

Walker Review

Constituents' views, from letters, emails, feedback forms and comments at an invitation only meeting.

Linda Gilroy MP
Constituents' response
August 2009

The following response is based on a special surgery I held for constituents who had contacted me about high water bills in the past.

It includes feedback from those at the meeting, along with comments made by emails and letters generated from publicity about the review, and from those who could not attend the meeting.

I also asked participants to complete a feedback survey and I would draw your attention to one quote from these in particular

*"We would remind the Government that whilst people whose income is below a certain level get financial help to pay their bills, which is right, there are many whose income isn't low enough to qualify for help, but who are not well off either, and who have to budget carefully in order to meet their outgoings. **We do feel we pay a high price for our water as a penalty for living here in the SW**"*

I think the recommendations in the interim report go some way to addressing the unfairness of our very high bills, but there is more that can be done and I hope these comments, made as they are by local water users, will help with that.

A handwritten signature in blue ink that reads "Linda Gilroy". The signature is written in a cursive style with a long, sweeping underline.

Linda Gilroy

Low Income Customers with high essential use

- 1.1 Support for capping help for those on WaterSure at national average bill (rather than regional average as at present)
- 1.2 Scheme needs to be better publicised and marketed by water companies and through other agencies such the Council and GPs and others who provide benefits advice
- 1.3 Some low income, high water users are in properties where a meter cannot be fitted a particular problem for tenants whose landlords (including social landlords) will not cover the cost of altering plumbing to accommodate meters. Whilst WaterSure does extend to cover these homes, this is not offered as a matter of course when setting the assessed charge (see Appendix A and B), and there should be a requirement to check on income levels and household eligibility automatically.
- 1.4 Need to extend WaterSure to cover those on Disability Living Allowance and Incapacity Benefit (see Appendix C and D), especially in high bill areas. Whilst the DLA may have an element for water bills included, this is only going to be for the average bill, and not reflect the extra charges paid by residents in areas like the SW

Low Income Customers with low or average use

- 1.5 Anchoring charges to the national average for those on Council Tax was seen as a very helpful measure. This should be administered as a discount on the water bill and not through Housing Benefit. This was seen as easier to administer, more meaningful to those receiving the discount, and as it is possible to receive Council Tax benefit and not Housing Benefit (home owners for example) fairer and more complete.
- 1.6 Given the problems that low income users who cannot have a meter fitted (see above) have experienced with WaterSure it is essential that any benefit/discount paid to those on Council tax benefit is also available automatically to those on assessed meter charges; and/or that landlords – particularly social landlords - are required (and supported) to make the adaptations necessary to make meters possible for their tenants.

High Bills due to Coastal Clean Up

- 2.1 Whilst supporting measures to reduce bills for those on low income, there was also a strong view that those on higher, but nevertheless modest, incomes, especially those that are just above benefit levels, and pensioners as a group, should also see a regional reduction in their bills. The feeling being that Clean Sweep was of benefit to the nation and the costs were shared by too few of the population. The area also has a significant retired population who may be asset rich but low in income.
- 2.2 The recent announcement that broadband extension to households in outlying/rural areas could be paid for by a national levy, seems to suggest that there is an understanding that those on the periphery should not have to pay more because of their geographical location.
- 2.3 There was concern that if national levies were introduced now that these should not mean the SW water payer being asked to pay for improvements in other areas. This would be a very unwelcome double whammy, but it was noted that there were significantly more people (who pay some of the lowest water bills to start off with) who would pay for the Thames Tideway work, and the SW was penalised for being both sparsely populated and highly coastal – and had been for 20 years.
- 2.4 There was nevertheless a view held by a significant number of those who attended the meeting that bills should be averaged out, with those paying less than average asked to pay more to bring down the bills of those over the average. One participant said that there should be a standard fee for a cubic metre of water and the same cost should be paid throughout the country. Several people suggested the best way to attain this was through renationalisation.
- 2.5 Profits made and paid to shareholders, and high salaries for executives, also came in for adverse comment, with water payers feeling that a cap should be put on dividends (1% over base rate) so that more funds could be reinvested back into water improvements. There was however recognition that many of the shares were held by pension and insurance companies, but it was felt that this area of the water companies business was not transparent and that maybe the water users should be gifted some shares and treated as shareholders.
- 2.6 It was suggested by a few participants (including some who shop around for energy suppliers) that competition by suppliers had brought

prices down in gas and electricity and that water should be opened up to allow a choice of supplier.

Reducing Bills by reducing usage

- 3.1 Energy Efficiency schemes like Warm Front which help all pensioners, low income families and areas of low income should be extended to cover efficiency measures that will reduce water usage and bills. This should be resourced to deal with large projects such as poorly sited and /or inefficient hot water boilers (cutting both energy and water bills), replacing of pipes, and fitting modern cisterns where the hippo brick has not worked.
- 3.2 This scheme to be extended to cover private tenants who can be left with high bills when landlords are not willing to take appropriate action.
- 3.3 There was general support for measures to improve education and access to water efficient devices and appliances and targeted help to low income households, but that this should be offered to pensioners without means testing. Given the predominant mature make-up of the group who participated this is perhaps not surprising, albeit they were often as concerned about the experience of younger family members as their own.

Compulsory Metering

- 4.1 The consensus was that meters should not be compulsory (although there were some who felt that a tipping point was reached and that until all homes were metered the charging system would remain unfair); but it was also felt that more should be done to make clear their benefits, especially in areas with high water charges where savings were easy to see.
- 4.2 A common concern expressed by some was that bills would go up to compensate ie as more people moved to meters the money currently paid by those on rateable value would need to be recouped somehow. It was felt that this would inevitably end up as a zero sum game and could not therefore be a solution to the South West issues.
- 4.3 Concern was expressed by non meter customers that they would have to make unacceptable cut backs in their water usage. Meter users however remarked on the saving made, and usually with little or no change in usage.

Strengthening Ofwat

- 5.1 Ofwat is currently seen as more supportive of the water companies than consumers, and concern that their decisions could be overturned by the companies – support for measures that would give a stronger duty to more clearly work in customer's interest and be accountable to customers.

Other Issues raised

- 6.1 **Sewerage charges (surface water drainage)** (see Appendix E) – these have recently changed to a flat rate for meter users in this area. SWW argue that the level of metered properties makes this necessary and Ofwat and Water CC have apparently agreed). The point was made by several participants that this disincentives those who are trying to cut down on water usage, and is unfair on small users of water. It should be possible for domestic users to pay surface water drainage based on usage and not on a flat rate, so encouraging people to save water as per Section 7 of the report.
- 6.2 **Paying for leaks** – in addition to the ability for private tenants to be able to take advantage of efficiency grants (see 3.3.2) Landlords should also be made responsible for water usage from leaks. This will provide a financial incentive for early repair and avoid tenants (often on very low incomes) bearing the burden on their own. (See Appendix G)
- 6.3 **Debt management** – concern that it was not already possible to take a named individual to court for non payment. This legal change to be made as soon as possible and wilful non payers to be vigorously pursued.
- 6.4 **Trickle Valves** – whilst wanting to see wilful non payers pursued, there was concern that the use of trickle valves would put pressure on neighbours/friends and relations asked to provide water on request. There was also concern that the non payers (often tenants) would simply move on and the water company would not recoup money, but would incur extra costs to fit and remove the valve.
- 6.5 **Severn barrage** – if this proceeds, who pays and will it have an affect on South West water availability/usage.

Appendixes

- A) Letter from constituent on assessed meter charge who had been told no possibility of lower bill.
- B) Reply from SWW following MP enquiry noting WaterSure does apply and sending details to constituent.
- C) Letter from constituent not able to apply for WaterSure as DLA not a qualifying benefit
- D) Reply from SWW noting that there is nothing further that can be done for constituent despite his obvious high water use and low income
- E) Email from constituent now paying more for sewerage than water.
- F) Reply from SWW noting change to sewerage costs to flat rate due to increased meter use
- G) Extract from constituent's letter noting issues caused by private landlords failing to deal with leaks
- H) Copy of slides used at my water special water meeting – with thanks to Anna Walker and her team for providing her slides which were adapted for use in my presentation.