

Board Assurance Statement

Scheme of Charges 2020/21 – Updated from 1 August 2020

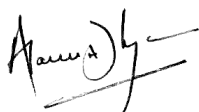
At its meeting on 2 July 2020 the Board considered the change to the HelpU tariff for new applications from 1 August 2020. The amendment to the Scheme of Charges 2020/21 is limited to the addition of a new line in the Affordability Assistance Tariffs table.

Having made reasonable and relevant enquiries the Board is able to confirm that, to the best of its understanding, the change to the HelpU tariff:

- will not impact any customers during 2020/21 other than those who apply for and are accepted on to the amended HelpU tariff from 1 August 2020; and
- complies with the Welsh Government's Social Tariff Guidance.

Also at its meeting on 2 July 2020, the Board delegated authority for the final approval of the 'Scheme of Charges 2020/21 – Updated from 1 August 2020' to the Chairman and Chief Executive, pending the conclusion of further appropriate stakeholder engagement.

The company has now consulted with the Consumer Council for Water, the company's Customer Challenge Group, Ofwat and Welsh Government in a timely and effective manner in respect of the charges scheme, as detailed below in Tables 1, 2, 3 & 4.



Alastair Lyons
Chairman

On behalf of the Board
21 July 2020

Table 1 – Engagement with Consumer Council for Water (CCW)

Meeting date	Purpose	Outcome
21 May 2020	To discuss the potential impact of the recession following the Covid19 pandemic on take-up of social tariffs, and the scope for increasing customer cross subsidy for social tariffs.	CCW were not supportive of any increase to customer cross subsidy in the absence of new customer research.
18 June 2020	To discuss a range of options identified by the company for increasing availability of social tariffs to support customers whose financial circumstances have changed as a result of Covid19.	CCW suggested that DCWW should consult with other organisations, such as debt relief charities, with the aim of gaining their view on an appropriate revised social tariff level.
8 July 2020	To inform CCW of the company's decisions on options previously presented to CCW.	CCW recognised that the current circumstances mean that water companies are having to review and make changes to their social tariff schemes in order to manage - and have enough funding to manage - any short-term spikes in applications. Within this context CCW considered the proposed changes to HelpU and the rephrasing of the company funding contribution, to be reasonable. CCW expect DCWW to review the situation regularly and frequently, and to keep them informed of the reviews including: the number of new applications; the number of households coming off the social tariff; the total number of households receiving assistance; the number of audits completed; and the funding situation.
16 July 2020	To present the revision to the Scheme of Charges 2020/21, specifically the revised HelpU tariff for new applications from 1 August 2020.	Email confirmation from CCW that the proposed changes are reasonable.

Table 2 – Engagement with Ofwat

Meeting date	Purpose	Outcome
9 June 2020	To discuss options for increasing availability of social tariffs to support customers whose financial circumstances have changed as a result of Covid19.	Ofwat committed to consider the options presented and provide feedback having considered the scope of their responsibilities.
30 June 2020	To discuss the range of options identified by the company for increasing availability of social tariffs to support customers whose financial circumstances have changed as a result of Covid19.	Ofwat noted that social tariffs are only a part of the package of options to deal with affordability issues due to Covid19. No issues identified by Ofwat on the company's proposals to make changes to HelpU or to change to profile of the company contribution to social tariffs.
15 July 2020	To inform Ofwat of the company's decisions to revise the HelpU tariff for new applications from 1 August 2020.	Email confirmation (17 July 2020) from Ofwat noting the company's plans and no objections to the proposed changes to the Scheme of Charges.

Table 3 – Engagement with the Customer Challenge Group (CCG)

Meeting date	Purpose	Outcome
22 June 2020	To discuss a range of options identified by the company for increasing the availability of social tariffs to support customers whose financial circumstances have changed as a result of Covid19 and specifically to seek input into the revised tariff level.	The CCG recognised the need to act now in order to address the challenges presented by Covid19 but also encouraged DCWW to develop a long-term sustainable strategy for Social Tariffs. Members also stressed the importance of the broader package around affordability and the staff resources needed to gear up the company's response to increasing community need. The CCG did not raise any objections to the revisions to HelpU. Whilst being unable to pitch a specific figure for the revised HelpU bill, the CCG suggested that any change should err on the side of increasing numbers eligible to support.

Table 4 – Engagement with Welsh Government (WG)

Meeting date	Purpose	Outcome
9 June 2020 & 18 June 2020	To discuss a range of options identified by the company for supporting customers whose financial circumstances have changed as a result of Covid19 and increasing the availability of social tariffs.	WG welcomed further development of our proposed options.
9 July 2020	To inform WG of the company's decision to revise the HelpU tariff for new applications from 1 August 2020.	No objections from WG officials to the proposed changes to the Scheme of Charges.