



Policy in Practice

How water companies are  
closing the unclaimed  
support gap

Wednesday 25 October 2023

# Housekeeping

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- Audio check
- Please ask questions throughout
- Poll, downloads and a short survey
- Aim to finish by 11.45
- Slides and recording will automatically follow
- Follow us on Twitter [@policy\\_practice](https://twitter.com/policy_practice)



We believe in the  
power of technology  
and data to  
change lives



# Policy in Practice: What we do

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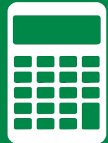
Policy

A team of professionals with extensive knowledge of the welfare system. We're passionate about making social policy work



Analytics

We help over 100 local authorities use their household level data to identify vulnerable households, target support and track their interventions



Software

Our benefit calculator engages over 10,000 people each day. We identify the steps people can take to increase their income, lower their costs and build their financial resilience



# Agenda

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- The outlook: water bills are rising and nearly £1 billion of water support is unclaimed
- Why support is unclaimed by millions of households
- How water bills vary across the country, creating regional differences
- Case study: How Northumbrian Water Ltd has improved its customer experience, identifying over £7 million in unclaimed support in just 7 months
- Software that can help
- Questions and answers



# Today's speakers

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**Janet Harkin**  
Chief Marketing Officer  
Policy in Practice



**Tylor-Maria Johnson**  
Senior Policy and Data  
Analyst  
Policy in Practice



**Lisa Connell**  
Customer Services Manager  
- Inclusivity  
Northumbrian Water Ltd



**Ed McNamara**  
Software Account Manager  
Policy in Practice



Poll: Why do you think water social tariffs  
are unclaimed?



# Tylor-Maria Johnson

## Policy in Practice





# Overview

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- New water company plans propose a 40% increase to household bills
- Over 5 million households are missing out on water bill support
- Review of water bills are calculated and how household water bills vary due to:
  - Whether the water or sewerage supply is metered or unmetered
  - Which water company and region the household is in
  - Where the household is in the UK
- Practical steps companies, councils and residents can do to help



# Water companies propose 40% increase to water bills

- Water [projected to increase](#) by 40% which is set to grow the average annual bill from [£450 to £680](#)
- OfWat is reviewing company plans for the [Price Review 2024](#). In some cases [has mandated some companies to lower bills](#)

## Average sewerage and water costs from 2023 to 2025

	Average bill in 2023 - 2024	Average bill in 2025*	Difference in price
Water	£215	£326	+ £111
Sewerage	£233	£354	+ £121
Total	£448	£680	+ £232

[Discover Water](#): Annual bill, average annual water and sewerage charges across England and Wales households  
\*Forecasted total sewerage and water bill taken from the Guardian. Water and Sewerage bills by Policy in Practice, based on the anticipated 40% increase in water prices for 2024 -25. Sewage costs are typically 52% of the average water bill, whilst water costs typically make up 48% of the water bill.



We estimate that **5,714,000** households  
are eligible for but not claiming  
**£900 million** of water social tariffs  
every year



# Why is so much water support unclaimed each year?

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Low awareness and complexity of eligibility criteria means that £900 million in water support is unclaimed

OfWat reported in May 2023:

- 3 in 10 customers were aware of financial support available from their water company
- Only 7% of customers reported having received financial support



# Water bills can vary based on metered or unmetered rates

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- **Fixed rate:** This is based on a property's Rateable Value. This rate is based on the letting value of your property up to 1990
- **Metered rate:** 'Volumetric charge' based on how much water a household uses
- **Assessed rate:** If your household is unable to have a water meter fitted you will have an assessed water charge based on the type of property, number of occupants, and the average water bill of the company



# How water companies compare

## Water and sewerage standing charges



Water standing charges  
**£25 to £50**

Sewerage standing charge  
**£60 to £110**

Average annual bill 2024  
**£680**

## Social tariffs



Least generous schemes offer  
**15 %** off household bill

Most generous schemes offer  
**100%** off household bill

**6** offer price caps

**All** offer WaterSure Tariff

## Debt Support



**All** offer WaterDirect

**All** offer payment plans or breaks

**9** offer Restart or Matching Payment scheme

**9** offer hardship funds to clear debts



## Water bills to jump by 40% yet £900 million of water social tariffs unclaimed

October 24, 2023

Tylor-Maria Johnson

Water bills will soar by 40% this winter yet £900 million of social tariffs is unclaimed a year. Read how data analysis is helping

[READ MORE](#)



# Different support can affect low income households

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- Companies have the flexibility to design discount schemes to address local needs
  - Each company can survey customers about their tariffs through willingness-to-pay research, and then set rates accordingly
- Regional differences in support can create postcode lotteries for the available support and unequal conditions for access to this support



# Water bills vary based on the part of the UK the household is in

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- **England and Wales:** The water or sewerage company a household uses is based on location
- **Scotland:** Water is provided mainly by Scottish Water. The costs are included in Council Tax bills. Households claiming Council Tax Support may also receive a reduction of up to 35% on their water and sewerage bills
- **Northern Ireland:** Water is provided by Northern Ireland Water, a government owned company since 2007. There are no advertised tariffs





# How to tap into cost savings approaches to water bills

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- **Councils:** Begin conversations with water and sewerage companies about social tariffs, and remove customer action to apply
- **Companies:** Increase operations capacity with a benefits calculator
- **Households:** Call your water or sewerage company for social tariffs and debt support



Lisa Connell  
Northumbrian Water Ltd



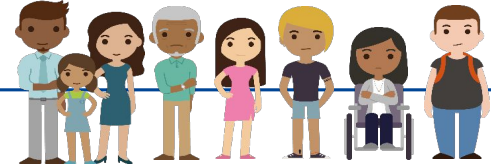
# **POLICY IN PRACTICE**

## **IMPROVING CUSTOMER EXPERIENCE**

# POLICY IN PRACTICE – IMPROVING CUSTOMER EXPERIENCE

## AGENDA

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- Overview of NWL
- Support available
- Current position
- Challenges for us and customers
- What we have delivered
- Customer benefits

# NORTHUMBRIAN WATER LTD



## **NORTHUMBRIAN WATER** *living water*

- 2.7m customers
- Water production and distribution
- Sewerage and wastewater treatment



## **ESSEX & SUFFOLK WATER** *living water*

- 1.8m customers
- Water production and distribution

### WATER

- 44 impounding reservoirs
- 57 water treatment works
- 344 water pumping stations
- 338 water service reservoirs
- 25,545km water mains (16,000 miles)

### SEWERAGE

- 418 sewage treatment works
- 765 sewage pumping stations
- 29,724km (18,000 miles)

### PEOPLE

- 3,000+ employees

### OUR PURPOSE IS



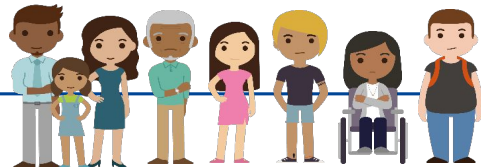
Caring for the essential needs of our communities and environment, now and for generations to come.

We do this by providing reliable and affordable water and wastewater services for our customers.

We make a positive difference by operating efficiently and investing prudently, to maintain a sustainable and resilient business.

# POLICY IN PRACTICE – IMPROVING CUSTOMER EXPERIENCE

## HOW WE CAN HELP CUSTOMERS



### Flexible payment plans

Set up a payment plan with payments you can afford. You can also choose when to pay

[Set up a payment plan](#)



### Water Direct - using benefit payments

Water Direct can help you pay your bill direct from your benefits

[Apply now](#)



### Payment breaks

A payment break can help if you've lost your job or had an unexpected change in income

[Apply now](#)



### Bill cap scheme - WaterSure

If you have a water meter, receive benefits, and either have a large family or someone has a medical condition and use lots of water, we'll cap your water bill

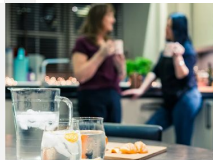
[Apply now](#)



### Low income discount

If your household income is less than £17,005 or you receive Pension Credit? You can receive up to 50% off your bill

[Apply now](#)



### Debt support

We can refer you to our free debt advice and support organisations to help you manage any debt

[Find out more](#)



### Benefit checker

Check to see if you're receiving all the benefits you're entitled to. You may be able to get more help from the Government

[Try Policy in Practice's calculator](#)



### Money and mental health advice

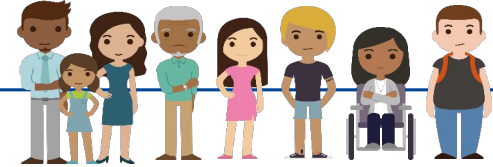
We can offer advice and support, especially if you're feeling stressed and anxious about money

[Find out more](#)

The screenshot shows the NW Living Water website interface. At the top left is the logo 'NW living water'. At the top right are icons for a user profile and a menu. Below the header is a large image of a hand touching a tablet. On the right side of this image is a 'Chat' button. Below the image is the heading 'Eligibility checker' and the text 'Find out which of our financial support schemes you may be eligible for'. At the bottom is a blue button with a smiley face icon and the text 'Eligibility checker'.

# POLICY IN PRACTICE – IMPROVING CUSTOMER EXPERIENCE

## WHERE WERE WE?

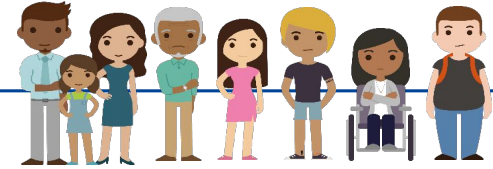


- Customers not sure what they were eligible for
- Lack of understanding of eligibility criteria
- No online option to apply
- Different criteria by water company
- Concern of security of information shared
- Difficulty to source data
- Poor customer experience
- Inefficiencies when reviewing applications
- Promoting Policy in Practice for income maximisation



# POLICY IN PRACTICE – IMPROVING CUSTOMER EXPERIENCE

## WHAT WE DELIVERED?



- Online option for customers
- Instant decision on eligibility
- Enhanced Policy in Practice tool for one stop assessment
- Assess for cross over sewerage companies
- Income maximisation as part of application
- Improved customer experience
- Reduction in repeat contact

### Water Charges

#### Automatically eligible for PSR?

Discuss the Priority Services Register and ask if they would like to sign up.

Different water or sewerage area?

	Water	Sewerage
You are billed by:	Essex and Suffolk	Anglian
Standard monthly charge:	£16.29	£22.13
Recommended tariff name:	Low Income Pensioner Discount	Extra LITE
Recommended tariff value:	£8.15	£11.07
Discount awarded:	50% discount	50% Discount
<b>Total annual savings:</b>	<b>£230.40</b>	

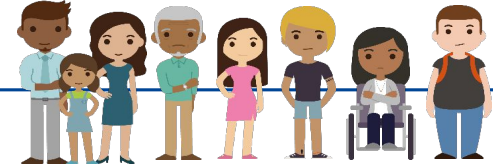
[Tariff Information](#)



# POLICY IN PRACTICE – IMPROVING CUSTOMER EXPERIENCE

## CUSTOMER BENEFITS

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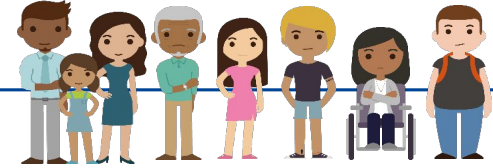


- 5,417 customers in 7 months
- 96% Eligible for benefits
- £7.2 million benefits identified
- £1,387 average per household
- Personalised solution for each customer
- Promotion of PSR

# POLICY IN PRACTICE – IMPROVING CUSTOMER EXPERIENCE

## NEXT STEPS

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- Expanding application options for customers
- Sharing application directly to Anglian Water
- Expand affordability schemes

**ANY QUESTIONS?**

# Ed McNamara

## Policy in Practice



# Better Off Calculator to maximise income



**NORTHUMBRIAN WATER** *living water*

Submit application

## Financial Support Assessment

Household details | Property details | Income and earnings | Results | Benefits check

### We're here to help

This form will ask questions about you, your household, and income. We'll use this information to let you know if you're eligible for a discount on your water bill and/or payment plan. You'll also find out if you're eligible for any support from the government.

Once you've completed all the questions, please click 'Submit application' so that we receive the information.

### Consent notice

How we use your information  
Northumbrian Water will use the information you provide to assess your eligibility for our financial support packages such as tariff discounts, setting or

### Quick summary

Household details

Property details

Income and earnings

Results

Benefits check

Current situation average [Edit](#)

£368.74

Total income

Need help?

- Self serve
- Empower customers with financially sustainability
- Deal with rising demand for help and customer arrears



# Bespoke application form tailored to your organisation

Water Costs

Does your property have a water meter?

Yes  No

▶ [Find out more](#)

Do you qualify for Surface Water Drainage discount?

Yes  No

▶ [Find out more](#)

Do you have an outstanding balance on your account?

Yes  No

▶ [Why is this needed?](#)

[Back](#) [Continue to enter income and earnings](#)

- Model all vulnerable customer support into a single universal application
- Streamlined intelligent questioning for easier completion
- Customisable branding that fits with your look and feel



# Accurate and comprehensive income maximisation

The screenshot displays a user interface for income maximisation. On the left, a large orange box highlights the average monthly income as £2164.47, including benefits and wages. Below this, text explains that household information indicates a new benefit claim for Universal Credit and provides a link to see results under the Legacy system. It also notes that the amount does not show deductions for sanctions or overpayments. Further down, it states that rent is 73% of household income and checks eligibility for the Priority Service Register. A section for 'Average income breakdown' shows a breakdown for Universal Credit at £2006.25, with a link to 'How we worked it out', and 'Child benefit' listed below. On the right, a 'Quick summary' section shows 'Household details', 'Property details', and 'Income and earnings' all with green checkmarks. A 'Results' button is visible. Below this, a 'Current situation average' table shows 'Total income' at £2164.47 and 'After costs' at £510.25, with an 'Edit' link. There are radio buttons for 'Weekly' and 'Monthly' (selected). An 'Action plan' section has 'Add actions' and 'Show actions' buttons. At the bottom right, there is a 'Need a bank account?' section with explanatory text and a 'Need help?' button.

**Your average monthly income is**

**£ 2164.47**  
including any benefits and wages

Your household information indicates that any new benefit claim will be for Universal Credit.

[Click here](#) if you would like to see the results under the **Legacy system**.

This amount does not show any deductions from your benefits as sanctions, as repayment of overpayments or loans, or as payment to your landlord.

For your information, your rent is 73% of your household income

Is this customer eligible for the Priority Service Register?

Disability Benefits (PIP, DLA and AA), Child Benefit, Tax Credits and Pension Credit are usually paid four weekly therefore the amount you receive may differ to what you see on the calculator. You can choose to view weekly amounts using the buttons on the right.

**Average income breakdown**

Breakdown for Universal Credit

Universal Credit  
£2006.25  
▶ [How we worked it out](#)

Child benefit

**Quick summary**

Household details ✓  
Property details ✓  
Income and earnings ✓

**Results**

Budget

**Current situation average** [Edit](#)

£2164.47	£510.25
Total income	After costs

Weekly  Monthly

**Action plan**

**Add actions**

Show actions

**Need a bank account?**

When you have a basic bank account, you'll be able to use it for collecting your benefits and any other income.

**Need help?**

- Includes all statutory benefits, legacy and Universal Credit
- Support often neglected groups such as students and non-UK nationals
- Create tailored actionable steps for customers



# Additional cost of living supports and grants flagged up

## 20 Additional support

### Help with your bills

- ▶ [Cheaper broadband and mobile packages](#)
- ▶ [Warm Homes Discount](#)
- ▶ [Help with increased utilities costs](#)
- ▶ [Cold Weather Payment](#)
- ▶ [Energy Bill Discount](#)
- ▶ [Severn Trent Social Tariff](#)

### Help with your Council Tax

- ▶ [Single Persons Discount for Council Tax](#)
- ▶ [Council Tax Reduction](#)

### Help with other costs

- ▶ [Free Prescriptions](#)
- ▶ [Cost of Living Payment](#)
- ▶ [Energy Grants: Energy Company Obligations](#)
- ▶ [Energy Grants: Sustainable Warmth](#)

### Help if you have children

- ▶ [Healthy Start](#)

### Help with education and working

- Show extra support tailored to individual circumstances so people see what they're eligible for
- Triage support, collaborate with private and public sector partners
- Provide holistic income maximisation support to give your customers the best chance to boost their income





# Integrate with your existing process via our API

How many children in your household?

2

[Find out more](#)

What best describes your housing?

Renting from a private landlord

Monthly take home income (after tax, excluding benefits)

£ 1500

Savings

£ 0

[Find out more](#)

**You may be eligible for up to:**

**£1107**  
in benefits per month

This is only an indication based on the information above.  
You should complete a benefit calculation for a more accurate estimate.

[Click to complete free benefit calculation](#)  
It only takes 10 minutes

- Seamlessly integrate the Better Off Calculator into your existing webforms
- Open banking opportunities to give customers a wider view of their finances
- Integrate with your internal CRM and portfolio analysis



# Data porting and the Better Off Calculator network

Apply now **1**

Help with your water bill

Your water company offers discounted bills for customers on low incomes or receiving benefits. Answer a few additional questions to apply now.

[Apply now](#)

**3** Important things

- [More information about claiming Universal Credit](#)
- [Council Tax support warning](#)
- [Managed Migration: Transitional protection](#)

**24** Additional support

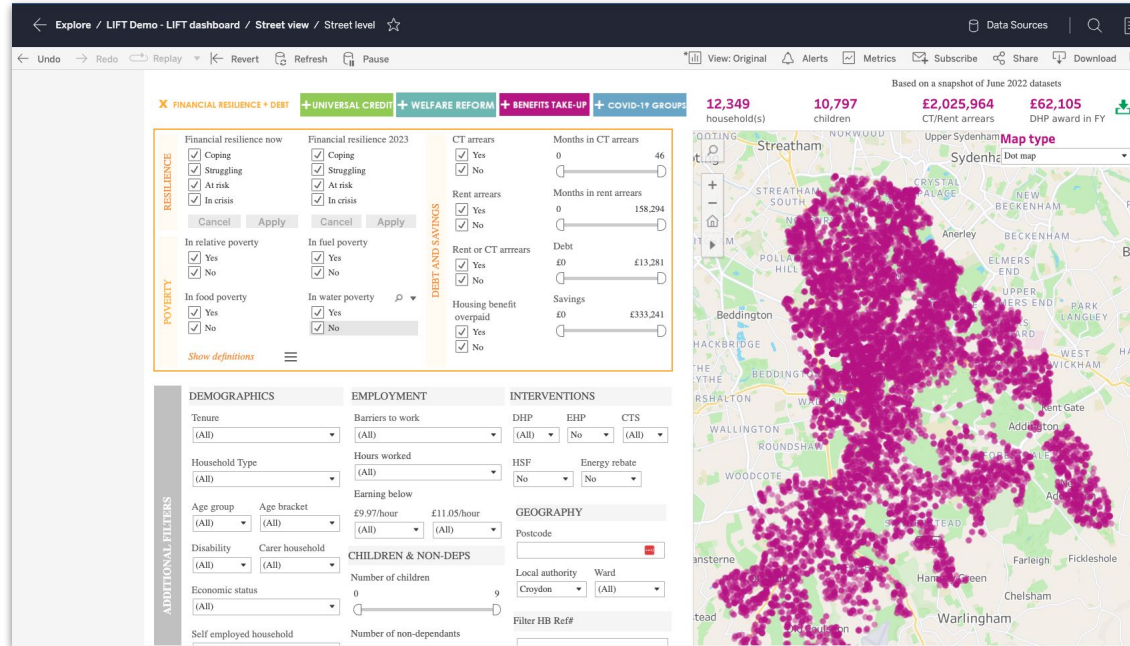
Help with your bills

- [Cheaper broadband and mobile packages](#)
- [Warm Homes Discount](#)
- [Help with increased utilities costs](#)

- Raise awareness of your support schemes to our 2.5 million Better Off Calculator users
- Collaborate with our Better Off Calculator partners across multiple sectors
- Passport customer information to your triage support services for a smoother customer journey



# Using LIFT for proactive targeted support



- Collaborate with our local authority LIFT network
- Model support onto our LIFT platform
- Identify previously unknown vulnerable customers



# Water must not be the forgotten utility in the cost of living crisis

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- Water companies are proposing to increase household water bills by 40% under Price Review 2024, rising the average annual bill from £450 to £680. They vary across the country based on metered or unmetered rates, location and water company
- At the same time, over 5 million families are missing out on £900 million in water bill support every year. Low awareness and complex administration of support schemes contributes to unclaimed social tariffs
- Northumbrian Water Ltd is successfully tackling this by improving its customer experience. It has identified over £7 million in unclaimed support in just 7 months using Policy in Practice's Better Off Calculator
- Councils, water companies and households can take steps to make water bills more affordable. Smart data solutions can help



# Questions and answers



# Next steps

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Take our very short survey when the webinar ends to:

- Give us feedback (thank you) and ask further questions of our speakers
- Request a follow up call to chat about how our solutions could help you

Register for our next webinars (all from 10.30 to 11.45):

- **Reducing barriers to work using data led employment campaigns** with Haringey Council on Wed 29 Nov
- **12 months of policy: our review of 2023** with our policy experts on Wed 6 Dec
- **How the debt sector is connecting people to support** on Wed 31 Jan 2024

Watch: [Better Off Calculator](#) to support budgeting and maximise income

Watch: [LIFT](#) to identify vulnerability, target support and track change

Download: product brochure



# Thank you

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