

FAO: Mr Andrew White
CCW
23 Stephenson Street
Birmingham
B2 4BH

By email: Andrew.White@ccwater.org.uk

6 September 2024

Dear Andrew,

RE: Call for input – Improving the WaterSure Financial Support Scheme

Thank you for the opportunity to review and respond to the consultation CCW published on 17th July 2024 on proposals to improve the WaterSure financial support scheme.

Overall Yorkshire Water is supportive of the changes proposed, however we make some observations and propose additions that we believe will further help the customers who are targeted by the WaterSure scheme.

Expansion of the low-income criteria

Under the low-income proposals, we support the expansion of the benefits list to include disability benefits such as Personal Independence Payment and Disability Living Allowance. We note that often it is the disability which drives the customers requirement for atypically high water use. We therefore believe it would be beneficial for customers in receipt of these benefits to be included in the scheme. In relation to this we note that some customers can have a critical medical need for higher water use but are not in receipt of named benefits. As a result they may also struggle with higher water bills but do not meet the WaterSure eligibility criteria (as they do not meet the primary eligibility criteria of the relevant government benefit).

Customers with a significant contributing medical condition

Whilst we recognise that the WaterSure scheme cannot encompass all customers circumstances, we would like to see a mechanism adopted to allow customers with a significant contributing medical condition (e.g. terminal illness or short term

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Yorkshire Water Services Limited Western House Halifax Road Bradford BD6 2SZ
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requirement during treatment, such as chemotherapy) and regardless of income levels, to access this support. We would be happy to discuss workable options for such a mechanism with CCW.

Extending the age range for defining 'children'

In relation to changes in the make-up of families in households, we suggest CCW considers making an increase to the age of 'children' under the scheme from 19 to 21 years to cover the circumstances where children are still in education or continue to live in their family households. This would better reflect nationwide changes in both how long children stay in the family home - 51% of 20-24 year olds live with their parents according to the ONS Census 2021 data (up from around 44% in 2011) - and children staying in education or low/no earning training roles for longer. We would support including young people in apprenticeship roles as 'children' in the scheme and those young adults not in education or employment¹ within family households.

Use of company average metered bill

The proposed amendment of changing the WaterSure cap to the company average metered bill is one we support. As all customers premises must be metered for them to be eligible for WaterSure this would arguably be a fairer approach.

Discounting alternatives

We believe the alternative suggestion of a fixed discount would be unfair in the round to customers. Some medical conditions can require more water use than others, so a fixed value of discount would lead to differing beneficial positions across the range of customers circumstances which is hard to justify.

A model leading to the setting of variable discounts may be harder to implement in practice due to constraints in water company billing systems. We would include ourselves in that challenge. We also do not support a banded tariff approach as this is likely to closely replicate existing company social tariffs designs that have tried to address the gaps in the eligibility for the WaterSure scheme.

¹ According to the ONS, the total number of people aged 18 to 24 years who were NEET was 785,000 in 2023, up 19,000 on the previous year. The percentage of those aged 18 to 24 years who were NEET was 14.2% (up 0.3 percentage points on the year).



Further investigations and analysis

Based on the proposals CCW has put forward, we would like to see further activity. In particular we would welcome an investigation into how expanding the eligibility criteria for low income households would impact other social tariffs that are in use or planned for AMP8 to try and avoid significant overlaps in criteria or material inadvertent gaps in coverage of support that is to be provided to customers who need it most.

It is also clear that further investigation into a national single social tariff is warranted and, consistent with our views last year, Yorkshire Water would welcome opportunities to discuss this further with CCW and government. Any consideration of sweeping changes in the WaterSure scheme should only be made in conjunction with the real prospect for the development of a national social tariff scheme.

In the meantime, we support more pragmatic and practical improvements to the WaterSure scheme, such as moving to use the average metered bill benchmark.

We would be happy to talk with CCW more on this subject. In the meantime, should you have any questions about our response, please do not hesitate to contact me.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Richard Hepburn".

Richard Hepburn

Head of Regulation, Yorkshire Water