

Harcourt, Stephanie

From: Langhammer, Margaret
Sent: 16 May 2005 16:48
To: Harcourt, Stephanie
Subject: FW: AMENDED MINUTES OF MEETING ON WATER CHARGES



NOTE OF MEET
WATER CHARGES 4.5

-----Original Message-----

From: Faloona, Barbara
Sent: 16 May 2005 16:03
To: Langhammer, Margaret
Subject: FW: AMENDED MINUTES OF MEETING ON WATER CHARGES

-----Original Message-----

From: Liz Fowler [mailto:Liz.Fowler@ofmdfmni.gov.uk] On Behalf Of Gerry Mulligan
Sent: 16 May 2005 12:16
To: mary.bunting@ofmdfmni.gov.uk; nigel.mccormick@drdni.gov.uk;
andrew.grieve@waterni.gov.uk; barbara.faloona@drdni.gov.uk; tony.simpson@drdni.gov.uk
Subject: AMENDED MINUTES OF MEETING ON WATER CHARGES

(See attached file: NOTE OF MEET WATER CHARGES 4.5.doc)

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MEETING WITH OFFICIALS FROM THE DEPARTMENT OF REGIONAL DEVELOPMENT (LED BY NIGEL McCORMICK) TO DISCUSS RECENT PAPER BY PADDY HILLYARD ON IMPACT OF WATER CHARGES ON LOW INCOME HOUSEHOLDS

ALSO PRESENT: Mary Bunting
Gerry Mulligan
Nigel McCormick
Andrew Grieve
Barbara Faloon
Tony Simpson

GM outlined the background to the Hillyard paper explaining that this had been an extension of work undertaken to model the impact of rate reform. Paddy Hillyard ^(QUB) had also presented some of his preliminary findings at a recent ESRC seminar. The data source was the data from the 'Bare Necessities' survey which had allowed Hillyard to estimate likely water charges and express these as a proportion of household income.

GM felt the significance of their paper was in respect of:

- the suggested higher level of water poverty resulting here compared with GB (22% compared to 9%);
- the conflict between this and Government targets to reduce poverty generally; and
- presentational issues which might arise out of this apparently 'new' analysis.

NMcC outlined some technical concerns which DRD had about the paper particularly in relation to the reliability of capital values as a basis for estimating water charges and the validity of comparisons

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with GB which masked the significant regional variations that existed across England, Scotland and Wales.

GM acknowledged these and suggested that a meeting with the author of the paper would serve to clarify some of these points.

DRD agreed that a meeting would be useful and that they would make the necessary arrangements.

DRD also explained that they had recently completed the substantive consultation, including an integrated impact assessment on the proposed water and sewerage charging regime and had received around 60 responses most of which rejected the proposed charges in principle. They are currently drawing up a report on the consultation and considering what adjustments could be made to the regime in order to make recommendations to their Minister in June. It is possible that a further consultation will be necessary before the charging regime is finalised.

MB advised that it would be important that advice to the Minister should include equality and NTSN issues and should outline responses received in consultation. In her view the Hillyard analysis was an important issue raised in consultation and taken into account in preparing advice for the Minister - especially since it included an equality impact assessment.

DRD explained that they were proposing reliefs for the same groups as those proposed for rates reform, including the recently announced Special rates relief. As a result, around 185,000

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households would be entitled to a 25% discount on their water and sewerage charges. They felt that this was already seen by Treasury as relatively generous compared to similar reliefs in operation elsewhere in the UK. Consequently, Treasury might not be persuaded by arguments to introduce further or more progressive reliefs.

GM explained that he is currently pursuing the possibility of Treasury assuming joint ownership of poverty reduction targets in Northern Ireland (given the relevance of tax and benefits policy) and that might make them more sensitive to special pleading.

MB raised the issue of joint impacts of both rates reform and water charges suggesting that it might be useful to bring relevant officials together from DFP and DRD to discuss measuring the aggregated impacts from an equality perspective.

MB would be happy to chair such a meeting.

DRD agreed to raise this at today's meeting of the rates reform implementation group (RIG).

All agreed that the work to be undertaken by NISRA aimed at looking at the joint impacts, was very important. The meeting should therefore involve NISRA who might be asked about the scope for earlier completion.

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Note – DRD has since learned that the NISRA work will not include information on income, it will however identify information on socio-economic groups.

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