



Statement of Significant Change 2024/25 Charges Schemes

1. Introduction

This Statement of Significant Change for Icosa Water Services' 2024-25 Charges Schemes provides the stakeholders of Icosa Water Services Limited with information as to the significant changes to our end-user customer charges for the 2024-25 charging year compared with the 2023-24 charging year.

This statement is made in accordance with Ofwat Information Notice IN 22/03 ("Expectations, assurance and information requirements for water company charges for 2023-24" published in September 2022) and annex A2 of the Charges Scheme Rules¹ published by Ofwat in December 2022. It confirms:

- whether end-user customer bill increases of more than 5% compared to the previous year are expected;
- if so, which types of household customers are likely to be affected;
- the "handling strategies" that, if appropriate, we may adopt to mitigate the impact on customer bills;
- details of any significant changes in charging policy.

Icosa Water Services set its prices to match the various incumbent water and sewerage companies where we operate to ensure that customers are no worse off. The incumbent water and sewerage companies review their charges annually and adjust them to cover the allowed revenues in their price controls and any in-period determinations that have been made thereafter to reflect things such as inflation, under/over recovery of allowed revenue and delivery incentives etc.

Inflation (CPIH) as published by the Office for National Statistics stated that Core CPI (excluding energy, food, alcohol and tobacco) rose by 5.1% in the 12 months to December 2023.

We have assessed the effects of the Charges on our household customers for a range of customer types and have identified that some household customers will have year-on-year bill increases exceeding 5% when compared to 2023-24, assuming a constant level of consumption.

2. 2024/25 Charging Schemes

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

	25/25 Charge Based on 100m3	23/24 Charge based on 100m3	Increase/(Decrease)	Percentage Increase/(Decrease)
Affinity Central	£157.04	£149.54	£7.50	5.02%
Affinity East	£236.26	£227.82	£8.44	3.70%
Affinity South East	£249.29	£240.41	£8.88	3.69%
Anglian - Anglian	£246.54	£226.68	£19.86	8.76%
Anglian - Hartlepool	£153.45	£146.76	£6.69	4.56%
Bournemouth & West Hampshire	£135.68	£131.61	£4.07	3.09%
Bristol	£208.42	£199.32	£9.10	4.57%
HD Cymru Zones A&D	£244.85	£218.85	£26.00	11.88%
HD Cymru Zone B	£216.76	£191.15	£25.61	13.40%
HD Cymru Zone C	£207.15	£182.03	£25.12	13.80%
Northumbrian - Essex and Suffolk	£226.86	£203.28	£23.58	11.60%
Northumbrian - Northumbria	£189.46	£168.90	£20.56	12.17%
Portsmouth	£117.88	£114.93	£2.95	2.57%
Severn Trent A Zone1-8	£219.26	£209.93	£9.33	4.44%
Severn Trent B Zone9	£206.86	£193.79	£13.07	6.74%
Severn Trent C Zone10	£211.61	£198.16	£13.45	6.79%
South East - Eastern	£257.47	£246.70	£10.77	4.37%
South East - Western	£202.93	£194.75	£8.18	4.20%
South Staffordshire	£182.84	£174.56	£8.28	4.74%
South West A(Single Service)	£269.00	£255.36	£13.64	5.34%
South West B(Dual Service)	£251.86	£237.75	£14.11	5.93%
Southern	£219.76	£192.56	£27.20	14.13%
Sutton East Surrey North	£163.29	£142.12	£21.17	14.90%
Sutton East Surrey South	£201.62	£176.12	£25.50	14.48%
Thames	£220.59	£201.16	£19.43	9.66%
United Utilities	£240.39	£223.80	£16.59	7.41%
Welsh Water	£171.62	£185.77	(£14.15)	(7.62%)
Wessex	£286.02	£253.67	£32.35	12.75%
Yorkshire	£213.38	£193.44	£19.94	10.31%
Yorkshire - York	£135.53	£123.72	£11.81	9.55%
Average Increase/(Decrease)	£208.12	£193.49	£14.63	7.56%

The figures in table 1 show that bills will increase by more than 5% in several regions and that the average increase across all regions is 7.56% or £14.63 per annum for water customers. This analysis is based on an average estimated demand of 100m3 per property per annum which reflects the average demand of modern water efficient homes connected to our networks.

Table 2 below sets out the typical bill increases for household wastewater customers relative to our 2023-24 bills.

	25/25 Charge Based on 100m3	23/24 Charge based on 100m3	Increase/(decrease)	Percentage Increase/(Decrease)
Anglian - Anglian	£295.94	£272.59	£23.35	8.57%
HD Cymru Zones A&D	£243.04	£210.15	£32.89	15.65%
Northumbrian	£208.14	£186.73	£21.41	11.47%
Severn Trent	£216.82	£204.44	£12.37	6.05%
South West A(Single Service)	£396.30	£394.86	£1.43	0.36%
South West B(Dual Service)	£376.45	£373.76	£2.68	0.72%
Southern	£294.37	£259.99	£34.38	13.22%
Thames	£199.15	£171.22	£27.93	16.31%
United Utilities	£274.23	£247.77	£26.46	10.68%
Welsh Water	£303.90	£296.39	£7.50	2.53%
Wessex	£268.22	£236.86	£31.36	13.24%
Yorkshire	£266.76	£255.62	£11.15	4.36%
Average Increase/(Decrease)	£278.61	£259.20	£19.41	7.49%

The figures in table 2 show that bills will increase by more than 5% in several regions and that the average increase across all regions is 7.49% or £19.41 per annum for wastewater customers. This analysis is based on an average estimated demand of 100m³ per property per annum which reflects the demand of modern water efficient homes connected to our network.

3. Handling Strategies

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

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

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

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

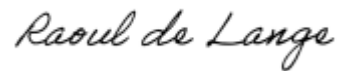


Alongside WaterSure and paying by monthly direct debit we offer our customers flexible payment plans to help ensure that customers are not having to make payments that are outside their means.

Signed on behalf of the board:



Robert Bradley: Director of Finance and Customer Services.



Raoul de Lange: Legal and Regulatory Director



Stephen Bradley: Managing Director