

# Severn Trent Services (Water and Sewerage) Limited

Statement of significant changes:  
Household charges scheme 2024/25

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## Purpose of this document

The purpose of this *Statement of Significant Change*, is to provide the stakeholders of Severn Trent Services (Water & Sewerage) Ltd (the “Company”) with information as to the significant changes we are making to our end-user customer charges for the 2024-25 charging year (the “Charges”), compared with the 2023-24 charging year.

This statement is made in accordance with Ofwat Information Notice IN 22/03 (“Expectations, assurance and information requirements for water company charges for 2024-25” published in September 2022) and annex A2 of the Charges Scheme Rules<sup>1</sup> published by Ofwat in December 2022. It confirms:

- i. whether end-user customer bill increases of more than 5% compared to the previous year are expected;
- ii. if so, which types of household customers are likely to be affected;
- iii. the approach (“handling strategies” as referred to by Ofwat) that, if appropriate, we may adopt to mitigate the impact on customer bills; and
- iv. details of any significant changes in charging policy.

The Company’s charging policy is to match the tariffs of the relevant local incumbent with the exception of sites where the Company provides the wholesale service using its own assets, in these instances a small discretionary discount is applied. This ensures that customers are no worse off than if they had been connected to the incumbent. The incumbent water and sewerage companies review their charges annually and adjust them to cover their allowed revenues in the PR19 Final Determination as published by Ofwat in December 2019 and any in-period determinations that have been made thereafter to reflect things such as inflation, under/over recovery of allowed revenue and delivery incentives etc. Other than the normal price indexations, we are not aware of any significant changes having been made to the incumbents underlying incumbent charging policies.

We have assessed the impact of the 24/25 price changes on measured wastewater customers and wastewater WaterSure customers. We have identified that all household customers will have year-on-year bill increase exceeding 5% when compared to 2023-24, assuming a constant level of consumption.

**Household Wastewater Customers Table 1** below sets out the typical bill increases for household water customers relative to our 2023-24 bills.

*Table 1 Household Wastewater Charges - Price changes 24/25*

Incumbent Region	23/24 Measured Wastewater Charge based on 100m <sup>3</sup> p.a	24/25 Measured Wastewater Charge based on 100m <sup>3</sup> p.a.	Increase / (Decrease)	Percentage Increase / (Decrease)	23/24 WaterSure Charge	24/25 WaterSure Charge	Increase / (Decrease)	Percentage Increase / (Decrease)
Thames Water Wellesley	£164.72	£197.16	£32.44	19.69%	£198	£216	£18	9.09%
Thames Water Aurum Green	£166.38	£199.15	£32.77	19.70%	£198	£216	£18	9.09%

### Handling Strategies

The primary driver of significant bill increases for 2024-25 is high inflation. The Board recognises the wider cost-of-living crisis, and the need to identify actions to help customers manage the increase in costs.

For customers who are struggling to pay, we are here to help. We operate a scheme known as the WaterSure Scheme, which provides alternative tariff options to household metered customers who meet certain criteria. The scheme ensures that their metered bill will be capped at a fixed annual charge. The reduction in the charges will take effect from the beginning of the charge period in which the application is made, and it must be renewed annually.

To qualify for the tariff the customers must be in receipt of a qualifying benefit and have either:

- Three or more children under the age of 19 living at home? Or:
- Someone in their household has a medical condition that means you need to use more water.

Alongside WaterSure and paying by monthly direct debit we offer our customers flexible payment plans to help ensure that customers are not having to make payments that are outside their means.

Signed by Christer Stoyell on behalf of the Board:



Director  
Severn Trent Services (Water and Sewerage) Limited