



25th August 2006

Water Reform Unit  
Department for Regional Development  
Lancashire House  
5 Linenhall Street  
Belfast  
BT2 8AA

Dear Sir/Madam

**Consultation on Proposal for a Draft Water and Sewerage Services (N. Ireland) Order 2006.**

Advice NI welcomes the opportunity to respond to the consultation on the proposal for a Draft Water and Sewerage Service (Northern Ireland) Order 2006 as launched on 1<sup>st</sup> June 2006 by David Cairns, MP Minister responsible for Water Reform.

**1. Advice NI:**

Advice NI is a membership organisation that exists to provide leadership, representation and support for independent advice organisations to facilitate the delivery of high quality, sustainable advice services. Advice NI exists to provide its members with the capacity and tools to ensure effective advice services delivery. This includes: advice and information management systems, funding and planning, quality assurance support, NVQ's in Advice and Guidance, wiseradviser money advice training, social policy co-ordination and ICT development.

Membership of Advice NI is normally for organisations that provide significant advice and information services to the public. Advice NI has over 70 member organisations operating throughout Northern Ireland and providing information and advocacy services to over 100,000 people each year dealing with over 225,000 enquiries on an extensive range of matters including: social security, housing, debt, consumer and employment issues. Further information on the work of Advice NI is included in our website [www.adviceni.net](http://www.adviceni.net).

## **2. General**

Advice NI has been actively involved in responding to the issue of water reform which we see as a major consumer issue and many of the concerns raised in previous submissions remain unchanged.

As stated in previous responses 'we find some difficulty with the suggestion that charges should be imposed on the general public in particular those from disadvantaged communities for what the consultation document described as 'historic underinvestment'.

Advice NI understands the existing infrastructure for water and sewerage charges in Northern Ireland needs to be addressed. However, we also feel that water is a human right and people in Northern Ireland have the right to a clean and safe supply of water and a safe and effective sewerage system. Also, that any charges introduced should be based on an ability to pay.

Whilst Advice NI welcomes the introduction of the affordability tariff, the introduction of metering, the engagement between the DRD and the Independent Advice Sector and the Consumer Council being elected as the Independent Consumer Representative Body we still have some concerns.

## **3. General Concerns**

Levels of debt and poverty in Northern Ireland are ever increasing. Advice NI recently facilitated an e-consultation on the future of the advice sector, which revealed that advisers around Ulster were dealing with a record 225,000 cases a year, involving a collective debt of over £7 million. This revelation is

underlined by the fact that there were 2,600 house repossessions in Northern Ireland in the last year. People of Northern Ireland face higher costs for everyday necessities such as electricity, fuel and food, resulting in a higher cost of living than exists in Britain, while salaries here are on average 20% lower. The introduction of water and sewerage charges along with the increase in rate bills and the latest interest hikes are going to push people further into debt and poverty. Advice NI encourage the Department to take account of this when considering the affordability tariff

Advice NI believes a more efficient and joined up approach is required between the Rate Collection Agency, Northern Ireland Housing Executive and the Water Service. As we understand, the Rate Relief Scheme is a passport to water relief therefore it is crucially important that the RCA, NIHE, and Water Service are proactive in promoting and increasing benefit uptake. It is also important that communication regarding these issues is timely and clear as to avoid confusion and prevent additional barriers to people taking up their entitlements.

#### **4. Affordability Tariff:**

We welcome and support the proposal within the consultation document for the introduction of the affordability tariff which will provide assistance to those on pension credit and housing benefit. We also welcome the decision that special regard will be given to the interests of;

- Disabled or chronically ill
- Pensioners
- Persons of low incomes
- Residents of rural areas

However, we believe the draft legislation of the department's commitment to the affordability tariff has not gone far enough. In addition to offering the affordability tariff to those groups already stated we feel the tariff should be

further extended to include other vulnerable groups such as those who are near benefit levels.

It is proposed that the affordability tariff will be available for a 3 year period and may continue after this date. Advice NI would urge the Department Of Regional Development to continue to ensure the affordability tariff is available on a permanent basis for those who require it. Removal of the affordability tariff for the most vulnerable sections in our community will worsen the levels of debt in Northern Ireland and push people into financial and water poverty. In the interest of the principles of fairness, affordability and basic human right we strongly advocate that the permanent availability of the tariff is enshrined in legislation.

Advice NI seeks assurance that the affordability tariff is continued and available for low income and vulnerable groups pre and post 2010, and that consumers do not incur higher charges to meet these costs.

Advice NI seeks clearer and wider communication of the affordability tariff – how it will be administered, reviewed, etc and the criteria the DRD will use to determine low income level categories. Advice NI recommends that legislation provides clarification on these issues.

#### **5. Issue of customers who cannot/refuse to pay:**

Advice NI seeks clarification as to the criteria that will be used to identify those who can't pay/won't pay and how this will be applied. We encourage DRD to communicate any protocols and sanctions that will be applied for the can't pay/won't pay and that these are clearly communicated to all including the Independent Advice Sector, Advisers and the consumers prior to the possible introduction of water and sewerage charges.

#### **6. Best Practice Model:**

Advice NI believes that should water charges be introduced that the reform of water and sewerage services and the development of the charges scheme i.e. the affordability tariff should be based on the best practice model suitable to

Northern Ireland. Whilst we should learn from the experiences of England and Wales we should not duplicate the measures taken by other countries unless they are also the best model for Northern Ireland. The development of a best practice model for Northern Ireland can only be achieved by improving the relevant legislative provisions which are already in place. The primary concern should be to protect the interests of our consumers.

### **7. Dual Regulation Model:**

Further clarification is required on the working relationship between the dual regulator models. In particular further information is required on:-

- The working relationships between the economic and environmental regulators, NIAER and OFREG respectively
- The powers of the economic and environmental regulators
- How the roles and responsibilities of the regulators interact and overlap with those of the consumer organisation the Consumer Council
- Which organisation will take the lead role
- Clarity is sought regarding the responsibilities of the Water Council

Advice NI would request further clarity on the above issues to enable the Independent Advice Sector and money advisers in particular to deal effectively with clients presenting water related issues.

### **8. Metering:**

Advice NI believes that everyone has the right to an adequate supply of safe water as a basic entitlement and human right. Advice NI welcomes the decision to offer the metering option to pensioner households, new properties and first time connections. However, in addition to these provisions we feel the metering option should also be made available to all consumers particularly those who are most financially vulnerable i.e. disabled, special needs, lone parents, chronically ill and those on low incomes. Examples of good practice in this area can be seen in energy efficiency programmes such

as the Warm Homes Scheme (linked to benefit entitlement) and the Extension of this scheme to Near Benefit Recipients. Advice NI is concerned that the metering strategy is vague and seek clarification on how and when metering will be extended to other vulnerable groups over and above pensioners. We consider this to be a priority should water charges be introduced.

### **9. Promotion of water efficiency:**

Advice NI is of the view that further work needs to be done to ensure water efficiency is promoted. We feel that by introducing a water and sewerage charge based on the capital value of the property as opposed to usage presents a barrier to water efficiency. Advice NI would encourage the implementation of a strategy outlining measures to improve water efficiency. These measures could include the following:

- Announcement stating the intention to move to usage of water as opposed to capital value charges within an acceptable timescale
- Guidelines on how to conserve water to be sent out to consumers i.e. tips on how to save water such as prevention of dripping tap water could save 4680 litres of water a year
- Tax incentives introduced for water efficient products, i.e. reduced VAT on those products that use less water
- Water efficient devices being installed in all new homes
- Education programme to encourage recycling of water, i.e. shower water being used to water the garden etc

### **10. Education and Awareness:**

Advice NI encourages and supports engagement with the DRD and the Independent Advice Sector to ensure organisations at the frontline can provide accurate advice and support on water reform to members of the public, including the most vulnerable groups in our society.

More needs to be done to ensure awareness of the possible introduction of water and sewerage charges is raised with consumers and assist them in

preparing for these possible charges. There is a great level of complexity in the information being issued to the public and this needs to be simplified. This is felt the most with our members who engage with the hard to reach groups i.e. elderly, those with literacy, hearing or sight difficulties along with those with mental ill health.

It is important to highlight that people in Northern Ireland are more likely to commit to conserve water if;

- They are educated as to how this can be done and
- They are rewarded by having a meter installed in their homes which will in return save on their bills.

#### **11. Complaints and Billing Process:**

Advice NI seek further clarification in relation to who has responsibility for complaints at various stages and to ensure a robust filter mechanism is in place to allow for complaints to be resolved at the earliest possible stages.

Advice NI welcomes the Consumer Council as the Consumer Representative Body for water reform however we feel the draft document should emphasise and state more clearly that it undertake a similar role in dealing with water complaints and billing as that which is applied to other utilities such as gas and electric.

The complaints process should include a range of methods of communication i.e. telephone, fax, email in addition to those in writing to facilitate everyone especially those with learning difficulties, disabilities and older people. This process should be simplified as possible as it most likely the most vulnerable sections of the community who may require to use this process.

Advice NI welcomes engagement with the Advice Sector. We have developed Open College Network accredited Money Advice training which could be an option for any DRDNI helpline staff who are tasked with providing advice and

information to members of the public who are suffering from water poverty issues.

## **12. View on privatisation:**

Advice NI is against the privatisation of the water and sewerage service and believe it should remain as a public service and for consultation and legislation to be required before any sale of publicly owned assets are sold privately at any stage in the future. Endorsing the comment the Consumer Council have made before in 2002 that 92% of the public were against privatisation, the consumer's views are that if the Water Service does go private then it will be the public who will pay for this resulting in higher profit margins for the private water companies.

In terms of consultation, Advice NI would ask the Department Of Regional Development to consider using the tried and tested Advice NI e Consultation service as a means by which targeted organisations (and the individuals whom they provide a service to) are included in this process. Further information on the Advice NI E Consultation Service can be found at;  
<http://www.adviceni.net/econsultation/default.asp> .

Advice NI are keen to engage with DRD on future developments of any water reform and the implications it will have particularly on vulnerable groups and how we may lessen the impact it will have.

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