

WAVERLEY BOROUGH COUNCIL

EXECUTIVE – 07/03/2017

Title:

HOUSING SERVICE WATER CHARGE CONSULTATION FEEDBACK

[Portfolio Holder: Cllr Carole King]

[Wards Affected: All]

Summary and purpose:

The purpose of this report is to provide the Executive with details of the feedback from Council tenants on the proposal to end the current arrangement with Thames Water for the collection of their water charges. In light of this feedback and the legal and financial advice, the Executive is asked to make a decision regarding the future of the Thames Water arrangement.

How this report relates to the Council's Corporate Priorities:

This report relates to the Council's secure tenants and relates to the Corporate Priorities of "Community Wellbeing" and "Value for Money".

Financial Implications:

As previously reported, there are significant financial implications for Waverley. From 1 October 2017 onwards, Waverley will no longer receive commission from Thames Water, which amounts to approximately £80,000 per annum. The Council's liability for refunds is estimated to be £400,000 (as approved by Council on 20 October 2016).

Legal Implications:

There are wide legal implications under the Housing Act 1985. In August and December 2016, the Council received external legal advice in relation to the Southwark High Court water charges case. The Council has a duty to consult with its tenants on matters of housing management under section 105 of the Housing Act 1985. On 31 January 2017, the Council completed its consultation with its housing tenants. As far as the Council is aware, Waverley Borough Council is the first Council to be following Southwark's approach in terminating the water collection agreement with Thames Water and arranging for refunds for its tenants with unmetered properties. Following termination of the agreement, tenants will have a direct relationship with Thames Water for the collection of water charges. The Council and Thames Water will work together to ensure that the transition is as smooth as possible.

Introduction

1. The Council agreed on 27 September 2016 that the decision about the future of the arrangement with Thames Water be delegated to the Executive following a detailed appraisal of the options, including termination.
2. The Executive received a report on 29 November 2016 setting out the strategy and timescale for addressing the current contract issues relating to the collection of water charges for Waverley tenants living in properties without water meters, serviced by Thames Water.
3. Members will recall the Jones v Southwark 2016 High Court case reported to the Executive on 27 September 2016 and the need to review the Thames Water contract arrangements to establish the financial liability and consider the process to refund tenants.
4. Secure tenants must be consulted regarding any change in the way their home is managed under the Housing Act 1985. A consultation exercise was conducted with those tenants affected, during the period from 13 December 2016 to 31 January 2017.

Consultation

5. 2,577 personal letters were sent to all tenants for whom water charges are collected, explaining the situation and requesting views on the proposed option *“to end the current Thames Water arrangement and for you to have a direct relationship with your water supplier, as many tenants already do”*.
6. Tenants were invited to give feedback online, by email, in writing or in person at the All Tenants Open Meeting on 19 January 2017.
7. A consultation web page was created for the duration of the period replicating the information in the letter. A facility was also provided to enable tenants to feedback online.
8. Overall, there was a very low response to the consultation with four emails, two letters and 30 tenants attending the meeting. A low response rate following direct communications typically indicates that there is little concern about the proposal. The written response was divided with 50% of respondents by email and letter supportive of the change (for example *“The changes Waverley want to make in this area are perfectly acceptable”*) and 50% preferring to stay with the current arrangements (for example *“I would wish to stay with the current arrangements, which I am used to and understand”*).
9. All 30 tenants who attended the All Tenants Open Meeting were supportive of the proposed change. They listened to a presentation from the Head of Housing Operations and had the opportunity to question a representative from Thames Water. Attendees identified that *“it was good to have ownership and control of your water service”*, *“you can find a cheaper tariff as single occupant”* and *“I can continue to pay at the post office”*.

10. In addition to the formal responses the Rent Accounts Team received 35 enquiry calls. The majority of these calls were from older tenants asking how they would make future payments. Of these 17 stated they wished things could stay the same as they had always paid their water charges this way.
11. Tenants' areas of concern have been logged and consideration given to how to ensure a smooth transition regarding the proposed change to collection of water charges by Thames Water (rather than Waverley Borough Council). Tenants attending the All Tenants Open Meeting had similar concerns which were allayed after meeting with the Thames Water representative.

Issue	Response
Will I have to change my water utility provider?	There will be no change in your water utility provider. It will continue to be Thames Water.
Who do I pay?	Waverley until 30 September 2017 and Thames Water from 1 October 2017.
How do I pay?	Thames Water has a range of payment methods; direct debit, debit or credit card, by phone, by post, at the bank, post office or PayPoint, online or telephone banking. Thames Water will set up a suitable payment plan with you. A range of plans are available, weekly or monthly payments, PayPoint or direct debits.
Will water charge go up?	The water charge will be the same irrespective of who collects it.
How will I transfer my details?	Waverley will share your name and address with Thames Water for them to contact you directly to make a payment plan.
Who will deal with repairs?	The repair obligation remains the same. Waverley pipes in homes and to the edge of the property boundary and Thames Water the public sewers.
Can I have a water meter?	You can apply for a water meter at any time, but it would be best to apply when Thames Water contact you. If your home is not suitable for a water meter Thames Water will consider your home size and the number of occupants and charge a revised tariff.
Historic problems with water suppliers	Individual issues will be addressed on a case by case basis
Can I choose a different water supplier?	Currently customers in England are unable to choose as water suppliers are fixed by geographic areas.

Strategy Update

12. On 29 November 2016 the Executive agreed a working strategy and timetable which, following the consultation with Council tenants, officers now recommend the Executive to adopt. Positive progress has been made with implementing the early stages of the strategy and this is reported below with additions to the agreed strategy in purple / italic font.

		Timescale
Formal consultation on current arrangements with Thames Water	Formally consult with those tenants affected by the High Court ruling and consider the outcome before deciding on the final course of action.	Second week of December to end January 2017
Progress: Consultation completed with low response rate broadly in support of the proposal.		
Short term changes to the contract	Negotiate a deed of variation with Thames Water to ensure that there are no future liabilities arising from the High Court ruling.	January 2017 - April 2017
Progress: The Strategic Director of Front Line Services, in consultation with the Portfolio Holder for Housing, is negotiating a deed of variation to amend the current arrangement with Thames Water. The variation reduces the amount of commission received to conform with the prescribed amount in the Water Resale Act 2006, thus ceasing the Council's liability as at 31 March 2017.		
Formal Decision by Executive	Executive consider feedback from consultation and agree final strategy and actions.	March 2017
Progress: Current Report		
Feedback to Tenants	Write to tenants letting them know the outcome of the consultation and the Council's final course of action.	March 2017
Progress: Draft letter prepared, subject to Executive decision. Tenants will be advised of the Council's decision and early information provided about the handover process, range of payment opportunities and tariffs.		
Refunds	Provide a refund to current Council tenants affected, by crediting their rent account. Any outstanding debt to the Council, <i>relating to the property</i> , will be met from the credits made.	From April 2017

	<i>Refund letter stating, amount, tenancy address(s) and next steps will be sent to tenants.</i>	
Progress: Process at design stage to implement April 2017.		
Notice of termination of current contract	Progress with giving six months notice of termination of the current agreement with Thames Water and agree a handover date based on alignment with billing periods.	Notice to be given in April 2017
Progress: Subject to Executive approval, notice will be issued at the end of March 2017 to end the arrangement on 30 September 2017. The timing provides a six month notice period and aligns with the half yearly billing period.		
Former tenants	<p>Invite former tenants to apply for a refund through the Council website. The invitation will be publicised through the website and local press release.</p> <p>Any outstanding debt to the Council, <i>relating to the property</i>, will be met before payments are made.</p> <p><i>Email notification of the outcome of application will be sent to all applicants.</i></p>	April 2017
Progress: Process at design stage to implement April 2017.		
Introduction letter	<i>Write to tenants to introduce Thames Water, confirming handover date, contact details, FAQs, payment and tariff options.</i>	<i>September 2017</i>
Progress: relationship with Thames Water, payment plan and tariff information received. Agreement to work in partnership during handover.		
Direct Billing with Tenants	Contract notice period expired with Thames Water and direct billing arrangements in place for existing Council tenants.	October – December 2017

Handover Project

13. Thames Water has transferred similar payment arrangements from a Housing Association last year and are transferring a further seven organisations in April 2017. They interviewed 300 residents to establish what went well and what did not to continuously improve the service. A dedicated project team to assist tenants set up new payment plans and ensure they are on the best tariff will also be provided.
14. A joint letter will be sent in September introducing Thames Water, with contact details, FAQs and payment options for tenants to set up payment plans.
15. Waverley will share name and address information in accordance with the Data Protection Act 1998. If a tenant fails to contact Thames Water their account will default to a weekly payment plan to replicate current arrangements.
16. The Housing website will be developed to explain the handover process and provide contact details and links to the Thames Water website.

Conclusion

17. There was a very small response to the consultation, which indicates little tenant concern about the proposal. All of the attendees at the All Tenants Open meeting and around 50% of respondents were supportive and positive about the proposal. The concerns raised have been addressed by Thames Water and the transition period will be made as easy and simple as possible for tenants.
18. Ending the water charge collection arrangement will provide equality of service for all Waverley tenants and enable Thames Water customers to access lower tariffs and repayment support.

Recommendation

It is recommended that

1. following the consultation with housing tenants, the Executive agrees to end the arrangement with Thames Water for the Council to collect water charges for council homes with no water meters so that in future tenants can pay their water charges direct;
 2. authority be delegated to the Strategic Director of Front Line Services, in consultation with the Portfolio Holder for Housing, to serve notice to end the arrangement with Thames Water on 30 September 2017; and
 3. the strategy, as set out in the report, be approved.
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Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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