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Memo

From: J L Kerr (Mrs)
Director
Infrastructure Funding Division

Tel: (5)41008

Date: 25 February 2003

To: Angela Smith MP

cc: Ian Pearson MP
Nigel Hamilton, HOCS
Stephen Quinn
Pat Carvill, DFP
Andrew McCormick, DFP
David Sterling
Robert Martin
Stephen Grimason, OFMDFM
Water Service Reform
Streering Group

WATER SERVICE REFORM: HOUSEHOLD FLYER

Issue: The issue of a leaflet or "flyer" to all households in Northern Ireland, which briefly summarises the Water Service Reform proposals and explains how individuals can participate in the public consultation process.

Timing: Immediate – to enable the flyer to be printed and forwarded to Royal Mail as soon as possible, for distribution to households during late March and early April 2003.

Presentational: The Water Reform consultation will attract significant media, political and public interest, particularly given the possibility that the consultation period will co-incide with the Assembly election campaign. The flyer will increase the level of public awareness of the Reform agenda and the consultation process.

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Recommendation: That you approve the attached draft (annex A) and agree to the printing and distribution of the Household Flyer on Water Reform.

Background

1. The launch of the public consultation on Water Reform is scheduled to take place on 11 March 2003. The consultation period will run from 11 March to 30 May 2003, and will include a series of public meetings at venues across Northern Ireland.
2. The Reform proposals include the introduction of domestic water and sewerage charges, which will obviously have a direct impact on all householders. In recognition of this, the Water Service Reform Steering Group has recommended that a brief summary of the Reform proposals should be issued to all households across Northern Ireland in the form of short leaflet or "flyer". The flyer will also provide details of how to obtain a copy of the consultation document and how to participate in the consultation process.
3. The detailed analysis on the reform proposals and the options for change are set out in full in the consultation paper, and will also be available on the Water Reform Website. The flyer focuses instead on the likely questions that may be of interest to householders. The questions will also be available on the website in the form of frequently asked questions (FAQs).
4. 680,000 copies of the flyer will be printed at an estimated cost of £11,000. Distribution of the flyer will be undertaken by Royal Mail at an estimated cost of £24,700. The flyer will be delivered to every household in Northern Ireland during the period 24 March to 4 April 2003.

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Recommendations

5. I recommend that you approve:

- (a) The draft flyer (annex A);
- (b) Printing of the flyer at an estimated cost of £11,000; and
- (c) Distribution of the flyer to all households across Northern Ireland at an estimated cost of £35,700.

J L Kerr.

J L KERR (Mrs)

HOUSEHOLD FLYER

REFORM OF WATER AND SEWERAGE SERVICES IN NORTHERN IRELAND

The Government has decided in principle that domestic customers should be charged directly for their water and sewerage services. This will bring Northern Ireland into line with Scotland, England and Wales. The charges will provide a reliable source of finance for much needed reinvestment in water and sewerage services. This means that taxpayers money currently needed for these services will be re-directed to other priorities including schools, transport and the health service.

On 11 March 2003, a major public consultation on *The Reform of Water and Sewerage Services in Northern Ireland* was launched. The consultation seeks your views on:

- How domestic water and sewerage services should be calculated;
- How the arrangements for delivering water and sewerage services should be reformed; and
- How consumers' interests should be represented and protected.

You can get a copy of the full consultation document by telephoning or writing to the *Water Reform Unit*, or from the Water Reform website. Full contact details can be found at the end of this leaflet.

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A series of public meetings will also take place during April and May 2003. Look out for details of the venue and time in your local press.

The following are answers to some questions you may already wish to ask.

When will water charges be introduced?

It is likely that households will start to pay some level of water charges from 1 April 2006.

How much will I have to pay?

The level of charge will be influenced by the costs of water and sewerage services and by the basis on which the charge is set. If water charges were introduced today, the average household would have to pay around £350 to £400 per year to cover the cost of the existing service. Without reform this would continue to rise as investment levels increased. However, the actual bill for each individual household could be significantly higher or lower than the average. A cost saving programme will be necessary to keep charges to affordable levels.

Will I have to pay for the full costs of the water and sewerage services I receive from 1 April 2006?

The level of water and sewerage charges that householders will be required to pay has not been decided yet. Charges might be phased in over a number of years to lessen the impact on householders.

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Do I not already pay a water charge as part of my rates bill?

No. The Regional Rate is a local tax that forms part of the overall revenues available to the Northern Ireland Executive to fund public services such as health, education and roads. Rate revenues are not earmarked for any particular service, and your rates bill does not include a direct charge for water and sewerage services.

Will assistance be available for low income customers and pensioners?

We want to hear how you think we should protect vulnerable groups from any hardship caused by the new charging arrangements.

Will there be discounts for those on low incomes?

We want to hear views on this, but any discounts would have to be paid for either by other consumers or at a cost to other public services.

Will my water supply be metered?

Metering of domestic water supplies was specifically ruled out by the Executive in 2002. There are no plans to reverse this decision but we will listen to any proposals to reconsider this option.

How will the new arrangements for water and sewerage delivery affect me?

We are introducing these reforms so that the people of Northern Ireland:

- Benefit from sustained reinvestment in water and sewerage services;
- pay a fair and affordable charge for the services they;
- have a more meaningful say in how water and sewerage services are managed and delivered.

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CONTACT DETAILS

Copies of the consultation document, *The Reform of Water and Sewerage Services in Northern Ireland*, can be obtained from:

**Water Reform Unit
Department for Regional Development
Room G.18
Clarence Court
10-18 Adelaide Street
BELFAST
BT2 8GB**

Tel: (028) 9054 0608

Fax: (028) 9054 0822

E-mail: queries@waterreformni.gov.uk

Further information on the Water Reform can be obtained from the Water Reform
web-site:

www.waterreformni.gov.uk