

Mr David Black and
Ms Emma Clancy

Direct line: [REDACTED]

Email: [REDACTED]

By email

5 December 2022

Dear Emma & David

Thank you for your letter of 17 October.

As you know, Wessex Water has taken a lead on affordability support over many years. We set up effective partnerships with the debt advice sector back in 2005 and have worked with them and other expert advisors to develop an innovative package of measures (known as our tailored assistance programme or *tap*) to help customers afford their ongoing water charges, repay any debt and reduce water and energy use. Our support is tailored to customers' individual financial circumstances with those on the lowest incomes paying as little as £1 a week or less for their water services on our Assist tariff.

Like you, we are concerned about the enormous pressures on household finances from the growing cost-of-living crisis, particularly when many are still recovering from the impact of Covid. Next year's increase in water bills, albeit small compared to energy, will still be unwelcome.

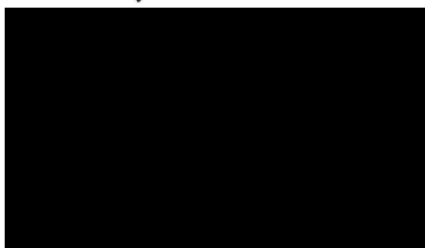
We have a fundamental belief that water and sewerage services should be affordable for all. We are currently supporting 55,000 households on *tap* and have made the following changes over the last few months:

- Deferring our ODI rewards but incurring ODI penalties next year, meaning our bills are increasing by less than inflation in 2023/24
- Fast-tracking up to another 60,000 customers onto our Assist tariff so they can benefit from discounts of up to 90% on their water bills quicker and easier
- Working with the Department of Work and Pensions to automatically apply a 20% discount to the bills of up to 55,000 low-income pensioners
- Widening promotion of our schemes using a variety of communication channels, imagery and wording customers have said will best encourage them to get in touch and building new partnerships with organisations to increase take-up
- Simplifying the application process for our schemes based on feedback we have received from customers through focus groups
- Injecting an additional £150,000 from outperformance into the debt advice sector, funding seven new projects across our region to directly increase capacity.

We will continue to work closely with our expert vulnerability advisory panel and our broader debt advice partners, to understand the changing needs of our customers (and their clients), the types of customers seeking help and the suitability of our affordability schemes. As yet, we have not seen any adverse trends in our early warning indicators, but the advice sector is definitely seeing a growth in the number of customers seeking help, many for the first time. We continue to keep CCW updated on our work through our regular liaison with them and we will continue to support Defra and CCW on the development group for the proposed single social tariff.

The appendix provides more information on some of the above, which I hope is helpful.

Very best wishes.



Colin Skellett
Group Chief Executive