



All Party Parliamentary Water Group

Co-Chairs: Angela Smith MP and Baroness McIntosh of Pickering
Vice-Chairs: Neil Parish MP, Lord Bird and the Earl of Selborne GBE FRS
Treasurer: Luke Pollard MP

ANNUAL GENERAL MEETING

TUESDAY 27TH JUNE, 5.00-6.30PM, COMMITTEE ROOM 10, HOUSE OF COMMONS

1. Welcome

Baroness McIntosh chaired the meeting and welcomed attendees.

2. Election of Group Officers

Baroness McIntosh nominated Angela Smith as Chair. Angela Smith then took the Chair, and nominated Baroness McIntosh as Co-Chair. The nominations were seconded by Lord Selborne.

Angela Smith nominated Lord Selborne, Lord Bird and Neil Parish as Vice-Chairs, seconded by Lord Mackenzie. She then nominated Luke Pollard as Secretary seconded by Baroness McIntosh.

3. Income and Expenditure

Connect will continue to act as the APPG's Secretariat. The prepared income and expenditure statement was agreed. The current sponsors are as follows:

- Affinity Water
- Future Water Association
- Gemserv
- Northumbrian Water Group
- Plastic Pipes
- Water UK
- Wessex Water
- WWF

4. Future programme

The suggested topics for meetings – retail competition in September, better water resource management in October and skills for the future in December as well as the annual innovation reception in November - were agreed. There were two suggestions: first that the meeting in October on sustainability should be couched in OFWAT's terms, with reference to resilience; and secondly that the issue of cyber security is returned to by the Group in the New Year.

5. AOB

There was no AOB so the AGM was closed.

AFFORDABILITY IN THE WATER SECTOR

(Non-Verbatim Minutes)

The All Party Parliamentary Group's June meeting was on the topic of affordability in the water sector.

Guest speakers:

- Tony Smith, Chief Executive of the Consumer Council for Water
- Louise Beardmore, Director of Customer Service at United Utilities
- Teresa Perchard, Customer Challenge Group Chair at Affinity Water

Baroness McIntosh chaired the session, welcomed attendees and introduced the guest speakers.

In his contribution, **Tony Smith** said that significant progress has been made to improve affordability of water in recent years. However, CCWater research points to around 3 million households still considering that their water bill is unaffordable. The schemes currently in place can ultimately offer on-going help to approximately 600,000. Costs associated with bad debt add approximately £20 to every customer's bill.

He explained that all 21 water companies have social tariffs to help customers. The challenge for companies is increasing the take up of affordability measures, and targeting social tariffs at those who need them most. He said that customer support should be made more uniform to ensure consistency across the country, and improve accessibility for consumers.

He said that DEFRA must ensure that companies take steps to improve affordability, particularly with regards to availability, consistency and take up of social tariffs. He further questioned how the next phase of affordability measures will be funded, noting that water companies are coming to the end of their agreed funding.

Louise Beardmore said that affordability affects up to 50% of United Utilities customers. As such, the company has secured a commitment from its customers to provide social tariffs to 16,000 people.

The social tariff scheme has proven extremely popular, with United Utilities now looking at how else it can support customers who struggle to pay their bills. Other measures it has taken include a payment match scheme where customers pay £1 and the company another £1 to help clear arrears as well as having the only win-win tariff in the sector that sees customers' bills capped according to their income and level of arrears. The town action planning initiative allows the company to speak directly to customers in the most deprived areas and get them onto eligible schemes, including accessing a £5 million trust fund. United Utilities has also removed complicated eligibility criteria, and simplified the names of schemes.

She stressed that the industry should work to ensure that affordability measures are not dependent on a postcode lottery. She further highlighted problems caused by a transient population, and argued that there is a need for water companies to increase consistency across England and ensure that all those eligible receive the help they need regardless of where they live.

Theresa Perchard explained the role of the Customer Challenge Group. It provides an independent challenge to Affinity Water on the steps the company is taking to help its customers.

She then outlined the company's approach to affordability:

- Keeping prices low for everyone;
- Creating a social tariff scheme which helps 47,000 customers by capping bills;
- Installing 280,000 meters across the region;
- Offering practical support for people in debt;
- Introducing a rolling research programme on value for money and affordability.

Baroness McIntosh then opened the floor to questions and comments.

Lord Mackenzie said he was “*delighted*” with the measures taken by water companies to improve affordability. He then asked about the ways in which companies can sanction consumers who do not pay.

Louise Beardmore said that customers are pursued through legal processes but emphasised that no water company believes that supply should be cut off for domestic customers. She also highlighted that rehabilitation measures are important to help customers address long term payment challenges. **Teresa Perchard** added that Affinity Water avoid going to court if at all possible

Luke Pollard MP asked about the balance between affordability and necessary investment in infrastructure, highlighting that water Bills in the South West of England are very high.

Tony Smith said that water companies should invest at a pace that customers find acceptable, to ensure that significant price hikes do not occur.

Finally, **Angela Smith**, taking the Chair, said that water companies need to find a way of making sure water is affordable, but at the same time it is important that people do appreciate that clean water does not come at a zero cost.

Angela Smith thanked the speakers and all those who attended and the meeting closed.

The APPWG is sponsored by:

