

Severn Trent Water

Stakeholder workshop reports

‘Helping our customers who struggle to pay’
stakeholder workshop

6th September 2012



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3. Introduction

3.1. Date and location

The Customer stakeholder workshop was held on September 6th 2012 at the Birmingham Centre for Voluntary Action, Birmingham.

3.2. Attendees:

30 stakeholders attended the customer workshop. Their details are shown below:

- Amanda Cooke - Principal Housing Officer, Wychavon District Council
- Amina Monir - Deputy Supervisor Money Advice team, Stoke CAB
- Anne Hermann - Head of Rents Management, Wolverhampton City Council
- Chris Cash - Money Smart Officer, Wolverhampton Homes
- Cllr Tom McDonald - West Midlands Councils
- David Wurr - Consumer Advocate, CC Water
- Deb Morrison - Wrekin Housing Trust
- Derrick Swallow - Viridian Housing Association
- Ed Hodson - Coventry Citizens Advice Bureau
- Fiona Richards - Money Advisor, Stafford & Stone CAB
- Gay Hammett - Severn Trent Trust Fund
- Gemma Domican - Policy Manager, CC Water
- Gerald Nembhard - Chairman, West Midlands Faith Forum
- Jan Lawn - Birmingham City Council Housing Department
- John Coates - Centre Manager, King's Money Advice Centre
- Keith Teasdale - Pay Plan
- Leisa Dixon - Whitefriars Housing Association
- Matthew Lewis - Finance and Regulation Director, South Staffordshire Water
- Matt Peniket – Trident Reach

- Michael Moreton - Community Advice and Law Service
- Patrick Wreford - Money Advisor, Orbit Heart of England
- Phil Hulme - PR14 Manager Midlands, Environmental Agency
- Sally Roberts - North Warks BC
- Samina Kauser - Advice worker, St James Advice Centre
- Sarah Crawley - Executive Project Manager, Coventry City Council
- Sharon Pritchard - Severn Trent Trust Fund
- Simon Toennigs - Home Energy Advisor, Energy Extra
- Susan Jeffries - Stratford Upon Avon Citizens Advice Bureau
- Tina Poyser - BDHT
- Yvonne Tustin - Project Support Officer, South West Birmingham Community Association

Severn Trent Water

- Harriet Towler - Government and Stakeholder Engagement (organiser of the event)
- Dale Kenwright - (expert on hand to answer questions)
- Laura Bennett - (expert on hand to answer questions)
- Nigel Smith - (expert on hand to answer questions)
- Simon Mullan - (expert on hand to answer questions)

Green Issues Communiqué

- James Garland - Director (workshop facilitator)
- Kelly Edwards - Executive Director (workshop facilitator)
- Nick Bohane - Executive Director (workshop facilitator)
- Harry Hudson – Associate Director (workshop facilitator)
- Alice James – Account Manager (scribe)
- Laura Edwards - Account Executive (scribe)
- Alex Coleman - Account Executive (scribe)
- Farah Pasha - Account Executive (scribe)

4. Executive summary

- The content of this report reflects discussions of a stakeholder workshop held on 6th September 2012. The comments made by stakeholders were in response to a facilitated discussion. They have been recorded by Green Issues Communiqué but are not verbatim, nor have they been directly attributed to participants. The comments made are not necessarily the views of Severn Trent Water.
- The Executive Summary provides Green Issues Communiqué's overview of the discussions on the day.

4.1. Feedback from participants

- 27 of the 30 stakeholders in attendance filled out a feedback form
- Of these, 19 stated that they found the workshop to be 'very useful' and 8 found it to be 'useful'. None of the stakeholders who left their feedback stated that the workshop was 'not useful'
- All of the stakeholders who left their feedback stated that the venue was conveniently located for them
- All of the stakeholders who answered the questions told us that enough information had been provided on the day
- All of the stakeholders who left their comments told us that they had sufficient opportunity to express and discuss their views
- 24 of the 27 stakeholders who answered the question, said that the workshop covered the right topics for them

4.2. How do we already help our customers who struggle to pay?

4.2.1. Questions for discussion

- Q1: From your experience, what are the big issues relating to water affordability?
- Q2: How far do you believe our current approach goes towards addressing these issues?
- Q3: What more can we do to encourage take-up of our schemes?
- Q4: How do you think we compare to other utilities?

4.2.2. Overview of comments made

- It was widely commented that, for many customers who are facing financial difficulties, paying their water bill is low down on their priority list

- It was felt that this situation would increase in the future in the context of cuts to the welfare system
- It was noted that STW could do more to inform customers, especially younger customers, those who do not have English as their first language and those who have recently moved into a new property, on the importance of paying their water bills and should seek to intervene before the debt becomes unmanageable
- STW's initiatives to help customers who are struggling to pay, especially the Severn Trent Trust, were widely praised. It was commented that the real challenge was to ensure that eligible customers are made aware of these initiatives and that the application process is made as simple as possible
- Suggestions on how STW can encourage take-up of its schemes included outreach programmes in areas where there are high levels of non-payment, better partnership working with relevant organisations and the inclusion of video content on STW's website

4.3. What should we do in the future?

4.3.1. Questions for discussion

- Q5: What is the right balance? Should we help a lot of customers a little or a few customers a lot?
- Q6: Which customer groups do you think we should be helping and why? Can you prioritise them?
- Q7: How do you think we should determine eligibility
- Q8: What is the right type of support for these customers?
- Q9: In what circumstance do you believe a social tariff should be offered?

4.3.2. Overview of comments made

- It was broadly discussed that STW ought to help a few customers a lot rather than helping a greater number of customers a little
- It was commented that it was difficult to simply identify demographic groups who should receive assistance. Stakeholders were therefore reluctant to state that one individual group should be helped
- There was a good deal of discussion on how eligibility should be measured. Although there was some support for means testing, it was stated that this presented problems. There was agreement that more data on individual cases would be useful and that working with external agencies was essential as a way determining which customers genuinely needed help
- It was noted that working customers on low incomes and those with large families should be eligible for assistance as well as those on benefits

- It was recognised that more advice and education would be a good thing, particularly for young people and those who do not have knowledge of how to manage their finances
- There was a certain amount of support for a social tariff as one of a range of options that could help customers but some commented that this should be a last resort once other alternatives have been explored. Once again, it was noted that the real challenge was on identifying which customers should be eligible

5. How do we already help our customers who struggle to pay?

5.1. Q1: From your experience, what are the big issues relating to water affordability?

Table 1

- A housing association representative commented that his / her customers are going to be hit by the changes in housing benefit. S/he believed his / her organisation is *'seeing increased levels of poverty'* and customers will be under so much pressure from *'just having a roof over their head, water will be much lower on their list of priorities'*
- A housing association representative agreed that utilities, especially water, are *'lower in the pecking order'*
- An advisory service representative stated that s/he would be *'worried about any discussion about the disconnection of water'*
- An advisory service representative articulated that s/he was impressed that so few people don't pay and that STW is seen as *'a good company'* when it comes to dealing with their low income customers
- A council representative stressed it was important to remember there are so many different groups of customers affected by this issue. S/he suggested those who were comparatively well off until recently (and not well versed with the benefit system) will be most affected by the changes in benefits
- An advisory service representative and a council representative agreed that there has been an increase in pay day loans in recent years. The advisory service representative said that they *'were not on our radar until recently'*
- A housing association representative expressed the idea that the cost of water should be reduced so it does not look *'so insurmountable for the customer'*. His / her view was that if the amount seems more achievable for lower income families then the collection of payments would be easier
- A housing association representative stated it was important to understand what the effect of welfare reform will have on local economies. S/he added that STW will need to think about the problems their business customers will be facing as there will be less money in the local economy
- An advisory service representative articulated that his / her organisation deals with water as a *'low priority debt but a high priority outgoing'*
- A housing association representative said that his / her organisation will have to double its effort to collect all its rents after the changes to the housing benefit

- A council representative commented that organisations should be sharing their '*data smartly*'. However it was commented that this is not always easy, given issues relating to data protection
- A housing association representative suggested there were already systems out there to share the data
- A council representative argued for standardisation across unitary authorities. S/he considers customers in different authorities as '*poles apart*'
- A council representative discussed that when walking in his / her ward, council tax is always the thing s/he hears people complain about
- A council representative asserted that asset rich, income poor people are on the increase

Table 2

- A council representative commented that s/he had not been aware about the payment schemes and concessions that STW operates for single people before the workshop and welcomed this initiative. S/he felt that one of the biggest issue relating to water affordability was that customers did not take water bills into account when budgeting and that it was important that those facing financial difficulties are made aware that paying their water bill is not optional
- An advisory service representative agreed that some people, when budgeting, did not account for water bills as '*they've not always seen water as an important bill to pay because it can't be disconnected and STW can't do much about it*'
- An advisory service representative commented that spreading the understanding and appreciation of water bills is key, as many customers are led to believe that the most important debts to pay are urgent due to the threat of debt collectors
- An advisory service representative agreed with this point. S/he stated that '*we dealt with someone who had lots of debts and it wasn't until we were one hour into the conversation that I realised that they had their water bill to pay*'. S/he felt that this exemplified his/her experience of how water bills are not considered as important as gas and electricity bills by those who are struggling to pay
- An advisory service representative added that one of their '*greatest fears is the use of short-term loans to pay to off bills*' as s/he felt as though it was like '*robbing Peter to pay Paul*'
- A council representative felt that the task of gauging affordability against reluctance to pay was difficult. S/he stated that '*we saw somebody last week, she was evicted and homeless, but we eventually discovered that she had the income to pay her bills*'
- An advisory service representative was of the view that service providers should identify the people that need help and take some responsibility for informing them about the schemes available. S/he commented that '*some of the schemes I wasn't even aware of and if I wasn't then customers certainly won't know!*'

Table 3

- An advisory service representative was of the opinion that a lot of the issues relating to water affordability go unspoken; s/he felt *'people need to be helped by the STW trust.'* S/he was of the opinion there are many issues that are not being addressed and therefore the problem goes further than those classed as 'vulnerable'
- A housing association representative pointed out the fact *'new tenants not aware they have to pay water bills.'* S/he stated that those aged 16+ yrs need more education
- A customer representative commented the reason why customers do not always pay the water bill is simply because they *'don't understand why they have to pay for the water and they think it should be a free service.'* S/he was of the view that the STW trips to reservoirs should continue as they educate customers and help to understand why payment is needed
- An advisory service representative said for many people paying for water is a *'none priority'*
- An advisory service representative pointed out customers on meters don't understand how they are charged for water
- An advisory service representative commented customers need to be familiar with water rates and this can be achieved through educating people about how the charging structure works and its background. S/he pointed out annual bills mean customers are not always aware they will be receiving a bill and suggested sending out a quarterly bill maybe better. S/he acknowledged the fact *'bills gets forgotten and are not budgeted for'*
- A housing association representative commented on the introduction of the universal credit system in which there rent is paid directly into their account. S/he asked if the payments will be *'£350 for single person and £500 for a family.'* S/he went on to comment on the changes being made to the council tax benefit where people will receive a lump sum and may need to top it up. His / her main concern is that people will not prioritise their bills and may not know how to pay them
- An advisory service representative was of the view that *'people will have to take responsibility for themselves and if they have poor budgeting skills it is unlikely they will make the correct payments'*
- Overall the group agreed their 2 biggest concerns were:
 1. The universal credit system being introduced and peoples ability and skills to budget
 2. People being unaware they are responsible in paying their water bills
- An advisory service representative pointed out *'when it comes to affordability people's top priority when paying bills is electricity and gas.'* S/he stated the water bill pushed aside and this is how debts occur. S/he stated this is when the debt relief orders come into place

- An advisory service representative commented there will be *'problems across the board'*. S/he pointed out that the *'under 25 age group are the worse for paying their bills'*. His / her view is *'the over 60 age group are the most vulnerable as they struggle to make the payments as they don't always ask for help, compared to the 35-45 old group who are most active in seeking for help'*. S/he said that *'support charities are needed to outreach to the elderly'*. His / her opinion is that although the elderly are paying their water bills the problem is they are going without other essential items such as food
- A customer representative commented the £325 benefit cap is *'still a lot of money and is a big deal'*
- An advisory service representative stated customers only ask for help when they are £100's in arrears. S/he said customers need more options on how to pay back their arrears
- STW pointed out all the different options are available on their website
- An advisory service representative highlighted there are other problems customers are experiencing when they are trying to sort out their water bills such as *'language problems'*. S/he commented the main problem that arises is when an authorisation form is signed by clients so advisory service worker can speak on their behalf and not all companies accepting it to be a valid form of consent. S/he pointed out *'the single men are having to live off £5-10 pounds a week after their making debt payments and arrears'*

Table 4

- An advisory service representative stated that it is a matter of what is a low-priority debt and priority debt for households. It was felt that water is unfortunately not at the top of people's priority list. STW customers would prefer to address other more pressing debts than water
- A housing association representative felt that lack of early intervention is a particular issue when it comes to water affordability. It was suggested STW needs to get to its customers before their debt becomes too big to manage. For people, water cannot be turned off, so there isn't the immediate fear when running up water arrears. It is important that STW customers do not run up vast amounts of debt so that it takes a long time before they come around to facing their water arrears
- A housing association representative added that as an organisation they have found that they have to probe customers on their water payments. People can go as long as one year without paying their water bill
- A housing association representative wanted to know when STW's customers first hear from the company regarding their debt
- The stakeholder added that water is a low priority for customers struggling to pay the water costs as their supply will not be turned off, unlike with other utilities
- STW was asked by the facilitator if STW is able to intervene early on in customers' debt issues

- A council representative stated that a lot of people move around, and are increasingly moving to private rented properties. It was suggested that local authorities and housing authorities should inform the occupier as soon as someone moves into a property what their likely bill is going to be. It was added that this is the current case with Council Tax; could this be used for water bills?
- The STW representative explained that new occupiers are given a 'welcome' pack on arrival in a new home from STW
- A housing association representative asked whether STW is able to give customers an idea of water cost when they move into a property. The stakeholder felt that education is an important factor in reducing STW customers' debts
- An advisory service representative stated that water costs should be included with other utilities listing costs
- A community association representative stated that lots of people will not fill forms in when they move in or move out, so they are harder to track. The stakeholder also added that this adds to customers being able to easily ignore their water bills
- An advisory service representative stated that STW is dealing with customers who feel there are no consequences when they miss a payment. The stakeholder felt that it is a case of how to stress the importance of paying their water bills. The stakeholder added that there needs to be a drive for 'water intelligence' in the home, for example – what are water efficient appliances? STW customers need to be better educated so that overall debt is reduced in the first place
- A council representative questioned whether third parties that engage with the community, for example social workers and wardens, have enough knowledge about debt reduction schemes to be able to fully advise the community they support
- A council representative stated that everything is currently in a state of flux. They are going to have an increasing number of customers who are going to need debt advice and help
- This stakeholder added that the Department for Work and Pensions have the data on which families are likely to be impacted by the Welfare Reform Act, and it is crucial that STW or other agencies get to them early
- An advisory service representative stated that STW is dealing with two types of vulnerable customers; financially vulnerable and those who can't cope or manage their household budgeting. It was added that third party intelligence would be useful to distinguish and target those customers
- A representative of a local council questioned whether STW had thought about using local faith organisations to help disburse the information that STW offers
- The stakeholders on table 4 generally felt that it is key to get the information to the right people

- An advisory service representative stated that STW needs to have confidence in other agencies and the information that they are giving out
- A community association representative stated that they have a database of the different community and development organisations in the area. The stakeholder suggested that this could be a useful way of distributing information on the schemes STW offers
- A housing association representative stated that, due to the Welfare Reform Act, water debt gets lost in the other debts STW customers have. Again, there is no fear of being 'cut off' that customers have with other utilities
- A representative of an advisory service stated that their organisation gets a lot of people who do not speak English. S/he added that there is only so much they can do. The stakeholder wanted to know how STW makes customers, who do not speak English, aware that they need to pay their bill
- A representative of an advisory service stated that paying for a water bill is not in some households' culture. It was added that STW needs to understand its customer base and how best to reach them
- A STW representative explained that they can only identify its vulnerable customers when they ring STW themselves
- A council representative questioned whether STW has a translation facility on its website
- A representative of an advisory service added that if the initial water bill letter is not in their own language the customer will not automatically recognise it as a priority
- A council representative asked whether STW has a prediction of the number of customers who are likely to be impacted by the Welfare Reform Act
- A housing association representative questioned whether there would be continuation of the Water Direct scheme. The stakeholder felt that the scheme is limited in only being able to help customers who are already in arrears
- A council representative added that it is important to be aware of other national issues such as the change in administration of the Social Fund from the Department of Work and Pensions. As it is dealing with crisis loans, water will not be included in that as the water supply will never be cut off. The stakeholder questioned how water can be embedded in debt queries
- A housing association representative wanted to know whether STW has profiled the customers who cannot pay. The stakeholder added that it would be useful to know what people are going to pay and if there is a trend, and if that information can be shared with other agencies

5.2. Q2: How far do you believe out current approach goes towards addressing these issues?

Table 1

- All agreed that STW's approach is a positive one and that the challenge is to get people to take advantage of the schemes available
- A housing association representative expressed the view that '*STW are easy to work with*' and the STW Trust does some '*wonderful things*'
- A housing association representative said that, while single occupancy schemes were part of STW approach, '*improvements needed to be made*'
- A housing association representative agreed with this sentiment, stating that resources from STW are needed to help promote the single occupancy schemes
- A council representative pointed out that his / her authority was looking at a system in which a credit union will help their customers manage their money. They would provide a pre-paid card, loaded with the customers disposable income
- A housing association representative voiced his / her concerns about '*jam jar accounts*' that are due to become popular after the introduction of the universal credit in October 2013. S/he claimed that collecting rent from these accounts is going to cost Housing Associations approximately £4

Table 2

- A housing representative explained that the housing association s/he represented found the application process for STW's schemes was generally quite long and drawn out and that the form was difficult to fill in
- An advisory service representative pointed out that STW has a good array of schemes that are well segmented, however their challenge was to encourage early access to the schemes for those having difficulties with payment
- A housing association representative explained that in order to raise awareness about the forthcoming 'Bedroom Tax' s/he started visiting everyone that might be affected to encourage people to apply for relevant schemes
- A council representative was of the view that '*STW should reach out to organisations like us*'
- A customer representative highlighted that STW's literature makes it '*absolutely clear*' that Severn Trent should be contacted at an early stage if people are having difficulty with payment

Table 3

- An advisory service representative stated that 95% of visitors who come in for debt advice, ask about water debts. S/he felt '*people not worried about water bills*'

- An advisory service representative pointed out *'gas and electricity are priority bills and rent and council tax are considered to be very important'*. S/he commented that debt relief orders for water are not a high priority. His / her opinion is that the STW trust fund focusses too much on the under 25 and disabled and that the trust fund option is not for everyone
- An advisory service representative commented a decision to pay a grant to people in debt offers *'no sustainability for people as they will get into same situation'*. S/he was of the view that *'STW have a lot of options to allow them to do good but their methods of communication are a problem'*. S/he said customers need to be given/offered more options on how to pay their bills before they are hundreds and thousands of pounds in debt
- An advisory service representative pointed out the pre payment service is *'available and that the built in extra charge to use this service is a myth'* and it does not cost much more than paying after usage of water. S/he commented *'many other companies subsidise costs for pre pay services and would like to see something similar for water'*
- STW explained why pre payment of water cannot be done
- An advisory service representative said they would like to see a project introduced to focus on and help tenants who are in and out of work
- A housing association representative commented in his / her company they only deal and help with new tenants and s/he is concerned about tenants who have lived in a property for a long period of time
- An advisory service representative stated that s/he was surprised STW have not implemented a payment plan and still send out big bills. S/he said STW should create a payment plan for customers and send out reminders that payment will soon be due. S/he was of the view that *'data protection act creates barriers'* for those trying to help to speak on a customer's behalf. S/he stated it is common sense to allow people to speak on behalf of the customer when trying to sort out problems
- An environmental agency representative said *'the number of schemes available is impressive and surprising'*. S/he asked about the water sure scheme and what is available
- A customer representative said the water sure scheme is the same across all companies. S/he stated it would be good to see a trust fund to help with the sewer payments
- An advisory service representative pointed out the STW trust fund do have a water sure scheme
- An advisory service representative commented everyone is vulnerable
- A housing association representative agreed and stated *'anyone can be vulnerable at any time'*
- An advisory service representative was of the view that people *'with health problems and people recently released from prison ask for help and are successful'* in receiving help

- An advisory service representative pointed out everyone is at risk as people are always at risk of job loss and home losses can occur. S/he commented s/he has seen a lot of people who have had life changing experience such as having to give up their job to become a carer. S/he said *'STW need to try to focus and grab hold of vulnerable customers quickly as they are short term problems they experience and need to be sorted before they become long term'*
- An advisory service representative pointed out customers who *'experience job loss seek help'* from an organisation straight away

Table 4

- An advisory service representative stated that current schemes that are available to STW customers are excellent but the customers are not aware of them. The stakeholder added that his / her organisation is not widely known about, and STW needs to think about how those customers are engaged
- A council representative agreed that there is a limited awareness about the schemes available. The stakeholder wanted to know whether STW works with AgeUK in promoting the different debt schemes. It was also suggested that STW could use the Royal British Legion as an outreach to the community
- An advisory service representative stated that they were not aware of the Severn Trent Trust Fund. S/he stated that more information should be provided to the advice agencies so that they can pass it on to their clients
- An advisory service representative wanted to know if the fund is open to all
- An advisory service representative questioned whether STW has targeted young, single people in care
- A housing association representative stated that STW should encourage tenants to go on to a meter. It was added that there is a fear among people about meters, particularly older people. The stakeholder suggested that there should be better education about meters and water usage to reduce fear. The stakeholder wondered if there is some way to highlight how useful a meter is for a household
- An advisory service representative stated that there is a particular fear of leaks with water meters, causing an increase in charges
- A council representative stated that there is also an issue that not everyone understands bills and consumption. The stakeholder added that their experience of the Severn Trent Trust Fund is a fantastic service
- Most of the group had all had a positive experience with the Severn Trent Trust Fund
- A community association representative questioned whether there can be schemes for customers who are struggling but not yet in arrears. It was explained that that is determined by the Department of Work and Pensions

- An advisory service representative stated that Water Direct is a fantastic scheme but the problem is ascertaining who is eligible for it, as it depends on what benefits they are received. This scheme might be useful for those who are on contributory benefits
- A council representative stated that contacting the chair of each Health and Well Being board and Healthwatch would be a useful means of promoting the schemes and locating those who need the schemes
- A STW representative questioned whether the intake for the schemes would increase with more promotion

5.3. Q3: What more can we do to encourage take-up of our schemes?

Table 1

- A council representative was of the view that a more streamlined approach would be helpful. S/he argued that STW are focusing too much on the day to day operations and should be looking forward and planning for the future
- An advisory service representative suggested that STW should *'send out information with bills'*. County Courts send out information on advice agencies in his / her area and STW should be doing the same
- An STW expert pointed out that STW does send information out but its *'biggest difficulty is getting people to read it'*. S/he asked *'how can we get to engage with the customer?'* and *'how efficient is a leaflet?'*
- An advisory service representative suggested that STW should target these leaflets more efficiently
- A housing association representative questioned the need to put information in bills about Water Aid? S/he went on to enquire *'Should Water Aid come back to this country now?'*
- A housing association representative deliberated over whether written information is the best way to communicate with his / her residents because they *'have an average reading age of 12'*
- A council representative said his / her authority had worked well with STW
- A council representative was of the view that community roadshows are an effective way of communicating with customers
- An advisory service representative advised that fewer words on the leaflets would be helpful as they would be *'easier to read'*
- A housing association representative recommended that free phone numbers to ring to speak to STW would be a good idea
- A council representative agreed, stating that his / her authority have already set up outreach hubs which include a free to use hotline to STW

- A council representative argues that *'water bills need to be more sexy'*
- A council representative suggests the idea of a discount if you pay your bills early or promptly
- A council representative commented that the payment system should be as sharp as possible to help his / her residents
- An advisory service representative proposed that bills *'should be convenient to pay and as low as possible'*
- An advisory service representative questioned why the option to have water bill taken directly from their benefits is only available to those already in arrears stating it *'encourages people to go in to debt'*
- The table agreed that STW needs to simplify their processes and proactively approach people before getting in to difficulties
- A council representative was of the opinion that STW should try new methods to promote its ideas. For example he/she suggested a link to a YouTube video giving advice and info on each of the schemes sent to all agencies that might use them e.g Citizens Advice Bureau

Table 2

- An advisory service representative stated that *'STW should engage with debt organisations, so we know about it, people aren't going to open their doors to the Citizens Advice Bureau – they need a buffer between STW and local authorities'*
- An advisory service representative added that *'one thing we've found is that people don't read their bills because they don't want to face it unless it gets really desperate'*
- A community association representative was of the view that there was a need to *'take a step back'* and firstly, consider how STW is actually perceived by people that are having trouble paying their bills. S/he explained that even doing something seemingly simple such as making a phone call, is a barrier for some. S/he explained that his/her association had found *that 'if you want to engage with people you need to actually sit down with someone and provide them with an opportunity to do so'*. S/he pointed out that more generally, people are saturated with targeted marketing which has impacted their ability to prioritise and as such, it is crucial to keep things simple. S/he said *'I would champion faith groups to do more work to help people with debt crises. Sometimes we're closer to harder to reach groups than other agencies and this would make it easier to understand mind-sets'*
- An advisory service representative felt that face to face verbal intervention is the best way to get people that were struggling to pay to face their water bill. S/he admitted that in practical terms this might be tricky to implement but in an ideal world this would be the most effective way to tackle the issue. S/he stated *'we find that people are very defensive if they think that STW is trying to get something out of them. However, if your approach is focused on helping people, they will be more willing to listen and learn'*

- A housing association representative asked how STW goes about debt collection
- An STW representative answered this question
- An advisory service representative was of the view that the STW's greatest challenge was to trigger customers into taking advice and raising awareness of their schemes, rather than chasing up debts and s/he felt that STW need to be seen to want to help struggling customers
- Another advisory service representative felt that this kind of approach worked best in person
- A housing association representative felt that STW's trust fund *'was a great way to help people in need'*
- A customer representative was not convinced by the trust fund as s/he felt that this approach was too short-sighted
- An advisory service representative stated that *'STW's biggest problem is differentiating between can't and won't'* and how to go about this
- A council representative commented that *'I feel sorry for them, you don't know your customers circumstances or whether they can't or won't pay'*. S/he stated that a more advisory approach would be more effective, preferably face to face
- A community association representative stated that for him/her it was not merely a case of *'can't or won't'*. S/he stated *'I appreciate that water suppliers are in a very tricky position because they can't just cut someone off, this is probably why water ends up at the bottom of their priority list. STW need to shift perceptions and teach people to view water as important as other utility bills. Everything's gone up apart from wages, with the best will in the world, even someone who wants to pay might struggle'*. S/he explained that STW need to take a more *'holistic approach'* and it was important to explore more diverse outlets to reach people in arenas where they are more likely to share information. S/he felt strongly that STW should make the most of the available community outlets
- An advisory service representative was of the view that *'people are taught useful things at school, but not taught practical things, like, how to budget. I don't think it's a job for a water company, it's something that the Government needs to implement into the national curriculum'*
- A community association representative agreed that, for some, buying a state of the art TV might take priority over paying a water bill and that it was important for there to be a balance in peoples' expectations
- A council representative added that St Basil's, a charity targeting people aged 16-25 worked with his/her council to help raise awareness about good financial management among young people by gauging their perceptions with the aim to help manage expectations

- A customer representative stated *'it seems to me that that there are a number of organisations that could act on behalf of STW and don't have the dreadful face of STW collection's department'*
- A council representative highlighted that councils could help STW to identify and reach vulnerable people
- A council representative stated that *'I don't think anyone prioritises as water being important, whether they pay it or not'*
- An advisory service representative agreed with this point to an extent, s/he stated that although his/her clients do not prioritise water, there is still a perception that water can get disconnected and more generally *'people of good faith would pay'*
- An advisory service representative supported this view, stating *'even though there aren't sanctions, there is a moral duty to pay water bills and people do want to sort it out'*
- An advisory service representative commented that s/he was unaware that it was possible to pay water bills in monthly instalments. S/he felt that payment over short-term periods would be easier to manage for those in financial difficulty and that in the current economic climate, it was important to raise awareness about the diverse payment options available to people
- An advisory service representative asked whether STW has a special department that deals with welfare customers
- An STW representative answered this question
- An advisory service representative explained that *'a lot of the customers that we get in don't have gas electricity arrears due to threat of disconnection'*
- A housing association representative asked whether direct payments come to an end with the introduction of universal credit
- An STW representative responded to this question
- A council representative explained that his/her local authority is already looking at the potential impact of welfare reform but local residents are still *'largely oblivious'* to the scale of changes that are set to take place. S/he stated that *'we're getting customers to help tackle debt these by getting them to pay these off soon as their benefits come in'*
- A customer representative stated *'my annual bill is £115 a year, I've taken appropriate action to lower this, water meters do work on efficiency, how do we get that message out to people?'*
- An advisory service representative added that it was important to give good advice and pro-actively teach people on how to manage water as s/he believed that people are lack the resources and will to teach themselves
- An advisory service representative commented that *'as a water company you need to contact an agency who can identify who can't/won't pay'*

- A community association representative agreed that it would be more appropriate for an external agency to offer practical advice to customers. S/he felt that more clarity was needed about water metering as at present these were associated with debt collecting rather than efficiency

Table 3

- A housing association representative pointed out the *'available schemes need to be advertised so the customer can approach STW'*
- A customer representative stated that the schemes are only *'targeting people already in debt and STW need to look at people earlier on and help those who want to help themselves.'* S/he felt that *'the people who ring STW are proactive when asking for help and therefore need to be on scheme suited to them' rather than only qualifying when they are in debt*
- An advisory service representative was of the opinion that STW should be doing more *'to educate more groups of customers and do as much as possible to prevent debt'*. S/he felt that it is too late in helping customers who are already in debt. S/he said outreach to customers is needed through leaflets. S/he also stated customers who are made redundant need help straight away to prevent them getting into debt
- A housing association representative agreed about having leaflets available
- A housing association representative commented to get hold of STW to sort out case work is problematic. S/he felt they had to go through *'the STW organ'* and despite following the procedures it had no effect on customers
- A housing association representative would like to see a *'hotline which goes directly to STW'* when they are dealing with case work, ideally a specific *'named person'* would be great
- A housing association representative commented that STW are not helpful when dealing with case work. S/he stated customers *'still receive letters despite organisations having contacted STW on their behalf'* and having already raised the case/problems the customer is experiencing
- A housing association representative was of the view that education is key *'to stop the cycle of debt'*
- A customer representative stated a big chunk of people are struggling to pay the bills but are still paying and therefore are *'living on bread line'*. S/he pointed out that this group of people are never going to get into debt and need to ask for help and informed of the *'schemes available'*
- A housing association representative pointed out the *'single occupier charge scheme'* is *'good'* and STW need to make customers more aware of the scheme
- A customer representative agreed and was of the view that *'promotion of the scheme is needed'* but doesn't guarantee it reaches the people *'who really need it'*

- A customer representative commented on STW's current schemes and was of the opinion *'many people fall through gap'*. S/he said *'people who are low paid are not on benefits need help.'* S/he pointed out that after *'helping low paid workers out of debt'* the problem is not solved as they will never be able to afford the bills. S/he would like those on *'disabled benefits and people with mental health problems'* to qualify for schemes
- A housing association representative pointed out that all new builds are automatically fitted with water meters and customers with large families do not have an opt out option
- A customer representative pointed out it is unfair that low paid workers are not allowed on schemes as only those on benefits qualify
- An advisory service representative agreed with the previous comment and was also of the view there doesn't have to be one standard rate for customers who are on a scheme. S/he was also of the view that water meters are a problem for many customers
- A housing association representative commented that *'direct payments are easy'* to make
- An advisory service representative pointed out a key problem is when after a client is *'reformed and no longer in debt'* they will run up another debt as the source of the problem is not identified. S/he stated *'STW needed to speak to the customer when they are no longer in debt and explain why the bills are no longer reduced'*
- A housing association representative went on to point out that when the *'universal credit money is paid to a customer's account it will include all benefits'* and the likely outcome is the customer will not budget and *'will not pay the water bill'*
- An advisory service representative commented that *'life-style choices'* are a key factor and therefore water will not be *'prioritised'*
- A housing association representative stated that *'people ask to have payments for water to be taken directly from their benefits but this can't be done until they are in debt'*. S/he was of the opinion it is *'better to take from day one'*
- A customer representative was of the view that customers need to learn *'how to prioritise payments'*
- An environmental representative was of the opinion the benefit to educate customers about water efficiency will *'help all customers STW and the environment'*
- A customer representative commented that perhaps in terms of *'education'* it is something the *'government needs to look at'*. S/he pointed out there are some countries which are great at saving and conserving water
- A housing association representative said customers have a *'poor understanding of water efficiency'*

- A customer representative pointed out that customers and organisations '*can apply for water saving packs online*' and they are '*very good*'

Table 4

- An advisory service representative suggested more link-up with advice agencies
- An advisory service representative added that water debt issues may be part of wider issues for the customer when seeking advice, and this needs to be determined by the advice agency. STW needs to be aware that people do not necessarily come to an advice agency about water debts alone
- A council representative stated that troubled families and workless households could be targeted to raise awareness of the schemes. The stakeholders suggested that a lot of households in this category would have large families
- The stakeholder also suggested that there could be a link-up with work organisations to target those that could possibly qualify for the schemes
- A community association representative suggested that STW could use the Birmingham Voluntary Sector Council (VSC) to email health organisations who could help promote the schemes
- It was suggested that there should be more linkage and information sharing with other agencies and new government organisations
- A housing association representative wanted to know how much STW uses media and advertising to get the message out to customers, for example bus adverts
- A STW representative said advertising, such as adverts on buses, is an expensive way to get the message to a small customer base
- An advisory service representative questioned STW whether its budget for '*getting the message out there*' is increasing or decreasing
- An advisory service representative wondered whether Water Sure could be '*tweaked*' to include families with two or more children, rather than three or above
- A housing association representative wanted to know if there have been any targets set for water meter uptake
- A STW representative told the group about the 'Meters for Movers' scheme in the Leicester area
- A council representative wondered whether there is a registered social landlord that has every household metered: s/he was told that there wasn't

5.4. Q4. How do you think we compare to other utilities?

Table 1

- The table were keen to offer positive feedback on their experiences working with STW

- The table made the point that STW does not have the power of sanctions and because of this, water bills often falls down a users priorities

Table 2

- There was very little discussion around this topic

Table 3

- This question was not answered

Table 4

- An advisory service representative stated that the biggest issue is the difference in tariffs and rebates in compared to other utilities. It was commented that there a various criteria to identify who qualifies for assistance and that makes it difficult when giving advice
- An advisory service representative mentioned the warm home discount scheme which provided discounts on their energy bills for people on pension credits. S/he thought the scheme looked good but that there was not enough money to go round
- A housing association representative questioned whether STW offers a weekly Direct Debit payment option. The stakeholder's organisation has recently begun introducing fortnightly payments, and will let STW know if it is successful

5.5. Any other comments?

Table 1

- A housing association representative was of the opinion that *'greater joint working is needed'*
- An advisory service representative stated that if STW are looking at maximising its income, it needs to look at making bills as low as possible and as convenient as possible to pay
- A housing association representative said that STW's schemes from 2010 were innovative but needs to be looked at again

Table 2

- An advisory service representative felt that although STW's approach is well intentioned there is a need for external forums and groups to help the company reach out to people in need
- Another advisory service representative said *'you have a very difficult job because there are so many complex issues to take into consideration. You need to go out and talk to some organisations, this is where the real outreach begins'*
- A council representative agreed that STW needed to promote the information to relevant agencies

- A community association representative stated *'I understand cost cutting impacts what you can achieve, faith groups can follow you throughout process, increase the partners you work with'*
- A housing association representative agreed that STW needs to be more proactive about promoting existing schemes that can help people
- A community association representative added that STW's approach needs to be more targeted

6. What should we do in the future?

6.1. Q5: What is your view on the pressures we have identified?

Table 1

- A council representative was of the view that the social tariffs STW already offer are really good but are *'not promoted properly'*
- A council representative suggested that STW would be *'better off giving funding to advice agencies in promoting them properly'*
- A council representative stated the everyone needs help and that it was *'not fair to say one group needs help over another'*
- A housing association representative pointed out that it was not just about not being promoted properly and that one *'cannot expect people to retain knowledge on all the different schemes out there'*. S/he argued that the system needed simplifying because *'the more schemes, the more complicated it is to administer'*
- An advisory service representative commented that STW needed to be realistic and if it was to *'help too many people and you end up helping nobody'*
- A housing association representative stated that s/he did not want it becoming *'like the winter fuel payment'* where wealthy pensioners are receiving the payment when they do not really need it
- A housing association representative suggested that STW could publicise case studies
- An advisory service representative said that s/he did not want to subsidise those who do not pay. However, s/he did agree that most people are those who *'cannot'* pay
- An advisory service representative commented that s/he feels that STW are wary of rising bills because its paying customers may not like the idea of paying for those that don't pay
- A council representative agreed that no-one wants to disadvantage anybody. *'STW are very good but not good enough. [The company] does not have enough data to support adding money on top of bills'*
- A housing association representative said s/he would like to know how much of the money STW charges for water is collected
- A STW expert came back saying that 2% are never collected. There is a further 7% who are struggling but do pay
- A STW expert raised the point that there is a danger that the 2% will increase because of the economic crisis

- The table agreed that the consensus of the group is that it is better to help an identified group/s rather than everyone

Table 2

- A community association representative was of the view that STW needed to do some analysis of where Severn Trent's region is economically, rather than trying to single out and identify people by groups
- A council representative felt strongly that STW should focus on helping single people more, in particular low earners who are often left with little disposable income at the end of the month. In his/her professional experience, those on benefits with a child gain a reasonable income and *'can afford to pay their bills'*
- An advisory service representative commented segmenting people into generic groups is not necessarily helpful and may not provide much meaningful insight
- An advisory service representative stated that STW *'should spend money on lobbying government to integrate personal financial management into school education to stop them in the first place!'* S/he made the point that affordability is part of a wider social problem

Table 3

- An advisory service representative was of the opinion that a *'few people should be helped a lot'*
- A consumer forum member agreed but stated it depends if the people who are helped are the *'right people'*
- A housing association representative commented *'pensioners have the most money'*
- An advisory service representative was of the view that helping a lot of people *'a little will not be enough to help or make a difference'*
- A consumer forum member commented STW figure 13,000 people only covers *'pensioners and couples'*
- A consumer forum member questioned how much *'other customer bills would be increased by?'*
- A housing association representative pointed out customers have no choice but to *'pay more on bill to help others'*
- A consumer forum member was of the view that the decision should be based on what feedback customers have given through previous research. S/he pointed out that his / her research shows customers would be happy to see a *'1% increase to bills'*
- An advisory service representative was of the opinion each individual's personal situation needs to be looked at when deciding how much help they receive
- A housing association representative agreed with this view

- An advisory service representative commented a customers situation and arrears need to be looked at
- An advisory service representative stated STW should help customers by paying towards the bill and therefore making them pay affordable and balance. S/he said STW should look to pay towards a customers arrears
- A consumer forum member said the STW trust fund helps people but it shouldn't only help those who are only in debt as then it can be viewed as being too late
- An advisory service representative stated the STW trust was not very good as a customer has to be at least £250 in debt before they can receive help
- An advisory service representative commented that a customer can receive help from the charity they are representing with their payments but when are debt free they cannot receive help from them for 2 years. S/he felt the problem wasn't being solved as people may not be able to afford to pay a full bill
- A housing association representative said STW needs to look at having 3-4 social tariffs
- An advisory service representative agreed and commented STW need to help those with a small debt and look at different schemes with them which are available
- A housing association representative was of the view that to prevent problems arising STW should put customers on a social tariff before they get into debt. S/he was of view that prevention is better than cure and a customer should ring for help and STW should place the customer on right tariff
- A housing association representative pointed out the under 25's age group are the ones who struggle the most
- All agreed they were supportive of a social tariff
- An advisory service representative commented that social tariffs need to be used in addition to something else. S/he viewed the social as being *'good as stops the cycle'*. S/he was of the opinion that the *'system is erroneous and needs to be looked at'*
- An advisory service representative pointed out a time comes when an advisory service has to say goodbye to a client and stop helping them after a certain amount of time. S/he was *'unsure of what is next but the social tariff is reassuring'*

Table 4

- A council representative stated that STW should be helping a few, but with a lot of advice. STW should also help those few with budgeting advice
- An advisory service representative felt that STW should help all customers, but help should not necessarily mean financial help. STW could provide efficiency advice or budgeting advice, for example, and supply water-saving gadgets
- A housing association representative agreed with this point, and added that there should be financial support for the few but advice for all. The stakeholder used the

example of providing advice on installing a water meter, and it might be the case that some customers need a '*nudge*' in the right direction

- An advisory service representative stated that it is crucial to get to the customer in the first place, for example, sending information in the post in different languages
- A STW representative asked how can STW get customers to talk to them in the first place about the help available to them
- A housing association representative asked STW if the Housing Association application forms are useful in identifying those who need help
- An advisory service representative stated that drop-in sessions in the local community would be useful as STW could spend time face-to-face with members of the community
- However, two stakeholders added that previous drop-ins have had a poor turnout
- A housing association representative suggested that when holding information events you have to put yourself '*where people are*' to get the footfall
- A community association representative thought STW should take part in community events, as a good way of reaching out to people it might otherwise not meet
- A council representative wondered whether STW has ever offered '*£5 incentives*' to improve attendance at events
- An advisory service representative queried how to get to hard to reach customers to offer them an incentive in the first place. The stakeholder added how should STW or other agencies deal with customers once contact has been made? Their issues should be determined along with why are they in debt in the first place
- The stakeholder added that incentives haven't worked well so far but it might be down to how we target customers with incentives
- A housing association representative felt that STW already offers a lot of incentives such as shower heads or bags that go in the toilet cistern. However, the stakeholder had to search for a long time on the internet to locate them
- A council representative stated that s/he was given a water efficiency incentive at an event by National Energy Action and no other agency
- A community association representative suggested that STW could establish an event or attend an event that is not specially a '*debt event*'. The stakeholder felt that this would have a higher uptake in the community
- A community association representative suggested that STW should use a third party to represent them so that customers are not nervous about approaching, or engaging with a utility company
- An advisory service representative stated that the Groundwork energy efficiency audit is useful, as it is someone coming to your property and pointing out practical, real time ways to reduce costs and improve efficiency

- A housing association representative stated that people can be quite sceptical about someone coming to their home; it is only when someone is in a crisis situation that they will let us in
- An advisory service representative felt that there needs to be intervention with the customer before their debt is built up. It was suggested that an audit, for example, would help a customer reduce their overall debt
- A council representative felt that the 1% increase to bills for the Social Tariff is quite low
- A housing association representative felt that it is important to be clear where the 1% is going
- A council representative felt that there may be an issue with this point, it is more palatable to customers if the money is helping the elderly rather than the unemployed
- The stakeholder added that compared to other increasing bills, 1% is quite low
- A housing association suggested that large businesses that are STW customers have a corporate responsibility to help other customers out

6.2. Q6: Which customer groups do you think we should be helping and why? Can you prioritise them?

Table 1

- A housing association representative said pensioners are being protected under the current round of welfare reforms.
- A housing association representative and a council representative were both of the opinion that they *'would not like to choose a group'*
- A housing association representative conceded that if pushed s/he would go for *'young people'*
- A housing association representative wished to make clear that while they did not support targeting a specific group it was not to say there could not be *'targeted take up campaigns'*
- A council representative commented that there are new groups coming through. For example *'someone who has come from a well paid lifestyle, who was able to pay'*
- A council representative stated s/he would *'exhaust, where possible, all of the different tariffs'* and that this should be STW's priority
- An advisory service representative suggested that this is where a central body would be useful to ensure everyone is on the correct tariff
- The table agreed that the data protection act is prohibitive in helping customers

- A council representative pointed out that s/he could *'count on one hand the amount of people who have had an issue'* with passing their data
- An STW expert informed the table that STW already has various ways to help with struggling customers such efficiency saving advice and water meters. S/he proposed that the only option left was a social tariff
- The table agreed that the consensus around the table was that once all other options are exhausted then a social tariff is suitable

Table 2

- A community association representative commented that STW needs to identify people in need rather than specific groups
- An advisory service representative supported this view. S/he stated that need can be identified by organisations early on to prevent people from getting to that point of desperation
- Another advisory service representative commented that the welfare system does not take into account individual circumstances, for example it would not differentiate between a young person that has been on benefits for last 5 years or whether s/he had been made redundant from a £40,000 a year job. S/he made the point that it is impossible to pigeonhole people into groups, because there is no one type of person in each group. S/he added that *'prevention is better than cure'* and the wider focus should be to prevent people from getting into debt
- An advisory service representative commented that one of his / her colleagues had visited hospitals to advise people on how to save money on energy bills. S/he suggested that STW should consider investing more into promoting better energy use to help people save money
- A community association representative added that *'you could save £25 million, there's a possibility that if everyone pays, bills will reduce overall. There is a business case for helping STW to achieve this. This is the message we need to get out there; paying your bills saves money'*
- An advisory service representative stated *'there's not one group more needy than another'*

Table 3

- A housing association representative commented that the main group should be *'large families'*
- An advisory service representative disagreed and stated it should *be 'single without children not necessarily pensioners'*
- An advisory service representative was of the view the *'breakdown of groups needs to offer more detail'*

- A housing association representative said single males ages 25-40 are the most vulnerable as they *'don't know what to do'* and there is *'no social help available'*
- An advisory service representative was of the opinion *'more money is needed in the trust fund'*
- A consumer forum member agreed but commented *'everything needs to be looked at'*.
- All agreed social tariff is needed across the board but eligibility needs to be changed
- A housing association representative was of the view incentives are needed to encourage customers to pay the bill
- An advisory service representative agreed and that *'Tesco vouchers are a good incentive'*. S/he pointed out it would be good for charities such as *'Age Concern'* to work with STW and outreach to the community
- An advisory service representative stated the debt advice service currently offered to his / her *'clients are either on a one to one basis or a group advice session'*. S/he pointed out *'rent, mortgages, gas and electricity are the top priorities in the sessions, not water'*

Table 4

- An advisory service representative suggested pensioners should be helped
- A housing association representative stated that STW help should be linked to other qualifying benefits
- An advisory service representative suggested that lone parents should be helped
- A council representative added that this, again, should be means tested
- An advisory service representative stated there is an issue with customers who are struggling but are not yet in debt being missed
- An advisory service representative suggested disabled customers should be helped, and again a housing association representative added that this should be linked to other means tested benefits
- An advisory service representative questioned whether STW has a priority registered list
- A housing association representative suggested that STW could target customers who are on universal credit. The stakeholder felt that there should be a *'sharing of data'* so you can see who is on the system
- An advisory service representative suggested that the low income category customers could be split in two - those who are not able to improve their low income due to other circumstances and those who could get out of that category as it was a temporary situation. Those who are on a low income due to other circumstances wouldn't get an automatic discretionary award and could be nudged in the right direction some other

way e.g. education and guidance. The stakeholder stated that STW can't support everyone significantly on a low income

- The stakeholder clarified that some customers shouldn't automatically get help as there are other ways to intervene, not just financial. There needs to be a challenge to the assumption that all low income households need financial support straight away
- A STW representative asked whether the stakeholders meant STW should have a '*suite*' of options to help customers
- An advisory service representative stated that customers need to be dealt with on a case by case basis rather than just the category that they fall in to
- A housing association representative questioned whether STW offers a visiting service to its customers. The stakeholder suggested that if STW can't help the customer financially, then a face-to-face visit could offer other advice and help
- STW confirmed that it doesn't currently have field advisers
- A council representative discussed an energy community advisers pilot scheme in his / her local authority. The idea was to recruit a few in every community. The stakeholder suggested that STW could have water champions. It was added that peer conversations are more effective
- A housing association representative stated that peer-to-peer advisers would be hard to manage across a large area but could be effective
- An advisory service representative felt that STW has a duty to be a 'good neighbour' and champions / advisers would be one way to achieve that
- A housing association representative suggested that it would be useful to have a local face for STW so that it can build a relationship with a specific community. The stakeholder suggested that linking up with a local organisation could help build a relationship
- A council representative stated that in order to target its low income customers and build a relationship with the community STW would have to be willing to lose its commercial identity. STW would have to use a third party, as its customers are more likely to talk with the third party rather than STW
- An advisory service representative suggested that a different logo could be used on STW's advice literature so that customers open and read letters, rather than customers immediately assuming it's a bill. The stakeholder suggested using a logo such as the Big Difference Fund
- A council representative queried whether STW use gimmicks in its marketing. The stakeholder suggested that STW should use consistent branding for children, first-time tenants, families and pensioners so there is recognition of the company. It was suggested that there needs to be better familiarity with STW branding. It was felt that there isn't an appreciation of STW among householders

- An advisory service suggested targeting schools and children with water intelligence sessions. The stakeholder added that this would have a trickle-down effect to parents
- A housing association representative stated that some people do not recognise the need to pay for water and do not appreciate what STW does
- An advisory service representative suggested that as part of the 'good neighbour' agenda, STW could offer work experience to schools / colleges
- A community association representative suggested that STW use community centres as a way of publicising its different schemes
- A housing association representative wondered if STW is able to turn the water supply off for the day as an incentive to pay your bills
- An advisory service representative stated that there is an overall issue of debt management with non-paying customers. There needs to be general debt education for those customers
- A STW representative explained how non-paying customers can end up with a default on credit records when they don't pay their bills

6.3. Q7: How do you think we should determine eligibility?

Table 1

- A housing association representative was firmly of the view that assistance should be based on need, stating that *'I do not need my bill cut by £30 today, but I might in the future'*
- An advisory service representative and a council representative agreed that it should be dealt with on need

Table 2

- An advisory service representative asked whether STW had done any research to obtain individual data within the 2% of customers that are unable to afford bills
- An STW representative answered this question
- An advisory service representative stated that *'STW doesn't know anything about the 2% that struggle to pay, so when it comes to recovery you can't differentiate between those who can't or won't'*
- The Table agreed that it was difficult for STW to define eligibility
- A community association representative was of the view that if people are in arrears, this indicates that some form of intervention is required to help them, however this depends on perspective. S/he felt that a means-tested route to assess eligibility was problematic

- An advisory service representative commented that those in arrears are not necessarily the most needy
- A community association representative added that STW could probably identify the broad group of people that need to be assessed
- An advisory service representative commented that external agencies can help STW identify people in need. S/he made the point that people in arrears tend to be guarded towards those whom they owe money, but when offered help from a sympathetic third-party agency they might be more willing to be open and honest
- The table agreed that third party agencies are best placed to assess people in need
- An advisory service representative commented that there is a gap between those people who think that they need money and those in genuine need, and the challenge is to differentiate between the two
- A housing association representative agreed that it was important to assess people carefully

Table 3

- An advisory service representative said it should be customers on *'low income rather than just benefits'*
- An advisory service representative pointed out *'part time jobs offer less income and wages are hit hard with tax deductions'*
- A housing association representative commented customers who are *'single and self employed, do not receive help and support'*
- A housing association representative stated STW need to look at *'customers' income and expenditure'*. S/he was of the view *the 'social tariff can have a bigger impact if it was on a sliding scale of 5%-10%'*. S/he said the *'overall target should be 3% and STW needs to work out what is affordable for each customer'*
- An advisory service representative pointed out to qualify for the social tariff it should be based on more than a *'customers income'* and the criteria should include how many children the customer has and how old the children are
- A housing association representative pointed out a customer could slip through the net as they may not fit any of the criteria to *'receive help but could still struggle'* to pay the bill
- A housing association representative viewed the social tariff criteria as good as it covers a lot of areas but it *'may not work in practice'*
- An advisory service representative pointed out a key problem is customers who don't turn up to appointments at charity organisations and get *'3 strikes'* so they cannot receive any help. S/he thinks all problems a customer has needs to be looked at rather than one problem per agency. S/he stated if a customer has several problems such as

drugs and experiencing the involvement of social service with their children, a water bill will not be a priority

- An advisory service representative agreed with the point when helping a customer who needs help STW needs *'to look at a person as a whole'*. S/he said a customer needs help to get their *'life steady'* and realise there are lots of *'other mitigating factors'* which mean water bills are not priority
- An advisory service representative pointed out some customers are in so much in debt the only way to sort out the debt is to go through *'bankruptcy'*
- An advisory service representative commented the debt resolution process is long and it is difficult to get client through *'whole process before they become disengaged'*

Table 4

- An advisory service representative stated that it becomes difficult to determine who should be included in the scheme. The stakeholder added that there has to be means testing within that group / category
- A housing association representative suggested that external agencies are able to identify those in need of help
- An advisory service representative queried whether STW is reliant on its customers contacting them for help and advice
- An advisory service representative stated that it would have been useful to know STW's net profit for the discussions. The stakeholder added that they are being asked to comment on raising bills to help vulnerable customers without knowing how much money is being allocated out of STW's overall income. The stakeholder queried whether helping vulnerable customers could be allocated a *'larger piece of the cake'*
- The stakeholder added that it would be interesting to know the overall figure that the 1% is coming from
- A council representative stated that the *'1% increase won't cut it'* if the figure of 7% of customers not paying increases
- A council representative stated that s/he gets a water bill every 6 months, and it is a bill that they don't think about. The stakeholder stated that people normally budget on a monthly basis and it becomes difficult to budget and afford the water bill. The stakeholder added that as you pay your water bill every 6 months the only contact some residents have with STW is twice a year. It was suggested that STW should allow customers to pay monthly to improve their debt problems

6.4. Q8. What is the right type of support for these customers?

Table 1

- A council representative argued that *'everybody has to pay something'*. S/he suggested that it could be a nominal amount but STW's customers need to know *'that they have a service that they have to pay for'*
- A council representative declared that it was about learned behaviour. Many of those who do not pay their bill are *'3^d/4th generation benefit families who do not realise services like rent and water are payable'*
- A council representative agreed, stating that money management is an issue for young people in schools and suggested STW could go in to schools to teach them about water bills
- A council representative pointed out that s/he did not believe that you can tell people they don't have to pay anything because other groups will soon ask for the same treatment
- A housing association representative said that s/he does not want to see nil bills claiming that *'you can't come back from there'*

Table 2

- An advisory service representative was of the view that STW would reach people more effectively if it used funds to support smaller localised third-party agencies so people can access help more easily rather than channelling outreach through the Citizens Advice Bureau. S/he felt that hard to reach groups were put off by organisations such as the CAB due to the long waiting lists for advisors
- An advisory service representative stated *'people have lost jobs as debt advisers so STW need to do something a bit more left field'*
- An advisory service representative agreed that *'collectively'* there should be some responsibility to fund organisations like his / her own, particularly as *'Government cuts start to bite'*
- An advisory service representative stated *'it's difficult to negotiate a payment plan with a customer when you don't know how much of the truth they're telling you, especially if you're speaking to them over the phone. Third party agencies are a more effective way of finding out the whole truth!'*
- An advisory service representative supported this view, *'they just want to tell you what you want to hear to get out!'*
- Another advisory service representative said *'in my job, you can't really help customers unless they're honest with you. People understand that debt advisers don't want money from them but do want to help'*

- A council representative commented that the discussion so far had highlighted that STW has several outlets to help people, s/he stated that additional funds should be used for something else
- A housing association representative asked about how customer can access STW's literature and tips to save money and water. S/he stated that some form of toolkit would be useful for housing associations
- An STW representative answered this question

Table 3

- An advisory service representative was of the view a customers circumstances should be reviewed 6 months after they become free of debt. S/he commented that a list of customers will build up but constant checks will need to be made to prevent future problems. S/he stated s/he has worked with Eon in the past where customers received a £1 reduction on the bill
- A housing association representative pointed out STW can't forget those who have long term problems even if they become *'debt free'*
- An advisory service representative was of the view if a customer misses *'2-3 payments they should be taken off the payment plan'*
- An advisory service representative commented it is a big concern that warning signs of a customer having financial problems are not always *'picked up'*
- A housing association representative said the *'jam jar account system'* would be a good system to implement by the credit union
- An advisory service representative pointed out there are currently *'no takers for credit union'*
- A housing association representative was of the view STW needs to form an agreement with the credit union but pointed out there are 15-20 credit unions and each agreement will be different

Table 4

- Covered by Table 4 in earlier discussions

6.5. Q9. In what circumstances do you believe a social tariff should be offered?

Table 1

- The table agreed that it was the right decision that a social tariff should be a last resort and all agencies should be working closely with these customers before the need of a social tariff

- A council representative commented S/he believes it would be better to encourage awareness among customers rather than concentrate on a social tariff

Table 2

- The general consensus on the table was that *'for the few or many'* may be the wrong question. Tackling affordability issues is more about helping people and targeting them in a very different way
- A water company employee stated that *'I would say it was for the few but it's the identification of the few that's the tricky bit'*. S/he felt that third-party organisations as well as individuals could refer customers that could be considered for social tariffs to STW
- An advisory service representative commented that unless STW proactively identify people by finding out about their individual circumstances, it will not be able to identify whether people are eligible for social tariffs
- An advisory service representative said *'you assume that all of your customers have a certain level of organisation, intellect and skill sets. However the reality is that there are a percentage of your customers that have health, literacy and other difficulties that affect their ability to interact with Severn Trent. You can't assume that everyone's on the same level as we are'*
- An advisory service representative supported this. S/he cited an example of one of her clients that was unable to afford to make a phone call to a utility service provider
- A council representative felt that the table had not discussed *'vulnerability'* enough; s/he referred to a report entitled *'In the Eye of the Storm'* which was funded by Action for Children and compiled by the Institute of Fiscal Studies, which helps clarify those that are most at risk. S/he stated *'the most recent research I've read has suggested that pensioners have done well for themselves and will be okay following welfare reform, whereas families and children are set to suffer most from introduction of universal credit. STW need to identify people most in need, however this doesn't necessarily require a heavy use of resources'*
- An advisory service representative was of the view that when dealing with vulnerable groups it was important to be completely confidential. S/he felt that the confidentiality offered by debt advisory services enabled them to obtain useful information
- Another advisory service representative added *'the problem is that demand is higher than the availability of agencies'*
- A community association representative countered that *'I would argue that there are other places that people can go to for advice, for example, church networks are starting to give more advice and establishing credit unions'*
- The table agreed the issue of affordability needs to be reconsidered in a more holistic way and that there is no single body that holds all of the relevant information. The general sentiment was that there may not be a one size fits all approach, however there is more that STW need to do reach out to those in need

Table 3

- An advisory service representative commented it is hard to be flexible when offering the tariff. S/he stated those receiving a discount on bills are not always able to pay the full amount and *'more help will go a long way'*
- An environmental representative stated water efficiency needs to be addressed and as *'climate change issues needs to be prepared for'*. S/he commented STW needs to help customers use less water through education and that *'saving water will benefit all'*
- A consumer forum member pointed out a future issue could be if a reduction of consumption occurs then STW will reach a point where they will have to increase prices as *'consumption will be too low'*
- An advisory service representative agreed and pointed out a benefit needs to be balanced out through costs and use
- An advisory service representative said the overuse of dishwashers and washing machines means some customers are not better on metres but shows there is a need for more education
- An advisory service representative was of the opinion that *'water values need to be built in from young age'*
- A consumer forum member agreed that water advice is important
- An advisory service representative commented if the elderly are encouraged to have to a social tariff or a water metre they need to be offered a *'safety net of having the option to return to their old tariff'*

Table 4

- A council representative queried whether STW was the right body to do this. Should an external agency set the criteria and implement the scheme? Wessex Water used the Citizens Advice Bureau. How many categories should there be?

6.6. Any other comments?

Table 1

- A housing association representative said that s/he would like to know if STW offer a work programme. His / her Housing Association are currently offering it to its tenants and trying to help them back in to work and suggests this is something STW could do itself
- An STW expert proposed that everyone has a *'tipping point'* where the amount on their bill added by those not paying will turn them in to non payers
- A council representative stated that *'bills should not be being written off'* and s/he would like to see some accountability on those who do not pay

- A council representative was of the view that s/he would be happy to have someone pay a penny but they need to pay something. *'The silent majority would be aware that people are encouraged to behave for the greater good'*

Table 2

- A housing association representative commented that s/he was not aware that single people are eligible for a single person's tariff on a water meter
- The discussion ended with individual attendees thanking STW for organising the workshop, many agreed that it had been *'eye-opening'* for them
- A housing association representative stated that the discussion had been useful and that s/he planned to raise awareness of STW's schemes
- A consumer forum member added *'knowing a lot about STW's business I'm surprised that a lot of the relevant information hasn't reached you – I find it quite worrying. STW need to do this every year and next time get more people in - it's an education effort'*
- An advisory service representative countered that *'problem is that people don't really take an interest because it isn't sexy!'*
- A community association representative stated that *'everyone needs to go away and talk to groups and make them aware that STW are good guys and are doing something good'*

Table 3

The key points from the discussion as summarised below:

- Focus on helping a few people a lot based on STW 13k figure
- Income and affordability-agencies are best to give advice
- Overall support for a social tariff and working with existing agencies
- Long term education on conservation of water
- Prevention is better than cure in terms of debt
- Help those who want to help themselves

7. Appendix 1: Stakeholder feedback

7.1. Written feedback

A number of stakeholders left written comments on their feedback forms. A sample of these comments is shown below:

- *"To hear the views of STW & other stakeholders-was good and so is the fact that we all seem to be moving in the same direction"*
- *"Informative and the discussions were interesting"*
- *"Very interesting, I found out about schemes that would benefit our customers"*
- *"Found out more about how customers can be helped"*
- *"Changed part of my thinking"*
- *"Good cross section of companies/agencies to give their views and input to discussions"*
- *"Now know what schemes are available to customers who are struggling"*
- *"Always good to have the opportunity to meet with other local agencies and share ideas on better way to promote schemes"*
- *"Nice and informative, very good"*
- *"Good all round workshop"*
- *"Very good material"*
- *"Useful to hear about the next steps and this feeds into future business planning"*
- *"Well organised - timing was about right. Pleasant enjoyable experience"*