

BUSINESS PLAN 2025 TO 2030

PRT14 OUR PEOPLE



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AT A GLANCE

Our People Strategy for now and the future

This document provides an overview of our People Strategy and how we plan to create the culture and environment we are seeking for our people to enable us to continue delivering a reliable and resilient service to our customers, community and environment.

For Portsmouth Water, it's about creating tomorrow, together and therefore we have set out our approach under three pillars:

- Growing our Culture
- Developing our Capabilities, and;
- Engaging our People

Each pillar sets out how we intend to attract, retain and engage talent and enable our people to do their best work.

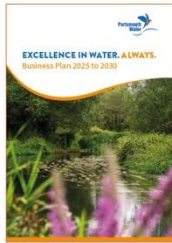
We want to be an 'employer of choice' therefore we will modernise and invest in our digital technology, skills and capability, resources and processes so that we can attract and retain diverse talent to meet our immediate and long-term challenges. Our people strategy will complement our vision and values - Excellence in Water. Always.

Not only do we want to create a great place to work but we want to create an inclusive environment where our people feel they can be their authentic selves and provide flexible ways of working where they can perform their best. A place where they are led by people who role model our vision and values and where they are coached regularly and shown appreciation for their efforts. A place where we provide opportunities where people can develop and learn and use their strengths.

Along with focusing on building a diverse workplace and inclusive leadership we will also focus on the 'brilliant basics' such as providing competitive pay and benefits, recognition and reward and an employee value proposition which puts us at the forefront of the talent landscape, where people feel supported and valued and want to grow their career.

DOCUMENT MAP

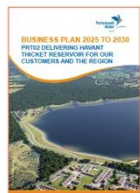
Business Plan to 2030



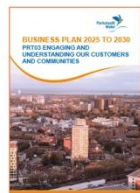
PRT01
EXCELLENCE IN WATER. ALWAYS.
Business Plan 2025 to 2030

For the full navigation plan and documents visit
portsmouthwater.co.uk/business-plan-2025-2030

Supporting Documents



PRT02
Delivering Havant Thicket Reservoir for Our Customers and the Region



PRT03
Engaging and Understanding Our Customers and Communities



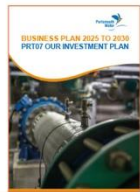
PRT04
Delivering for Our Customers and Communities



PRT05
Delivering Outcomes for Our Customers



PRT06
Managing Our Resilience in the Long Term



PRT07
Our Investment Plan



PRT08
Delivering Our Investment Plan



PRT09
Securing Value for Money



PRT10
Innovation to Enhance Our Service Delivery



PRT11
Addressing Affordability and Vulnerability



PRT12
Accounting for Past Performance



PRT13
Aligning Risk and Return



PRT14
Our People



PRT15
Board Assurance

Vision and Our Long-Term Plans



PRT16
Our 25-Year Vision (consultation version)



PRT17
Water Resource Management Plan (revised)



PRT18
Long-Term Delivery Strategy 2025-2050

OUR PEOPLE STRATEGY

Creating Tomorrow, Together

Portsmouth Water is a purpose led business, proud of our heritage and service to the community. Historically, we attracted local people to work for the company and the business was once seen as somewhere as a 'job for life'. Over the last few years there has been little investment to modernise our ways of working, technology, and capability and many of our long serving employees have since retired.

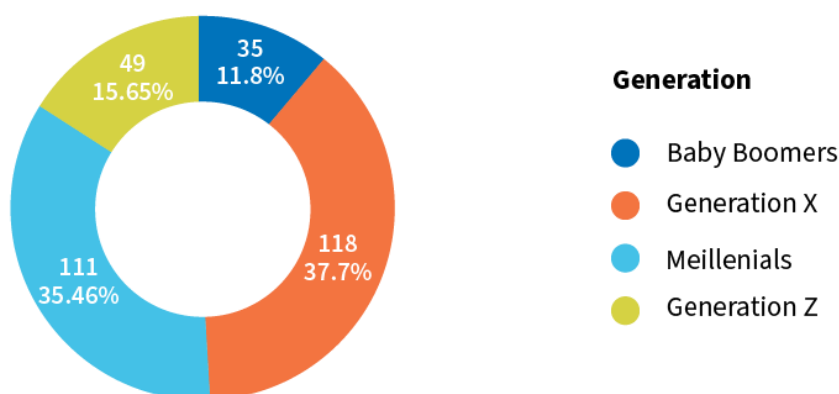
The evolution of technology is moving at a breakneck pace and since COVID-19 there has been a fierce competition for talent resulting in businesses recruiting country-wide and innovating their employee value proposition. Portsmouth Water now realises there is an urgent need to modernise and invest in our digital technology, capability, resources and processes to develop an environment which puts us at the forefront of the competitive skills landscape so we can attract and retain diverse talent to meet our immediate and long-term challenges of delivering a reliable and resilient service to our customers, community and environment.

Our vision and values, developed with our employees, customers, partners, and stakeholders describe what is important to us as an organisation, and our people strategy will set out the culture and environment we are seeking to create for now and the future.

Growing our Culture

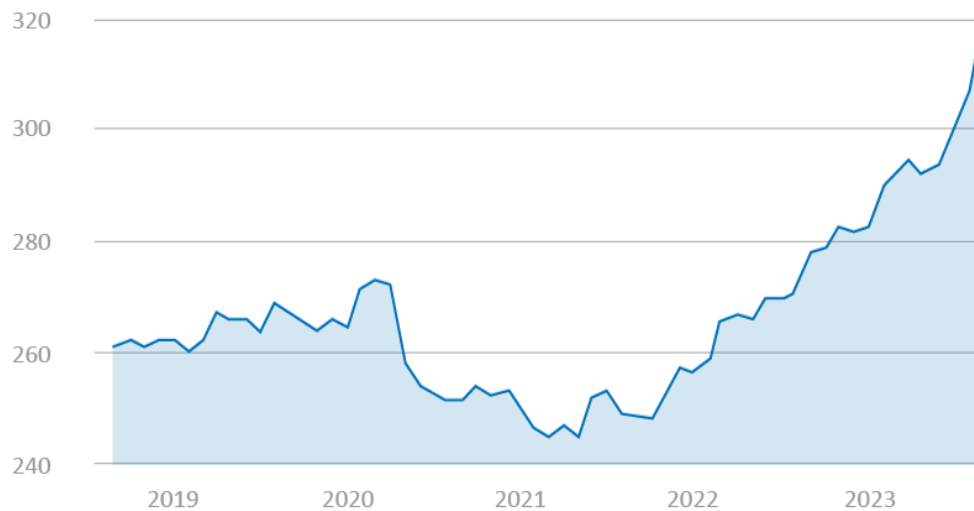
We recognise that people's expectations of the future world of work are higher than ever and like most large businesses we have a multi-generational workforce (Baby Boomers, Generation X, Millennials, & Generation Z), where expectations are vastly different and therefore it's important that we create an inclusive environment that tailors to those different needs.

Figure 1: Headcount by generation



The current demographic of Portsmouth Water is largely made up of Generation X and Millennials however there is a growing rise in the number of Generation Z employees and a decline in Baby Boomers. Our headcount has increased by 25% in the last two years, and we anticipate a further increase in headcount as we grow our capability to deliver our large-scale projects and AMP8.

Figure 2: Headcount by report date



The change in our workforce demographics highlights the need for us to adapt and develop a robust and effective succession plan which enables knowledge sharing, retention of key skills and the ability to identify internal bench-strength and co-create career paths to support individual aspirations and opportunities to learn and grow.

Research shows that salary alone is no longer seen as the most attractive benefit or important factor in deciding on where to work. The Company is working towards a total reward strategy, that will include flexible benefit options to improve talent attraction and retention. Employee benefits were once seen as perks, and a nice-to-have offering, in the current financial climate, more and more employees are valuing and weighing their career options based on both the pay and the benefits offered to them. We will need to continually assess our total reward solutions against market and shape an approach that resonates with all our employees, across the whole business whilst clearly communicating our commitment to people's mental, physical, and financial health and wellbeing. We will also need to demonstrate our commitment to a broader set of societal challenges such as sustainability to remain attractive to the emerging workforce. We intend to capitalise more strongly on environmental, social and governance commitments to create a sustainable future together.



We will set out how we will make decisions around risk and compliance with a focus on business ethics, people, culture and community involvement and we will invest in digital technologies to maximise efficiencies, provide greater opportunity for mobility, agility and create an environment where people feel connected.

We recognise that we need to adapt and evolve our ways of working to remain an attractive employer. Since the pandemic, there is an increased need to offer hybrid ways of working and therefore we are starting to develop working models and practices that promote flexible ways of working that work for our people and business.

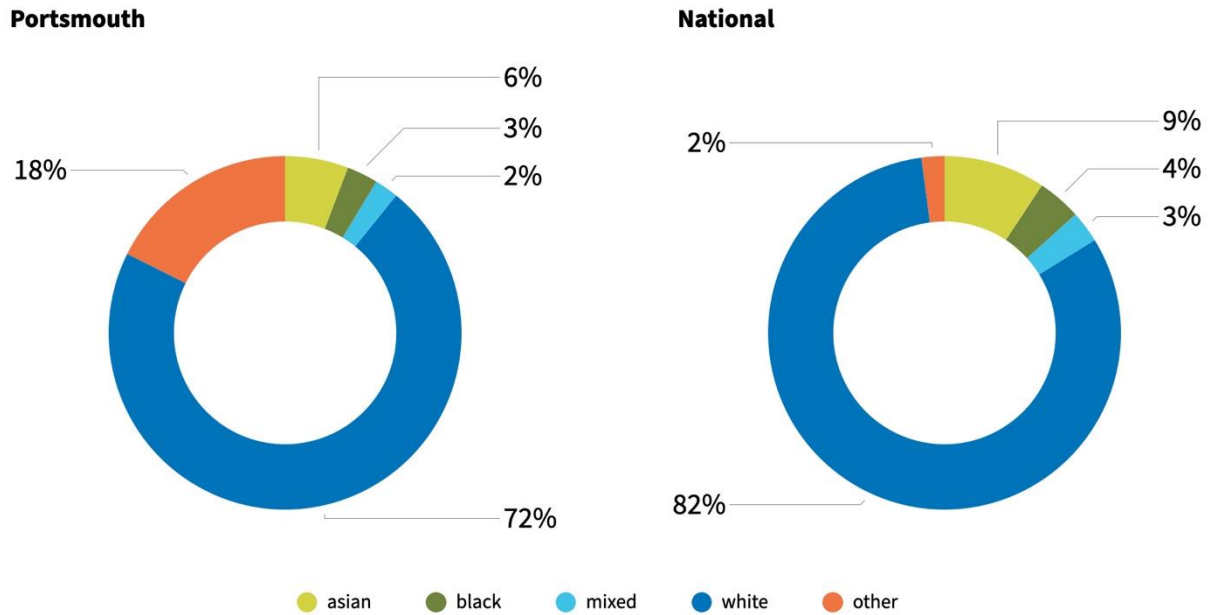
Figure 3: Flexible working trends



CIPD – Chartered Institute of Personnel and Development

Portsmouth Water aspires to be reflective of our local demographic and the community we serve. We recognise the current lack of diversity in the business and for Equality, Diversity and Inclusion to be truly integral to our business success we have made a commitment to take visible, proactive steps towards achieving our vision.

Figure 4: Ethnicity figures in Portsmouth vs National



We recently carried out an Equality, Diversity, and Inclusion survey to provide us with a deeper dive into how inclusive people feel our culture is and whether this differs by demographic. The data from the survey is a starting point for us to build upon, measure progress and help develop solutions to creating a more diverse workforce and environment where people feel a sense of belonging.

The survey identified key areas for us to focus on including:



A need to address our gender pay gap



To develop an inclusive recruitment process which attracts diverse talent



To build an attractive and inclusive employee value proposition



Ensure our ways of working are reflective of our ambitions and our commitment to diversity

We want to embrace and celebrate individuality regardless of age, gender identity, sexual orientation, physical ability, ethnicity, race, nationality, religion, or any other dimensions of their identity. Our goal is to increase the diversity of our people therefore we have engaged with an external partner who specialises in driving inclusive initiatives to help support the business in embedding Equality, Diversity and Inclusion.

The business has started to use working groups to help drive our ambitions of creating a more inclusive environment for our people. Elevate is a working group which was formed to help raise awareness of key issues affecting women in the workplace, ranging from women’s health, the gender pay gap and representation within the business. Elevate provides a platform for people to make a difference in how the business supports women from influencing policies to introducing new training or highlighting different approaches to career development. Our aim is to expand this working group into a wider committee which focuses on driving initiatives to help attract, retain, and engage diverse talent for our business to be successful for the future.

We are always striving to deliver excellence in everything we do therefore we recently identified an opportunity to redefine our purpose and included a new value which is future focused to better reflect how we deal with our customers, our people, how we treat the environment and support our local communities. Our purpose and values encompass everything we do. We are more than just a water company.

As a company we passionately believe in the concept that values drive the correct behaviours which delivers excellent performance and underpin everything we do.

Developing our Capabilities

The movement of talent between water sector companies is prevalent, combined with hybrid working increases the flight risk. Like many UK employers we are facing critical challenges in our ability to appoint skilled workers with the necessary technical knowledge and expertise, combined with:

- The pressures of living costs.
- Changing technologies such as AI.
- An ageing workforce.
- Multi-generational career expectations.

This remains consistent with the current UK STEM talent acquisition, demand, and capacity challenges. In response, we will continue with interventions that re-design roles, produce alternative workforce and service delivery models, create opportunities for multi-skilling and knowledge sharing, develop new career pathways along with more flexible and hybrid working arrangements to retain and attract sector specific skills and experience.

We will develop and implement a talent acquisition strategy to enhance our employer brand by showcasing the people behind the Company and their contributions to its success supported by a dedicated inhouse talent acquisition team to help reduce any dependency on recruitment agencies. This will include digital and social media led campaigns that contain engaging and authentic employee profiles highlighting roles, achievements, and personal stories related to working with the company. It will enable us to showcase how our people directly contribute to the company's purpose and values, alongside testimonials including our customers, to help generate our employee value proposition and promote our inclusive organisational culture. For each campaign we will have metrics such as track likes, shares, comments, and overall reach to gauge audience engagement, as well as tracking the number and quality of applications received.



The talent acquisition team will work alongside business partners to ensure the right people are in the right roles and that core skills for example in technical, digital, smart technologies and STEM continue to adapt to future business needs through rigorous role design, gap analysis, and competence review processes.

Organisational development programmes will be aligned to business planning, change strategies, budgeted headcount, service models and structure to deliver continuous improvements in the effectiveness of our people practices, learning and development, internal communications, workforce plans and decision making. With input from signatory trade union representatives, members and the relevant Company forums or committees we will identify and monitor key people performance metrics such as employee engagement or satisfaction, vacancy rates, time to hire, training hours per employee and recruitment agency expenditure. This collaboration will also help identify and develop robust plans to mitigate any associated workforce or people related risks and assess the effectiveness of the control measures in place.



We want to celebrate and support our people, no matter where their journey takes them next. We invest in our people so that they can pursue their potential with the business and develop their capability so they can grow and thrive. Ongoing innovation is needed in developing and deploying our people capabilities, resources, policies, and procedures to meet current and future business needs. We strongly believe that everybody has talent, and this can be developed, nurtured to the required levels of performance and capability through integrated people practices and effective leadership.

The Company has a proven track record in the development and introduction of non-traditional training pathways and establishing more creative placement and apprenticeship opportunities. Apprenticeship programmes have taken place in IT, Developer Services, Customer Services, HR, M&E, Finance, Transport, and Leadership. We have also taken advantage of the apprenticeship levy to invest and upskill employees through the development of NVQ level standards for roles such as Water Process Technicians, Maintenance and Operations Engineering Technicians, Team Leader/Supervisors, Customer Service Specialists, Laboratory Technicians, and Infrastructure Technicians. In January 2023, the Company reached an important milestone in drawing down over half a million pounds from the apprenticeship levy digital account to develop our people.



New apprenticeship roles are being created within the production technical team, to help build up future skills resilience from within and to support longer term succession planning. The maintenance and operations engineering technician (MOET) apprenticeship framework is being explored as this has worked well to date, leading to past appointees moving into leadership or technical engineering specialist roles, once qualified.

As the current review of different apprenticeship providers involves fact finding and exploratory discussions around the different delivery models available, the Company will continue to use these opportunities to build up better networks with local education and industry specific training providers so they can partner with them and promote the range of job roles available and the associated development opportunities via recruitment fairs and events, recognising the importance of the continued need to attract new and potential talent to the sector.

Our emerging and progressive approach to business planning and innovation is to identify areas with significant performance, sustainability, or efficiency challenges to target our people efforts on those areas in partnership with external organisations. For example, we are currently working with the UKWIR in gaining access to academic networks and programmes in environmental data science and machine learning, identifying research topics to help attract students to work with the Company and apply their skills to solve 'real-world' problems. We will continue with our existing collaboration arrangements with the University of Portsmouth for the purpose of utilising shared resources, funding, networks, and research in the delivery of further innovation and improvement in the services we provide, also an employment destination for the university's student placements and graduates as part of a local talent pool.

We will develop our Leadership capability through bespoke development programmes designed to support and develop our leadership community who will role model our values and possess the qualities needed to succeed in today's world. We will implement strengths-based development programmes aligned to our purpose and values. Promote agile leadership, attributes and skills based on developing an external perspective of working with curiosity, resilience, adaptable, authentic, possess a growth strengths-based mindset and ambidextrous thinking. Specific interventions will include 360-degree feedback, coaching and mentoring sessions, self-led personal development planning, networking, and collaborating to share ideas and tackle challenges together.



We currently have a Future Innovators Board for our emerging leadership talent. The aim of the board is to drive innovation throughout the business add new perspectives and insight to executive decision making whilst helping to address future challenges in the sector. The Board also provides an opportunity for members to enhance their personal development, grow their network and increase their commercial awareness. Members have been instrumental in progressing our agendas for a more inclusive workplace culture, as well as developing and implementing our Community Partnership as part of a social contract with the local geographies in which we serve.

External Initiatives such as the Innovated Future Leaders Programme (IFLP) enables participants to develop essential innovation, commercial awareness, networking, and entrepreneurial skills and how to apply solutions in their own, or alternate service/function. Over a period of 12 months on this programme, our leadership talent can focus on 'live' business and operational challenges whilst developing at a personal and professional level.

We aim to seek untapped talent through social mobility initiatives. Social mobility is linked to equality of opportunity, the extent to which people have the same chances to do well in life regardless of the socio-economic background of their parents, their gender, age, sexual orientation, race, ethnicity, birthplace, or other circumstances beyond their control. We will work with external partners and consult guidance from the Social Mobility Commission (SMC) to identify and address opportunities within our workplace. We will compile, publish, and benchmark the socio-economic diversity of our

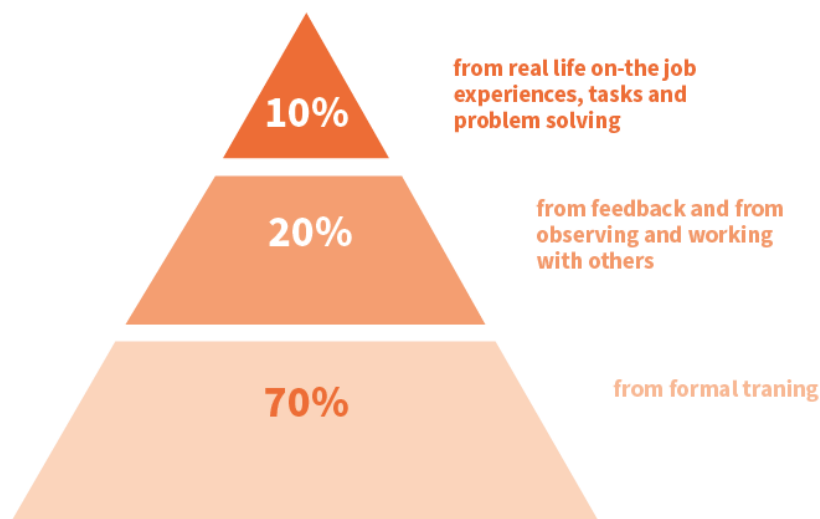
people. We will continue our outreach programmes that extend to the local community such as school visits, open days, and activity on social media to help form local networks to help us assess and understand how certain organisation cultural practices can be perceived and experienced by those with different backgrounds and identity. For example, the co-creation of non-traditional training pathways, holding early careers conversations and establishing more creative placement opportunities that drive social mobility.

We are proud that Portsmouth Water is seen as somewhere people can progress their career. The Company is committed to creating a learning culture based on the 70-20-10 model where everyone has access to learning and development which includes:

- on-the-job training, education
- individual and organisational development
- career planning and leadership development
- and we actively encourage internal mobility

Nearly 10% of our workforce have moved roles within the last 12 months from entry level roles through to internal promotions, secondments, and transfers.

Figure 3: 70-20-10 approach to learning model



We have started to map and build our competency profile framework to support job specific requirements, identify training and development needs and meet organisational and regulatory standards. We will invest in an organisational wide learning management system to support our strategic approach to competency management and provide a platform where everyone can easily access learning along with the necessary interventions for upskilling workforce digital capability to assist in the transfer of learning.

In addition to the learning management system, we want to actively encourage and support our people to participate in structured formal qualification-based training programs that provide a practical and flexible approach to learning that meets both the individual and business objectives.

The company will work in partnership with external training providers and internal subject matter experts to identify, deliver and continually review and evaluate a range of tailored training solutions to help develop the skills and capabilities needed for today and the future.

We will develop a performance approach which focuses on future performance and continuous feedback to engage, motivate, and create a high-performance culture. We will measure performance based on outputs and teams are trusted to achieve those outputs in ways that are meaningful and

efficient for them. People leaders will have regular check-in conversations throughout the year focused on performance, career growth and aspirations, training and development and overall contribution in line with our values.

The business will regularly review our internal talent and look to provide opportunity for growth and development within the business through mentoring and coaching, cross functional learning, projects, and secondments. Individuals will be empowered to own their development plans, and everyone will have access to learning.

Engaging our People

We want to establish a strong trust-based, transparent, open culture where people feel engaged and encouraged to make decisions and take accountability for their actions, coupled with leaders who are empowered to celebrate successes and create environments where their teams can do their best work which helps drive engagement and motivation.

We are committed to being adaptable and flexible when it comes to designing the moments that really matter for our people, and we're always looking for feedback and insight that teaches us about how to make work fit neatly around our lives and ensuring individual work-life balance needs are met.

We have just started to carry out regular employee engagement pulse surveys to provide us with actionable insights to strengthen our culture and give everyone a voice to help create amazing day-to-day experiences for our people.

We recognise that people who feel appreciated, receive feedback and affirmation are likely to be more motivated to continue bringing their best to work, even in difficult times that is why we have developed an 'on-the-spot' recognition scheme for individual or team outperformance, linked to our purpose and values which is about the personal, the timely and the unexpected.

Our people and community help define the moments in our social calendar. We will recognise important dates and awareness days covering important topics and we will celebrate our successes and increase cross-team collaboration through social events throughout the year from summer BBQ's, open days and Christmas get togethers.

We will continue to create meaningful opportunities for our people by supporting local community initiatives, charities and offering paid volunteering days.

We will focus on how we communicate internally, engaging our people and linking to the business vision and strategy whilst being open and transparent in everything we do. We will look to utilise existing and new tools such as Workplace and an employee intranet to help improve internal communication across all locations of the business, encourage knowledge sharing and information and boost recognition.



GOVERNANCE AND ASSURANCE

Production of this supporting document has been undertaken in accordance with internal governance and assurance procedures and processes.

This comprised initial drafting by an internal Lead Author under the direction of an Executive Owner who retains Executive responsibility for the document content including robustness and accuracy.

The document has undergone three stages of internal review before being signed off by the Board:

1. Executive Owner,
2. Nominated Executive,
3. Internal Executive Review Team including the CEO and CFO.

The Board has been engaged in the development of the business plan and its content through subject specific discussions at monthly PR24 Steering Committee meetings that have taken place since late 2021. Minutes of relevant meetings are included in PRT15 Board Assurance, Appendix PRT15.01.



**Portsmouth
Water**