



Department
for Environment
Food & Rural Affairs

The Rt Hon George Eustice MP
Secretary of State for Environment,
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Rt Hon Stephen Timms MP
Work and Pensions Committee
House of Commons,
London,
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21 December 2021

Dear Stephen,

Thank you for your letter dated 18 November regarding the Consumer Council for Water's (CCW's) Affordability Review and the pilots that have emerged from the Review. Before I respond to your questions, I would like to clarify that the 12 pilots have been established by 10 water companies to trial nine of the recommendations set out in the CCW's Review and are independent of Defra. The pilots are coordinated and monitored by CCW.

1. What are the approaches that the pilots are testing?

The 12 separate pilot schemes are trialling approaches to:

- a) Developing a simplified application processes for support schemes (Wessex Water)
- b) Making information about financial support more visible (Dŵr Cymru Welsh Water; South Staffs & Cambridge Water)
- c) Developing a framework for understanding communities (Severn Trent Water; Yorkshire Water)
- d) Forging stronger links between water efficiency and affordability strategies (Thames Water)
- e) Exploring the development of a single online support hub (Northumbrian Water)
- f) Payment flexibility (United Utilities)
- g) Helping customers awaiting Universal Credit awards (South Staffs & Cambridge Water; United Utilities)
- h) Promoting financial support to those registering for Priority Services (Affinity Water)
- i) More frequent billing (Southern Water)

More information can be found on the CCW website: www.ccwater.org.uk/affordability-review/affordability-review-pilot-scheme/

2. When did the pilots start, and for how much longer will they continue?

Most of the pilots started in April 2021. The end dates for the pilots vary: Dŵr Cymru Welsh Water have concluded their pilot, Thames Water will conclude in December and the remaining pilots will conclude in the Summer of 2022.

3. What findings has the Department seen from these pilots so far?

Minister Pow was recently informed of the progress of the pilots at a meeting with Emma Clancy and Rob Light on 16 November 2022. At the second meeting of the Pilot Support Network in early November, which was attended by Defra officials, water companies provided a verbal update on the progress of the pilots.

The pilots have generated significant interest across the water sector and with Government departments. The majority of the pilots are still in early implementation stages and therefore outcomes have not yet been assessed, with the exception of Dŵr Cymru Welsh Water. Following the completion of its pilot, Dŵr Cymru Welsh Water recommended companies use messages on envelopes to raise awareness of financial support to customers. While Dŵr Cymru Welsh Water had not yet seen a statistical increase in take up in response, they believe it is early days and will be implementing this approach permanently. Dŵr Cymru Welsh Water will share their findings going forwards to encourage other companies to adopt this relatively simple change, to raise awareness of financial support.

4. What is your plan for evaluating the success of these pilots? When do you expect to make a decision on the next steps to take?

CCW and the 10 water companies are leading these pilots and they will evaluate their success and share learning with other water companies. All companies are being invited to the next pilot workshop in February, so early learnings can be shared. CCW plans to publish a “one-year-on” report in Summer 2022 which will evaluate the progress made on all ten recommendations of its Affordability Review. Reports on nine of these recommendations will centre on the success of the pilots.

5. What would be the resource implications for the Department of extending the approach taken in these pilots to other water companies?

The pilots are funded by water companies and any costs related to the extension of new approaches would be funded by the water companies.

6. The CCW has suggested that the data made available by DWP to water companies could be improved, to better allow water companies to identify customers that may be eligible for support. Are there any plans to do this? If not, why is that?

Eight water companies have established data sharing agreements with the Department for Work and Pensions (DWP) under section 38 and 39 of the Digital Economy Act 2017. The

water sector and DWP are working together to roll out agreements with the remaining companies. The initial data shares provided data matching for water customers in receipt of benefits and this is now being extended to customers in receipt of universal credit. In addition, DWP are liaising with HMRC on whether household income data could be used for data matching.

I hope you and the committee find this information helpful.



RT HON GEORGE EUSTICE MP



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Rt Hon Dr Thérèse Coffey MP
Secretary of State
Department for Work and Pensions

18 November 2021

Dear Thérèse,

In May 2021, [the Consumer Council for Water \(CCW\)](#) published the findings of its review of affordability support for financially vulnerable water customers. This review was commissioned by the Government to make recommendations leading to the elimination of water poverty.

The main finding of the CCW's review was that "despite the wide range of additional support available, millions of customers are missing out on getting help because they're simply not aware of what help is available". It said that "even those who are aware of what's on offer can find it difficult to access the support".

Accordingly, the CCW's key recommendation was for improved customer data and data sharing, which it calls "two key ways in which water companies can take a more holistic view of individual customers' circumstances, and adopt a more proactive approach to providing them with advice and assistance."

I understand that in response to this recommendation, the Department has set up some pilot schemes. I would appreciate if you could answer the following questions.

- 1. What are the approaches that the pilots are testing?**
- 2. When did the pilots start, and for how much longer will they continue?**
- 3. What findings has the Department seen from these pilots so far?**
- 4. What is your plan for evaluating the success of these pilots? When do you expect to make a decision on the next steps to take?**
- 5. What would be the resource implications for the Department of extending the approach taken in these pilots to other water companies?**
- 6. The CCW has suggested that the data made available by DWP to water companies could be improved, to better allow water companies to identify customers that may be eligible for support. Are there any plans to do this? If not, why is that?**

Yours sincerely,

Rt Hon Stephen Timms MP
Chair, Work and Pensions Committee