

Severn Trent Services (Water and Sewerage) Limited

Statement of significant changes:
Household charges scheme 2025/26

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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 2025-26 charging year (the “Charges”), compared with the 2024-25 charging year.

This statement is made in accordance with Ofwat Information Notice IN 22/03 (“Expectations, assurance and information requirements for water company charges” published in September 2022) and annex A2 of the Charges Scheme Rules¹ 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 PR24 Final Determination as published by Ofwat in December 2024 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.

We have assessed the impact of the 25/26 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 2024-25, 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 2024-25 bills.

Table 1 Household Wastewater Charges - Price changes 25/26

Incumbent Region	24/25 Measured Wastewater Charge based on 100m ³ p.a	25/26 Measured Wastewater Charge based on 100m ³ p.a.	Increase / (Decrease)	Percentage Increase / (Decrease)	24/25 WaterSure Charge	25/26 WaterSure Charge	Increase / (Decrease)	Percentage Increase / (Decrease)
Thames Water Wellesley	£197.16	£282.17	£85.01	43.12%	£216	£302	£86	39.81%
Thames Water Aurum Green	£199.15	£285.02	£85.87	43.12%	£216	£302	£86	39.81%
Southern Water Hoplands	£309.66	£479.36	£169.70	54.80%	£278	£421	£143	51.44%

Handling Strategies

We understand that the increase in charges for 2025-26 may be difficult for some of our customers, particularly given the ongoing cost-of-living challenges. The main reason for these increases is the start of the new asset management planning period (AMP8), which brings significant investment in essential services.

Our Board is fully aware of the financial pressures many are facing, and we are committed to helping customers manage these rising costs.

For customers struggling to pay, we are here to support you. Our **WaterSure Scheme** offers a reduced tariff for eligible household metered customers, ensuring their water bill is capped at a fixed annual charge. This reduction begins as soon as the application is approved and must be renewed each year.

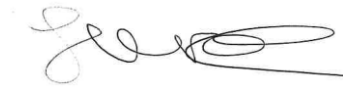
To qualify, customers must receive a qualifying benefit and either:

- Have three or more children under the age of 19 living at home, or
- Have someone in the household with a medical condition that requires extra water use.

In addition to the WaterSure Scheme, we offer flexible payment plans, including the option to pay monthly by direct debit. Our goal is to ensure that no one has to make payments that are outside their means.

We're here to help and are committed to supporting our customers during these challenging times.

Signed by Jonathon Wroe on behalf of the Board:

A handwritten signature in black ink, appearing to read 'J. Wroe', with a stylized flourish at the end.

Director
Severn Trent Services (Water and Sewerage) Limited