

Harcourt, Stephanie

From: Langhammer, Margaret
Sent: 02 September 2005 15:32
To: Cullen, Paddy; Creagh, Stephen
Cc: McCormick, Nigel; Willoughby, Mairead; Sterling, David; Stewart, Claire (Clarence Court);
Harcourt, Stephanie; Faloona, Barbara
Subject: QUB Water Affordability Report

Paddy/Stephen
Brief background and lines to take attached as promised.



QUB Report on
Water Affordabil...

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QUB Report on Water Affordability

Background

1. Professor Paddy Hillyard and Fiona Scullion of QUB have carried out some research on Water Affordability under the Water Reform Proposals. This includes analysis of the possible impacts of the domestic charging proposals on Section 75 groups, including an indication of the risk of water poverty for different groups. Water poverty is defined as expenditure of more than 3% of total net disposable household income on water charges.
2. The paper concludes that that the proposals will impact adversely on the poorest sections of the community in Northern Ireland and that the impact on Section 75 groups as a result of water affordability is likely to be more significant than the impacts on religion and political opinion highlighted in the draft EQIA. It shows that, even with rebate, some 22% of households, over 1 in 5, including the elderly, the widowed and lone parents, will suffer from water poverty when charges are fully phased in. In the poorest quintile of households the water poverty figure will be 65%.

Lines to Take

- We welcome this very valuable and timely contribution to the debate on water charging and the assessment of impacts. Professor Hillyard has kept us fully informed of his research and analysis. It has been published on the OFMDFM website. His conclusions are reflected in many of the points made in the responses to the IIA consultation.
- The conclusions of the paper will be considered carefully, along with the consultation responses and other research, and will be taken into account in the IIA Consultation Report and final EQIA, which will issue later in the year.
- This research, which used individual household data, will complement the spatial analysis which underpinned the conclusions of the draft EQIA. As Professor Hillyard has acknowledged, both methodologies have their strengths and weaknesses. Taken together, they provide a comprehensive basis for the final assessment of impacts on Section 75 groups.
- This research, the Cross-Government Review of Water Affordability Report published by Defra in December 2004 and the evidence contained in the consultation responses will allow us to consider in more detail the Section 75 impacts associated with affordability and water poverty. These are likely to affect significantly the elderly and single people such as lone parents and widows. They may well offset, to some degree, the negative differential impacts already identified on Protestants and Unionists.