

EXPLANATORY MEMORANDUM TO
THE WATER INDUSTRY (CHARGES) (VULNERABLE GROUPS)
(CONSOLIDATION) REGULATIONS 2015

2015 No. 365

1. This explanatory memorandum has been prepared by the Department for Environment, Food and Rural Affairs and is laid before Parliament by Command of Her Majesty.

2. **Purpose of the instrument**

The Water Industry (Charges) (Vulnerable Groups) (Consolidation) Regulations 2015 (the “2015 Regulations”) consolidate the Water Industry (Charges) (Vulnerable Groups) Regulations which were first made in 1999 and subsequently amended in 2000, 2003 and 2005. No substantive changes have been made to the existing provisions in the Regulations but the 2015 Regulations include an additional provision on social tariffs.

3. **Matters of special interest to the Joint Committee on Statutory Instruments**

None

4. **Legislative Context**

4.1 The Regulations require water and sewerage undertakers to provide assistance to metered households on low incomes who may struggle to afford their water bills. Bills are capped at the average bill for the undertaker if the customer is in receipt of a qualifying means-tested benefit or tax credit **and either** has 3 or more children under the age of 19 **or** somebody in the household has a medical condition which necessitates a high use of water. This assistance has become known as the WaterSure tariff.

4.2 One new provision has been added to the 2015 Regulations. Section 44 of the Flood and Water Management Act 2010 enables water and sewerage undertakers in England and Wales to include social tariffs in their charges schemes that are tailored to the local needs and circumstances of their customers. Where an undertaker has introduced a social tariff that provides an equal or more generous reduction in bills for all households eligible for WaterSure then it will no longer be required to make the WaterSure tariff available separately.

5. **Territorial Extent and Application**

This instrument applies to water and sewerage undertakers who operate wholly in England, and those who operate mainly in England and partly in Wales.

6. European Convention on Human Rights

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

7.1 The Water Industry (Charges) (Vulnerable Groups) Regulations were introduced in 1999 to require water and sewerage undertakers to make special provision in their charges schemes for providing assistance to consumers on low incomes who may struggle to afford their bills. Subsequent amendments to the Regulations in 2000, 2003 and 2005 extended the eligibility criteria for assistance. The Regulations have also been updated indirectly by changes to welfare legislation, in particular the Welfare Reform Acts of 2007 and 2012.

7.2 The Water Industry (Charges) (Vulnerable Groups) Regulations were identified for consolidation as part of the Government's Red Tape Challenge initiative, which aims to reduce the overall burden of regulation on consumers and businesses. Four pieces of legislation will be reduced to one as part of this consolidation exercise. Once the 2015 Regulations enter into force, the previous Regulations will be revoked.

8. Consultation outcome

No consultation has been carried out with respect to this consolidation exercise as no material changes have been made to the provisions in the Regulations.

9. Guidance

Not applicable as no new obligations are being introduced. Related Government guidance on charges schemes and social tariffs already exists and is updated periodically.

10. Impact

10.1 These consolidated 2015 Regulations will clarify for water and sewerage undertakers and their customers the existing requirements of the WaterSure tariff and enable the integration of WaterSure with similar social tariffs where applicable, eliminating duplication and potential confusion for customers.

10.2 An Impact Assessment has not been prepared as the entitlements of individuals and the obligations of undertakers are not changed in any way.

11. Regulating small business

This instrument consolidates existing legislation. There is no impact on small business.

12. Monitoring & review

The Secretary of State must review the 2015 Regulations after five years and publish a report setting out the extent to which the 2015 Regulations have met their intended objectives and whether those objectives are still appropriate for legislation.

13. Contact

For queries regarding this instrument please contact **William Harrington** at the Department for Environment, Food and Rural Affairs. Tel: 0207 238 4454. Email: William.Harrington@defra.gsi.gov.uk.