



**Report to:**

Northwards Housing Board  
14 September 2016

**Item No:**

**12a**

<b>Title:</b>	United Utilities		
<b>Date:</b>	6th September 2016		
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<b>Confidential:</b>	<b>NO</b>		
<b>For: (Please tick action required)</b>	<b>NOTING</b> ✓	<b>DISCUSSION</b>	<b>APPROVAL</b>
<b>PURPOSE OF REPORT</b>			
To explain how we are intending to work with United Utilities in order to achieve lower water bills for our tenants.			
<b>RECOMMENDATION</b>			
That the Board note the report and that Northwards consult with MCC and gain approval for the 1 and 2 bed metering initiative.			
<b>IMPLICATIONS</b>			
<b>Risk Management</b>	N/A		
<b>Regulatory &amp; legal compliance</b>	We are potentially sharing tenant information with a 3 <sup>rd</sup> party so we have to be aware of any Data Protection Act requirements.		

**Consultation/Consideration:**

	<b>Yes, No or N/A:</b>	<b>Name:</b>	<b>Date:</b>
<b>Sub-Committee:</b>	N/A		
<b>Task Groups:</b>	N/A		
<b>Ward Councillors:</b>	N/A		

## 1.0 Background

- 1.1** United Utilities (UU) are required by the water and sewerage regulator, OFWAT, to switch a number of customers on a specifically designed tariff, 'Help to Pay', for the over-65s each year.
- 1.2** Northwards were contacted by UU in July of this year to discuss how we can help them achieve this target and achieve lower water bills for our tenants in the process.
- 1.3** In addition to this we discussed other initiatives that could potentially reduce our tenants' water bills.

## 2.0 'Help to Pay'

- 2.1** The scheme is aimed at customers who are in receipt of Pension Credit (either Pension Guarantee Credit or Pension Savings Credit) and are struggling to pay their water bill. Tenants accepted on to the scheme will have their annual bill capped at a set amount – for 2016/2017 this is £250.
- 2.2** UU are aware that the vast majority of tenants within our retirement schemes are over 65. Therefore they presented us with an analysis showing what 452 of our properties currently pay for their water bill and compared this to the £250 they would pay under 'Help to Pay' to demonstrate the saving. The results are summarised below:

Location	Dwellings	Potential saving	Average saving
Whitebeck	91	£5,793	£137.93
Harry Pigott	31	£1,825	£165.89
Sir Robert Thomas	32	£3,302	£183.43
Annie Derby	34	£2,923	£139.17
Liverton	70	£4,212	£113.85
Vic Square	164	£11,647	£126.60
Joseph Dean	30	£1,518	£151.83

- 2.3** At a total of £31,220 and an average saving of £145.53 per dwelling we were keen to engage our tenants on this issue so we agreed with UU that they would arrange a series of coffee mornings at our schemes in order to inform our tenants about the potential savings.
- 2.4** Further to this UU are keen to engage with all of our over 65 tenants through a mailshot that they would pay for. They asked us to provide a breakdown of those properties where the residents were over 65. Given that we have a further 3,000 properties with tenants aged over 65 this could potentially generate significant savings for our tenants in addition to the figures listed above.
- 2.5** In providing this information to UU we would be sharing personal information about our tenants with a 3<sup>rd</sup> party. Therefore we must ensure before proceeding any further that we comply with the Data Protection Act. We informed UU that if we were to provide this information they would have to sign a non-disclosure

agreement, ensuring that the information is held securely and only used for the agreed purpose. This has been sent to UU's lawyers for their consideration.

### **3.0 Metering for 1 and 2 bed properties**

- 3.1** During our meeting with UU we also discussed a number of other initiatives, the most significant of which was the installation of meters at 1 and 2 bedroom homes. As things currently stand, unmetered properties' water bill is based on the rateable value of the house. UU's research shows that for 1 and 2 bed properties this usually means that the customers are paying more for their bill than they would with a meter (for those with 3 or more bedrooms, which are usually inhabited by families, this is not the case).
- 3.2** Once we supplied a breakdown of our properties (no information about the tenants was shared) UU were able to compare the current bills of these properties against the average charge under metering.
- 3.3** The results showed that of the 4,421 1 and 2 bed properties that are currently unmetered there are potential savings of £684,170. This represents an average saving of £155.85 per property. This is an extrapolation and it is possible that some properties will use more water, thereby reducing the saving, but unless tenants are using huge amounts of water it is likely that they will make a saving as bills based on rateable value are normally much higher.
- 3.4** It should also be noted that there will be some properties, specifically those within high-rise buildings that are hard to reach (such as dwellings near lift shafts), where it will not be possible for a meter to be installed. This will also serve to reduce the potential saving, but the survey will all be at the cost of UU and the tenant will be eligible for the Assessed Volume Charge (see below) and is still likely to make savings.
- 3.5** If Northwards wants to proceed with this initiative then we would write to the tenants directly on behalf of Northwards and UU with details of the scheme and inviting them to fill in an application form. UU will provide the application forms and stamp addressed envelopes for the tenants, Northwards only cost will be the price of printing and initial posting. It is estimated that this will cost us a maximum of £2,400.
- 3.6** However, given that meters are permanent (legally they cannot be removed once they have been installed) we must consult and gain approval from MCC before proceeding with this initiative.

### **4.0 Other initiatives**

- 4.1** As things stand 281 of our tenants are currently charged by the Assessed Volume Charge. This is for tenants who have applied to have a meter installed but it has been found to be impractical. Using our own information about the tenancies we would be able to review if any of these tenants were eligible for Help to Pay or, if living alone, the Single Person Tariff of £246. From our initial review there 123 properties that could save money through switching this way,

however, a number of these properties would be captured under the Help to Pay initiative. Therefore we have decided to pursue the other initiatives before looking at this.

## **5.0 Conclusion**

**5.1** Northwards believes that this is a great opportunity for us to assist our tenants financially without significant cost to the Company.

**5.2** Whilst Northwards must be careful when acting with/on behalf of a private company it should be acknowledged that there is no profit in these initiatives for UU. This is just a regulatory requirement for the Company and, in fact, any savings this would generate for our tenants will be paid for by UU.

**5.3** Finally, there is no hard sell on these initiatives. There is no requirement for the tenant to engage on this, UU would simply be offering them alternative to their current arrangement that could save them money. If tenants choose not to take advantage of the offer then that is the end of it.

## **6.0 Recommendations**

**6.1** That the Board note the report.

**6.2** That Northwards consult with MCC and gain approval for the 1 and 2 bed metering initiative.