

Public Utilities Access Forum

Water Justice

UK four countries Affordable Water Conference, 3 February 2005

CONFERENCE REPORT

Over fifty people from consumer groups, the water industry, government and governmental bodies, and universities, from the four countries of the UK met to debate the arrangements we make to charge households for water services. The conference was addressed by speakers from Parliament, the Department for Environment, Food and Rural Affairs, the Environment Agency, the water regulator Ofwat, the industry, the water conservation body Watersmart, consumer bodies, and academics. Watersmart and Wessex Water generously sponsored the occasion, organised by National Energy Action on behalf of PUAF.

Speakers said that water charges are unaffordable and unfair for many households in England and Wales, and some said the same goes for Scotland. Arrangements for funding the water industry are presently the subject of intense debate in Northern Ireland, where it is proposed direct charging be introduced from 2006. An estimated two to four million households in England and Wales cannot afford their water charges. Charges were considered by speakers and delegates to be unfair as well as unaffordable because in both England and Wales and in Scotland the burden of water charges is very much greater for poorly off households than for prosperous households.

“We can’t go on like this: something will have to give”, said conference Chair, Linda Gilroy MP. PUAF agrees. We regard this conference as a significant stage in the continuing debate about how we look after one another and our environment. PUAF wants the following nine questions from the conference to occupy the centre ground of debate in the coming period.

1. Should the setting of water charges be a matter of social policy?
2. If water charges *are* matters of social policy do the Lyons review of Local Government Funding – and the corresponding reviews current in Scotland and Northern Ireland – have the potential to offer more socially equitable arrangements?
3. Why do England and Wales virtually disregard fairness and affordability when the other countries of the United Kingdom do not?
4. Why – in the case of water of all things – do we seem not to believe in justice and fairness in England and Wales? Why is England and Wales so exceptional across the world – not just in the United Kingdom – in shunning social tariffs?
5. Is it acceptable that deciding matters of fairness and affordability in England and Wales is left to water companies, that are urged to adopt ‘humane’ debt recovery policies, propose social tariffs (that will be rejected if they are anything more than cosmetic), and promote charitable relief of water debt?
6. Is it helpful for Defra and Ofwat to view ‘the issue’ as targeting? Is the fairness and affordability of water charges something that can be addressed by seeking to modify householders’ individual behaviour – along the lines of the South West initiative in England in which poorly off householders will be invited to control demand and claim benefits? Or is it a structural matter that requires a collective response?

7. Is a barrier to change anxiety about *fairness being for all of us*, and prosperous householders becoming a little less well off?
8. 'Fair charging for the water householders need and penalties for greedy users' is a refrain often heard. Can a future that looks after both people and the environment be anything other than one with comprehensive metering and tariffs graduated with respect to fairness, affordability, and usage?¹
9. Why is there so little progress in the UK in removing from charges to householders the costs of highway drainage, and of cleaning up environmental pollution? Why are not the costs of environmental protection that we enjoy collectively – bird song, for example – not met from general taxation?

¹ Meter penetration in England and Wales is expected to reach between 30% and 90%, depending on the company concerned, by 2030. The Northern Ireland General Consumer Council is calling for universal metering. The Scottish Executive considers metering to not be an option.