



# WATER COMPANIES TRANSFORMING LIVES

A Social Return on Investment study to measure the impact of water company trusts and assistance schemes



**£3.06 GENERATED FROM EVERY £1 INVESTED**

## Introduction

Water companies deliver a wide range of services to support vulnerable customers who are struggling to pay their bills. Severn Trent, Thames Water and United Utilities have established independent funds to enable vulnerable individuals to access extra assistance. Additional benefits include awards for essential household goods and fees for bankruptcy and Debt Relief Orders. The schemes also award organisational grants, primarily to fund agencies to deliver money and debt advice services.

The schemes help to transform the lives of vulnerable customers by assisting them with awards, money advice and income maximisation services. In doing so, it is important to understand the wider social impact that they have on families, communities and society.

The study has highlighted that these schemes have delivered a transformational impact. It is difficult to measure the true impact of transforming someone's life. However, this detailed analysis of the schemes' Social Return on Investment, for the first time calculates the real value of the positive contribution made to society.

***£3.06 generated from every £1 invested***

### IN ONE YEAR

**13,656 customers struggling to meet their water payments were supported**

**Benefits = £47m**

**Added value = £32m**

**82% recipients able to meet their future water charges**

***"It's been a huge help, and also transformed my view of the water company."***



## Grant Beneficiaries (2015/16)

**54%**

grant beneficiaries  
were aged 45 or older

**80%**

of successful applications  
recorded only one adult in  
the household

**55%**

rented their home from a  
housing association

**61%**

of beneficiaries  
had no children

**17%**

of households supported  
included a disabled person

**82%**

of beneficiaries believed  
the support helped their  
ability to pay their water  
charges

Customers were enabled to find the right debt solutions. In some circumstances, bankruptcy and Debt Relief Orders were the right solution with proceedings writing off £9m of unpaid debt which individuals could not afford to repay.

The largest estimated benefits were seen in health outcomes for customers (£35m), followed by housing (£7m), employment (£3m) and on relationships (£2m).

***“This is an invaluable scheme. I would have got further into debt if the Fund hadn’t helped me. I was signed off sick due to spinal surgery. I had another spinal operation this year and my employer has now terminated my employment as I cannot do my job. I am still in receipt of ESA (Employment Support Allowance) and awaiting the result of another claim I have made to the Fund. I was very depressed about my debts and when the fund paid off the arrears and also brought me a new mattress for my bed, which was such a relief following on from my surgery that I burst into tears when a lady from the Fund rang to tell me the good news.”***



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## Beneficiaries' Prior Circumstances and Experiences of Support

The cumulative total of debt was over £11m. This equates to an average of £802 per beneficiary.

The survey revealed that concerns about money had affected the mental health, physical health, relationships with family or partner and job or employment status of over half of beneficiaries for each outcome. Mental and physical health were thought to be particularly affected.

**82% and 73% of respondents said that their mental and physical health had been affected by their money concerns respectively.**

The survey revealed that the relationship between health and debt worked both ways, with health problems also leading to debt issues, often following significant life events.

82% of beneficiaries believed that the support they had received from a scheme helped their ability to pay their water bills.

The majority of people applying to the schemes reported they are suffering with a mental health issue. Over 60% of the beneficiaries reported that their mental health had improved since receiving support from the Fund, with 36% adding that the mental health of their partner or family had improved.

When including debt written off following bankruptcy or Debt Relief Orders proceedings, the SROI rises from £3.06 to **£3.67 for every £1 invested.**



**£34.8m**  
health  
outcomes



**£7.2m**  
housing  
outcomes



**£2.1m**  
relationship  
outcomes



**£2.9m**  
employment  
outcomes



**£9.3m**  
debt written  
off

***"It was only when my husband's illness deteriorated and we were unable to work that I had to ask for help. If I am ever in the position of wealth or employment I would donate to the charity to thank them for their help ... this gave me hope and maintained my faith in human nature..."***





## Outcomes

Vulnerability can manifest itself in a number of ways, such as struggling to manage bills and having financial constraints which leads to fewer effective choices. A wide range of factors can exacerbate vulnerability ranging from living on a low income, to having anxiety or depression and/or living alone.

Where a consumer experiences multiple risk factors, the extent is likely to be deeper.

Water companies take a specific interest in the experience of those who at some point in their lives may find themselves in a situation of vulnerability, and who are therefore in need of support.

## Benefits from the schemes: £47,317,234

A number of individual beneficiaries commented via consultations that their involvement with the schemes had 'transformed' their view of their water company.

Vulnerable people may face many barriers every day and whilst the funds offered may have changed people's lives, findings suggest that the schemes are supporting a vast majority of beneficiaries who otherwise would not be supported at all. Consultations found that very few knew who they could turn to other than the schemes.

The study demonstrated that commitment to partnering others who support vulnerable people, and finding innovative ideas and opportunities is crucial when providing support to people in vulnerable circumstances.

*"It was massively helpful in both a practical and emotional way at a really difficult time.*

*My husband ran up debts, had a breakdown and left.*

*I was left with the house, two children and his debts.*

*I had a job and a salary but this was not enough to cover the expenses on the house and debt repayments.*

*If this can happen to me (I am a University Lecturer) it could happen to anyone.*

*The process was relatively simple, I did not feel as if I was being judged and I am immensely grateful."*



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## Beneficiaries of Organisational Grants

Local supportive organisations are recognised to be crucial in addressing the needs of vulnerable customers. Grant funding is provided to locally based organisations to deliver debt, welfare and money advice.

The local projects funded work with communities in financial hardship - many of the individuals seeking help may be in debt but not necessarily struggling specifically with unpaid water charges.

Over three-quarters of those who had previously reported being unable to meet their water charges were subsequently able to do so.

The grants averaged £40,996 and the vast majority were to provide debt advice and/or awareness services. These services reached 53,773 individuals, supporting 170 staff and 484 volunteers. Paid staff provided 3,797 hours of work in total each week: equivalent to over 506 working days.

### Since 2009:

- 112 projects = value £5,862,438
- Grants reached 53,773 individuals
- £126m debts presented with £7.5m water debt

### 7 years of data shows:

**Each grant has created over 4 employment or volunteering opportunities**

**6,061 funding applications and 7,965 payment plans have been prepared**

**76% can now meet their water charges**

**Positive views: "The [scheme] are very approachable, it feels like a partnership."**



*"It provides us with the ability to provide holistic support ... if we lost it, there would be a sizeable gap."*

*"When you see a client, they don't come with just the one issue. They have chaotic lives. They aren't just coming because they have a (water) bill. They have got that much going on they don't know where to start."*



## Conclusion

The impact of assistance provided by the water companies for vulnerable customers is clearly substantial. The schemes evaluated produced a number of positive outcomes for individuals, including improvements to their financial situation, health, housing, relationships and employment.

This research has important policy implications, especially at a period that is marked by cuts to charitable services. Through funding these schemes, the intervention and preventative work to stop debt getting out of control could make significant savings for the government, and this should be considered when allocating funding and protecting services.

Furthermore, the evidence demonstrates that 76% of recipients of help are able to meet future water charges.

## What People Told Us

Feedback from customers on the application process was very positive, with most beneficiaries interviewed saying they found the process to be simple and straightforward and the questions appropriate.

Most reported that they did not need any additional support when filling out the form, but of those that did, people were generally satisfied with the support received from the Trusts during the process.

***“I felt it [getting the grant] was a turning point in terms of my own self and my despondency. It was a light at the end of a very dark tunnel.”***

They commented that the Trusts were helpful, non-judgemental and flexible with the support provided.

One of the most encouraging findings is that 75% of survey respondents feel more confident managing their bills in the future, after receiving support.

***“I say it again, great people make great companies, and that’s what I feel about [this water company].”***

## Study Methodology

- Desk research of relevant literature and scheme data for 2015/16
- An online survey completed by 314 beneficiaries
- In-depth consultations with 10 individual beneficiaries, 9 beneficiary organisations and 6 staff involved in administering the schemes

See the full report at [www.aurigaservices.co.uk/SROI](http://www.aurigaservices.co.uk/SROI)



**auriga**

*Changing lives every day*

Auriga Services Ltd is the independent not-for-profit company that manages and administrates the three water companies' Trusts and the customer assistance scheme. In partnership with the trustees of each Trust Fund, in 2016 Auriga commissioned Ecorys to undertake a Social Return on Investment analysis to quantify the social value created by the collective investment in the schemes, in providing grants and assistance to vulnerable customers in Great Britain.

**ECORYS** 

Based on a full report by James Whitley, Ecorys, June 2017. Ecorys is an international company providing research, consultancy and management services. They specialise in economic, social and spatial development and aim to deliver a real benefit to society through the work that they do.

See the full report at [www.aurigaservices.co.uk/SROI](http://www.aurigaservices.co.uk/SROI)  
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**United Utilities Trust Fund**



**Thames Water Trust Fund**

