK Facilitator: So, Community Member 3, you're just wanting more clarity on the timeframe?

Community Member 3: Yes, I was making notes, and I think both November and December were mentioned so I just wanted to clarify that and I think that's a helpful, fairly short timescale that we will begin to see some improvements, so I welcome that. I also was quite heartened to hear that the agency coming in was a learning experience for the staff as well, that the company wouldn't then be continuously reliant on the agency for updates etc., it was good to hear that their own staff would be learning how to maintain the system.

TMcK Facilitator: Just back on the timeframe, were you happy with the extended timeframe? So that's for the interim timeframe, with the longer timeframe being June/July next year?

Community Member 3: I think that's a sensible approach, I wouldn't have been happy to wait till June or July for the whole thing, it sounds like there's some short-term stuff that can be done, that customers will see the impact of while the more techy stuff, clunky stuff is being done behind the scenes to a longer timescale.

TMcK Facilitator: Can I bring anyone else in on the panel? Did you have any questions or concerns or anything else you'd like to raise? Community Member 7, you've got your hand up.

Community Member 7: I just wondered about how far Portsmouth Water had benchmarked themselves against other water suppliers across the country and looked at technical enhancements and developments broadly across the industry, and whether there were things that other companies were doing in relation to digital solutions, that maybe they could learn from. That was where my interest was.

TMcK Facilitator: Any other thoughts on what you've heard?

Community Member 4: I was glad that they were still going to be doing things on paper and knocking doors and that because a lot of people I know just don't have internet and don't have anything to do with computers, so I was pleased with that.

TMcK Facilitator: Community Member 4, are you clear on what that will look like and how that's been actioned? Great, okay. Who else would like to come in at this point?

Community Member 10: I'm not sure if I missed it but just like where does this sit on their priority list, you know, of how much resources they allocate into it? Obviously, I know it's sat with the outside agency who are building it but just what's the priority of this for them?

TMcK Facilitator: Did you have any thoughts on that yourself? Why is it a concern?

Community Member 10: It would just be good to know where does it sit on their priority list? Personally, for me, it's not up there for me but it's just how, what is it, where is it for them and it might be communicating that to the customers.

TMcK Facilitator: So, are you wanting potentially an action around how that's going to be prioritised and a specific commitment around that? Or some communication around how that's ...?

Community Member 10: Yeah, it was purely an information piece, I guess, like how much is allocated to it, to meet those, obviously those timeframes and how are they going to communicate

it, if they feel like they have to.

TMcK Facilitator: Does anyone agree with Community Member 10 on that one or want to add anything else in terms of how things are being prioritised? No? Any other thoughts on what you've heard? It could be something that you think is a positive step or any other concerns or questions?

Community Member 6: I just wanted to agree with Community Member 3, that said about knowing that they're going to get the help that they need outsourced and then insourced, so that it can be maintained regularly, it needs to be up to date instantly really, especially for leaks and things that need to be told to everybody here and now.

TMcK Facilitator: Anyone else have a contribution at this stage or anything else you would like to find out, or anything else you would like Portsmouth Water to commit to in terms of developing this action?

Community Member 10: I guess just the last thing, linking back to the question, when will the customers expect to see the improvements? Obviously, we've got the November/December date, is that going to be notable changes or is it next year kind of stuff?

TMcK Facilitator: So specific examples or specific milestones in terms of what's actually going to change by November?

Community Member 10: Yeah, purely back to the question, when will we see improvements really and are they noteworthy, kind of thing?

Community Member 8: Community Member 4 said she's pleased they're still doing things on paper as well, I think yeah, that's really important but I wondered with the upgrade of the website, are they also needing to upgrade their paper communications? Is that being done in line with it, if they're making sure everything's up to date with the website and performing at its best, are they also needing to upgrade things on the paper side to follow suit?

TMcK Facilitator: Any other thoughts on this? Do we feel we've covered how customers who aren't online will get the same information and support? Do we feel we've heard enough on that? Lots of nods! Would anyone else like to say something for the record?

Community Member 11: With regards to the website as well, what about the use of social media to hit that market of people as well? Thinking about how they could get that across using different platforms, especially when you're saying things like the information about leaks and things, could that hit more people through using different platforms than just the website? Get that message across.

TMcK Facilitator: One of the discussions we had was all about feeling like customers have had good value, do you feel Portsmouth Water have addressed that good value point and the clear benefits for customers on this one?

Community Member 3: It's difficult isn't it because when something's out to tender, we have to rely on the process that they have established that they're getting the best value for money for the agencies they've tendered with. So it's quite hard to know how we could assess that. I think we have to rely on the company having done the proper due diligence and proper processes to establish that because if they've already identified they haven't got the resource inhouse, apart from recruiting permanent staff, this having a short-term solution while they train their own staff does feel like a potential win to me, personally.

TMcK Facilitator: Value is always a difficult one to judge isn't it but you're accepting that they have done their due diligence on that. Community Member 1, I think you were going to say something? No! Community Member 7, hi.

Session transcript

Community Member 7: Hi there, so my only other thought was looking at the kind of rollout of the website and content, about how it is that they've commissioned the external provider to do the testing and ensure that that testing covers a wide cohort of their customer base, including elderly people, vulnerable people, people with English not as their first language, that was going to be the other comment I have.

TMcK Facilitator: I think we talked at the briefing session about how they're going to sort of test how customer friendly all of these new tools are on the website. Do you feel like you've heard enough there? Is there anything you would like to know more about that?

Community Member 7: Well, I don't think that's been covered but it would be useful I think for the company to articulate that, to ensure that they have the kind of as broad a base as possible for testing.

TMcK Facilitator: Does anyone else have any other thoughts before we move on?

Community Member 6: I just wrote on the chat, will there be an app as well that's similar to the information that you can get on the website, a smaller version?

TMcK Facilitator: Is that something you think would be useful? Is it something you'd use?

Community Member 6: Maybe. Something that's quicker or even like a local one.

TMcK Facilitator: Or just more information about whether that's going to happen?

Community Member 6: Yeah, is there going to be one? I don't know whether I would use it, it was just a question whether there would be one.

TMcK Facilitator: I think if we've got any other inputs last minute on this one? No, okay, I'm going to hand back to Bev, I think now. Are we happy Bev, with moving forward on this one?

CCW Chair: Yes, I think so, did we capture any of the actions?

TMcK Facilitator: Yes, the team have been working away in the background, and we've identified a few actions and I'm going to share them on the screen just now, if you bear with me. Can everyone see that okay?

So, some of these actions may build on the existing commitments, others may strengthen, combine or add to what's already in the plan, I'm going to read through the actions as we have heard them tonight. I would like everyone to have a listen to these and think about are they clear? Are they specific and timebound? And would it make a meaningful difference from a customer's perspective to see these added to the action plan?

The first one [1] is to publish a comparison table for digital technology and connectivity, how does Portsmouth Water compare to other companies? [2] provide a simple communication piece listing Portsmouth Water company priorities to show where digital connectivity and upgrades rank. [3] To publish a clear timeline, demonstrating what milestones and tangible improvements customers will see, month by month, so that was the point that Community Member 3 was making at the beginning about the November to July timeframe and publishing milestones across that. [4] was to ensure offline communication forms experience continual improvements in line with online measures, so could we communicate this to customers? That was the point about covering people that maybe aren't online.

[5] to improve use of social media when informing customers about leaks and other incidents, adding that into the mix and [6] to ensure the website upgrades are tested amongst a representative cross-section of customers, so those that are older, more vulnerable, low digital abilities, to make sure that they're receptive and understanding of the changes that have been made.

Session transcript

As you can see, it's a live document so we are typing, our team of analysts are typing as we chat so these can be amended or adapted as we like. I'd now like to open the discussion back to the community just for a final review. Does this capture everything that we've discussed or is there anything you'd like to change, adapt or expand on before we go back to Portsmouth Water for their final comment?

Community Member 8: I think it pretty much covers everything, I think it's very clear, what we're sort of looking for.

TMcK Facilitator: Do you have a sense of whether we want to keep all of those? This is the point at which we want to really drill down to see there's quite a few of them there, do we want to keep them all? Do we want to add anything? Change anything?

Community Member 8: From my point of view, I think they're all ones we'd want to keep, I don't know what everyone else thinks.

TMcK Facilitator: Lots of thumbs up. Anyone got anything to add to these or any changes you'd like to make? Or maybe just agree, we're happy? I can't see everyone nodding, could everyone try and vocalise, I can see hands up.

Community Member 1: I thought the idea of having an app would be very useful for people to get information on, I don't know if it's worth adding that point, but I thought that was a good idea.

TMcK Facilitator: Okay, so if we could add that question on that. Everyone looks deep in thought, has anyone got any other thoughts on this, if you could feedback please?

Community Member 4: I agree with Community Member 1 about the app, I've got the one which alerts you when there's a sewage outbreak, when they overflow out into the sea and it would be handy to have a quick app that would notify people in the local area if there was a problem. I think an app is a brilliant way of going forward.

Community Member 2: Yes.

TMcK Facilitator: Portsmouth Water is a water only company so that would be specific on that issue. Community Member 3, I think you were going to come in?

Community Member 3: Yeah, it was only a simple thing really, just to make the point that, I don't know, I could be speaking out of turn, I don't think these should be treated as a priority order, the Points 1 to 7, I just want to make the point, they are seven things we've talked about.

TMcK Facilitator: Great, yes. I think we covered off at one point about having a priority list as well, I don't know if that's there or if I've missed that? I can't remember who made that point, I don't know if it was yourself, Community Member 7?

Community Member 7: It's a good idea, [inaudible00:47:41].

TMcK Facilitator: Yeah, okay. Great, I think if we're happy with those as they've been drafted, we will work on those with CCW and with Portsmouth Water as well but as they stand, it sounds like we're happy to move forward on those ones and I'll hand back to Bev.

CCW Chair: Thank you, Clare. Thank you, Bob and Matthew for waiting while that debate went on, I think it's important for you to have the opportunity to hear the live discussion directly from your customers about your responses to the question.

Obviously, this is a very important one as you can hear today, so we will work with you to formalise these action points but before we do that, I would like to give you a brief opportunity to highlight anything that you can see here, any commitment that is not feasible and just to be able to explain why, it could be regulatory, financial, operational, legal and I think it's important that we get that

recorded as part of this session.

Matthew, it would be helpful just to clarify that first timeline piece for Community Member 3, who had November and December for the initial date that the improvements will be seen. So, is it November or December or actually, are there rollout in both months? I don't know if you want to address that now, Matthew and then we'll come to Bob for comments?

Matthew Hamilton: Let me clarify, we've seen the designs for the re-skin and the front-end changes, I saw them in my office today. For the purpose of the action tracker, if we put a date for about 1st December, I've been told it should be by the end of November because we want to show tangible improvements. It is one time only, it's not like we're going to drip-feed it, there will always be changes to the website just because we have to update particular documents but in terms of that user experience, that front end, that visual, they will be done by the end of November, so if everyone's comfortable with me saying 1st December, that will then just give me till the end of November but that is the key date to deliver the first phase of those changes.

CCW Chair: Thank you for clarifying that. Anything that you see on here that you feel that you cannot commit to, is not feasible? Or are you happy to work to shape these into firm actions?

Matthew Hamilton: From my perspective and I'll offer to Bob but I think most of these questions we could answer if we had a bit of time now, although we haven't. The only thing that I'd open the eyes of the community about is the website is the front end, we've done a lot of work on the portal and we do have an app sat there in the background which we'll give more information on when we're launching it, but the portal which is the back end and is the major digital transformation with Kraken that we've done and that's got a huge amount of capability. So we just want to make sure that we've got a joined together, front end website and that back-end portal which looks a bit like the website, that has seen major improvements.

CCW Chair: Great, thank you and I think the key action there is sharing the timeline isn't it, on what will be launched and when and the panel have captured that. Bob, anything you see here that you do not believe is feasible? And if so, can you explain why or are you happy to shape these?

Bob Taylor: No, it's fine, they're all reasonable requests and we're happy to respond. Just to kind of add to what Matt has said, we have got an app, it's been part of a different project actually that will link in with the website as we've said, we've been working on that for a little while and rolled out some sort of prototype versions.

We use our staff as the first test point for things like this because our staff are our customers as well in the main, so they've been helping us pull apart actually, the app that we've been developing. And, also, what happens by the end of November and into December, that will bring improvements, it's not just part of the process here, people will see a difference as a result of that but no, happy to take on board all of those questions.

CCW Chair: That's great, thank you both. Panel, we have clarified the date, Portsmouth Water are happy to shape the actions and take them forward and the good news is that there are plans for an app as well. So great, thank you both.

Now we're going to move onto the new challenge question and I think that Clare, we are going to say thank you to Matthew and bring in Matt?

TMcK Facilitator: We are, if you just bear with me, we'll get Matt in.

Matthew Hamilton: Thanks everyone, bye.

TMcK Facilitator: Matt should be in now.

CCW Chair: Hi Matt.

Session transcript

Matt Foster: Hi, everybody.

CCW Chair: Just a reminder that Matt is Head of Leakage for Portsmouth Water, so now we're going to move Matt to the new performance issue that the community members have chosen to challenge you on, when we had our briefing session. This topic was prioritised because it was identified that Portsmouth Water has missed its leakage target despite performing strongly in other operational measures, so I'm just now going to hand over to Community Member 10, for him to ask the question. Community Member 10, over to you.

TMcK Facilitator: I'm just going to put that up on the screen for you, Community Member 10.

Community Member 10: We know Portsmouth Water has missed its leakage targets despite performing strongly on other operational measures. In our briefing session, we wanted to understand not just why the target was missed but what has changed as a result of that target being missed. We were particularly interested in how Portsmouth Water will prevent leaks as well as find and repair them, how quickly performance should improve and what would trigger further actions or investment if leakage does not reduce as planned.

What are you doing differently now that the leakage target has been missed and what further action or investment will you commit to if performance does not improve as planned?

CCW Chair: Thank you for that question, I'm going to hand over to you, Bob and Matt, so the question here, if you can answer that specifically, what are you doing differently now the leakage has been missed? What further action or investment will you commit to if performance doesn't improve as planned?

Again, Clare, if you could start the timer please and Bob, over to you.

Bob Taylor: Leakage is really, really important and frankly, as I think somebody mentioned in the introduction, we're not the only company that's having challenges shall we say, and there are good reasons for that. One of which is the impact of the weather and global warming. Our pipes are buried typically about three feet under the ground and we are now experiencing these extremes in weather conditions, we've just had a very hot summer and in fact, we've had two very hot, two drought summers out of the last three years and all sorts of other records broken.

So why is this an issue with leakage? Well, what happens with the hot weather is that the ground moves, the ground around our pipes actually moves with the temperature and whether it's cold weather in the winter or whether it's hot weather in the summer, what happens during a drought scenario or during a winter cold weather snap scenario, is that we see a huge outbreak of new leaks all over the area. And it takes us time basically, to get on top of repairing all of those leaks and getting back to where we started before the weather conditions changed. That is certainly one big driver.

What have we done? Well, leakage is all about finding and fixing leaks in simple terms and we are about to break our all-time record in terms of how many leaks we've repaired in the year, which we're on track for about 5,000 in this calendar year which, for a relatively small water company, is quite an achievement.

But on top of that, we've got all sorts of other new technology that we're looking to implement to make this task easier. We are using satellites; we fly across our area periodically with satellites to identify areas of interest that we follow-up on the ground. We've just started a trial with a company called Light Source in downtown Portsmouth, which is using fibre optic cables in the streets that exist already, to listen for the noise that leaks are making. So, if you've got a leak within a few meters of a fibre optic cable, it will pick up that noise and then we will go in and pinpoint it and fix it. We're using Artificial Intelligence and very advanced data management techniques to get a better handle on how our network is operating.

Session transcript

But actually, our infrastructure isn't getting any younger and while we have probably one of the most healthy mains renewal programmes in the industry, I think we still need to be doing more longer term to replace our network because it's getting older and older as time goes on and this is the ultimate solution.

We're also very strong on what we call pressure management, which is to reduce pressures at night particularly, when the flow in the network reduces at night, pressures will naturally go up, it's just a hydraulic law and we try and cut off those high pressures at night because that's when pipes burst and the rate of loss of water from a leak increases.

But probably the biggest thing we're doing over the next few years is our smart metering programme. We're looking to smart meter every single one of our properties, whether it's household or non-household over the next five years or so and why is this good? Well, if you've got a smart meter which is measuring the water in real time and providing that information in real time through apps on your telephone or through a communication back to us, we can tell straightaway whether there is a leak on the customer's pipes in the garden or maybe in the property.

We've been putting smart meters in for the last couple of years, well no, not quite as long as that, about the last 18 months, we've done about 15,000 of them already. We're seeing some very large leaks on customer side that customers weren't even aware of, they weren't causing any damage or there wasn't any visible sign of them. We then support our customers to try to find a quick and efficient way to repair those leaks, for vulnerable customers, we will often go in and repair them at our cost even though it's on the customer's pipe. So, I think smart metering is a big way, a big opportunity, I would say that we believe we have to improve in this area. I'll stop at that point, I've probably missed some stuff out, Matt, have you got anything else to say?

Oh, sniffer dogs, we're even using sniffer dogs to smell the chlorine in the water and use that to find leaks out in the fields, in the countryside. That's a bit sort of old tech rather new tech.

Matt Foster: Thanks, Bob, you've covered a huge amount there. Obviously, there's a number of things in terms of, the question was around we've missed the targets, what are we going to do differently and I think one of the things, as Bob alluded to, is looking to innovation, looking to new and different techniques, but also making sure that we've got enough of our own staff, our own staff are fully trained, that we're supported by some of our contractor resource as well.

One of the things that we are also in the process of letting is a commercial tender for technical support for our leak find activity. We've got a certain amount of skill and resource and capability inhouse, but it can take time to train people up to be able to effectively find leaks efficiently, so we look to the supply chain to help us do some of that as well. That's already in place to a degree but we are going to continue to expand that work.

And I think as Bob's also alluded to, things like fibre optics are really quite exciting for us because one of the challenges in our industry around leaks is, leaks are often easier for us to monitor on metal pipes because sound travels along metal pipes, but we've got a lot of plastic pipes in our network and the pipes that you see go in the ground these days, the blue polyethylene pipes that you might see in coils on the back of trailers etc., it's more difficult at times to find leaks on those pipes.

If they're installed well, they do not leak as much as the metallic pipes, but the sound doesn't travel on them. The technique that Bob described around the fibre optics doesn't matter whether it's metallic or plastic, so that's really exciting because we do stand a good chance to being able to find leaks that we haven't found before using some of the conventional techniques that we've got at our disposal.

The final bit that I would mention just very quickly on the smart meter bit, the other bit that that helps us with is to understand that difference between are the leaks that we know are happening out there, are they happening on our network or are they happening on the customer's side? Being able to understand where those leaks are helps us then target how do we fix them? Do we work with customers to fix the leaks that are on their side, or do we have to find them on our own network? So smart metering is another key enabler as Bob's already mentioned.

CCW Chair: So, we're going to pause now and just go back to the panel members to hear their thoughts on what you've both said. So panel, you've heard a bit of a mixture of old and new techniques, sniffer dogs, additional replacement programmes, staff training and that commercial tender to support finding leaks and some newer kind of technology around using AI for data, fibre optic cables to listen for leaks on plastic pipes, using satellite and of course, the smart meter programme and the team have brought to life a little bit about how that benefits leakage reduction as well.

Clare, over to you, to get the thoughts of the panel.

TMcK Facilitator: Thank you so much. So hopefully you've listened in detail to that response and I'd love to get back to your thoughts now in terms of if you felt that the answer was clear, whether it was delivering against some of the points of discussion that we raised in the briefing session and whether there is anything else you would like to hear, anything that you feel has not been addressed and does it go far enough in terms of answering the question that we've asked?

More importantly, what would you want now for the company to commit to going forward on this one? I'd just like to open it back up and maybe Community Member 10, I don't know how you feel about how that question was answered in terms of your response to that?

Community Member 10: Obviously, it's good to hear about the new tech, clearly, it sounds like fibre optics is the way forward, it sounds like to me that's got to be the priority and where that should be concentrated. Five thousand leaks in a year coming up to repaired is good but then that's also on the other side, bad, that just tells you there's a lot of leaks and that brings it back down to the preventative maintenance side of it, it should also be the priority. There's finding the leak, that's great but touched on it very loosely, Bob did, but what does the preventing of it look like? Finding, fine, happy days, that sounds good but yeah, the preventive maintenance to me is the bit I think could be expanded on a bit more and how is that going to be communicated to the customer?

Then obviously, it says about what needs to happen for further investment in that we know that they failed this year but if they're on track to fail next year's targets as well, where is that kind of as it says, where's that trigger for further investment and what does that investment look like? That was it really from me.

TMcK Facilitator: Thanks, Community Member 10, I remember we discussed that in the briefing session as showing what preventative investment is actually delivering, so that's a great point, including I suppose, the impact on leakage or burst performance in the areas where the work's taking place, we discussed that quite a bit in the briefing session.

Community Member 10: Yeah, I guess from that, is there plans to upgrade pipes, pre-existing, old existing pipes and they'll know what is their oldest part of the systems, is there plans to upgrade that to prevent it before it does leak?

TMcK Facilitator: Okay, I'll throw it open to the rest of the community, what did we feel about that response and who would like to jump in at this point?

Community Member 2: This smart meter, is this going to be voluntary or is it compulsory? Like an electric meter is voluntary, I don't have to be metered, and I just wonder why the water meter, is that going to be a compulsory thing? And secondly, how does it work?

Session transcript

TMcK Facilitator: Do you have a concern, Community Member 2, about being on a water meter? Where is that question coming from? What are you thinking behind that?

Community Member 2: No, I just wondered [a] how it works and [b] is it compulsory? Because at the moment, electricity meter is not compulsory, I have one so I want a true reading but broadly speaking, the last thing I'm going to do is lift up a flap, look down three feet and get the wrong meter reading, so let somebody else do it. Yeah, I just want to know whether it's going to be compulsory, that's all.

TMcK Facilitator: So, a bit more information on that for you. Community Member 4?

Community Member 4: I was told that I didn't have to have a water meter and then all of a sudden, we were told we did have to have one, the same with electricity, I'm in Southern Electric and they said they couldn't guarantee that I would get electric after the switchover if I didn't have a meter fitted, so I've had a meter fitted.

The same with the water meter but it's outside, I don't go out there to check on it and I'm not entirely sure which one I've got. I've got one that has reduced my bills, but I was supposed to get a year's grace, so I don't know how that fitted into it. It's very strange with this water meter thing because I was told it was voluntary, but I don't think it is.

TMcK Facilitator: We're looking for a bit more information on water meters and are you interested in how that's helping with this whole area around leakage? Are we clear on what they're doing and how they're supporting customers?

Community Member 4: My bill before the meter was a ridiculous £10 a month, that was it. My latest bill has come in and they've dropped it to £4 something, so if that's the case then I'm all for it and if it picks up leaks, that's even better. Hopefully it will.

TMcK Facilitator: Great, thank you, any other thoughts on what you've heard so far?

Community Member 3: We heard a lot about all of the extra steps they're taking; I wonder if there's a new milestone, new targets and timescales that they'd be able to share with us, to see the improvement, to see the leakage improve.

TMcK Facilitator: So just seeing if they're on track.

Community Member 3: Yeah.

TMcK Facilitator: I think we talked about in the briefing sessions, timescales, are you looking for a particular timescale? Is there anything you've got on your mind in terms of how often you would like to see that reported back?

Community Member 3: I think Community Member 10 was saying it would be helpful to know if they're on target for the next year or whatever the period is but I think like any action plan, if there are incremental targets and timescales because clearly, just to have one target in a year's time and not know for a year whether you've hit it or not, I'm sure the company will have incremental targets and whether they're able to share those with us.

Community Member 6: Just to reiterate what they were saying about the timescales and maybe knowing how long it will take to train people to find the leaks, and what the timescale is on fibre optics being brought in or the changeover and how that's going to affect us and the supply?

TMcK Facilitator: Do you have a sense, Community Member 3 mentioned a year, do you have any other thoughts on whether we want a commitment put in place after a certain length of time?

Community Member 6: Yeah, maybe, obviously it depends on money and what's available and what their priorities are, but I know it was mentioned about all properties and businesses having

smart meters in the next five years, I think that was mentioned? So yeah, I haven't had any information about a smart meter/water meter at all so it would be interesting to know, again I think like Community Member 2 said, is it compulsory? Are there more priority people, vulnerable people that will get it before we do? Will businesses get it before residential houses? Things like that.

TMcK Facilitator: Who's not had a chance to speak tonight? Has anybody got any other thoughts? Community Member 9, hi.

Community Member 9: Just with the leakages, I understood everything they said about what they're doing to improve and everything, just it does worry as a householder, if you don't fall into like the vulnerable category or on the benefits category, if they do find a leak or if they do improve all the fibre optics outside, then your pipework coming into your property is going to be getting older in a way and then will the leaks push up into your old pipework, into your house?

And then if you're not getting any help, would you just say, "Oh no," you know, "that's a big bill coming up." So it would worry me in that way with the repairs because they're not really clear, they say they help the vulnerable and people like that but sometimes if you fall out of that category, it could be a high bill for you coming up with the meters and also if they're putting the meters in the houses and in the businesses, it's not like gas and electric, anyone can tap into water anywhere down the street or anywhere, you know, and who would pay for that?

I don't really know how it works but say there was a fire down your road and of course, you want the fire people to come in and put it out but if they were using your water meter to put out a fire up the road, who would pay for that and how would they do that? I don't know!

TMcK Facilitator: So more around how that's being implemented?

Community Member 9: Yeah.

Community Member 8: It's something that I think was said at the beginning, talking about the leaks, I've written it down, that one of the big problems this year was because of the hot weather, it was affecting the ground, making the ground move and causing more leaks, I think I got that right. In which case, I was wondering what sort of the plan is for that going forward because we're expecting to continue to have all this hot weather aren't we? So, I was interested in that.

TMcK Facilitator: So, in the summers that we've had, if there's more of those, how will Portsmouth Water respond to that in terms of leakage? Anybody else got any other comments on this one or any other commitments or any other things we would like to discuss?

Community Member 10: Just one more, if they've missed this year's target, do they currently see themselves meeting next year's target? It's obviously lower than this year's. And they mentioned that there's a lot in place, but it sounded like a lot of it was already in place, so is there anything specifically that's come directly from not meeting this year's target? Or is it all stuff that was already in the pipeline, basically?

TMcK Facilitator: So, setting that trigger for further action if the leakage falls behind, what then happens? Before we leave it, any other last-minute additions or any other thoughts before we share where we're up to on this one? Are we happy with what we've covered off? Yes?

Community Member 2: Yeah.

TMcK Facilitator: Okay, great, so I'll move onto sharing, I can see our team are frantically writing in the background, I'll share where we're up to now on the actions. As before, just to have a read through the Action Plan as it's been created here, so what we want the company to take away from this discussion.

Session transcript

I'll read through these and as you listen, have a think about whether that is phrased in the right way, if it's asking the right things of them, if there's anything you would like to change or add, if anything's unclear, whether you want a timescale put on that and whether they are kind of meaningful for us as customers, if there's any language changes on here as well.

So, the first one [1] is to expand preventative maintenance measures and communicate what these measures are to customers, so outline what the current preventative maintenance techniques are and the upgrades that work for this.

Number 2 is to provide more information on the smart meter rollouts, lots of questions on that, so clarifying how smart meters work and how they will affect bill prices and to clearly clarify if smart meter installation will be compulsory. And a bit around smart meters and how they're used in leak detection as well, I think we talked about.

Number 3, to share the timescales for smart meter rollout, to show if they're on track to meet leakage targets and how they're performing against that target. To share incremental milestones and clarify if this rollout covers vulnerable customers.

Number 4, to clarify when fibre optic cables and other technologies will be fully deployed and I think the last point, Community Member 10, we'll probably capture as well, is around setting clear triggers for further action, if that leakage target falls behind, I think we probably need to capture that one as well.

CCW Chair: Can we put the actions on the screen?

TMcK Facilitator: Sorry, are they not being shared?

CCW Chair: No.

TMcK Facilitator: Apologies, I thought they were being shared. I clicked the button and nothing happened, obviously!

CCW Chair: It's just good for Matt and Bob as well.

TMcK Facilitator: I'm trying to share and it's not sharing. Oh great, we've got it now, thanks. Can we all see that? It's a little bit small there. So, the points one to four. If you've had a quick chance to review those, is there anything else we would like to add to this or to change? Does it feel clear? Is there anything that you would like to amend or are we happy with those as they stand?

Community Member 3: Number 3, the timescale for me wasn't about smart meter rollout, which I think is probably covered under Number 2, mine was more about the overall leakage targets and steps being taken against those.

TMcK Facilitator: Great, thanks Community Member 3, yes, we were talking about reporting the leakage progress every whatever that timeframe might be. Any other thoughts on these or any other corrections? Changing as we speak. Please jump in, don't wait for me to come to you because I can't see my screen because Harriet's put it up there on the main screen, just jump in if you have any other thoughts or changes on there.

Community Member 3: Sorry, it's me again. The third bullet point under Number 3, "Clarify if this rollout will cover vulnerable customers?" does that not refer to Action Point 2? The smart meter rollout?

TMcK Facilitator: Yes, we can pop it in there, great, thank you. Any other amends or anything else we'd like to capture here? We'll definitely be adding in the one about the setting clear triggers for further action if the leakage falls behind again, so that will be captured as well. If no-one else has got anything to add, I'll hand back to Bev and then I hope that my sharing button now works!

Session transcript

CCW Chair: Thank you, Clare. So, before we finalise the actions, again I'd like to give Matt and Bob a chance to have a look at what you've captured there and highlight anything in particular that they believe are not feasible. Bob and Matt, can you share your thoughts on the actions, it's clearly an interesting and important topic for customers and whilst they understand how smart metering supports leakage reduction, it's what does that mean for the end user? Please make some comments and highlight if there's anything here that you believe is not feasible and explain why.

Bob Taylor: No, I don't think there's anything that's not answerable or not feasible, Bev. We work in these five-year blocks as everybody probably or some people may know or may not, these five year business planning blocks and we're at the start of producing a business plan for the period from 2030 onwards.

This stuff about the condition of our pipes and the fact that they leak, this is a very hot topic in the industry at the moment, it's what we call "asset health" and I think we realise that nationally, we're not spending enough on replacing our network because that is the main preventative measure for leakage, is to have better quality infrastructure and to replace old pipes but it is very expensive to do that. It can cost, in an urban situation, it can cost £300-£400 just for a meter of pipe replacement so it is expensive, but we need to do more of it, undoubtedly.

But no, I think some of these things like the fibre optic thing I would say, we're just implementing that now as a trial, we're only the second company in the UK to do this, the first company found it very successful so that hopefully means that we will too. But it's on a trial basis and once we prove to ourselves that it works, then we'll probably roll it out over a larger period. We'll explain all of that in the responses to the questions but no, they're all reasonable questions, very happy to answer those.

CCW Chair: Matt, any comments you'd like to add?

Matt Foster: No, I agree with what Bob said, I have no issue in providing a bit more detail than perhaps we've got time for on this call. I think there was one comment which was a very pertinent and well identified one which was the hot, dry weather is becoming more regular, so climate change is starting to impact the way that we are impacted as an industry but the way that we have to plan in the future.

In the past, when leakage was perhaps more of a winter issue as Bob described earlier on, associated with cold weather, it's very much becoming a summer issue as well now. So we absolutely have to change and are doing, changing our plans, our assumptions, our capability to be able to react across the board and proactively plan for that sort of environment we've seen for the last two years, that we've had some very dry summers. Dry summers shrink clay soils, clay soils when they shrink allow pipes to move, so yeah, there are a number of things on there that we absolutely can respond to with a bit more detail, that should give everybody a little more insight.

CCW Chair: That's great, thank you both very much and so therefore we have agreed the draft actions here that we will firm up with the company after this session around the new challenge question of leakage performance and then once finalised, those actions will be added to the company's action plan alongside their existing commitments as well that came from our first discussion earlier in the year.

So now we're going to move to the final segment of tonight's session which again is new and this is going to be our Q&A session. Bob, we had a conversation earlier and we thought it might be a better use of time if we just brought your whole team in rather than wasting time for you to respond, by having people leave and then join, so if it's okay with you, we thought we would try and bring everybody else back in who is in the team, so as well as Maxine and Chris, so Matt, please stay, happy with that?

Matt Foster: Yeah, absolutely, no problem.

Session transcript

Bob Taylor: Yeah, by all means.

CCW Chair: Okay.

TMcK Facilitator: Apologies, I have some gremlins in my system tonight. I can see Maxine on the list but I can't, my button's not letting her in so I might need the support of the tech team. I can see the list here but it's not allowing me to add anyone in.

CCW Chair: That's fine because the first question, Bob is going to respond to that on his own anyway so I'll crack on with the first question and hopefully in that time, you and the tech team would have been able to have resolved some of the issues that you've got, we can bring Maxine in.

The first Q&A question, which is on the screen now, just building actually Matt on the point that you have just talked about, which is the climate change point. It's going to be asked by Community Member 2. Community Member 2, over to you to give the context and to ask the question, please.

Community Member 2: The context is in two parts. I was originally asked if I could ask Bob a question and this leads onto the second point, but I want to get this across. Given the pressure on water resources, can you tell us how much of Portsmouth Water's unmeasured non-household consumption is accounted for by agriculture, public allotments and marinas? And in percentage terms, how significant is that compared with domestic consumption?

CCW Chair: Is this the agreed question, Community Member 2?

Community Member 2: Okay, well then, I'll go to the second question.

CCW Chair: Yes, I think I'd like you to do that, please.

Community Member 2: The panel were unclear about how Portsmouth Water decides when stronger drought measures are needed. With restrictions introduced in nearby areas, they wanted clearer ground rules and to understand how any stronger action would be shared across households and businesses.

What would need to change in groundwater levels or demand before you took stronger action than you did this summer and how would you ensure any additional water-saving measures are shared fairly between households and non-household users?

CCW Chair: Bob, just to clarify, the question for you to answer this evening, please, is the one around what would need to change in groundwater levels or demand before you took stronger action than you did this summer? How would you ensure any additional water-saving measures are shared fairly between households and non-household users?

I'm not going to put the timer on, Bob, I'm going to let you have time to answer this fully but obviously, if you could use the time wisely, that would be amazing, thank you.

Bob Taylor: Thanks very much, Bev. Great questions, Community Member 2 and the one you asked initially about how much water those various customers use, I would have to go away and get those numbers separately and we can put them on the list if you like, I'll come back to that in a moment.

Just to explain to everybody the scale of the summer that we've just had, we've had more than 30 million people in the UK subject to restrictions on water use this summer and in the South East, which is the most water stressed area in the UK, the South East and East Anglia area, the eastern part of this country, in our neck of the woods, obviously our neighbours in Southern and South East Water have had those restrictions in place.

We haven't ever had restrictions in Portsmouth Water's area since 1976, which was a very hot summer, those of you that remember that and I wasn't around in those days but I know one of our

other neighbouring companies, Wessex Water, they had never had any restrictions since 1976 but they had them this summer.

We didn't do that so why is that? Well, all of our water comes from the chalk aquifer underground, a little bit of that water comes from the River Itchen which is a chalk stream and chalk streams get their water from that same chalk aquifer underground, so it's all chalk aquifer derived. It all comes from that same place although in different modes, some of it comes from natural springs, some of it comes from bore holes that we drill down into the aquifer and some from the River Itchen as I've said.

But we've got a lot of data on that aquifer, we've been using it for more than 170 years, since Portsmouth Water came into existence pretty much. So, we know how the aquifer behaves in drought conditions and dry weather conditions. The way it behaves in simple terms, is like a bucket with holes near the top of it but not near the bottom, so the bucket is full of the water and the leaks spring from the top bit but once it gets down to a certain level, the way the aquifer reduces from there, the level of water in the aquifer, it really slows down, it really flattens out considerably and we've got loads and loads of data to show this pattern that's been happening repeatedly over the years in drought scenarios.

So when do we know that we need to trigger further measures? Well, every company has a statutory drought plan and this plan is produced every five years or so and it is signed off by the Secretary of State in Defra, and the drought plans all work in a very similar way across the water companies, but they all relate to their local circumstances. So, in our situation, if we were to trigger the drought plan and the very first trigger is not to impose restrictions but to ask people to up the ante on the communication to customers and to ask people even more than we already do, to use water wisely, that's the first step in the drought plan and that trigger is reached when the aquifer drops to a certain level.

We haven't reached that trigger level this summer yet, but we are depending on the usual autumn and winter replenishment of the aquifer from rainfall, to prevent that happening either later this year or going into next summer.

We're not in the best position because although it may seem like there's an awful lot of rain happening at the moment, we need an awful lot more of that because when I talked about leakage, I talked about the dryness of the soil and we actually measure the dryness of the soil these days, it's something called a "soil moisture deficit" and this summer, the depth of the dryness of the soil is much, much greater than it normally is because of the long dry summer and until that dry soil at the very top has got wet again and soaked some water up, it's only then that the water will trickle down and start filling the aquifer below and replenishing the place where we get our water from.

We're monitoring it very, very carefully at the moment, it all depends on how the level of the aquifer starts to recover from the rain that we're having. We want much more rain than what we've seen over the last couple of weeks, we need a really wet autumn and winter and I'm sorry to be a bit miserable and to want cold, miserable weather but that's what we really need to get our aquifer to get back to the place where we really want it.

Our whole industry works, our whole industry's infrastructure is based on the seasons that we have had, that we have traditionally, so reservoirs are filled again in the autumn and the winter when the flows of water in rivers increase and you can take water out to fill reservoirs. aquifers replenish in the autumn and the winter and because these weather patterns are changing, this is really making our infrastructure, it's much more difficult to manage that infrastructure with the patterns not being as systematic and as consistent as they used to be.

Session transcript

But going back to the question on how much water use, because we've had plentiful water in Portsmouth Water, we've been a bit of an oasis in the South East, our neighbouring companies have had many more challenges with water resources going back 25-30 years, we are very fortunate that historically we haven't been in that position and we haven't had to push the use of water metering because water metering does actually reduce people's consumption of water.

But as a result of that, our customers as an average across the company, are the highest per capita water users in the UK and that is why we're embarking on the smart metering programme, to help customers get more knowledge of the amount of water that they're using and to help our customers to use less water and to identify leaks more quickly, and to become more water efficient.

If you look at our neighbouring companies, particularly in Southern Water and South East Water, they've completed universal metering a long time ago and their per capita usage is very much lower than ours. Ours is in round figures, about 160 litres per person, per day, so in a typical household of two, maybe three people, that's 500, 600 litres per day of water and most of that obviously is not used for drinking, it's used for showers and bathing and washing clothes and so on.

We really need to become more efficient in the way we use water, to make sure there's water available for future generations but also because we're looking at how the abstraction of water works in conjunction with the local environment. I'm sure you've all heard of the Havant Thicket Reservoir, this is under construction now in Portsmouth Water's area and this is being used to export more water to Southern Water because they need to stop taking water from the two chalk streams in Hampshire, the Test and the Itchen.

These are chalk streams that have been damaged environmentally by too much water abstraction so here, we're trying to develop an alternative source of water to compensate for that and this is happening across the industry, driven by our greater and heightened concern about care for the environment and wanting to make sure that the environment has sufficient water left in it, to ensure that all of the fish in the rivers and the streams and all the rest of the biodiversity is able to thrive.

CCW Chair: Bob, that's really, really helpful context for everyone living in the area, I think it's important that they hear you share everything that you have just said actually. I think if I take you back to the question, there were a couple of specifics there around .. and the panel, when we met in the briefing session, were very aware that there wasn't a hosepipe ban but there was a part that they had to play given the extreme weather that we all experienced and therefore, it's the specifics around what would really need to change in ground water levels or demands before you took some stronger action than perhaps you did this summer?

And actually, how would you ensure that additional water saving measures are shared fairly between households and the non-household users as well? What part are they playing as well as households, so I just want to take you back to that because I'm conscious of time but I think it's important that we give you a chance to answer that question.

Bob Taylor: I think the drought plan would be triggered into action, it's not in action at the moment, we haven't triggered it as yet. The drought plan, which is the kind of the set of rules that dictates the answers to these questions, is not in action yet and for it to be activated, the level of the aquifer would need to drop to a level lower than it is at the moment.

But actually, the aquifer now is in recovery mode because we've started to see the rain again and it's not dropping any further, it's kind of levelling out and we hope it will start to rise again but that aquifer would need to drop to a lower level for us to activate the drought plan. That would work in a series of steps, and the first step would be stronger appeals for people to use less water and then it would move into tougher measures, restrictions on usage.

Session transcript

In terms of what we're doing with non-households as well as households, we are rolling out smart metering in parallel to both groups of customers and the sort of things we do with non-household customers is to benchmark their usage against, so you can almost categorise non-households into different groups, you've got quite a different variety of sizes, we've got everything from the Naval Dockyard in Portsmouth right down to a corner shop with a flat above it, but you can divide those users into different categories and by looking at the amount of water that they're using relative to what is sort of average within the category, you can spot usage of water that is much higher than it ought to be, or indeed spot leaks and so on in the same way as you can for households.

We don't differentiate between the two, we have targets to meet in terms of the per capita consumption for household customers as well as the overall demand for non-household customers. They're both treated in the same way and with the same level of priority.

CCW Chair: Bob, explain "per capita" for the benefit of the panel.

Bob Taylor: Per capita consumption is just the average consumption per person, per capita, per person, of water across Portsmouth Water, that's not including leakage or anything else, that's just simply the amount of water, we've got about 730,000 people across our patch in total, so this is the average amount that each one of those individuals use and we're finding actually that the areas that we're smart metering at the moment, customers are using quite a lot less than that, they're down at 130, 125, that sort of level.

But that only means that in some other parts of our area maybe where people are well off, they have big gardens and use a lot of water for garden watering, there must be others who are more like 200 rather than the 160 average.

CCW Chair: Thanks, Bob. Okay, so Community Member 2, lots of information there from Bob which I thought was really helpful for you to hear. The first part of the question, if you need that answered, we can absolutely ask that separately. But any follow-up on the actual action question that we asked around what needs to change and how can both household and non-households fairly do their bit? Any other follow-on questions or are you quite happy?

Community Member 2: I'm happy with the response, yeah.

CCW Chair: Panel, is there anyone that has a burning question that they'd like to ask off the back of what they've heard Bob say?

Community Member 10: Just a quick one, Bob mentioned the reservoir and the aquifer, just to clarify, the reservoir, which is for Southern Water, would that mean it actually would benefit Portsmouth Water because it doesn't affect our aquifer?

Bob Taylor: The water from the reservoir, under the current plan, I think I mentioned about a third of our customers get their water from natural springs in Havant, it's the largest field of natural springs in Europe we think. There's about 40 of them that we corral, we control those and literally, the water just keeps bubbling out of the ground on its own, whether it's summertime or wintertime and we supply broadly about a third of our customers from those springs. We send the water for treatment and then it's distributed to our customers.

But in the winter when the rain is coming down and the aquifer starts filling, that flow increases in the wintertime but the demand reduces, so there's a lot of surplus water from those springs and that normally would run off into the sea just as a waste. So the concept of the reservoir is to capture that water which otherwise would be wasted and put it into a storage facility and then use it at times of drought.

No doubt you've heard Southern's plans to add a secondary feed of water into the reservoir which is from recycled water from a wastewater treatment plant called Budds Farm, but those proposals

are not yet approved, they're going through a planning process.

But yeah, there will be benefits, although primarily we're supplying Southern Water from the reservoir at the moment, there are benefits, there are circumstances under which our customers can use that water as well and it's using basically surplus water that otherwise at the moment is going to waste.

CCW Chair: Thank you, Bob. Any other follow-up questions? If not, we can move to Community Member 7 to ask his question. No, happy? Okay, so Maxine has joined us, hi. Maxine is the Chief Information Officer for Portsmouth Water, lovely to have you with us this evening and Bob and Maxine are going to answer this question. Clare, are you able to share the screen?

TMcK Facilitator: I'm hoping the gremlins are out of my system, and I can share this screen with you now, there we are.

CCW Chair: Wonderful. Community Member 7, over to you to ask the question, please.

Community Member 7: Bob, I think you've kind of articulated this issue in some of the answers that you've already given in relation to some of the potential issues that there are around things like leakage, but this specific issue is around the potential use of AI and other new technology, so we can see the potential benefits for that. We wanted you particularly to focus on benefits for customers rather than just improving internal operational efficiency, specifically the question is, how will you use AI and other new technology to deliver clear benefits for customers?

CCW Chair: Bob and Maxine, over to you, no pressure but there is a third question which we'd love to ask, but I don't want to take time. Bob, over to you.

Bob Taylor: Great question, Community Member 7, I think the first thing to point out is that it's still relatively early days for us and for our industry on putting AI to work, but we are kind of optimistic that there are many areas that it will help us in, and maybe I can describe three simple examples of that, that will kind of bring it to life a little bit.

We've started to use AI in an everyday administrative sense because you can use AI as we're doing now; to record meetings and then develop transcripts of those meetings and you can use them to summarise documents. But we are using AI, we have a policy as to how we use AI, and we need to control it because there are downside risks of course, but that's one very simple area.

We have an AI, what's called a bot, that we started experimenting with in our customer services area, that's able to answer, help answer queries coming in from customers, I think he's called Kevin, and he is able to listen to the questions that are being asked by customers and in real time, help our agents to answer the questions as quickly and as comprehensively as possible by tapping into that customer's account quickly and looking at the history of consumption and so on, delivering a much more comprehensive answer to the question. So, we are experimenting with that.

We're not using AI bots to answer the telephone to people by the way, it's just supporting in the process, so that's another area and I talked about leakage as well, we are looking at using AI to analyse hydraulic data that we get from our water distribution network to really understand where there are things happening in the network that we wouldn't otherwise pick up and then to point us to those things, so that we can send somebody on the ground to have a look and quite often, that might be a leak or something that's just dripping at the moment literally and then we can do something about it before it becomes something bigger and worse than that.

Those are three obvious areas, there are others that we are looking at in process control, for example, and production management, this is the water treatment process I'm talking about, but we haven't started to venture into those yet. But we're certainly optimistic that there's a lot that we can do.

CCW Chair: Maxine, anything to add?

Session transcript

Maxine Foyle: Bob gave some really great real-world examples of what we're doing. I think what we know is AI is probably the fastest moving area that technology has seen over the last five years, so we have to be really careful that we don't just chase technology, we have to make sure we've got really good cases where it's going to bring value.

And I think the only thing I'd probably add is that part of doing all these tools and what they're going to do and help improve our service to our customers, it's also developing our people so we're utilising them in the best places, we're making them more efficient so they're not dealing with some of the more mundane stuff but helping customers' more complex needs as we go forward.

CCW Chair: I think the important part of this question, and it was a big discussion point for the panel is how you use it to deliver clear benefits for customers. Community Member 7, has that answered the question?

Community Member 7: I'm using it in business and I would say that AI assists decision making but people still are responsible for making decisions, so not to be wholly reliant on AI and I just wondered whether in your five year strategic plan, whether you were going to set out what your aspirations were around AI and where you hope to get to by 2030, so that's my only other observation.

Bob Taylor: I think in developing our plans and increasingly with all of the, we're undergoing a sort of period of regulatory reform in the water industry at the moment at national level and being better at long term planning, you might say, is part of that drive. So yeah, absolutely, Community Member 7, we will be looking at trying to understand quite where this is all leading even if we don't know exactly how that will happen, you've got to try and have a view as to where we're going to go and where we will end up and how we will harness AI in the future.

The onset of smart metering, for example, is just going to deliver us so much more information about how our network is operating and behaving, and so much more capability to do what we call water balances, water going in versus water coming out in all different segments of the network. But the management of all this data and really putting it to use is a revolution actually that we're going through at the moment and this will only continue into the future.

CCW Chair: Open to the panel, anybody else have any supplementary question off the back of the AI question to ask Bob or Maxine? Or are you happy with the response that you've heard this evening? No? Good.

TMcK Facilitator: Lots of nods.

CCW Chair: So, let's go for the third question, Bob if you're happy with that, please? Our final question then, this is Community Member 1 who is going to ask this question, Bob, you and Chris will respond but Community Member 1, over to you.

Community Member 1: Customers questioned how executive pay, bonuses and dividends can be justified when bills are rising and some performance targets, such as leakage are being missed. How do you justify executive pay, bonuses and dividends when bills are rising and some areas of performance still need improvement?

CCW Chair: We've got a few minutes here, Bob, over to you, if you'd like to start with the response?

Bob Taylor: I think a lot of the concern about executive pay is really a bit of a national issue and some of the numbers that are banded about come from companies much larger than ours. I just want to make it clear that when it comes to the levels of pay in our company, we're down the bottom end of the industry in that respect.

But we have to deliver performance for customers, and for the environment, and we have to deliver on that performance and bonuses is a way, in business generally, of incentivising that performance

or that desire to deliver. The performance is taken in the round so we're not in a situation where, you know, we've got many, many targets to meet so most of those targets, particularly the regulatory targets feed into our bonus structures and if you meet a target, fine, if you don't meet a target then that element of the bonus is removed and sometimes the weighting of those factors will vary, depending on how important the target is.

So, we don't get paid all of our bonus, all of the time, by any stretch of the imagination. Adjustments are made and these decisions are all made through a sub-committee of our Board of Directors, which is called the Remuneration Committee, and we have independent members of the board that sit within that committee. It's mostly - only - independent members actually and it's all done in a way that the incentives that I have, and my executive team has below me, are then followed through to the rest of the workforce. So, we're all incentivised together to deliver similar targets for the business that are what customers want and need and what's good for the environment.

So that's the basic structure. I would say that recently, legislation has been brought in as well with the Special Measures Act, that means that bonuses can be stopped all together in the event of serious pollution incidents. We've never had a pollution incident of that kind ourselves because these are normally things that happen in the wastewater industry, the sewage industry, we don't deal with that.

But certainly, we do have discharges from our production sites and when we have burst pipes and so on that can cause pollutions if we don't manage them effectively, in those cases bonuses can be totally removed if that happens. I think we're very open and very kind of comprehensive in the way that we report in our annual report and accounts on how the bonuses are calculated, the targets are stretching, they're really tough targets and it's not easy to meet them.

But you know, we're a good performer in the industry in general although, leakage isn't a good example but in general, we are at the high end of performance in pretty much most of the things that matter in our industry and that are measured by ourselves, and our regulators. So, we believe we deliver excellent performance for our customers at by far the lowest price in the industry.

CCW Chair: Chris, anything to add?

Chris Milner: Yes, I wonder whether I pick up the dividend point because I think Bob's pretty much said everything I would say about the executive pay and bonuses, but I think Community Member 1, you mentioned dividends as well and how dividends are justified.

Dividends play an important role really for Portsmouth Water and the industry. It's really important that we attract new investment to the company to deliver the investments needed in the future and bluntly, the way that you attract investment is by providing the investors with a fair return.

I think for too long in the water sector, probably, arguably companies have taken more out than they've put in, in recent years. But, I think, with Portsmouth Water our investors are really backing the business at the moment, they've injected over £170m over the last three years to kind of support the work we're doing with the reservoir, but also to support all the other investment we're doing for Portsmouth Water customers.

So, it's important that we provide them with confidence on a reasonable and fair return over the life of their investment, so we can continue to ask them to provide us with support and provide us with further investment to deliver on the challenges that we've got as a business. I think an important factor is we have to be delivering performance in the round to justify paying those dividends as well, so that is one of the considerations we do, in the same way that we report in detail on decisions around executive pay and bonuses.

We have similar levels of prescription around how we report and justify whether we pay dividends to our shareholders. We have a number of tests and we have a number of rules that we set and that we agree and that are supervised by Ofwat as well because they provide guidance on dividend payments. But we think that it's fair and appropriate that we pay dividends. We limit our dividends at the moment because we're investing extremely heavily in the reservoir, we recognise that there's still risk while we're building the reservoir. But it is an important way of attracting the investment that we need to this sector, and to ensure that we can deliver on our commitments to customers, community and the environment.

CCW Chair: Thanks, Chris. Community Member 1, happy that your question has been answered?

Community Member 1: Yes, I am happy.

CCW Chair: Panel, any follow-on questions for Chris or Bob? Any of you? No? And thank you to both Bob and Chris for allowing us to ask that final question, to Bob's point on transparency, you've been very honest with your responses tonight and I just wonder on behalf of the customers, how easy it is for them to find out that information on bonuses?

It can sometimes be a bit hidden in financial documentation so really on that transparency point, where do customers go to find out that type of information? It's perhaps something for you to think about. But no, you've both answered that question in a very fair way.

Bob Taylor: Thank you.

CCW Chair: That brings to a close the final segment of tonight's session, a huge thank you to all of you for participating. First and foremost, I want us to issue a huge apology for some of the system issues that we seem to have suffered this evening, which wasn't a great start when I couldn't join with video so apologies for that. I know, Clare, you've had some challenges as well and they also had challenges, as I understand from the team in the background, bringing Bob's team in and out as well. Apologies to everybody that's got caught up in that.

Hopefully it hasn't too much disrupted the flow of this evening's discussions and the actions that we have taken that you saw on the screen will be captured and will form the basis of a refreshed Action Plan for Bob's Portsmouth Water's team. The next steps will include a summary report and a fully anonymised transcript, and a full list of actions will be published within seven days, so that's by Wednesday 4th November.

Before publication, you as session members will have an opportunity to request changes and redactions on personal information if needed, for example, and Portsmouth Water will publish its action plan within 28 working days, so that's by Thursday 3rd December, setting out exactly how it's going to deliver against the agreed actions. CC Water will be publishing that on its website as well.

Once the Action Plan is published, the wider community members will be sent a link and a short survey asking whether the Action Plan accurately reflects what was agreed this evening and whether it is enough to address the concerns raised and you will have 10 days to respond to that request once that's made.

And then of course, CC Water will track progress against actions and that's what is the most important part of this whole end to end process, is making sure that what we say we're going to do gets done, because this process is designed from start to finish, to make sure that tonight leads to action and follow through of specific actions, and not just good discussions, okay?

From me personally and from the team behind the scenes, I want to say a huge thank you to all of you as community members and panel members for giving your time and your thought and the very balanced challenge that you have brought tonight for Portsmouth Water. Portsmouth Water, Bob and the whole team, thank you wholeheartedly for engaging in the process, you have some

Session transcript

passionate customers here with you this evening, the first panel we worked with were equally as passionate, so there is a huge opportunity for you here to use this panel to really understand from a customer's perspective, the impact you make on their lives.

Your whole input into this process, from both the company and from the customer perspective, is really what gives these sessions purpose. So, a very, very big thank you from me and apologies for running slightly over time this evening but we've had some great discussions, so thank you and a good evening to each and every one of you.

[CLOSE]