
People Living in Water Poverty and Fuel Poverty



Action for Warm Homes

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Our Work Programme

Principle Aim:

To eradicate water poverty by 2030

Programme Pillars:

Consistent
Measurement

Tailored
Support

Managing
Consequences

Water
Efficiency

Supported by:

Research

Engagement

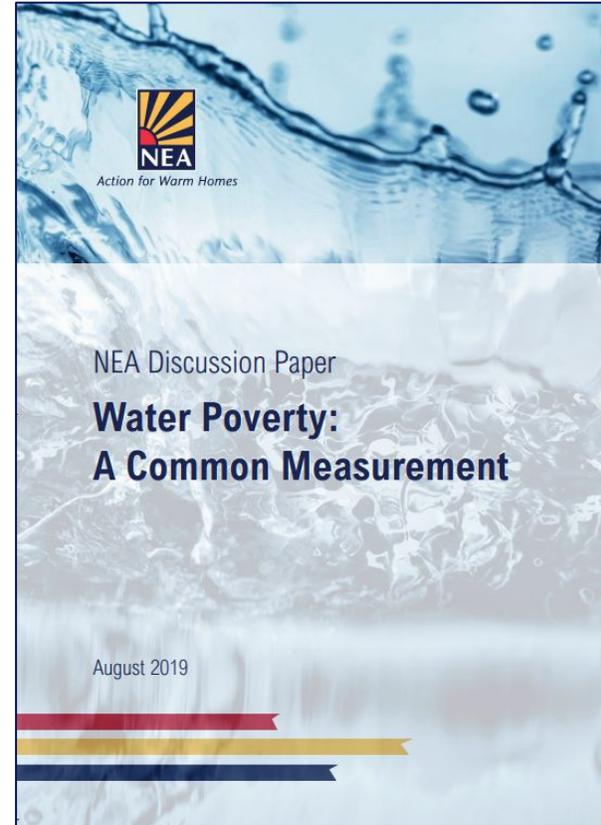
Delivery

Consistent Measurement

- Eradication by 2030 is only achievable if we are all working towards the same goal
- Must be an absolute measure to achieve eradication, not relative
- Other industry-wide projects looking to ‘define’ water poverty, including:
 - Water UK, Public Interest Commitment
 - UKWIR, Big Questions
- Digital Economy Act offers a definition in legislation:

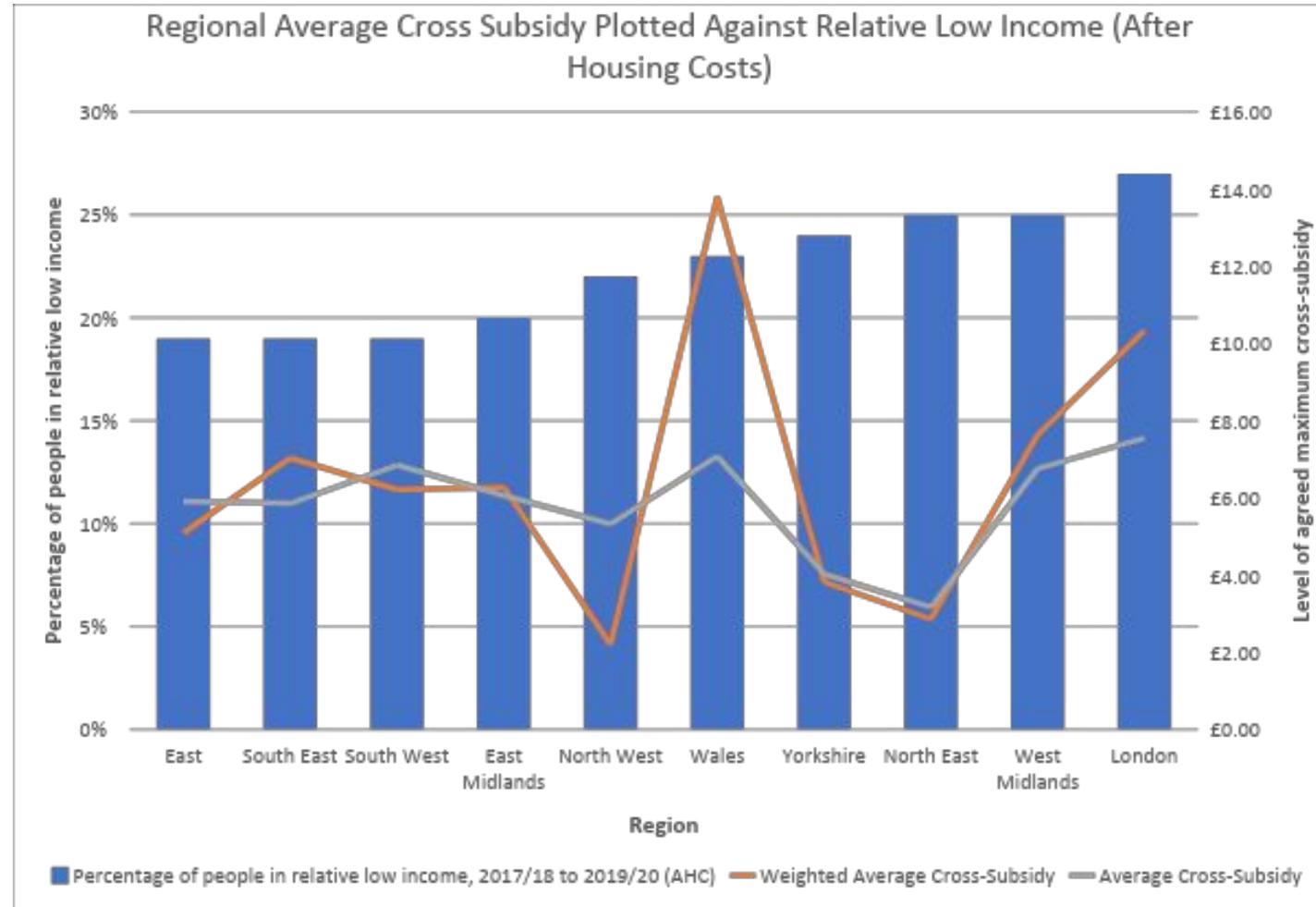
*“a member of a household living on a lower income in a home which –
(a) Cannot be supplied with water at a reasonable cost, or
(b) Cannot be supplied with sewerage services at a reasonable cost.”*

NEA supports a 3% bill-to-income ratio, in line with the Minimum Income Standards



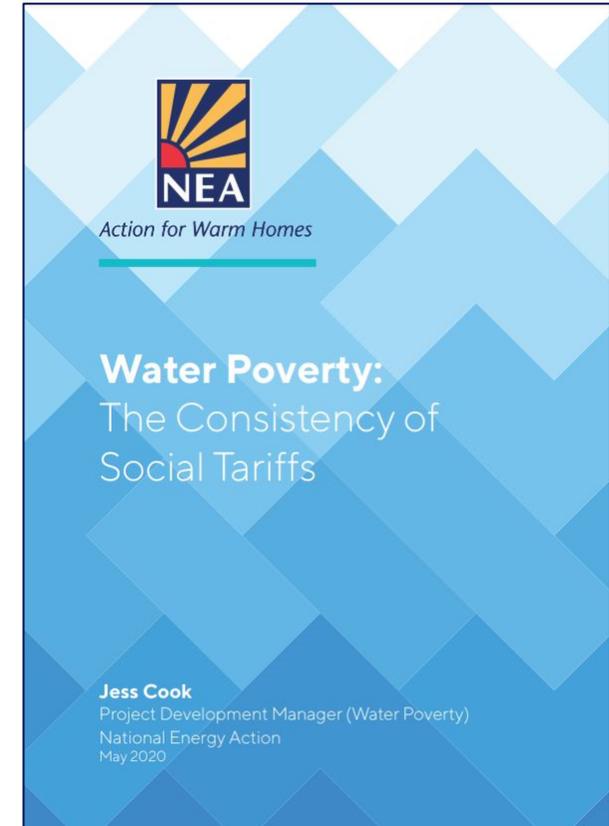
Tailored Support

- Social tariffs considered the main mechanism for affordability support in water
- Each water company has their own social tariff with different eligibility criteria and support levels, designed according to agreed customer cross-subsidy
- Cross-subsidies agreed in willingness-to-pay research and are not linked to overall need; they've resulted in a postcode lottery of support
- Cross-subsidies currently range from £1 to £15 a year, and discounts range from less than 10% to 90% of the combined water bill



Tailored Support

- Support needs to be wider than social tariffs and it needs to support people at the earliest possible opportunity – prevention is better than the cure
- Households should not have the support they need limited by where they live and the companies they are served by
- NEA has welcomed and supported the CCW independent review of water affordability support, commissioned by Defra and Welsh Government in Autumn 2020
- We believe support must be:
 - Accessible to all
 - Support the worst first
 - Funded in a manner which does not disproportionately affect low-income households
 - Maximise data sharing opportunities and the powers of the Digital Economy Act

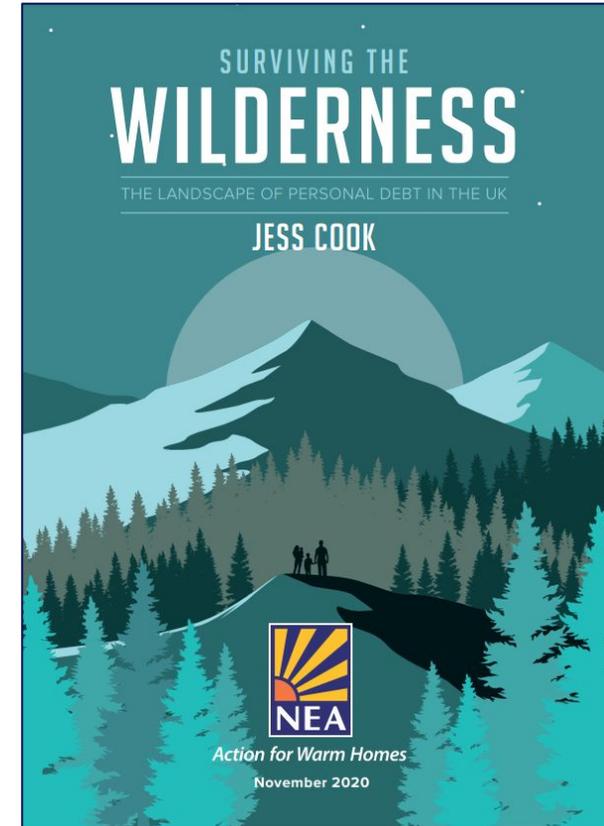


Outcomes of the CCW Independent Review of Affordability Support to be published on 26th May 2021 – www.ccwater.org.uk/affordability-review/

Managing Consequences

- Restricting water use in an attempt to save money (self-rationing) impacts on both physical and mental health and wellbeing, can be socially isolating, and has impacts on other areas of life (including other aspects of poverty)
- Water cannot be disconnected, so is often considered a non-priority debt. Some people don't know their supply can't be disconnected
- It can therefore often be the first to be defaulted on (the canary in the coalmine?) so could be an early identifier of financial difficulty
- Some companies offer excellent support services for those in debt – again, not consistent across all companies. More can be done to improve cross-sector support too

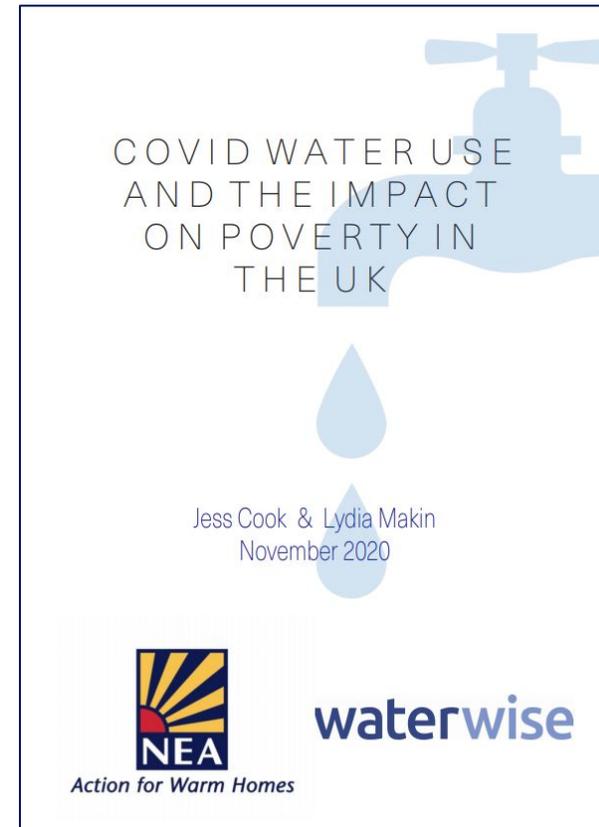
NEA supports a cross-utility approach to managing the consequences of financial difficulty and debt, aligning guidelines and ability to pay principles, and improving identification through data-sharing



Water Efficiency

- As we move to a greener world, water, and the heating of water, becomes extremely important in the decarbonisation agenda, and delivering energy and water efficiency measures together is vital to reaching net zero
- While water efficiency may not ‘lift’ a customer out of water poverty in the same way energy efficiency can for fuel poverty, it can still result in significant savings on customer’s bills
- Higher-cost water efficiency measures need to be made available to those in need to have the biggest impact. This could include rainwater harvesting, or more water efficient appliances. Grant funding options should be offered to make these measures accessible

NEA supports a joined-up approach to providing both water and energy efficiency advice and services, and would like to see households with affordability issues targeted for support, not just those with the highest consumption levels



Any Questions?



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