

Committee: Housing Management & Almshouses Sub-Committee	Date: 21/01/2019
Subject: Collection of Water Charges from Tenants	Public
Report of: Director of Community & Children's Services	For Information
Report author: Liam Gillespie, Head of Housing Management	

Summary

In common with many social landlords, the City of London has an arrangement with Thames Water to collect water and waste water charges from its tenants. The City of London then pays Thames Water for the services supplied.

Thames Water is ending all such arrangements with social landlords and will start billing tenants directly. The City's agreement with Thames Water terminates on 31st March 2019 and, from 1st April, its 1,900 tenants will become direct customers of Thames Water.

Recommendation

Members are asked to:

- Note the report.

Main Report

Background

1. For many years, the City of London has had an agreement with Thames Water regarding the collection of weekly water charges relating to tenanted domestic properties. The City collects charges for water and waste water services from its tenants and then pays Thames Water for the services supplied. The charge is a separate element of the total weekly rent charge paid by Secure tenants to the City of London.
2. This type of arrangement is very common and dates to a time when water providers were public bodies and water 'rates' were part of charges paid to local authorities.
3. Thames Water has decided to end this type of arrangement and start billing end users directly. This change will affect approximately 300,000 households in London and is due to be complete by 2020.

4. Thames Water wishes to have a direct relationship with its customers, as this will be simpler and more transparent for tenants who pay the water charges. It will also allow Thames Water to provide advice more easily, for example information on the range of tariffs available.

Current Position

5. The City has just over 1,900 social tenants whose water charges are billed on a weekly basis and collected by the City. The City takes on the risk of non-payment by tenants and bears the billing and administration costs. For this, it receives a commission from Thames Water, which is deducted from the sum paid to them.
6. Thames Water has similar arrangements with other local authorities and social landlords (those whose housing stock was transferred from local authorities). Thames Water has served the required notice on the City to end its arrangement on 31st March 2019. Tenants will become direct customers of Thames Water from 1st April 2019. Thames Water has been through this process with several other landlords and the switch-over procedure is being refined over time.
7. In accordance with an agreed timetable, the City wrote to all its tenants in December 2018 to outline the changes and why they were happening. This is the first of three letters that residents will receive, guiding them through the process of becoming direct customers of Thames Water.

Next Steps

8. Thames Water is due to write directly to tenants in January 2019, giving them more information and advice on the various tariffs and payment options.
9. Tenants will remain on their current tariff by default. Most tenants are currently on the 'Rateable Value' tariff. Tenants' water charges will therefore not increase simply due to them becoming direct customers of Thames Water. Various tariffs are available depending on household circumstances and Thames Water will advise tenants on their options during the switch-over process.
10. In March 2019, Thames Water will write to tenants again, providing them with a bill for 2019/20 and explaining the various payment options. Thames Water has advised that there will be a range of options including weekly, fortnightly and monthly payments. They will provide a payment card to tenants, enabling those who wish to pay at 'PayPoint' locations to do so.
11. Thames Water has a dedicated telephone helpline for tenants who are going through the process of becoming direct customers. This number will be provided in their letter in January 2019. Thames Water's helpline advisors will be able to provide detailed advice to individual tenants on their billing and payment options, as well as explaining tariffs and any special schemes available.
12. We are aware that some tenants may be concerned about this change. The Rents Team, Estate Managers and Tenancy Support Officers have been briefed

on the changes and will be able to assist tenants who approach them with queries.

Implications

13. The termination of the agreement means that commission will no longer be payable by Thames Water, resulting in a loss of approximately £125,000 to the Housing Revenue Account (based on the current annual figure).

Conclusion

14. In accordance with a long-standing agreement, City of London tenants pay their water and waste water charges as an element of their weekly rent charge. The City then pays Thames Water for the services provided.
15. This agreement is ending in March 2019 and tenants will become customers of Thames Water. Thames Water will contact tenants directly to provide more information on tariffs and payment options. A dedicated helpline is available for tenants with any queries and advisors will be able to ensure that tenants are placed on the best tariff for their needs.
16. Housing Service staff will provide assistance and reassurance to any residents with concerns about the changes.

Appendices

- None

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