

## Waterwise Response to Consumer Council for Water consultation on its

### Draft Forward Work programme 2011-12 to 2013-14

January 2011

Waterwise welcomes the emphasis in the Forward Work programme on the long-term legitimacy and sustainability of the water sector in England and Wales. CCWater's role to date in providing customer feedback on existing and proposed water company mechanisms and frameworks has been very useful.

However, Waterwise would like to see the Consumer Council for Water reach beyond reporting customer views, to taking an even more strategic approach to assessing what is in the interest of customers in the long-run – a clear aim of Ofwat's regulatory processes. We are concerned that disproportionate weight not be placed on a discussion with water customers now on willingness to pay slightly higher bills on issues which are crucial to the sustainability of the sector - effectively asking them to take a long-term strategic view on sometimes complex supply and demand scenarios for the benefit of future customers.

For example, it is now generally accepted that the current cross-subsidies in the water sector in England and Wales are penalising the exact group of vulnerable customers about which concerns are voiced in the context of a move to full metering – the Walker Review puts this at a £600 million cross-subsidy, of which two thirds is going from poor to rich. A structured approach to full metering, comprising tariffs to protect vulnerable groups, and a water efficiency package, is the best way to address long-term issues of affordability in the water sector, rather than the piecemeal approach which currently penalises vulnerable groups. Research on customers' views on this scenario should form part of the background of evidence on such a major policy area, but the strategic view of CCWater on the long-term interest of customers is also relevant.

We look forward to continuing to work closely with CCWater.

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