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FOR GOOD

Portsmouth Water - PR24 Engagement Programme Assurance

Phase 3

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Executive Summary

Purpose of the assurance

Ofwat have set out guidance on the standards they expect from companies regarding high-quality research and engagement for PR24 in their final methodology published in December 2022. The regulator expects companies to provide assurance that their customer engagement programme is of high quality and that customers' views have been appropriately taken into account when developing the PR24 business plan and long-term delivery strategies.

To support Portsmouth Water with this requirement and demonstrate that its approach meets Ofwat's standards, Sia Partners is carrying out an independent assurance of the quality of its PR24 customer engagement programme across two areas:



01

**Assurance of
overall
engagement
programme quality**



02

**Assurance of the
use of customer
engagement
evidence**

We have undertaken an iterative approach to the assurance with a previous report covering the first Phase review over May and June 2023. This report covers the Phase 2 & Phase 3 assurance process that was repeated over the summer (August to September 2023) once additional research was delivered and the business plan developed further.

In Phase 2, Sia Partners have applied its assurance framework to incorporate findings from three new reports (A14, A15, A16) to this assessment and have provided a detailed examination of how Portsmouth Water has responded to recommendations from Phase 1, including how the overall quality of the programme has evolved. Additionally, this assessment also includes further consideration of the triangulation process (A17) that has been carried out and how tensions and conflicts have been resolved.

The final Phase 3 assurance has incorporated findings from Portsmouth Water's Affordability and Acceptability testing using our standardised approach and provided recommendations ahead of final plan submission to Ofwat in October 2023.

Timeline of the PR24 engagement assurance

We have taken an iterative approach to assurance with this report covering all three phases of Sia Partners' review.

Our approach across the respective phases is outlined below:

Phase 1: May - June 2023

- Establish engagement quality assurance framework aligned to Ofwat and CCW standards and wider best practice evaluation frameworks in other regulated industries (e.g., RIIIO-2).
- External and independent assurance of overall programme and key pieces of research against best practice - reviewing outputs, approaches and providing guidance for further research.
- Assessment of triangulation approach against CCW best practice guidelines

Phase 2: July - August 2023

- The Phase 2 assurance has incorporated findings from 'A14 Smart Metering - Customer Journey and Hypercare', 'A15 Portsmouth Water Barometer Wave 6 Report', 'A16 Portsmouth Water Hard to Reach Audiences Report' that weren't considered in the Phase 1 assurance, as well as the 'A17 Summary of PR24 Customer Engagement Triangulation'.
- Provide a review of how Portsmouth Water has responded to recommendations from Phase 1 and demonstrate how overall findings have evolved.

Phase 3: August - September 2023

- Phase 3 assurance follows the delivery of the affordability and acceptability quantitative and qualitative testing results (following the same approach in Phase 1 and Phase 2), with a review of 'A18 Portsmouth Water Quantitative Affordability and Acceptability Testing report' and 'A19 Portsmouth Water Qualitative Affordability and Acceptability Testing report'.
- A report and assurance statement should be submitted to Portsmouth Water's Board and Ofwat with the final PR24 plan.

Assurance outcome

At PR19, Ofwat's assessment of Portsmouth Water's evidence of business plan engagement fell short of high quality, with insufficient evidence provided in several areas. To address these issues and acting on lessons learned from the process, Portsmouth Water has taken the decision to partner with Blue Marble (an independent customer research agency) to deliver their Engagement Programme for PR24.

Outsourcing a critical function of the business planning process to a single, external partner has the potential to create some drawbacks with risks that the engagement programme could run in isolation and not be sufficiently integrated. Additionally, only having a single core provider could create biases within the programme that wouldn't be as prevalent if the research was conducted across different partners with a variety of different research capabilities, research methods and individual skillsets.

However, it is Sia Partners' conclusion from the three phases of our independent assurance review that the engagement programme has been well-designed and delivered to a high-quality that meet Ofwat's standards. There appear to have been several benefits to utilising a single external team including consistent quality across research, ease of insight triangulation and value for money. Portsmouth Water have been able to demonstrate that they have addressed many of the shortcomings identified by Ofwat within the PR19 programme and have shown a clear and consistent thread from the strategy through to the implementation and triangulation of research.

We recognised that the engagement programme was still ongoing during our Phase 1 review and identified a number of areas of improvement within our interim assurance report delivered in June 2023. Portsmouth Water implemented many of these recommendations to enhance their programme ahead of the final assurance iteration and ultimately the business plan submission to Ofwat and these improvements have been noted within this final report. We summarise the outcome of our assurance below:

1. Assurance of the engagement programme quality

- **Engagement Quality:** A thorough review of the evidence base and the individual research projects underpinning the core of the programme shows that Ofwat's standards and principles for high-quality engagement and research have been met. While the majority of research projects met Ofwat's standards in all areas, certain reports would have benefited from greater clarity around the purpose and context of the engagement. While some could have better outlined how they have looked to including marginalised groups (such as the digitally excluded or those who speak English as a second language), the recent research in 'Hard to Reach Audiences' has addressed this issue directly.
- **Engagement Coverage:** The engagement programme demonstrates evidence of coverage across all of Ofwat's PR24 Core Insight Areas (where companies are expected to provide customer engagement evidence). Some previous concern around a lack of engagement evidence relating to the Affordability & Acceptability and Long-Term Delivery Strategies has been subsequently improved, leading to an increase in the score awarded to these categories.

2. Assurance of the use of customer engagement evidence

- **Triangulation Approach:** The triangulation process has been rigorous and closely aligns to CCW's recommendations, providing compelling evidence for how Portsmouth Water has used customer views which is a significant improvement on the PR19 process. The PR24 Customer Engagement Triangulation Summary reviewed in Phase 2 articulates how conflicts and tensions within the insights have been addressed.

What has changed since Phase 1?

Following the initial phase 1 assurance, a second and third round of research papers has been evaluated using the Sia Partners' framework. These papers included:

Document Title	Phase
A14 - Smart Meter Hypercare Report	Phase 2
A15 - Portsmouth Water Barometer Wave 6 Report	
A16 - Portsmouth Water Hard to Reach Audiences Report	
A17 - Summary of PR24 Customer Engagement Triangulation	
A18 - Portsmouth Water Quantitative Affordability and Acceptability Testing report	Phase 3
A19 - Portsmouth Water Qualitative Affordability and Acceptability Testing report	

From the assurance of these papers, a running trend of strong scores were found which improved overall the breadth, depth and robustness of the research evaluated (a full breakdown of source quality insight assessment areas can be found in the [appendix](#)). The triangulation summary report (A17 - Summary of PR24 customer engagement triangulation) was excluded from the 'Overall Assurance of Engagement Programme Quality' and only used as part of the consideration around the 'Assurance of the use of customer engagement evidence'.

A14 - Smart Metering - Customer Journey and Hypercare: This research report was awarded (3) in the five quality insight categories. It showcased clear objectives that link to future planning, a neutral design through the provision of question and stimuli alongside key findings. The research engaged an ample sample size to meet the research objectives, with an inclusive outlook incorporating a range of audiences within the respondent group gathering viewpoints across Portsmouth Waters customer base, while utilising Blue Marble who adhere to the ethical standards of the Market Research Society.

A15 - Portsmouth Water Barometer Wave 6 Report: This was awarded a (3) across the five quality insight categories. It presented the core objectives of the research at the outset and how they will feed into future planning, whilst maintaining a neutral design by providing stimulus throughout with no bias being determined within the key findings. Additionally, the combined sample size of 578 for both methodologies was deemed appropriate to meet research objectives, while also engaging a range of audiences to ensure Portsmouth Water's customer base was fully represented. The research paper also made use of a weighting system which ensured that the responses of those customer groupings which may be overrepresented during the research are readjusted to accurately reflect Portsmouth Water's customer base. The research was undertaken by Blue Marble who fully adhere to the ethical standards of the Market Research Society.

A16 - Portsmouth Water Hard to Reach Audiences Report: This report displayed the key components necessary when assessing across the Ofwat core insight areas. It provided the objectives at the beginning of research, explaining the need for the research and how it links into to future planning phases. Sia Partners found that the research was neutral in design with the aid of stimuli and questions posed to participants throughout the report, alongside the key findings. A sample size of 26 was suitable for the qualitative methodology and research objectives to be met, while also including hard to reach

customer groups enabling full representation of Portsmouth Waters customer base that can be utilised in future planning. The research was again carried out by Blue Marble who are fully committed to adhering to the ethical standards of the Market Research Society.

A17 - Summary of PR24 Customer Engagement Triangulation: The triangulation summary report reviewed 76 reports, which displayed the system used to gather consumer data and insight that related to the 'Big conversations', these were core areas identified in Blue Marble's initial synthesis of research stage. Within this report key clusters of evidence were identified 1) *Triangulation of customer priorities from across a range of sources*, 2) *Review of Plan choices from 6 separate studies*, 3) *Acceptability & Affordability: deliberative events and survey*. From these, any tensions that arose from conflicting sources or customer viewpoints were identified and weighed up to provide an overall balanced view. Leading on from this, the report went through key areas such as reliable supply, water quality, reducing leaks, smart meter, lead pipes, and improving the environment showcasing the system used in these areas to determine the overall balanced views. The aspect of customer willingness to pay involving specific plan aspects was also exhibited providing insight into current customer support for specific schemes such as a small company premium and a social tariff cross subsidy. In summary this report was well presented and demonstrated the processes used in triangulation over the last 2 years focusing in on key customer insight which will be fed back into future decision making and planning initiatives.

A18 - Portsmouth Water Quantitative Affordability and Acceptability Testing report: Across all 5 quality testing areas this report was awarded (3). The need for this research was understood through the detailed context, stimulus and questions provided alongside the key findings of the report allowing no bias to be found. The sample size met the prescribed Ofwat/CCW standard detailed in their guideline document. Through the provision of demographic sampling data and a weighting system Sia partners agree that the study was inclusive. The research was also conducted by Blue Marble who agree to fully adhere to the standards set by the Market Research Society. This paper is one of two key pillars when discussing affordability and acceptability testing and sets the foundation with high sample sizes to gauge customer insight on the current/future affordability of bills and acceptability of proposed water service plans.

A19 - Portsmouth Water Qualitative Affordability and Acceptability Testing report: In four of the of the five quality testing areas this report was awarded (3). The context of the research was understood and provided background into PW customer climate when discussing affordability of bills and acceptability of future water service plans. The study was found to be inclusive engaging a range of customers however fell slightly short (1 customer for each) in household sampling and economically vulnerable customer samples. This ultimately led to a score of (2) being awarded for the fit for purpose category. The research was conducted by Blue Marble who adhere to the ethical code of conduct of the Market Research Society and was found to be ethically sound. This report is one of two core pillars associated with affordability and acceptability testing, with the aim of gathering insight using a qualitative methodology, gaining deeper insight into what customers feel about bill affordability and acceptability of proposed water service plans.

How Portsmouth Water has responded to Phase 1 Recommendations

Acknowledging that the research and validation process was still in progress during the Phase 1 assurance review carried out in June 2023, Sia Partners identified numerous possibilities for Portsmouth Water to enhance its ability to showcase that its research was fully in accordance with Ofwat's quality standards and that the results have been effectively validated using best practices.

This section reviews how Portsmouth Water has responded to key recommendations from Phase 1 and demonstrates how overall findings have evolved.

Key Recommendations and response

1. Further work should be considered that involves the digitally disengaged, those speak English as a second language and other 'heard to reach' groups.

Response 1. Portsmouth Water have subsequently commissioned a piece of research targeted solely at 'Hard to Reach' customers and which aims to inform the business about the needs and expectations of these customers who have very specific needs.

2. While the triangulation approach has closely aligned with the CCW framework, greater focus could be given to what work has been done to address divergence or resolve conflict of views across engagement sources or customer types.

Response 2. The recent 'Summary of PR24 Engagement Triangulation' clearly highlights any "Tensions / conflicts / sample differences" within the feedback on a topic-by-topic basis, the reasons behind these conflicts and how they've been used to create a balanced view.

3. Within the review of the AAT Quant research, some background information within the stimuli was found to be missing.

Response 3. Full AAT testing assurance has been completed and the Ofwat/CCW guidelines were largely met, with only one narrow miss on sampling size requirement. The above recommendation has now been met and the AAT can be scored as 'Green'.

4. Long term delivery Strategy could be improved in certain instances by improving detail and depth of information.

Response 4. Detailed information was provided in both A14 and A15 which include sections mentioning their long-term delivery strategies. The level of detail is key to fully portraying the message to customers and gathering key insight from customers on the topic and successfully meets recommendations posed in the first phase of assurance.

5. Stimulus and detailed findings

Response 5. Provision of detailed stimulus alongside detailed key findings in the three new research reports (A14, A15 and A16). The new 'Hard to Reach Audiences Report' specifically demonstrates the consideration of previous recommendations, enabling the reader to better grasp how the research was conducted, whilst adhering to Ofwat guidance in avoiding potential bias.

Approach

Sia Partners' PR24 Assurance Approach

We have undertaken a three-tiered approach to reviewing Portsmouth Water's engagement evidence, with the objective of providing a view of the engagement across the PR24 programme.

1a. Assess the quality of key PR24 customer research sources against Ofwat's PR24 engagement standards:

- Evaluate and score key PR24 sources using a framework based on Ofwat's minimum standards and Sia Partner's expert engagement benchmarking / assurance experience.
- Create overall RAG by combining individual scores and provide an overarching quality assurance assessment across Ofwat's criteria for high quality research.

1b. Assess Portsmouth Water's strength of evidence coverage across Ofwat's core insight categories for PR24:

- Review overall PR24 engagement programme (available and planned) against Ofwat's core insight areas (also considering best practice approaches being adopted across the sector)
- Determine Portsmouth Water's strength of coverage across these areas and identify any potential gaps.
- Provide a set of recommendations for improvement (if applicable) based on review of engagement programme quality and coverage of the key topic areas.

2a. Assess Portsmouth Water's Triangulation approach against CCW guidelines and best practice:

- Review whether and how the business has implemented triangulation of customer engagement evidence, applying a framework based on CCW guidance and best practice.
- This will include interviewing key insight leads / partners that are undertaking triangulation / synthesis of customer insight to understand how the approach has been implemented and reviewing data in the Excel database and Synthesis reports.
- Assess whether insights have been appropriately recorded and weighted, and whether any insight tensions / divergence between insight sources or segments have been appropriately identified.

1a. Assessment of the quality of key PR24 customer research sources against Ofwat’s PR24 engagement standards

Methodology to assess the quality of sources

Several key engagement reports provided by Portsmouth Water were assessed under Sia Partners’ PR24 customer engagement assurance framework, based on Ofwat’s PR24 engagement standards (see [Appendix A](#)). For each source we assessed whether the research met was:

1. **Useful and contextualised** - Demonstrated clearly why the research has taken place and its ambitions links clearly to the PR24 programme.
2. **Neutrally designed** - Comprehensive list of questions and stimulus materials are neutral in design and any unavoidable bias if inherent is acknowledged in research findings.
3. **Fit for purpose** - Research methodology and sample size is appropriate and demonstrably well-justified for the objectives of research.
4. **Inclusive** - Research clearly includes a range of audiences, representing the regional customer base and reports variances by audience where possible.
5. **Ethical** - Research is conducted in line with the ethical standard of a widely recognised research body.

Per source					
Score	Useful & Contextualised	Neutrally designed	Fit for purpose	Inclusive	Ethical
1	Ambition or objectives of research are not clear and potentially irrelevant	Clearly biased questions/stimuli, inherent biases not acknowledged, or questions/stimulus not provided	Unclear how methodology or sample is aligned to research objectives	Clear and obvious lack of range of audiences	Unclear or unknown whether research is conducted in line with widely recognised ethical standard
2	Research links to PR24 programme priorities but not clearly demonstrated	Questions or stimulus are generally without bias, or select questions / stimulus provided	Research methodology and sample is appropriate for the objectives of research	Research may include a considerable range of audiences, but is not detailed or presented clearly in findings	N/A
3	Demonstrated clearly why research has taken place and its’ ambition links clearly to PR24 programme	Comprehensive list of questions and stimulus materials are neutral in design and any unavoidable bias if inherent is acknowledged in research findings	Research methodology and sample size is appropriate and demonstrably well-justified for the objectives of research	Research clearly includes a range of audiences, representing the regional customer base, and reports variances by audience where possible	Research is conducted in line with the ethical standard of a widely recognised research body

Figure 1: Ofwat Engagement Standards for Individual Sources

Through the assessment of key sources against Ofwat’s criteria for high quality research a red, amber, green (RAG) table and scores were generated providing insight and recommendations for improvement. An example is shown below with detailed findings of the individual papers found in [Appendix B](#).



The three remaining Ofwat engagement standards were deemed to apply more broadly to the PR24 engagement programme as a whole. We therefore assessed these at an aggregated level across all sources, rather than broken down per source:

- 6. **Continual** - Regular engagement undertaken throughout PR24 and business as usual, in addition to specific engagement on certain topics.
- 7. **Shared in full with others** - Appropriate research findings published early to as wide an audience as possible, including methodology and stimulus materials.
- 8. **Independently assured** - Independent assurance has been undertaken.

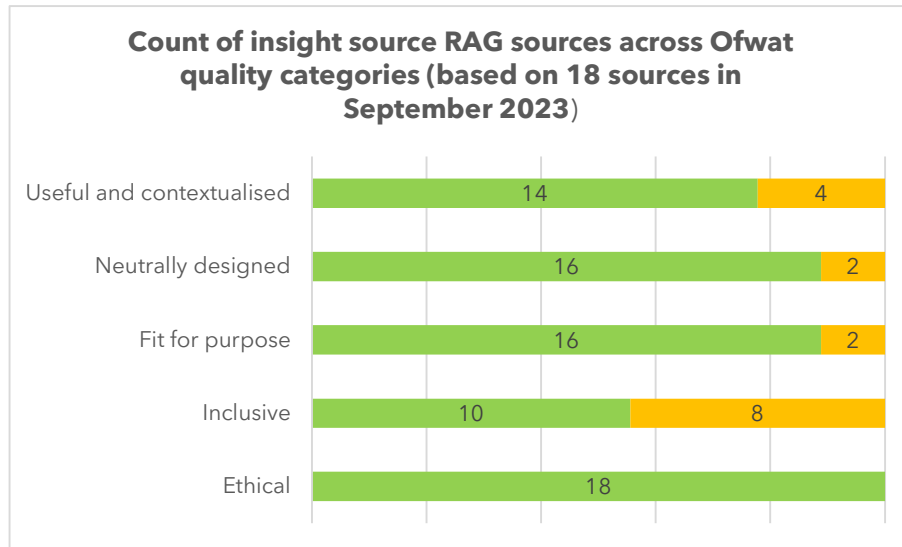
Programme wide			
	Continual	Shared in full with others	Independently assured
1	No regular engagement undertaken	No research findings shared / or planned to be shared	No independent assurance
2	N/A	Select research findings shared (or planned to be shared) with a select audience	N/A
3	Regular engagement undertaken throughout PR24 and business as usual, in addition to specific engagement on certain topics	Appropriate research findings published early to as wide an audience as possible, including methodology & stimulus materials	Independent assurance undertaken

Figure 2: Ofwat Engagement Standards for Overall Programme

Findings of the assessment of quality of insight sources

Assessment of individual sources

Ofwat have provided clear criteria for best practice when evaluating individual research sources and ensuring high-quality research (as outlined in the methodology above). Sia Partners have applied this scoring framework, in conjunction with internal criteria for evaluation, with detailed findings displayed in the following section.



Useful and Contextualised

The research reports can significantly enhance the readers' understanding by effectively stating engagement objectives and rationale upfront. By incorporating clear and well-defined objectives right from the beginning of the document, these reports lay the groundwork for developing a comprehensive understanding of the subject matter and purpose of the engagement. Notably, a majority of the research papers, fourteen out of eighteen, received a score of (3), indicating a consistent trend of explicitly listing the research objectives and establishing their connection to future business plan decision-making processes, such as PR24. An illustrative example of this can be found below.



Figure 3. An example of clear well-defined aims for research that develops the readers understanding for the aims of the report.

While the scores were generally of a high standard, those which scored less well were the Barometer Reports 1,2,3 which failed to display the aims of the research clearly. This has the potential for the reader to have difficulties in understanding the purpose of and direction the report. However, overall, the quality of the 'Useful and contextualised' category was found to be in line with Ofwat's standards with minor areas of improvement, which have been detailed in the recommendations section.

Neutrally designed

Portsmouth Water should provide clear stimulus or the inclusion of questions asked to participants, which would better enable the reader to determine if any bias was created in the research. Sixteen out of eighteen of the research papers were awarded a (3) which allowed for clear assessment of the research questions and resulted in those questions/stimulus being checked for bias. The results for the sixteen papers concluded that no bias was generated in the research questions/stimuli provided to participants.

Common trends within the 'Neutrally Designed' assessment included whether the specific questions being asked to participants were outlined within the report. Alternatively, often a sample of the stimulus would be displayed alongside the key research findings. Another clear theme found in the 'Neutrally Designed' category was the effective use of quotations from respondents, which develops the understanding for the reader by giving key insights directly from participants. In one specific example, 'A06 - Research with vulnerable customers' detailed how ongoing hot weather events at the time of the event could affect participants responses and be considered when drawing inferences from the research. This provided an example of a deliberate attempt to create research with a neutral design, which acknowledges potential biases and incorporates measures to mitigate their impact on the reader.

Where research papers received a score of (2) was often due to a lack of specific questions or stimuli demonstrated within the reports. This led to the potential for bias within the questions provided to participants and has the potential to influence the key findings. Whilst the majority of questions provided the direct unedited stimuli, generalised responses were used in some cases instead of direct stimuli which again had the potential to influence the key findings. Future improvements for these issues can be found in the recommendations section.

Fit for Purpose

The 'Fit for Purpose' category ensures that the sample and methodology are suitable for effectively achieving the research objectives. In this case, the research conducted by Portsmouth Water largely fulfilled the criteria for receiving a score of (3), with sixteen out of eighteen studies meeting this requirement.

Common trends examined in this category found the online questionnaires had relatively high sample sizes to effectively meet research objectives. In addition, the ability to gather qualitative findings was supported by in-depth interviews, although resulting in lower sample sizes the in-depth insights displayed throughout the reports also successfully met the research objectives. Specific instances included in the Barometer 1,2,3,4,6 reports used a weighted system matching the respondents to Portsmouth Water's demographic profile, providing a well thought out method to best combat the self-selecting nature of the study which will be further picked up on the Inclusive section.

In the 'A01 - Portsmouth Water Stakeholder' report a score of (2) was given due to the sample size being potentially too small to effectively represent stakeholder opinions. Although there was a suitable breakdown and methodology behind the study, the lack of engagement from stakeholders resulted in this score.

Inclusive

In the 'Inclusive' category, to achieve a high score, research should involve a diverse range of audiences and socio-demographics whenever possible, while also reporting on the differences between various respondent groups. However, in the case of the research conducted by Portsmouth Water, not all of the criteria were met as half of the studies provided sufficient evidence to be awarded a (3) and the remaining papers were awarded a (2).

Where inclusivity was scored well (3) direct engagement of a diverse range of customer audiences had taken place. Specifically in 'A16 - Portsmouth Water Hard to Reach Audiences Report' focused on gathering key insight from groups such as people who are digitally disengaged, disabled, unable to communicate in English and from diverse religions and cultures. This allowed paper provided insight in what challenges these groups face best positioning Portsmouth Water to understand what their customer base prioritise/need feeding into future planning phases.

However, there were consistent patterns that resulted in lower scores for eight of the studies. These patterns arose from a lack of engagement with a diverse range of audiences, as well as a failure to provide a clear breakdown of demographics within the reports. Another prevalent theme was the absence of any mention of research limitations related to digitally excluded customers, which left a portion of the customer base without a means to address their specific challenges.

Ethical

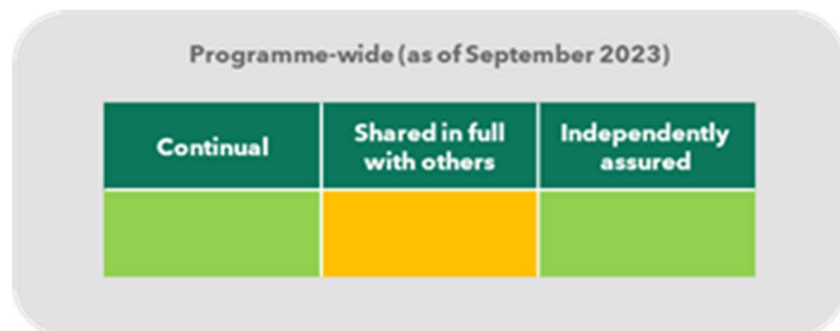
Blue Marble were the only consultancy used by Portsmouth Water, providing all of the research assured by Sia Partners in this assurance. Blue Marble are fully committed to adhering to the standards of the Market Research society, resulting in a score of (3) for all research provided.

Document Title	Useful & Contextualised	Neutrally designed	Fit for purpose	Inclusive	Ethical
A01 - Portsmouth Water Stakeholder Priorities	3	2	2	2	3
A02 - Portsmouth Water Customer Priorities	3	2	3	2	3

A03 - Portsmouth Water Barometer Wave 1 Report	2	3	3	2	3
A04 - Customer Advisory Panel Report 1	3	3	3	2	3
A05 - Portsmouth Water Barometer Wave 2 Report	2	3	3	2	3
A06 - Research with Vulnerable Customers	3	3	3	3	3
A07 - Portsmouth Water Barometer Wave 3 Report	2	3	3	2	3
A08 - Customer Advisory Panel Report 2	3	3	3	2	3
A09 - Future Customer Panel 2022	2	3	3	3	3
A10 - Customer Advisory Panel Report 3	3	3	3	3	3
A11 - Portsmouth Water Barometer Wave 4 Report	3	3	3	2	3
A12 - Plan choices Quantitative Report	3	3	3	3	3
A13 - Customer advisory Panel Report 4	3	3	3	3	3
A14 - Smart Meter Hypercare Report	3	3	3	3	3
A15 - Portsmouth Water Barometer Wave 6 Report	3	3	3	3	3
A16 - Portsmouth Water Hard to Reach Audiences Report	3	3	3	3	3
A18 - Portsmouth Water Quantitative Affordability and Acceptability Testing report	3	3	3	3	3
A19 - Portsmouth Water Qualitative Affordability and Acceptability Testing report	3	3	2	3	3

Broader Engagement Programme

Ofwat have provided criteria for best practice when evaluating programme-wide high-quality research. These standards ensure that research is continual, shared in full with others and requires independent assurance. Sia Partners have applied this framework in conjunction with internal criteria for evaluation, with detailed findings displayed in the following section.



Continual Engagement

Portsmouth Water has conducted research to inform business plan decision-making for the PR24 period, engaging customers and stakeholders and are able to demonstrate an ongoing programme of research since PR19 alongside a consideration of BAU insights. The triangulation workstream has also produced 5 reports to date, each building on the last.

In addition, many engagement reports have also been shared, demonstrating the prior examples of engagement best practices. With plans to continue the triangulation process in future PR24 phases, Portsmouth Water was awarded a (3) in the 'Continual Engagement' category.

Shared in full with others

Portsmouth Water hold regular meetings with a variety of water companies based in the South East of England, in which research is shared whilst also providing a platform to highlight key findings to realign priorities. They are also involved in an 'all water company' group which shares research highlights helping to steer research, however the main priorities of this group is helping methodologies to stay consistent.

There are direct plans to reformat and design a website to publish research documentation. Portsmouth Water is currently scoring a (2) against the criteria set by Ofwat. However, once this website is ready and they are able to demonstrate how the published research materials are being made widely available, this will be upgraded to a (3).

Independently assured

Portsmouth Water has commissioned Sia Partners to provide independent assurance for its customer engagement research in the current period, ensuring compliance with Ofwat's best practices for conducting high-quality research, with further scrutiny and challenge provided by its CSP.

In the assurance process 2 workstreams were undertaken:

- *Assurance of engagement quality* - this entails the assessment of the quality of the engagement programme and assessing the engagement sources (A01-A16).
- *Assurance of engagement use* - assessing Portsmouth Water's applied triangulation insight synthesis approach against CCW guidelines for best practice triangulation at PR24.

This assurance work successfully meets the framework criteria and a score of (3) has been given for the 'Independently assured category'.

1b. Assessment of strength of evidence coverage across Ofwat's core insight categories for PR24

Methodology to assess the strength of coverage

In its PR24 methodology, Ofwat highlighted core areas where it expects companies to undertake engagement to inform the development of their business plans.

Within Ofwat's final methodology for PR24, it outlines that some customer research should be done collaboratively. By working with CCW and water companies, Ofwat have therefore implemented a collaborative approach to customer research for certain, common elements of PR24. This consistent research approach is important as it allows a better assessment of plans against one another and enables a comparison across all companies.

However, Ofwat recognises that it is also necessary for companies to undertake further, company-specific research with their customers. This engagement provides companies a chance to inform and test specific elements of their plans with their customers, including the nature and phasing of their statutory requirements and discretionary expenditure, as well as other priorities that have been identified through their broader engagement.

Therefore, Sia Partners assurance work has involved undertaking a review of Portsmouth Water's coverage in the following prescribed categories:

- Customer Priorities
- Affordability and Acceptability
- Company specific outcomes involving investment proposals/schemes
- Long term delivery strategies
- Where companies seek to deliver wider environmental and social benefits beyond their minimum statutory requirements and at a greater cost to customers

The following section provides a thorough insight into the 'Strength of Coverage' findings. Sia Partners have reviewed 18 key sources as part of the assurance of Portsmouth Water's engagement for PR24, with the full source list viewable in the [Appendix](#). The methodology uses a one to three scoring mechanism evaluating if the research is:

1. **Methodologically sound** – Clear aims with strong sampling methodology used, also consideration of barriers to inclusion present.
2. **Rigorously gathered** – Thorough discussion of data collection procedures, noted a range of perspectives and extensive detail of feedback.
3. **Credibly interpreted** – Engagement work interpreted accurately and fairly with detailed outline of all perspectives and issues discussed.

The categories above are based on the HM Treasury Magenta book which provides guidance on the evaluation of government policies, programs and projects. The main purpose of the Magenta Book is to promote good practice in policy evaluation ensuring that decisions are based on robust evidence and analysis. The next stages of our methodological process are viewable in the graphic below.

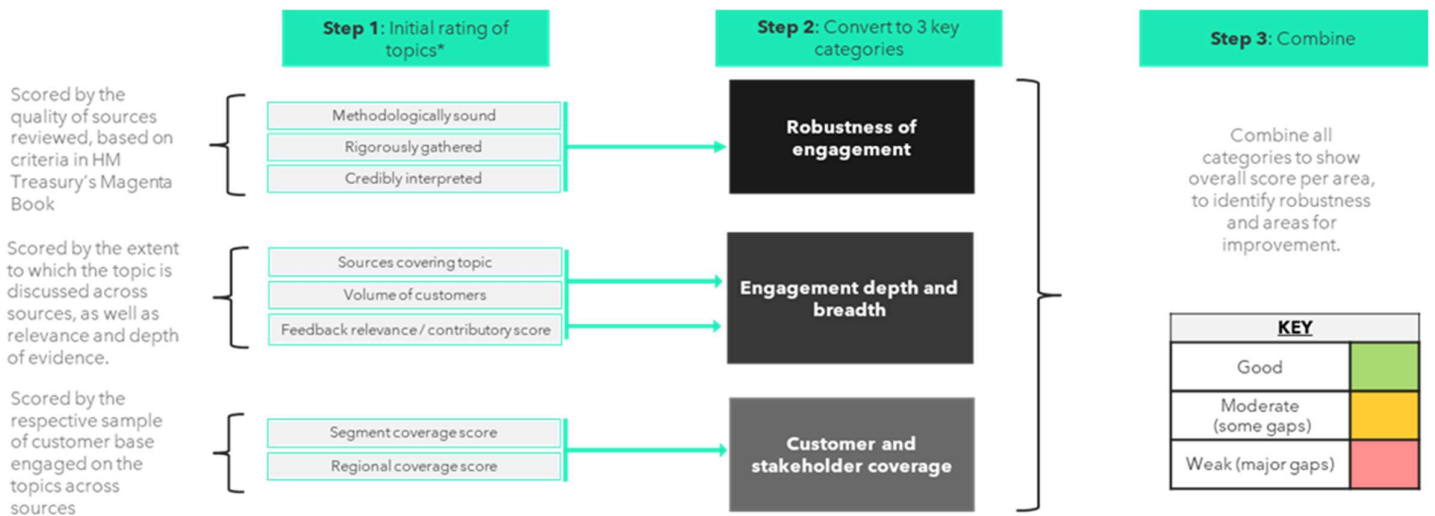


Figure 4: Sia Partners Insight Coverage Methodology

The scores were then collated into a red, amber, green (RAG) table which assesses the cumulative strength and robustness of the categories displayed in step one and step two.

Score	Source robustness scoring			
	Insight source scoring			Feedback scoring
	Methodologically sound	Rigorously gathered	Credibly interpreted	Contributory evidence
1	Limited or no methodology, unplanned with no aim or objective.	Limited discussion of data collection technique, who collected the data, or the procedure for recording differing opinions.	Lack of credible interpretation with potential for bias. Limited or no discussion of feedback points in the conclusion.	Vague, high-level feedback with only a tangential relevance to the topic in question.
2	Some aims of engagement, but limited discussion of sampling, knowledge levels and stakeholder backgrounds.	Some discussion of data collection and the methods. Limited depth of feedback and range of opinions.	Some link and discussion of the engagement details in the event report, including some differing views.	Feedback not necessarily fully aligned to the topic and only provides a limited insight and thus moderately useful.
3	Clear aims, sound sampling methodology and consideration of barriers to inclusion.	Thorough discussion of data collection procedures, noted a range of perspectives and extensive detail of feedback.	Engagement work interpreted accurately and fairly with detailed outline of all perspectives and issues discussed.	Specific, clear and relevant information with clear link to the topic discussed. High value added.

Portsmouth Water have not yet provided evidence for the 'ODI rates research' category due to Ofwat not sharing its final ODI rates package research outputs until early June. Portsmouth Water's position has been not to include bespoke PC's, with exception of PC's from PR19 that have been in place for 10 years (related to Havant Thicket). Therefore, the 'bespoke performance commitments and related ODI rates' category has not been factored into the engagement and not been assessed as we deem the previous evidence as appropriate in this category.

Findings

The subsequent section will provide a comprehensive overview of the appropriate research papers relating to each core area highlighted by Ofwat. This will encompass a detailed examination of the research reports, while also identifying common trends observed across them in both Phase 1,2 and 3 of assurance

Portsmouth Water have conducted and planned a sound PR24 engagement programme and Ofwat's core areas of engagement have been generally well covered by delivered or planned engagement.

Ofwat's Core Insight Areas	Source	RAG
Customer Priorities	A01, A02, A03, A04, A05, A06, A07, A08, A09, A11, A12, A13, A14, A15, A16	
ODI Rates Research		N/A
Affordability and Acceptability	A18, A19	
Company-specific outcomes involving investment proposals/schemes	A01, A02, A03, A04, A08, A09, A15, A16	
Bespoke performance commitments and related ODI rates		N/A
Long-term delivery strategies	A02, A04, A08, A12,, A14, A15, A16	
Where companies seek to deliver wider environmental and social benefits beyond their minimum statutory requirements and at a greater cost to customers	A02, A06, A08, A09, A12, A13, A14, A16	

Customer priorities

Evidence base - A01 Portsmouth Water Stakeholder Priorities, A02 Portsmouth Water Customer Priorities, A03 Portsmouth Water Barometer Wave 1 Report, A04 Customer Advisory Panel Report 1, A05 Portsmouth Water Barometer Wave 2 Report, A06 Research with Vulnerable Customers, A07 Portsmouth Water Barometer Wave 3 Report, A08 Customer Advisory Panel Report 2, A09 Future Customer Panel 2022, A11 Portsmouth Water Barometer Wave 4 Report, A12 Plan choices Quantitative Report, A13 Customer Advisory Panel Report 4, A14 Smart Metering - customer journey and hypercare, A15 Portsmouth Water Barometer Wave 6 Report, A16 Portsmouth Water Hard to Reach Audiences Report.

'Customer Priorities' emerged as a prominent and recurring theme across the majority of the research reports. The 'Customer priorities' section was awarded a (3) due to customer priorities being present in the majority of research provided. This was further evaluated alongside ambitions for PR24 planning and long-term developments within Portsmouth Water. Priorities were deemed to be key information for support and steer of future business plan decision making. The strength and robustness of segment

coverage also provided support for customer priorities, allowing the section to be scored with high scores over the breadth of areas examined.

Affordability and Acceptability

Evidence base - A18 Portsmouth Water Quantitative Affordability and Acceptability Testing, A19 - Portsmouth Water Qualitative Affordability and Acceptability Testing.

Affordability and Acceptability was successfully addressed in 'A18 Portsmouth Water Quantitative Affordability and Acceptability Testing' and 'A19 Portsmouth Water Qualitative Affordability and Acceptability Testing' largely aligning with the prescribed standards laid out in the Ofwat/CCW guidelines.

'A18 Portsmouth Water Quantitative Affordability report' provided the direct questions asked to participants on each slide of the report aligning with the prescribed questionnaire wording provided by Ofwat/CCW. Detailed information on customer demographics for both household (HH) and non-household groups (NHH) involved in the survey was present which provided a level of transparency necessary for a non-biased survey. Alongside this the use of a weighting system ensured groups were appropriately represented. Within the reports customer sentiment on core issues involving current and future bill affordability shed light on the current perspectives of the PW customer base, which can aid in setting achievable targets for increase in water bills. In addition, the acceptability of proposed plans was addressed where they found that there was not a major amount of variation between customer groups when discussing the proposed water supply services plan. The recruitment letter and stimulus used for the survey was also found to adhere to the prescriptive Ofwat/CCW guidelines. The findings were presented in a clear manner rich in detail which allowed Sia Partners to award Portsmouth Water (3) in this category.

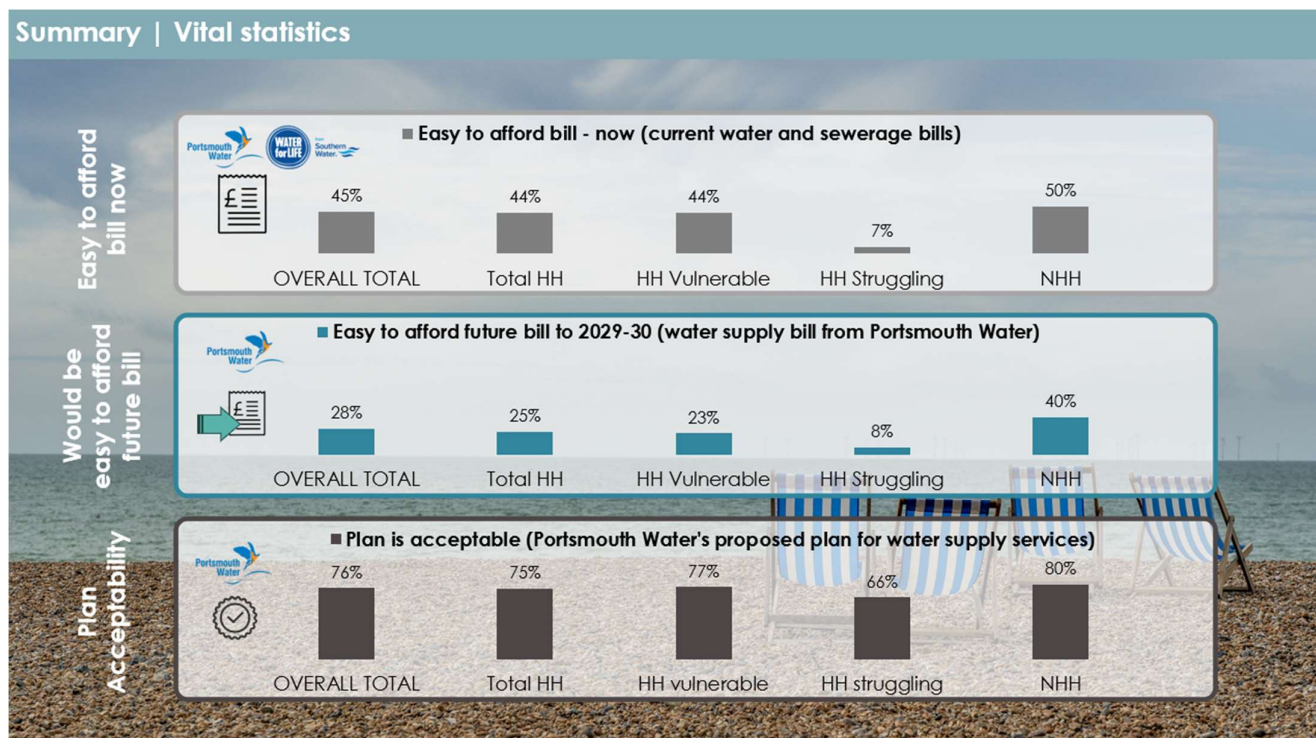


Figure 5. Screenshot displaying vital statistics gathered from A18 - Portsmouth Water Affordability and Acceptability Quantitative study.

Within the 'A19 Portsmouth Water Qualitative Affordability and Acceptability Testing report', the engagement approach aligned with the Ofwat/CCW guidelines, utilising two x three-hour deliberative events (HH), four x one-hour online video depth sessions (NHH) and eight x one-hour online video depth sessions (Vulnerable Customers). The sampling demographics were clearly displayed and showed a

good range of customer demographics engaged within the qualitative sessions, with direct quotations present within the report showing variety and differing viewpoints and priorities from different customer groups. However, one slight caveat to flag was the narrow miss on prescribed sampling targets within the report where 58/60 participants were engaged. The content within the report was structured clearly and allowed deeper insight into what customers can currently afford allowing expression of what challenges may arise in the future

Overall, the Affordability and Acceptability testing was carried out successfully and gathered a wide range of viewpoints in great detail, which can be further utilised in future business plan decision making to align with customer viewpoints increasing customer satisfaction.

Company specific outcomes involving investment proposals/schemes

Evidence base - A01 - Portsmouth Water Stakeholder Priorities, A02 Portsmouth Water Customer Priorities, A03 Portsmouth Water Barometer Wave 1 Report, A04 Customer Advisory Panel Report 1, A08 Customer Advisory Panel Report 2, A09 Future Customer Panel 2022, A15 Portsmouth Water Barometer - Wave 6 Report, A16 Portsmouth Water Hard to Reach Audiences Report.

In eight out of eighteen research reports, there was a notable presence of 'Company-specific outcomes related to investment proposals or schemes', highlighting their significance to Portsmouth Water. The section focusing on company-specific outcomes received a score of (3) due to the overall valuable insights gathered from respondent opinions regarding these outcomes.

The eight research reports exhibited common positive trends, particularly in relation to two main focuses for future investment schemes: smart metering rollout and opinions regarding Havant Thicket. These topics hold significant importance for Portsmouth Water. In the majority of these reports, the information on these schemes was effectively presented, providing comprehensive details while ensuring clarity in conveying the gathered information and opinions.

In a few cases, there was limited coverage of company-specific outcomes concerning investment proposals or schemes. While these instances were in the minority, it is important to bring this to the attention of Portsmouth Water. Strategies to address this issue will be presented in the recommendations section for further consideration and improvement.

Long term delivery strategy

Evidence base - A02 Portsmouth Water Customer Priorities, A04 Customer Advisory Panel Report 1, A08 Customer Advisory Panel Report 2, A12 Plan choices Quantitative Report, A14 Smart Metering - customer journey and hypercare, A15 Portsmouth Water Barometer Wave 6 Report, A16 Portsmouth Water Hard to Reach Audiences Report.

In seven out of eighteen research reports, there evidence of engagement on the 'Long-term delivery strategy'. This signifies the lack of current coverage present within the reports provided. Consequently, leading to Portsmouth Water being awarded a (3) for this category.

Two research reports 'A14 - Smart Metering - customer journey and hypercare' and 'A15 Portsmouth Water Barometer Wave 6 Report' demonstrated detailed viewpoints from customers concerning 'Long term delivery strategies' receiving a score of (3). Five research reports demonstrated relatively positive trends, consistently receiving a score of (2). These trends primarily related to the provision of broad information on schemes. However, to achieve higher scores in these instances, more specific details regarding the rollout plans and their delivery would be necessary. While the presented information was generally clear within those sources originally reviewed, it lacked depth and comprehensive insights. It is apparent that there was a gap in terms of outlining implementation strategies, and further improvements in this regard were discussed in Phase 1 the recommendation section and subsequently addressed.

Where companies seek to deliver wider environmental and social benefits beyond their minimum statutory requirements at a greater cost to customers

Evidence base - A02 - Portsmouth Water Customer Priorities, A06 - Research with Vulnerable Customers, A08 - Customer Advisory Panel Report 2, A09 - Future Customer Panel 2022, A12 - Plan choices Quantitative Report, A13 Customer advisory Panel Report 4, A14 Smart Metering - customer journey and hypercare, A16 Portsmouth Water Hard to Reach Audiences Report.

In eight out of eighteen research reports, there was a clear presence of information regarding 'Where companies seeking to deliver wider environmental/social benefits beyond their minimum statutory requirement at a greater cost to customers'. This emphasised the importance this category had to Portsmouth Water with the majority of evidence achieving high scoring, ultimately leading to a score of (3).

The research findings revealed positive emerging patterns that directly linked to wider environmental and social benefits. These patterns involved presenting the specific cost per year that each customer would need to bear for the realisation of these benefits. This approach enabled participants to express their perspectives on adjusting price points, with the majority of responses supporting the advantages of relatively low-cost allocations. This was primarily due to the cost-effectiveness achieved when the burden was distributed among numerous customers. Furthermore, the stimuli and questions were effectively presented to gauge whether participants required additional information on the topic to provide full support. Recognising the significance of this aspect in engagement practices, it becomes crucial to identify methods for improvement to meet best practices and continuously evolve within the existing ecosystems.

2a. Assessment of Triangulation approach against CCW guidelines and best practice:

The purpose of this part of the assurance process is to review how Portsmouth Water has implemented triangulation within its engagement programme and evaluate to what extent it provides a robust, balanced and high-quality synopsis of customer comments and input across evidence sources.

Previous assessments from Ofwat of Portsmouth Water's PR19 submission found significant shortcomings around the business' approach to combining different evidence sources, identifying tensions and informing decision makers of the most suitable way forward. Portsmouth Water must therefore be seen to have undertaken a step-change in how they approach the triangulation of customer views for PR24.

Methodology to assess the triangulation approach.

CCWater have outlined the criteria for what good triangulation should look like at PR24. These core principles (as shown in Figure 6) act as a minimum benchmark for companies but avoid prescribing specific methods. It is expected that companies should be able to innovate further beyond these should they wish so we have applied this framework in conjunction with industry best practice and Sia Partners' own best practice framework.

Sia Partners' approach to assessing Portsmouth Water's triangulation involved:

- ✓ A review of how the business has implemented a triangulation of customer engagement evidence, applying CCW's guidance and best practice.
- ✓ Interviewing key insight leads and the Blue Marble team who are undertaking triangulation / synthesis of customer insight to understand how the approach has been implemented.









Figure 6. CCWater's PR24 triangulation best practice guidance

- ✓ A review of data in the Excel database, PR24 Engagement Strategy and Synthesis & Triangulation reports.
- ✓ An assessment of whether insights have been appropriately recorded and weighted, and whether any insight tensions / divergence between insight sources or segments have been appropriately identified.

Findings from the assessment of the assurance approach

Portsmouth Water’s triangulation approach was assessed against each component of CCW’s framework and given an RAG scoring across each element.

Area	Evidence of Portsmouth Water’s triangulation methodology
 Engagement and triangulation should be an ongoing process	Evidence of an ongoing triangulation process displayed through interviews with insight leads and review of materials provided issuing quarterly summaries. To date, we have seen 5 reports from the triangulation workstream, each building on the last.
 Triangulation should make use of a wide range of inputs, and these should not be solely engagement insight	Portsmouth Water have demonstrated a wide range of inputs with 76 reports examined in the process. Importantly, there was a suitable balance of external pieces of research and research commissioned by Portsmouth Water.
 Triangulation should be informed by a transparent and consistent weighting framework	Demonstrated scoring and weighting framework used in triangulation process, provided in the review of materials. Detail was provided on how increased granularity of scoring was created and applied.
 Balanced decisions should be at the core of triangulation	Demonstrated effectively how conflicts/divergence will be handled using multifaceted method of evaluating evidence creating an overall balanced view across engagement sources and customer types.
 Validation of findings should make use of a wide range of datasets	Inclusion of both quantitative and qualitative data, as well as significant research from Ofwat providing validation to the process.
 Companies should seek independent assurance of their process and outcomes.	Portsmouth Water have third party assurance of its PR24 engagement programme (CSP and other independent assurance partners)

Portsmouth Water have provided detailed insight into their PR24 triangulation process. As demonstrated by the scoring in the table above, it is Sia Partners’ view that Portsmouth Water clearly demonstrates how their triangulation approach has been informed by a range of approaches and frameworks, including CCW and other recent, best-in-class work by water companies. The result is a clear, logical and structured approach.

This triangulation approach is defined up front as part of the Engagement Strategy where a clear process has been outlined. By establishing this approach at the at the beginning of the engagement programme, Portsmouth Water and their partner Blue Marble were able to ensure that they could develop an accurate profile of customers within the region from administrative and company data sources, build an evidence register to align captured data to topics and themes, as well as identify any existing gaps in their knowledge base.

The synthesis and ongoing triangulation work includes a clear framework to pinpoint where customers and consumers have shaped the business plan. It draws on a range of research and engagement methods across a variety of audiences. All evidence is then captured and scored for relevance and

quality using a published framework, before being mapped within the database to enable future synthesis.

Additionally, by starting the process of triangulation early, it has been possible to limit possible bias by apply a weighting to every evidence source at the outset rather than retrospectively when judgement may have been impacted by subsequent detail or information.

Importantly, it is also recognised that while frameworks have been developed to guide the triangulation approaches, it remains an inexact science. It is therefore pragmatic to have developed both an evidence scoring framework and then utilising the interpretation and judgement by experienced research professionals to enhance this.

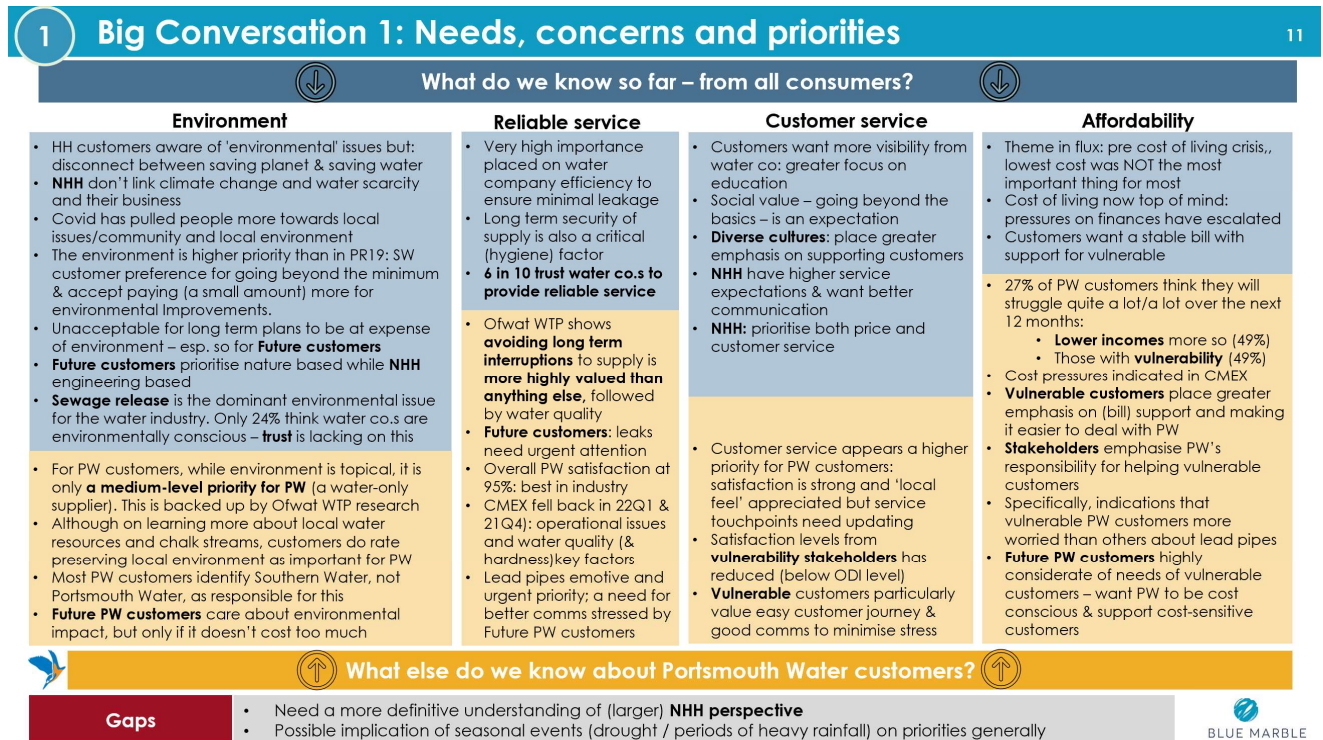


Figure 7.: shows ongoing triangulation, gaps and differing views from stakeholder groups

The production of quarterly triangulation reports offers regular updates on the current status of triangulation and are supplemented with recognised gaps which provides strong insight into the focus of future stages of triangulation. These reports reinforce how the engagement programme has informed the plans, identifies where customers views are aligned or divergent and how the opinions of customers may have evolved over time.

Phase 3 assurance conclusion and recommendations

Conclusions

Our Phase 1, 2 & 3 assurance reviews have confirmed that Portsmouth Water have delivered a high-quality customer engagement programme to provide a robust and comprehensive insight base to inform its PR24 business plan. Furthermore, Portsmouth Water's triangulation methodology closely follows CCW's recommendations.

The overall assurance review was based upon the 18 key sources and overview materials from Portsmouth Water's PR24 engagement programme shared with Sia Partners as of September 2023.

Below we summarise our conclusions following the completed assurance review:

1. Assurance of the engagement programme quality

- **Engagement Quality:** A thorough review of the evidence base has thus far, and the individual research projects underpinning the core of the programme shows that Ofwat's standards and principles for high-quality engagement and research have been met. While the majority of research projects met Ofwat's standards in all areas, certain reports would have benefited from greater clarity around the purpose and context of the engagement. While some could have better outlined how they have looked to including marginalised groups (such as the digitally excluded or those who speak English as a second language), the recent research in 'Hard to Reach Audiences' has addressed this issue directly.
- **Engagement Coverage:** The engagement programme demonstrates evidence of coverage across all of Ofwat's PR24 Core Insight Areas (where companies are expected to provide customer engagement evidence). Some previous concern around a lack of engagement evidence relating to the Long -Term Delivery Strategies has been subsequently improved. The ODI Rates Research was performed centrally while Portsmouth Water have now completed their AAT research in full and it was found to be of a sufficiently high quality.

2. Assurance of the use of customer engagement evidence

- **Triangulation Approach:** The triangulation process has been rigorous and closely aligns to CCW's recommendations, providing compelling evidence for how Portsmouth Water has used customer views which is a significant improvement on the PR19 process. The PR24 Customer Engagement Triangulation Summary has articulated how conflicts and tensions within the insights have been addressed.

Recommendations

The Phase 1, 2 and 3 assurance reviews have now been conducted and we have therefore noted how many of the more substantial recommendations were addressed following our Phase 1 assurance review and these are outlined below the relevant recommendation. By acting on these recommendations, Portsmouth Water has created a more compelling approach and evidence base for its final PR24 business plan.

1. Assurance of the engagement programme quality - recommendations to date (with Phase 2&3 responses)

1a. Engagement Quality

Useful and contextualised

Largely Portsmouth Water's research reports aligned well with Ofwat's guidelines for best practice. However, to improve in future instances of engagement research, Portsmouth Water should aim to clearly list out the research objectives on a single slide or page which will help steer the reader giving them greater understanding of the paper from the offset.

Neutrally designed

The majority of research reports examined listed the specific questions/stimuli clearly alongside the key findings. In the future, it is recommended that questions are listed at the bottom of the slide (or in an Appendix) on all the reports to avoid questions over potential bias in the questions asked to participants. Including the stimuli also helps frame the discussion and provide greater context to the reader.

Fit for purpose

Portsmouth Water demonstrated strong capabilities in the 'Fit for purpose' category. However, one instance was recorded where the sample size was too small to successfully portray stakeholder opinions. Recommendations for improvement include identifying those stakeholders most impacted and who are informed of the critical role they play in the engagement programme overall to encourage participation. Also, by tailoring the approach to specific stakeholder groups interests, concerns and priorities they may perceive the value increasing the likelihood of participation.

Inclusive

There are specific areas in the inclusive category that can be improved upon. A key area of focus would be consistently ensuring the clear display of participant information, particularly their socio-demographic grouping or Experian segment. By creating a dedicated page that breaks down the customer segments or socio-demographic data, more detailed information about participants can be obtained. This information can then be analysed to assess the extent to which the study successfully represents the customer base of Portsmouth Water. Additionally, having this data will provide more opportunities to identify possible response variations among participants from different socio-demographic groups. This has the potential to deepen understanding of the specific needs and preferences of Portsmouth Water's customers.

Audience

To improve further, we advise Portsmouth Water to further showcase how they have addressed the variations between different customer segments. With this requirement not impacting every area or topic, it should be taken into account for specific issues where planned activities may disproportionately affect certain groups. Ensuring a focus on customer segments should be integrated into the planning and execution of engagement efforts, as well as when interpreting insights, aligning with Ofwat's

guidance. This approach guarantees an objective and impartial understanding and representation of customer views to inform the PR24 business plan.

As part of PR24, Portsmouth Water have engaged with a broad range of customer types and demographics which include specific research with future and vulnerable customers, however not all customers have been sufficiently represented within the engagement programme:

Digitally excluded customers

Whilst Portsmouth Water successfully represents the majority of their customer base in research findings, further work may be needed to engage the digitally disengaged with many of the methodologies failing to acknowledge this area. It may be that they were deliberately engaged within the face-to-face sessions, but this was not called out in the methodology within these reports.

Portsmouth Water have now undertaken detailed research with customers who have very specific needs and are hard to reach to ensure that they understand the views and experiences of these customers, as well as exploring their views on elements of the proposed business plans.

English as a Second Language (ESL) speakers

There was no evidence of any engagement to date that has deliberately sought to include those speak English as a second language. It is again recognised that they have been included with sessions but this was not called out explicitly within the sampling methodology of any reports. It's also noted that, as a smaller company, this may not be as applicable for Portsmouth Water as other companies that serve larger cities but it would be beneficial to call this out.

The 'Hard to Reach' research specifically addresses this recommendation with direct conversations with those who have English as their Second Language.

1b. Engagement Coverage

Affordability and Acceptability

Future iterations of similar assurance will have the potential to increase this to a 'Green' in this instance the qualitative affordability and acceptability testing report. As currently Sia Partners has assured the quantitative recruitment letter, stimulus and research report but yet to review the qualitative documentation.

This has been addressed in full by the final AAT Qual and AAT Quant reports that were reviewed as part of Phase 3.

Long-term delivery strategy

It is evident that there is a gap in terms of outlining implementation strategies, requiring further improvements in this regard. To strengthen this area, it is recommended to engage in more extensive discussions and considerations regarding long-term delivery strategies. This should involve verifying and testing phased investments across AMPs.

The Long-term delivery strategy has now been directly engaged on in a number of recent studies. The level of detail is key to fully portraying the message to customers and gathering key insight from customers on the topic and successfully meets recommendations posed in the first phase of assurance.

2. Assurance of the use of customer engagement evidence - recommendations

2a. Triangulation Approach

Given the assurance process concluded the triangulation approach has closely aligned with the framework outlined by the CCW and other best practices, there are limited recommendations to be made for this section. One area that could benefit from further focus is what work has been done to address divergence or resolve conflict of views across engagement sources or customer types.

The latest Triangulation Summary clearly highlights any tensions / conflicts within the feedback on a topic-by-topic basis, the reasons behind these conflicts and how they've been used to create a balanced view.

Appendix

A: Ofwat PR24 engagement standards

A summary of Ofwat’s principles of engagement and minimum standards for high-quality research, customer challenge and assurance of customer engagement



Ofwat PR24 Final Methodology: <https://www.ofwat.gov.uk/wp-content/uploads/2022/07/Draft-methodology-main-document.pdf>

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

B: Detailed breakdown of Sia Partners' assessment of key sources against Ofwat requirements for high quality research

All scoring for the following section can be found in brackets before main text description, ranging from 1 as the lowest score to 3 as the highest possible score e.g. (1), (2), (3).

A01 - Portsmouth Water Stakeholder Priorities

Useful and contextualised - (3) The purpose of the research and desired outcomes are explained under 'Methodology and sample' and have aligned their research with stakeholders around their relationship with PW, views and responsibilities towards local issues and investment priorities for their five-year business plan.

Neutrally designed - (2) Some questions and quotes from participants are provided. However, it is unclear whether or not any further stimuli are used during the sessions. Effective use of quotations and data throughout the report.

Fit for Purpose - (2) Sample size is small potentially leading to ineffective portrayal of stakeholder opinions. However, demonstration of clear breakdown of who the interviewees worked for is present. In depth interviews were deemed suitable for gathering stakeholder opinions.

Inclusive - (2) Lacked a broad range of audiences with no demographic breakdown displayed. Mention of occupation as well as the variance in their results. Clear efforts made to mitigate digital excluded stakeholder with a proportion of interviews taking place by telephone.

Ethical - (3) Blue Marble is fully committed to adhering to the standards of the Market Research Society.

A02 - Portsmouth Water Customer Priorities

Useful and contextualised - (3) The purpose of the research and desired outcomes are explained under 'Objectives'. Namely to develop a set of principles PW customers wish to adopt and demonstrate links to planning decisions while engaging with the 'big conversations'.

Neutrally designed - (2) Direct questions were not provided however, appendix contains summary of discussions. Edited stimuli have the potential for bias and is unclear if further stimuli are used during the sessions.

Fit for Purpose - (3) Methodological techniques deemed appropriate for uncovering understanding and priorities from respondents, enabling research objectives to be met.

Inclusive - (2) Research included a range of audiences and socio demographics. However, there needed to be more inclusion of digitally excluded customers and/or discussion of the limitations of online engagement in relation to this.

Ethical - (3) Blue Marble is fully committed to adhering to the standards of the Market Research Society.

A03 - Portsmouth Water Barometer Wave 1 Report

Useful and contextualised - (2) The research aims to understand the awareness customers have, satisfaction and consumer priorities to focus on in the future regarding PW. Further aims also gauged

views on future resourcing options, this impacts business plan decision making moving forward including PR24.

Neutrally designed - (3) Questions asked to participants during the engagement, as well as the stimuli shown, are provided as part of the report which helps improve understanding of the context of the engagement. Quotes from participants are also provided throughout.

Fit for Purpose - (3) Large sample size of 700 for the customer panel, using a weighted system matching the known demographic profile of PW is appropriate for meeting research objectives.

Inclusive - (2) Research included different audiences and socio-demographics with precise details reporting group variances to different stimuli. Lack of inclusion of digitally excluded customers and/or discussion of the limitations of online engagement.

Ethical - (3) Blue Marble is fully committed to adhering to the standards of the Market Research Society.

A04 - Customer Advisory Panel Report 1

Useful and contextualised - (3) The purpose of the research and desired outcomes are explained under 'Background & objectives' with the aim of considering PW's vision statement pre wider consultation, gauging if its ambitious enough and aligns with customer priorities.

Neutrally designed - (3) Questions and quotes from participants are provided at the bottoms of each slide. Allowing for clarity when determining bias. Displayed use of quotations and data throughout the report.

Fit for Purpose - (3) The research sample size is appropriate. Focus groups and in-depth interviews are suitable for the stated objectives and provided the breakdown of those groups.

Inclusive - (2) Clearly demonstrates inclusion of a range of audiences, with different customer segments engaged e.g., household, non-household, future, vulnerable. However, no mention of digitally excluded customers being engaged.

Ethical - (3) Blue Marble is fully committed to adhering to the standards of the Market Research Society.

A05 - Portsmouth Water Barometer Wave 2 Report

Useful and contextualised - (2) The purpose of the research and desired outcomes are explained under 'Method & topic coverage' with the aim of considering future challenges and expectations, exploring the response to PW's draft vision. In addition, the research also prioritises the most pressing longer-term ambitions, top level views on generational investment and long-term bill profiling.

Neutrally designed - (3) Specific questions asked to participants during the engagement, as well as the stimuli given, are provided as part of the research which helps improve understanding of the context of the engagement. Quotes from participants are also provided throughout.

Fit for Purpose - (3) Large sample size of 574 for the customer panel, using a weighted system matching the known demographic profile of PW is appropriate for meeting research objectives.

Inclusive - (2) Research included a range of audiences demographically. Clearly recording variances in results, However, lacking methods to engage digitally excluded.

Ethical - (3) Blue Marble is fully committed to adhering to the standards of the Market Research Society.

A06 - Research with Vulnerable Customers

Useful and contextualised - (3) The research aims to understand the customer circumstances dealing with service providers, customer priorities, responses to bill support, metering and bill profile meeting. In turn impacting PW's decision making for future business planning including PR24.

Neutrally designed - (3) Slides reference impact of hot weather events on participants responses at the time. Some quotes from participants are provided. Effective use of quotations and data throughout the report.

Fit for Purpose - (3) Sample size of 18 is suitable for the in-depth interviews. Research methods were appropriate for developing a deeper understanding for objectives to be met.

Inclusive - (3) Research included a range of audiences and socio demographics. Some reporting of variances gathered from results. However, clear inclusion of digitally disengaged customers.

Ethical - (3) Blue Marble is fully committed to adhering to the standards of the Market Research Society.

A07 - Portsmouth Water Barometer Wave 3 Report

Useful and contextualised - (2) The purpose of the research and desired outcomes are explained under 'Method and topic coverage' with the aim of understanding customers financial situations moving forward, water saving habits, smart metering & related communication and water bill affordability & bill paying preference.

Neutrally designed - (3) Questions asked to participants during the engagement, as well as the stimuli given, are provided as part of the research which helps improve understanding of the context of the engagement. Quotes from participants are also provided throughout.

Fit for Purpose - (3) Large sample size of 601 for the customer panel, using a weighted system matching the known demographic profile of PW is appropriate for meeting research objectives.

Inclusive - (2) Research includes a range of audiences reporting variances throughout by social tariff eligibility. Lack of inclusion of digitally disengaged customers.

Ethical - (3) Blue Marble is fully committed to adhering to the standards of the Market Research Society.

A08 - Customer Advisory Panel Report 2

Useful and contextualised - (3) The purpose of the research and desired outcomes are explained under 'Background & objectives' with the aim the CAP focused on PW plan choices for the future with the research sought response to the main path in the adaptive plan model linking to the PR24 programme.

Neutrally designed - (3) Questions and stimuli are provided to determine any bias, non was recorded throughout. Effective use of quotes from participants displayed continually through the report.

Fit for Purpose - (3) Methodology split between 90-minute focus groups and 60-minute in depth interviews allowed insightful opinions to be gathered meeting the research objectives.

Inclusive - (2) Research included a range of audiences demographically. Some recording of variances in results, However, lacking methods to engage digitally excluded. Mention of including vulnerable customers.

Ethical - (3) Blue Marble is fully committed to adhering to the standards of the Market Research Society.

A09 - Future Customer Panel 2022

Useful and contextualised - (2) The research objectives are linked to the PR24 programme but are not clearly demonstrated.

Neutrally designed - (3) Specific questions and stimuli during the engagement are provided throughout. Enabling questions to be determined as having no bias. Effective use of quotes throughout.

Fit for Purpose - (3) Large sample size of 227 respondents for the online questionnaire and 20 respondents for workshops allowed research objectives to be met providing both qualitative and quantitative data to be gathered.

Inclusive - (3) Research provided ample variance in demographics based on target audience being future customers.

Ethical - (3) Blue Marble is fully committed to adhering to the standards of the Market Research Society.

A10 - Customer Advisory Panel Report 3

Useful and contextualised - (3) The research aims to use the CAP to consult customers on the development of support materials for the choices consultation survey. With wider aims engaging with long terms visions/plans for PW linking the research to PR24.

Neutrally designed - (3) Screenshot of stimuli are provided throughout the engagement helping improve the contextual understanding. Effective use of quotes from participants are provided throughout.

Fit for Purpose - (3) Sample size of 25 alongside the focus group and in-depth interview methodologies allow opinions to be gathered, to meet research objectives.

Inclusive - (3) Clearly demonstrates inclusion of a range of audiences, with different customer segments engaged e.g., household, non-household, future, vulnerable.

Ethical - (3) Blue Marble is fully committed to adhering to the standards of the Market Research Society.

A11 - Portsmouth Water Barometer Wave 4 Report

Useful and contextualised - (3) The purpose of this research and the desired outcomes are clearly explained under 'Method and topic coverage' they have aligned their research around gathering opinions on water bill affordability, the WRMP and support balancing different areas of the WRMP.

Neutrally designed - (3) Specific questions asked to participants during the engagement as well as stimuli shown are provided in the report which helps improve understanding of the context of the engagement. Quotes from participants are also provided throughout.

Fit for Purpose - (3) Large sample size of 434 water talk panellists with questionnaire deemed appropriate for research objectives to be met.

Inclusive - (2) Research included a range of audiences, including number of occupants per household and vulnerabilities. Limited discussion of those digitally disengaged. Research indicates the panel is self-selecting impacting inclusivity.

Ethical - (3) Blue Marble is fully committed to adhering to the standards of the Market Research Society.

A12 - Plan choices Quantitative Report

Useful and contextualised - (3) The purpose of this research and desired outcomes are clearly explained under 'Contents' exploring the quantitative data for PW's Choices consultation as well as Blue Marbles quantitative Plan Choices research.

Neutrally designed - (3) Questions asked to participants during the survey displayed along the bottom of the slides, as well as stimuli shown are provided in the report which helps improve understanding of the context of the engagement. Quotes from participants are also provided throughout.

Fit for Purpose - (3) Large sample size weighted for proportionality across customer base is appropriate with methodology well designed to meet research objectives.

Inclusive - (3) Research included a range of audiences displayed on slide 13 listing the survey details. Results gathered were also weighted for a representation of vulnerable and student customers. Variance by grouping was also demonstrated throughout.

Ethical - (3) Blue Marble is fully committed to adhering to the standards of the Market Research Society.

A13 - Customer advisory Panel Report 4

Useful and contextualised - (3) The research aims to gather the CAP opinions regarding PW's plans for delivering social value necessary for developing a successful 25-year business plan, linking back to the PR24 period.

Neutrally designed - (3) Stimuli provided throughout, establishing no evident bias within the relevant content. Effective use of quotes throughout.

Fit for Purpose - (3) Sample size of 24 using split methodology of focus groups and in-depth interviews enabled research objectives to be met.

Inclusive - (3) Range of audiences engaged displayed on 'Methodology and sample' slide. Inclusion of vulnerable and future customers. However, there was a lack of mention for digitally disengaged customers.

Ethical - (3) Blue Marble is fully committed to adhering to the standards of the Market Research Society.

A14 - Smart Metering - customer journey and hypercare

Useful and contextualised - (3) The research objectives were clearly stated at the start of the research paper explaining the need to understand customer opinions on preferences for smart meter services before, during and after installation.

Neutrally designed - (3) Good use of direct quotes from customer throughout, with stimuli presented alongside key findings however lacked the direct questions asked of customers.

Fit for Purpose - (3) Sample size of 51 deemed appropriate for qualitative research objectives to be met.

Inclusive - (3) Research involved a range of audiences to best represent PW customer base. Direct inclusion of digitally disengaged customers.

Ethical - (3) Blue Marble is fully committed to adhering to the standards of the Market Research Society.

A15 – Portsmouth Water Barometer - Wave 6 Report

Useful and contextualised - (3) Research aims and objectives from both quantitative and qualitative channels are demonstrated. Enabling insights to be gathered on key issues that feed into future planning phases.

Neutrally designed - (3) Question and stimuli given to participants are provided throughout the report alongside key findings, allowing no bias to be determined.

Fit for Purpose - (3) Sample sizes (578 total) deemed appropriate for both quantitative and qualitative methodologies to meet the adjoining objectives focusing on CSP borrowing cost + qualitative only LTDP.

Inclusive - (3) Inclusion of a range of audiences and demographics are present with any over/under representations weighted to match bill payers in the PW region.

Ethical - (3) Blue Marble is fully committed to adhering to the standards of the Market Research Society.

A16 – Portsmouth Water Hard to Reach Audiences Report

Useful and contextualised - (3) Key research objectives of the research were clearly explained linking back to PW's future planning exploring ways to improve customer experiences for those engaged.

Neutrally designed - (3) Stimulus used in the interviews were presented with no bias determined. Effective use of quotations were present throughout the research report.

Fit for Purpose - (3) Sample size of 26 was found to be suitable for the specificity and in depth research objectives to be effectively met.

Inclusive - (3) Inclusion of a range of harder to reach customers had taken place not only focusing on the digitally disengaged customer base, describing the different challenges each group face.

Ethical - (3) Blue Marble is fully committed to adhering to the standards of the Market Research Society.

A17 – Summary of PR24 customer engagement triangulation

[This paper was not used in the quality scoring assessment]

A18 - Quantitative Affordability and Acceptability Testing

Useful and contextualised - (3) The research is a direct requirement by Ofwat, with the context of the research providing insight into the different groups viewpoints on core areas focused on bill affordability and proposed plans for water supply services.

Neutrally designed - (3) Research was found to be neutral in design with stimulus readily available and questions posed to participants at the bottom of the slides which was determined to hold no bias.

Fit for Purpose - (3) Sample size of 715 was substantial enough to meet Ofwat guidelines and to successfully meet research objectives.

Inclusive - (3) Broad range of audiences engaged with availability to respond to questionnaire by letter makes certain digitally disengaged customer groups can participate.

Ethical - (3) Blue Marble is fully committed to adhering to the standards of the Market Research Society.

A19 - Qualitative Affordability and Acceptability Testing

Useful and contextualised - (3) The research is a direct requirement by Ofwat, detailed evidence of customer sentiment is displayed from a qualitative standpoint and a fundamental part of AAT testing.

Neutrally designed - (3) Stimulus and questions asked to participants are provided throughout the report alongside key findings and quotations , determining no bias to within the study.

Fit for Purpose - (2) Sample size of 58 narrowly missed the required sample size of 60 in accordance with the prescribed Ofwat guidelines.

Inclusive - (3) Broad range of audiences participated within the study, engaging with household, non-household, future, health vulnerable and economically vulnerable customers.

Ethical - (3) Blue Marble is fully committed to adhering to the standards of the Market Research Society.

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