

Lead topic: Irish Water

**Sub-topic: Local
Authority Water related
debt**

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A question was raised at previous PER appearance at PAC on the amount of Local Authority water related debt that would transfer to Irish Water.

FAST FACTS

- There is no transfer of debt from the Local Authorities to Irish Water. LA debt, which is mainly made up of water-related capital loans was initially estimated at almost €600million in 2013. Of this, some €450m or 75% of the overall loans were with the Housing Finance Agency.
- The Government decided in May 2014 that such water related loans held by local authorities would not transfer to Irish Water and made provision that these loan costs would be met from the Local Government Fund.
- Section 10 (3) of Water Services Act 2014 provided for the Minister for Finance to make payments of up to €460,000,000 to the Local Authorities for the purpose of redeeming any water-related HFA loan. This exercise was carried out in July 2015 with the effective unwinding of almost €440 million of water related capital debt.
- This leaves some €150million non-HFA debt remaining. Permanent solutions to the loans will be investigated over the coming months and in the meantime DECLG will continue to recoup local authority in respect of the costs of servicing the loans.