



Wessex Water Services Ltd
Assurance Statement for the
2024-25 Household Charges Scheme

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Introduction

Our Household Charges Scheme sets out the charges that, in the absence of any contractual agreement, our household customers must pay for services we provide in the course of carrying out our water and sewerage undertaker duties.

Our Household Charges Scheme sets out the terms and conditions of those charges and sets out the times and method of payment that our customers can use to pay them. This statement provides assurance from the Wessex Water Services Ltd Board of those Household Charges. Both documents are available on our website¹.

Under the Water Industry Act 1991, our Household Charges Scheme for 2024-25 must comply with the Charges Scheme Rules issued by Ofwat in December 2022 (“the Charges Rules”). In addition, the Charges Scheme should comply with our obligations under our Operating Licence and law.

Board ownership

The Board owns and is accountable for the development of the Household Charges Scheme.

On 24th July 2023, the Board considered and approved the strategy for customer charges and the associated governance processes.

On 25th September 2023, the Board considered proposals for changes to charges policies to be implemented from 1 April 2024.

On 27th November 2023, the Board confirmed the decisions above and considered an analysis of expected bill changes.

The Board further confirmed that to the best of its knowledge and belief the Ofwat Assurance Requirements were met and duly approved the signing of this Assurance Statement.

The Board therefore authorised the Company’s Chief Finance Officer to sign-off of the final Assurance Statement, Charges Scheme and Statement of Significant Changes.

¹<https://www.wessexwater.co.uk/our-charges>

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Assurance Statement

In making this Assurance Statement, the Board has considered the requirements set out by Ofwat in its Charges Scheme Rules and confirms that, to the best of its knowledge and belief:

1. The Company complies with its legal obligations relating to the charges set out in its Charges Scheme;
2. The Board has assessed the effects of the new charges on customers' bills for a range of different customer types, and approves the impact assessments and handling strategies developed in instances where bill increases for particular customer types exceed 5%;
3. The Company has appropriate systems and processes in place to make sure that the information contained in the Charges Scheme and additional information is accurate;
4. The Company has consulted the Consumer Council for Water (CCW) in a timely and effective manner on its Charges Scheme.

In addition, the Board considers the charges consistent with Ofwat's Charges Scheme Rules.

The Board has made this statement based on the information available to it at the current time.

The Board authorised the Company's Chief Finance Officer to sign the final Assurance Statement, Charges Scheme and Statement of Significant Changes.

Signed



Date 29.01.2024

Andy Pymer
Chief Finance Officer
(On behalf of the Board)

Board considerations

In making this Assurance Statement the Board has considered the following requirements set out by Ofwat in its Charges Scheme Rules (“the Ofwat Assurance Requirements”):

1. The Company complies with its legal obligations relating to the charges set out in its Charges Scheme;

A review by the Company’s technical assurance provider (Mott MacDonald) confirmed that:

a. Our Household Charges Scheme for 2024-25 is appropriate to meet our obligations under:

- The Water Industry Act 1991 (as amended in 1999 and 2014) – section 93A (in so far as the Charges Scheme does not derogate from the duty to promote the efficient use of water), 142/149;
- The Water Industry (Charges) (Vulnerable Groups) Regulations 1999;
- The Water (Prescribed Conditions) Regulations 1999;
- Water (Meters) Regulations 1988;
- Measuring Equipment (Cold Water Meters) Regulations 1988; and
- The Flood and Water Management Act 2010 – sections 43 and 44.

b. Our Household Charges Scheme is consistent with Ofwat’s Charges Scheme Rules (published in December 2022).

c. Our Charges Scheme is consistent with the Company’s obligations under licence conditions E and R.

d. That our charges calculations are:

- based on a reasoned forecast of charge multipliers for the charging year; and
- consistent with the Company’s obligations under licence condition B and the PR19 final determination of prices.

2. The Board has assessed the effects of the new charges on customers’ bills for a range of different customer types, and approves the impact assessments and handling strategies developed in instances where bill increases for particular customer types exceed 5%;

In making this statement, the Board reviewed all proposed changes in charges compared to the previous charging year and considered how these translated into bill changes for a selection of Eligible Premises.

The wholesale charges for 2024-25 are calculated using the November CPIH of 4.2% and these then form the majority of our household charges.

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The Board expects the following changes to domestic customer bills:

Household customer type	Water			Wastewater			Combined		
	Bill	Increase	Increase per month	Bill	Increase	Increase per month	Bill	Increase	Increase per month
Unit	£	%	£	£	%	£	£	%	£
Average bill	283	11.5%	£2.43	265	12.7%	£2.49	548	12.1%	£4.92
Metered 1 person	178	12.1%	£1.60	183	11.6%	£1.59	361	11.9%	£3.19
Metered 2 person	260	12.6%	£2.44	248	13.0%	£2.37	508	12.8%	£4.80
Metered 3 person	307	12.8%	£2.91	284	13.4%	£2.81	591	13.1%	£5.72
Metered 4 person	358	13.0%	£3.43	325	13.9%	£3.30	683	13.4%	£6.73
Metered 5 person	425	13.1%	£4.11	378	14.3%	£3.94	803	13.7%	£8.04
Metered 6 person	480	13.2%	£4.66	421	14.5%	£4.45	900	13.8%	£9.11
Unmetered "low" 100 RV	257	13.1%	£2.47	206	15.4%	£2.29	463	14.1%	£4.76
Unmetered "medium" 160 RV	409	13.2%	£3.98	326	15.7%	£3.69	735	14.3%	£7.67
Unmetered "high" 220 RV	556	13.3%	£5.44	443	15.8%	£5.04	999	14.4%	£10.48

Incidence effects exceed 5% for almost all customers, Eligible Premises and Licensees. We have developed a full customer communication strategy to mitigate the impacts of the greater than 5% increase in bills.

3. The Company has appropriate systems and processes in place to make sure that the information contained in the Charges Scheme and additional information is accurate; and

The Board reviewed and approved the governance and assurance processes and procedures for the setting of charges in July 2023.

In addition to the external assurance laid out above, the Company continues with its internal charges assurance processes as detailed in the Regulatory Assurance Manual including:

- A requirement for the compiler, owner, and reviewer to certify the accuracy of their data and associated calculations; and
- Ensuring clear ownership of the process resides with a senior manager, in this case the Director of Strategy & Regulation.

The charges setting process requires the Economic Regulation team to engage with internal and external stakeholders to ensure that the charges proposals are well rounded and practical. In particular, there is significant engagement with the Company's internal legal team and those responsible for billing and collecting charges.

4. The Company has consulted the Consumer Council for Water (CCW) in a timely and effective manner on its Charges Scheme.

The Board was informed that stakeholders have been engaged with in a timely manner. In addition, the company has engaged with CCW in the following ways:

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- CCW is a member of our independent Vulnerability Advisory Panel which met in both July 2023 and December 2023 and agreed our approach to providing Social Tariffs to vulnerable customers in our region.
- The Company met with CCW's local representatives in September 2023 and explained our approach to setting charges for 2024-25. CCW subsequently agreed with the approach.