

Typical bill changes for household customers

This information provides customers with an explanation of typical changes to bills, based on the charges for the year 2024-25. These bill changes assume a constant level of volume for metered customers (100m³), or average rateable value for unmetered customers (£200). They are therefore only driven by the change in charges for the year. These bill increases for both metered and unmetered customers will be around 3.5% in 2024-25.

Every five years, Ofwat sets the annual allowed revenue which can be recovered from customers for the provision of water services. The increases in charges each year reflect a number of movements, and these are detailed and explained below.

Typical Bill Increases Breakdown of movements

Note		Water Resources	Water Network	Retail	Total	% Change
	Total Allowed Revenue 2023/24	6,755	32,896	5,160	44,812	
1	CPIH - 4.1667%	281	1,420	0	1,702	3.8%
2	Input price pressures	0	0	50	50	0.1%
3	K factors in Final Determination	182	-205	0	-23	-0.1%
4	ODI's	0	143	134	277	0.6%
5	RFI 2022/23	0	-408	0	-408	-0.9%
6	Other adjustments	0	-28	0	-28	-0.1%
	Total Allowed Revenue 2024/25	7,219	33,819	5,344	46,382	3.5%

Notes

1. Inflation for November 2023 was 4.2%, and this is applied to Wholesale charges.
2. A small allowance for inflation in the Retail business is included in Ofwat's PR19 Final Determination.
3. An allowance for growth in the Wholesale business is included in the Ofwat's PR19 Final Determination.
4. A number of Outcome Delivery Incentives are assessed each year, and the associated rewards and penalties are applied to the next available charges. The amounts shown in the table above represent the level of these rewards and penalties.
5. The over-recovery of revenue in 2022-23 is given back to customers via the 2024-25 charges. This is partly due to a change in volumes consumed relative to the forecast for that year. It also includes the over-recovery of revenue from Developers.
6. The other adjustments include a Blind Year adjustment relating to 2019-20.