



Commissioner for Older People
for Northern Ireland

Department for Infrastructure
Water and Sewerage Charges
Via email to: waterchargesconsultation@infrastructure-ni.gov.uk

26 January 2024

Re: Consultation on Water and Sewerage Charges – Options for Revenue Raising

Dear Sir/Madam,

I am writing on behalf of the Commissioner for Older People for Northern Ireland (COPNI) regarding the impact of the proposed water and sewerage charges on our older population.

COPNI recognises the commitment of the Department for Infrastructure to the financial sustainability of our public services. While acknowledging the Department's concerns, the Commissioner maintains that it is essential that any policy implemented to guarantee the viability of public services must not impact negatively and disproportionately on our older population. Regrettably, the implementation of water and sewerage charges proposed by the Department risks causing such harm. This is acknowledged by the Department in section 6.9 of the consultation document's Equality Impact Assessment, which states that:

The introduction of water and sewerage charges has the potential to create socio-economic barriers which might lead to social exclusion and inequalities particularly amongst children and older people.

COPNI shares the Department's concern about the socio-economic barriers that might be created by this policy, and for this reason appreciates the consideration given by the Department to providing relief support to the most vulnerable, including those who have reached State Pension age.

The Commissioner urges the Department to further consider the serious consequences that may derive from implementing this charge if not accompanied by a range of protections and

guarantees for older people. This response aims to advise of the risks associated with the implementation of the charge, and to suggest ways in which older people may be better protected.

Charging methods

During the past two years, Northern Ireland has experienced the highest levels of inflation in consumer goods of the past three decades, and the highest level of energy inflation rates in the past forty years.¹ Water and sewerage charges will add to the population's already restricted financial situation, especially the most financially vulnerable, among whom are many older people.

The consultation document describes five methods for calculating the water charge. The potential for disproportionate harm to older people being caused by all options is evident, as will be outlined below. Although there are ways to implement a water charge while protecting the most vulnerable older people, the Commissioner believes that these have not been sufficiently explored in the consultation document. Each method suggested by the Department could pose serious risks to the well-being and quality of life of older people in Northern Ireland.

1. A flat rate

A flat rate charge on a public service will, undoubtedly, affect those with limited income the most. This would have significant implications for older people. In Northern Ireland, the income of 58% of pensioners' households after housing costs is below £500 per week, as compared with 26% of working age households.² The income of households in which the main earner is older than 65 is on average 22% lower than households where the main earner is aged 25-64 in the UK.³ Furthermore, the income of older people is not rising in line with the

¹ Worlddata (n.d) *Inflation rates in the United Kingdom*, [Retrieved 9th January, 2024] from [here](#).

² Calculation based on the Households Below Average Income (HBAI) database; "Income (AHC) of the individual by tenure type of the household by financial year and age".

³ Calculation based on the Office for National Statistics (ONS) dataset "Timeseries of equivalised household disposable income by age group of the chief economic supporter, 2021/22".

cost of living. Pensioners' income in Northern Ireland has only increased by 1.9% between 2017 and 2022⁴ in the context of the highest inflation rates in three decades.⁵

Consequently, the effects of a flat rate will disproportionately affect those households and individuals with lower financial resources, among which older people are particularly vulnerable. Such a measure would impose even more financial stress on the oldest pensioners and those who live alone. A flat rate applied equally to all households, as proposed by the consultation document, could have devastating effects on older persons in single households, which make up 29.9% of all older persons' households (more than 90,000 pensioners in Northern Ireland live on their own),⁶ and whose median income is on average 53.5% lower than pensioner couples (£296 per week).⁷

Thus, while being a simpler and a better cost-effective option than others (especially when compared to water meters), an implementation of a flat rate seems likely to fuel inequality and contribute to financial hardship for many older adults. COPNI believes that other forms of implementing a fixed rate could offer more balanced outcomes. These could include a sliding scale of charging, linked to benefits and income levels, preferably progressive, and making sure that no household is charged more than 3% of their monthly income. Combining a progressive rate with an exemption for pensioners whose income is below a certain threshold would contribute to protecting the most vulnerable older people.

2. A rate calculated on the basis of property value

It is assumed in the consultation document that home ownership is a good indicator of well-being and ability to pay bills and expenses. Older people may indeed own properties with higher value. This is due to the evolution of house prices⁸ and the average household income.

⁴ Calculation based on data from the Family Resources Survey (FRS) for Northern Ireland 2021-2022; Table 7.3: "Real income of pensioners, 2011/12 - 2021/22".

⁵ Worlddata (n 1).

⁶ Calculation based on the Census 2021 data, "Household composition: One person household: Aged 66 and over".

⁷ After Housing Costs. Calculation based on the Pensioners' Incomes Series: Financial Year 2021 to 2022, "Table 4.1: The median net income of pensioner units by quintile of the pensioner net income distribution and family type, 2009/10 to 2011/12 and 2019/20 to 2021/22, United Kingdom."

⁸ Ulster University (2023) *Northern Ireland Quarterly House Price Index For Q3 2023, Report Number 156* [Retrieved 9th January] from [here](#).

However, this does not mean that older people are more likely to be able to afford services or pay bills.⁹

Therefore, a water charge calculated on the basis of property value will simply contribute to increasing the already high financial burden imposed on older people. It will affect older pensioners in particular – those aged 75 or more – who earn on average 31% less than those aged 65-74.¹⁰ Consequently, many older adults may be forced to downsize and leave their family home, unable to afford the higher rates and charges linked to the house value whilst not in fact using more water or sewerage services than a family in a smaller property.

3. Water meters

A water meter can be a viable option for a variety of reasons. If a water charge was to be implemented, this option would provide control over usage and fairness for people who are using the service regardless of the size of property. However, the risks of water meters must be carefully considered.

Of the 60% poorest pensioners in Northern Ireland, more than one out of ten are unable to afford an unexpected expense of £200.¹¹ The implementation of a new charge will constrain older people's finances even more, and some pensioners, particularly the poorest ones, could be forced to curtail the use of a service as vital as water. According to a recent ONS report, the percentage of adults who were reducing their energy consumption due to rising costs increased with age, with 70% of those aged 55-74 reducing their energy consumption due to financial pressures.¹²

The same report shows that “Water supply and sewerage debts” was the fifth most common source of debt advice given by Citizens Advice in England, ahead of “Unsecured personal loan debts” or “Bank and building society overdrafts”.¹³

⁹ Office for National Statistics (2023) *How are financial pressures affecting people in Great Britain?*, [Retrieved 10th January 2024] from [here](#).

¹⁰ Calculation based on data from the Pensioners' Income Series (PIS), Table 2.6: “The average incomes of single pensioners by type of income and age”.

¹¹ Households Below Average Income statistics for Northern Ireland, 2019-2020; Table 7.3: “Quintile distribution of income for pensioners by whether they have the material deprivation on items and services (AHC)”.

¹² Office for National Statistics (n 7).

¹³ Ibid.

Similarly, the most recent trackers from the Utility Regulator¹⁴ and Ofcom¹⁵ show that the number of older consumers in Northern Ireland who struggle to pay electricity and communications bills has almost trebled in the last two years. These reports also show that consumers who face difficulties in paying bills need to reduce their spending on other essential products and services such as food/groceries, heating, and clothes.

Therefore, while water meters may provide control for consumers, they should not turn water into a luxury service that can only be enjoyed by those who can pay for it. In consequence, the option of water meters could only be viable with significant safeguards, including a relief support scheme applied to all people of State Pension age, and exemptions for older households below a certain income threshold.

4. Any combination of the above

Any combination of the above methods of calculating the charge will be subject to the same problems described in the previous paragraphs. Consequently, consideration should be given to the safeguards proposed above.

Conclusion

Older people in Northern Ireland have been subject to significant service and budget cuts in the recent past, which has affected their quality of life. Worryingly, absolute and relative poverty rates of pensioners in Northern Ireland are currently at the highest level in almost a decade.¹⁶ Unquestionably, older adults in our society are experiencing enormous financial stress. If water and sewerage charges are implemented without significant safeguards for older people, the proposed charges would further contribute to these negative trends.

The Commissioner for Older People for Northern Ireland welcomes the consideration of relief support for those who have reached State Pension age but strongly believes that greater consideration of safeguards necessary to protect vulnerable older people is vital if water

¹⁴ Utility Regulator (2023) *Domestic Consumer Insight Tracker Survey. Report prepared for the Utility Regulator* [Retrieved 19th January 2024], from [here](#).

¹⁵ Ofcom (2023) *Communications Affordability Tracker* [Retrieved 19th January 2024] from [here](#).

¹⁶ Department for Communities (2023) *Northern Ireland Poverty and Income Inequality Report, 2021/22* [Retrieved 10th January 2024], from [here](#).

charges are to be introduced. Therefore, the Commissioner opposes the implementation of any charges that do not guarantee the protection of vulnerable older people.

I would welcome any further discussion on our response to your proposals.

Yours faithfully,

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Policy and Research Officer
Commissioner for Older People for Northern Ireland

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