

Impact case study (REF3)

Institution: Sheffield Hallam University		
Unit of Assessment: UOA13 - Architecture, Planning and Built Environment		
Title of case study: Utility poverty: improving access to affordability assistance for vulnerable water customers in England and Wales		
Period when the underpinning research was undertaken: 2000-2020		
Details of staff conducting the underpinning research from the submitting unit:		
Name(s):	Role(s) (e.g. job title):	Period(s) employed by submitting HEI:
Professor Aimee Ambrose	Professor of Energy Policy	2008-present
Dr Chris Damm	Research Fellow	2015-present
Dr Michael Foden	Research Associate	2006-2016
Dr Will Eadson	Reader	2012-present
Jan Gilbertson	Senior Research Fellow	1996-present
Period when the claimed impact occurred: 2016-2020		
Is this case study continued from a case study submitted in 2014? No		

1. Summary of the impact

Over a period of twenty years a team at the Centre for Regional Economic and Social Research (CRESR) have undertaken research into the effectiveness of interventions designed to alleviate utility (energy, water etc) poverty. This research demonstrated the complexity of interactions between interventions and outcomes, and the degree to which social relations impact on the effectiveness of poverty reduction schemes. In 2016 this research informed policy development by the Consumer Council for Water in England and Wales (CCWater) on how to improve the effectiveness of affordability assistance to vulnerable water customers. **The impact is two-fold:**

- 1. On the water industry:** CCWater and major private water companies developed better face-to-face support, targeted debt advice schemes, and affordability initiatives for vulnerable customers;
- 2. On vulnerable water customers:** as a consequence an additional 2 million customers took up affordability assistance between 2017-2019 leading to reductions in their utility bills of GBP212,000,000.

2. Underpinning research

Since 2000 CRESR has carried out over GBP2,000,000 of funded research examining **the effectiveness of interventions designed to alleviate utility (water, energy etc) poverty**. Funders of this research include: Department for Environment, Food and Rural Affairs (DEFRA); the former Department of Energy and Climate Change (DECC); the Economic and Social Research Council (ESRC); utility funded grant makers such as EDF Energy Trust; the Eaga Charitable Trust; and local authorities and third sector organisations such as Citizens Advice and the Foundations Independent Living Trust (FILT).

The primary objective of this body of research has been to explore relationships between utility interventions targeted at improving affordability amongst vulnerable or low-income households and a range of outcomes including the health and wellbeing of those individuals receiving support. Research methods deployed include large-scale quantitative surveys including longitudinal components (R1; N=3,489), electronic data-logging of household temperatures, humidity, and utility usage (R1; N=1,604), in-depth qualitative interviews with utility suppliers, key agencies and utilities users (R1,R2,R6), and users' personal diaries of utility usage and affordability (R3; 80,000 diary entries). This research has incorporated and tested different conceptual perspectives including capabilities theory (R4), and the degree to which relationship theory can help explain longer-term outcomes between individual users and utility poverty (R5).

In 2015, the Consumer Council for Water (CCWater), a statutory consumer body for the water industry in England and Wales, established that water companies were not doing enough to alleviate utility poverty amongst vulnerable and low-income customers. In 2016, CCWater commissioned Ambrose and Gilbertson to bring research findings and evidence from across their body of research of a wide range of utility poverty interventions in order to inform and shape policy and practice amongst water companies (R1,R2,R3,R4). The research team evaluated and proposed mechanisms to reduce utility poverty by enhancing the accessibility of affordability initiatives in the water sector such as social tariffs, caps on water bills, and payment plans. This research undertaken in 2016 included a systematic review of existing practices in targeting affordability assistance across utilities, and qualitative research with key stakeholders and policy makers in the water industry. The resulting report (R6) and its constituent recommendations had a significant impact on both the water sector and its vulnerable customers experiencing utility poverty.

Four overarching research findings have emerged from this programme of work.

First, relationships between utility interventions and household outcomes are complex and interactive. For instance, interventions designed to improve domestic energy efficiency and reduce utility poverty had little effect on perceived warmth, but had positive mental health outcomes (R3).

Second, utility interventions need to take account of the quality of people's social relations, not least because so many vulnerable households rely on family and friends to provide information, advice and support: interventions need to be targeted rather than universalistic in approach (R4,R5,R6,R7).

Third, effective interventions need to be contextualised within the wider physical, social and policy environments: interventions designed to improve affordability and energy efficiency had different effects depending on the nature of the physical building, household composition, vulnerability of the customer and so on (R1,R2).

Fourth, there are marked commonalities across all the utilities with regard to positive interrelationships between programmes designed to assist disadvantaged users, increase affordability, and associated positive outcomes with regard to health and well-being. The research demonstrated that there are transferable policies across the utilities that can be implemented to reduce poverty amongst vulnerable customers (R6).

3. References to the research

Peer Reviewed Journal Articles:

- R1.** Critchley, R., Gilbertson, J., Grimsley, M and Green, G. (2007). Living in cold homes after heating improvements: Evidence from *Warm-Front*, England's Home Energy Efficiency Scheme. *Applied Energy*, 84 (2), pp.147-158.
<https://doi.org/10.1016/j.apenergy.2006.06.001>
- R2.** Ambrose, A. and McCarthy, L. (2019). Taming the 'masculine pioneers'? Changing attitudes towards energy efficiency amongst private landlords in New Zealand: A case study of Dunedin. *Energy Policy*, 126, pp.165-176.
<https://doi.org/10.1016/j.enpol.2018.11.018>
- R3.** Gilbertson, J., Grimsley, M., Green, G (2012). Psychosocial routes from housing investment to health: Evidence from England's home efficiency scheme. *Energy Policy*, 49, pp. 122-133. <https://doi.org/10.1016/j.enpol.2012.01.053>
- R4.** Middlemiss, L., Albala, P. A., Emmel, N., Gillard, R., Gilbertson, J., Hargreaves, T., Mullen, C., Ryan, T., Snell, C. & Tod, A. (2019). Energy poverty and social relations: a capabilities approach. *Energy Research and Social Science*, 55, pp.227-235.
<https://doi.org/10.1016/j.erss.2019.05.002>
- R5.** Ambrosio-Albala, P., Middlemiss, L., Owen, A., Hargreaves, T., Emmel, N., Jan Gilbertson., Tod, A., Snell, C., Mullen, C., Longhurst, N and Gillard, R, (2020). From rational to relational: How energy poor households engage with the British retail energy

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market. *Energy Research & Social Science*, 70:101765.
<https://doi.org/10.1016/j.erss.2020.101765>

Key research reports

- R6.** Ambrose, A., Damm, C., Foden, M., Gilbertson, J. and Pinder, J. (2016) *Delivering Affordability Assistance to Water Customers: Cross sector lessons*. Sheffield: CRESR, Sheffield Hallam University. Published on behalf of CCWater.
<http://shura.shu.ac.uk/15617/>
- R7.** Ambrose, A., Baker, W., Batty, E. and Hawkins, A. (2019) *Reaching the 'Hardest to Reach' with energy advice: final report*. Sheffield: CRESR, Sheffield Hallam University. Published on behalf of Citizens Advice and co-funded by HEIF and Citizens Advice
<https://doi.org/10.7190/cresr.2019.8286642862>

All articles were rigorously peer-reviewed prior to publication. The research reports are key points of reference, and have been accessed extensively by policymakers and practitioners.

4. Details of the impact

Processes through which the research led to impact

A series of **engagement events and knowledge exchange activities** were undertaken by the research team to maximise the reach and impact of the research findings across the water industry in England and Wales (R6). All the major water companies – Anglian Water, Severn Trent, United Utilities, Thames Water, Affinity Water, Northumbrian Water, Yorkshire Water and Dŵr Cymru (Welsh Water covering all of Wales) – took part in these engagement activities. They were designed to further develop, co-design and refine policy and practice in partnership with the water sector. This led to improved access and take-up of affordability assistance amongst vulnerable customers experiencing utility poverty.

In particular, CRESR and CCWater convened a **co-design workshop** in Birmingham (21/4/16) attended by senior executives and policy makers from 20 of the 24 water companies operating in England and Wales, Ofwat (the sector regulator), and CCWater (representing water consumers) (E5). The research team co-produced their final policy and practice recommendations based on their research (R4,R6) in conjunction with these utility providers and the regulator to ensure that they were viable within the water sector, and that they would benefit vulnerable customers experiencing utility poverty. There was strong support for the final recommendations developed from all 20 water companies present.

The research findings and final policy recommendations were extensively promoted to water companies and industry stakeholders by CCWater. This included presentations at their annual Affordability and Vulnerability seminars (2016, 2017 and 2018); and events and conferences targeted at reducing poverty amongst the vulnerable and those experiencing utility poverty including the Credit Strategy Household Credit Conference (19/9/18).

Impact

The research programme, engagement activities, and application of our policy recommendations had positive impacts on **two major beneficiaries**: CCWater and water companies, and vulnerable water customers.

Impact on the water industry:

CCWater deployed the recommendations emerging from the research programme (R6) and from the co-design workshop (21/4/16) to increase affordability assistance and targeting of interventions for vulnerable households by using the evidence to help them:

“pressing water companies to be more effective in reaching the hardest to reach customers in order to deliver financial assistance.” CCWater Senior Policy Manager, (5/11/18) (E3).

CCWater's monitoring revealed that **this led to all water companies in England and Wales taking up our recommendations** and that since the publication of R6 in 2016 these **have become the baseline standard for the sector** (E3) and remained so through to 2020 (E4). This is confirmed in testimony from the Senior Policy Manager at CCWater in November 2018:

"Initially a small number of companies have adopted the recommended practices but these have soon spread across most if not all companies ... Over time the practices have now become the baseline standard for the sector." (5/11/18) (E3).

Further testimony from the Senior Policy Manager at CCWater in February 2020 stated:

*"We had an affordability and vulnerability seminar yesterday [February 2020], the annual one where we bring all the companies together and third sector bodies and throughout the day we were referring to those things [set out in R4], the Moments of Change and Making Every Contact Count and **we weren't doing that before you highlighted that through your work (R6)** and we took that and really got the industry thinking about that and acting on that, to a stage where now that is the baseline and accepted in the work that is done." (10/2/2020) (E4).*

The Senior Policy Manager at CCWater (E3, (5/11/18); E4, (10/2/2020)) highlighted four instances where **water companies have applied specific recommendations** from our research (R6) which in turn have resulted in increased take-up of key forms of affordability assistance such as social tariffs (lower water tariffs for low income households) and WaterSure (a cap on water bills):

- **Increasing face-to-face contact with customers:** "all companies have stepped up their work to engage with customers in person – this has included focusing on towns with particular deprivation issues and making doorstep visits to sign customers up for assistance e.g. United Utilities and Dwr Cymru have both done this."
- **Developing strategic partnerships with organisations having close links to target groups:** "Companies have also attended food banks, as the report suggests, and linked in with incidents or engagement on other issues such as installation of water meters. Wessex Water and Bristol Water have established links with local mental health teams."
- **Applying holistic debt advice approaches:** All water companies have "entered into partnership arrangements with debt charities to help water affordability to be considered in the context of the wider financial circumstances of the customer."
- **Creating opportunities to impart key messages through routine engagements and at times of change:** "Agents in most companies have been trained to take every opportunity to explore wider issues with customers who contact them, helping to identify those who may face affordability issues and/or be eligible for assistance. There has also been promotion of support through welcome packs and dedicated home move teams."

Impact on vulnerable water customers:

By improving targeting assistance and making water affordability initiatives accessible to significantly more households, water companies have generated **benefits to vulnerable water customers** (E1, E2). These benefits are particularly reflected in increased take-up of the principal affordability initiatives offered by water companies: social tariffs; and WaterSure (E1, E2, E3, E4, E8 and E9). The increase in take-up was not due to increasing numbers of households finding their water bills unaffordable (static between 2015 and 2019 at around 12%), but instead can be attributed to more of these vulnerable households accessing affordability schemes as water companies implemented the recommendations resulting in improved targeting and accessibility:

- In the financial year (2017-2018) following the publication of the 2016 report (R6), **420,392 individuals were offered priority services** (additional support for vulnerable customers and priority reconnections), an increase of 40% on 2016-2017.
- In the financial year (2017-2018), **393,143 vulnerable customers received help** via social tariffs, an increase of 50% on the previous year. In the following year (2018-2019), this increased again by 140,080 to 533,223 (a 35% increase on 2017/18).
- In the financial year (2017-2018) **143,947 vulnerable customers received help** via the WaterSure initiative: an increase of 31% on the previous year. In the following year (2018-2019), this increased again by 12,400 to 156,347.

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- Over those two years combined (2017-2019) customers saved a total of GBP132,600,000 due to social tariffs and a further GBP79,600,000 due to Water Sure, yielding **total savings for vulnerable customers and low-income families of GBP212,200,000**. This will have helped alleviate poverty and improve quality of life for vulnerable customers.

The team continued to engage with policy makers and practitioners between 2016 and 2020 in order to disseminate the key research findings from their body of research and draw policy implications. Ambrose has formed a partnership with Citizens Advice and the UK Department for Business Energy and Industrial Strategy (BEIS) (E7) to conduct further research with vulnerable households and energy providers (2019-2020) (R7). Ambrose was also appointed as Chief Academic Advisor to a new International Energy Agency Task Force (2020) which aims to identify more effective ways of engaging hard to reach energy users in initiatives with the potential to improve their material circumstances (E6).

5. Sources to corroborate the impact

- E1. DJS research (2019). Water Matters 2018. Birmingham: Consumer Council for Water
- E2. Consumer Council for Water (2019). Water For All: Affordability and vulnerability in the water sector (2018-19). Birmingham: Consumer Council for Water
- E3. Email from Senior Policy Manager, CCWater (the funder of the research) (5/11/18)
- E4. Transcript of interview with Senior Policy Manager, CCWater (10/02/20)
- E5. Agenda for workshop with water companies, Ofwat and CCWater (21/4/16)
- E6. Letter from International Energy Agency (11/11/2020)
- E7. Letter from Citizens Advice (5/11/2020)
- E8. Consumer Council for Water (2018). Water For All: Affordability and vulnerability in the water sector (2017-18). Birmingham: Consumer Council for Water
- E9. Consumer Council for Water (2017). Staying afloat: Addressing customer vulnerability in the water sector (2016-17). Birmingham: Consumer Council for Water