

# Statement of Significant Changes in Charges 2025/2026



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YorkshireWater

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# Statement of Significant Changes

**Whilst we have not made any significant changes to methodology or introduced any new tariffs from 2024/2025, we have seen significant increases within our bill impact assessment driven by the increased investment in 2025/2030 based on the Ofwat Final Determination for PR24.**

We have included the table below to show the ranges of increase across our assessment in our combined and single service customer bills. The detailed bill impact assessment is included within section 6 of our Charges Scheme Board Assurance Statement:

Bill impact against 2024/2025 charges	Charges Scheme - HH Final Charges	
	FD - Min	FD - Max
Combined bill - Yorkshire	28.9%	34.9%
Combined bill - York	31.2%	36.8%
Water - Yorkshire	20.1%	26.6%
Water - York	21.7%	29.9%
Sewerage - Yorkshire	35.0%	44.0%

The increases from 2024/2025 are mainly due to the impact of the step up in allowed revenues within the Ofwat Final Determination for PR24, as published by Ofwat on the 19 December 2024. This increase in revenue reflects the large increase in required investment to deliver the regulatory requirements through the next Price Review, 01 April 2025 to 31 March 2030.

We set out below an over view of the 28.6% increase in revenue allowances from 2024/2025 (£1,292m) to 2025/2026 (£1,662m) to illustrate this:

£m	Water	Waste	Wholesale total	% variance in wholesale revenue	Retail	Total	% variance in total revenue
<b>2024/2025 Revenue allowances</b>	570	653	<b>1,223</b>		70	<b>1,292</b>	
<b>Reversal of 2022/2023 performance impacts:</b>							
Outcome delivery incentive in period adjustment for 2022/2023 performance	32	5	<b>37</b>	3.0%	(3)	<b>35</b>	2.7%
Revenue forecasting incentive adjustment for over recovery in 2022/2023	14	(3)	<b>11</b>	0.9%	–	<b>11</b>	0.9%
<b>Reversal of 2024/2025 household retail revenue sacrifice:</b>							
PR19 Revenue sacrifice – 2024/2025 Company contribution towards customer support tariffs	–	–	–	0.0%	2	<b>2</b>	0.2%
Additional Company contribution – 2024/2025 – to help support customers further due to cost of living impact	–	–	–	0.0%	4	–	0.0%
<b>Inflation – November 2024 3.54%</b>	22	20	<b>42</b>	3.4%	–	<b>42</b>	3.2%
<b>2025/2026 changes in allowed revenue contained within FD 24:</b>							
Changes in allowed revenue from the impact of price review (large increase in investment obligations)	10	212	<b>222</b>	18.2%	44	<b>267</b>	20.6%
PR19 reconciliation impact – this includes 2023/2024 performance impacts, cost sharing, indexation true ups etc.	15	(8)	<b>7</b>	0.5%	–	<b>7</b>	0.5%
FD24 impact of increase in size of industry innovation fund and the new industry water efficiency fund	3	2	<b>5</b>	0.4%	–	<b>5</b>	0.4%
<b>2025/2026 – PR24 Revenue sacrifice for Company contribution towards customer support tariffs</b>	–	–	–	0.0%	(3)	<b>(3)</b>	0.0%
<b>2025/2026 Revenue allowances</b>	<b>666</b>	<b>881</b>	<b>1,547</b>	<b>26.5%</b>	<b>115</b>	<b>1,662</b>	<b>28.6%</b>

Another driver of the increase in bill impact is the additional willingness to pay cross subsidy, as a result of our customers pledging to increase willingness to pay from £6 to £24 to contribute to increased customer support through our w social tariff.

Recognising the impact of bill increases to vulnerable customers, we are increasing the overall support provided through WaterSupport to £39m which will help around 102,000 customers (an increase of 33,000 from 2024/2025). This includes our commitment to continue with our company contribution, and we have increased our annual revenue sacrifice from £2m to £2.5m over the rest of the current regulatory period (AMP8).

With regards to the impact on our published household average bills we have seen the following movements from £467 in 2024/2025 to £602 in 2025/2026:

### Average household bill f/cust – movement analysis from 2024/2025

<b>2024/2025 published average household bill</b>	<b>467</b>
<b>Reversal of 2022/2023 performance impacts:</b>	
Outcome delivery incentive in period adjustment for 2022/2023 performance.	12
Revenue forecasting incentive adjustment for over recovery in 2022/2023.	4
<b>Reversal of 2024/2025 household retail revenue sacrifice:</b>	
PR19 Revenue sacrifice - 2024/2025 Company contribution towards customer support tariffs.	1
Additional Company contribution - 2024/2025 - to help support customers further due to cost of living impact.	2
<b>Inflation - CPIH November 2024 @3.54%</b>	<b>15</b>
<b>2025/2026 changes in allowed revenue contained within Final Determination 24:</b>	
Changes in allowed revenue from the impact of price review (large increase in investment obligations).	101
PR19 reconciliation impact - this includes 2023/2024 performance impacts, cost sharing, indexation true ups etc.	2
FD24 impact of increase in size of industry innovation fund and the new industry water efficiency fund.	2
<b>2025/2026 - PR24 Revenue sacrifice for Company contribution towards customer support tariffs</b>	<b>(1)</b>
<b>2025/2026 - increase in allocation from non-household due to reduction in non-household consumption</b>	<b>2</b>
<b>2025/2026 - reduction in average household bill due to increase in household customer numbers from 2024/2025</b>	<b>(3)</b>
<b>2025/2026 average HH bill</b>	<b>602</b>

The table above highlights that the main increase in average bill is due to the impact of the increase in regulated revenue allowances included within the Ofwat Final Determination for PR24, as published by Ofwat on the 19 December 2024. The Final Determination includes a large enhancement investment programme to meet regulatory and environmental obligations over the next five year asset management period. This increase accounts for £101 of the total £135 increase on average bills. The other elements of the average bill increase are inflation (£15) and the reversal of revenue penalties in place in 2024/2025 (£16).

Signed on behalf of the Board of Yorkshire Water Services Limited

**Paul Inman**  
Chief Finance Officer



13 January 2025

# Thank you for reading



Yorkshire Water Services Limited,  
Western House, Halifax Road, Bradford, BD6 2SZ.  
Registered in England and Wales No.02366682

[yorkshirewater.com](http://yorkshirewater.com)



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