

# **WATER AND SEWERAGE SERVICES (AMENDMENT) BILL**

## **EXPLANATORY AND FINANCIAL MEMORANDUM**

### **INTRODUCTION**

1. This Explanatory and Financial Memorandum has been prepared by the Department for Regional Development in order to assist the reader of the Bill and to help inform debate on it. It does not form part of the Bill and has not been endorsed by the Assembly.
2. The Memorandum needs to be read in conjunction with the Bill. It is not, and is not meant to be, a comprehensive description of the Bill. So where a clause or part of a clause does not seem to require an explanation or comment, none is given.

### **BACKGROUND AND POLICY OBJECTIVES**

3. The primary reason for the Bill is to ensure that DRD continues to make subsidy payments to Northern Ireland Water Ltd (NI Water) in lieu of household water charges. Under Article 213(3) of the Water & Sewerage Services (Northern Ireland) Order 2006 (“the 2006 Order”), the Department is obliged to make grants to the undertaker equal to the amount of discounts provided to consumers in the “initial period”.
4. The initial period is currently 6 years from the coming into operation of the 2006 Order. This provision expires on 31 March 2013. The Bill will amend the 2006 Order by making the initial period 9 years from the coming into operation of the 2006 Order i.e. until 31 March 2016.
5. The Bill will also enable water and sewerage undertakers to record their intention to carry out certain works on private land on the Statutory Charges Register held by Land Registers NI. Under Article 220 of the 2006 Order, water and sewerage undertakers are empowered to lay certain pipes and sewers on private land and

carry out certain other works in support of that power. Before doing so, they are required to give notice to owners and occupiers. This Bill will require notices relating to these powers to be registered in the statutory charges register which provides purchasers of land with an easy method of checking whether a property is affected by various statutory restrictions.

## **CONSULTATION**

6. The policy underpinning the extension of the subsidy period stems from the Executive's Programme for Government which was the subject of previous consultation. The registration of statutory charges is a minor, technical amendment and public consultation is not justified.

## **OPTIONS CONSIDERED**

7. There are no other options available apart from the "do nothing" option which would not allow the Department's policy aims to be achieved.

## **OVERVIEW**

8. The Bill contains 2 clauses.

## **COMMENTARY ON CLAUSES**

A short explanation of clauses 1 and 2 is given below.

### Clause 1: Extension of Subsidy Period

This clause will amend Article 213(4) of the 2006 Order to extend the "initial period" to 9 years from the coming into force of the 2006 Order. This will continue to provide the basis for DRD to continue to make subsidy payments to NI Water until 31 March 2016.

### Clause 2: Statutory Charges

Under Article 220 of the 2006 Order, relevant undertakers (currently NI Water) are (amongst other things) empowered to carry out works to lay certain pipes on land. Before exercising powers under paragraph (1) of Article 220, paragraph (4)

of that Article requires relevant undertakers to give reasonable notice to owners and occupiers of the land that the undertaker proposes to exercise the power.

This clause will amend Schedule 11 to the Land Registration Act (Northern Ireland) 1970 so that, where an undertaker has given reasonable notice that it proposes to exercise powers under paragraph (1)(a) of Article 220, or powers under paragraph (1)(c) of that Article where those powers relate to works falling within paragraph (1)(a), that notice must be registered as a statutory charge in the Statutory Charges Register. This amendment will make this information publicly available, particularly in order to assist prospective purchasers.

#### **FINANCIAL EFFECTS OF THE BILL**

9. The Bill will continue the statutory basis for DRD to continue to make subsidy payments to NIW until 31 March 2016.
10. The Bill has no other financial effects.

#### **HUMAN RIGHTS ISSUES**

11. The Department considers the provisions of this Bill to be compatible with the Convention on Human Rights.

#### **EQUALITY IMPACT ASSESSMENT**

12. The proposed provisions have been screened for equality impact. No differential impact was found and a full Equality Impact Assessment was not required.

#### **SUMMARY OF THE REGULATORY IMPACT ASSESSMENT**

13. A Regulatory Impact Assessment was not considered necessary as the Bill proposals impose no costs, savings or additional burden on business, charities or the voluntary sector.

## **LEGISLATIVE COMPETENCE**

The Minister for Regional Development had made the following statement under section 9 of the Northern Ireland Act 1998:

*“In my view the Water & Sewerage Services (Amendment) Bill would be within the legislative competence of the Northern Ireland Assembly.”*

## **RECOMMENDATION**

The Minister in charge of the Bill, Danny Kennedy MLA, has made the following recommendation as required under section 63 of the Northern Ireland Act 1998.

*“As Minister for Regional Development, I recommend this Bill to the Assembly as is required by section 63 of the Northern Ireland Act 1998.”*