

SL1 – To Departmental Committee Clerk

Dear Michael,

THE GRANTS TO WATER AND SEWERAGE UNDERTAKERS ORDER (NORTHERN IRELAND) 2027

The Department for Infrastructure proposes to make a Statutory Rule under powers conferred by Article 213 of the Water and Sewerage Services (Northern Ireland) Order 2006 (“the 2006 Order”) as amended by the Water and Sewerage Services Act (Northern Ireland) 2016 (“the 2016 Act”). The Statutory Rule is subject to draft affirmative resolution.

Purpose of the Statutory Rule

The 2016 Act introduced a power to make subordinate legislation to amend Article 213(3) of the 2006 Order to extend the period during which the Department will pay a subsidy to NI Water, in lieu of domestic water charging. The rule will extend the period, for a further five years to 31 March 2032. The statutory rule will enable the Department to continue to pay a subsidy to NI Water in lieu of income as that would otherwise be gained from domestic charging, post 31 March 2027. This power is dependent on the Executive’s agreement to continue its policy on this matter and to extending the scope of the powers for a set period of time. Failure to make the statutory rule would result in the Department not being able to pay the subsidy to NI Water, which would render NI Water unable to provide vital water and wastewater services.

Previous Engagement with the Committee

The Department engages on a regular basis with the Committee on the funding for NI Water. The Department previously engaged with the Committee on the previous Grants to Water and Sewerage Undertakers Order (Northern Ireland) 2022, which extended the period during which the subsidy may be paid to NI Water, as water and sewerage undertaker, to 31 March 2027.

Consultations

Since 2007, the Executive’s policy has been not to introduce separate household payments for water and sewerage services. Therefore, additional consultation is not required. However, the Department consulted widely on the policy to allow for the extension, by secondary legislation, of the period which the subsidy could be paid as part of the development of the 2016 Act.

Equality Impact

No new Equality Impact Assessment (EQIA) or Human Rights screening exercises were carried out as this is a continuation of a pre-existing policy. A S75 Impact Screening Assessment for the Grants to Water and Sewerage Undertakers Order (Northern Ireland) 2022 was previously published on the Department’s website on 03 February 2022. No significant impacts were identified on any S75 groups. The SR is compatible with Convention rights.

Regulatory Impact

A regulatory impact assessment is not considered necessary as the proposals do not result in any new costs or savings on business, charities or voluntary bodies.

Rural Needs Impact

A rural needs impact assessment is not considered necessary as the proposals do not result in any impact on the social and economic needs of persons in rural areas.

Data Protection Impact

A data protection impact assessment is not considered necessary as the proposals do not result in any impact on data protection.

Child Rights Impact

A Child Rights Impact Assessment is not considered necessary as the proposals do not impact on the rights of children.

Position in Great Britain

In England, Scotland and Wales, householders pay a domestic charge to regional water and sewerage undertakers for their services, which averages around £600 in England and Wales and £400 - £600 in Scotland.

Any Other Information

The proposal enables the continuation of the Executive's agreed policy of funding public water and sewerage services in part by way of a grant subsidy to NI Water in lieu of revenue which would otherwise be raised by domestic charging.

Financial Implications

In line with the Memorandum of Understanding (MoU,) the Department will pay NI Water a subsidy of £507.9m in 2026-27, in lieu of domestic water charges. The subsidy payment does not commit the Department to a specific level of budget cover. It is required to enable cash to be drawn down by NI Water to facilitate the day to day operations of the company.

These subsidy payments have been set in line with the Executive's policy that, during the current Programme for Government period:

- There will be no separate household payments for water and sewerage services;
- Non-domestic metered payments for water and sewerage services and trade effluent charges will continue;
- The domestic water allowance and the domestic sewerage allowance will be retained for eligible non-domestic metered customers; and
- Unmeasured non-domestic payments will remain at 50%.

Compliance with Section 24 of the Northern Ireland Act 1998

The Department has carried out a Human Rights Act Screening Analysis, and no human rights issues have been identified. No Convention Rights or rights under Article 2(1) of the Windsor Framework are engaged by the policy proposal.

Consideration by the Executive

The Executive agreed to the continuation of the current policy on domestic water charging, and for the Department for Infrastructure to make the appropriate legislation

to extend the period for a further five years to 31 March 2032, at its meeting on the 16 April 2026.

Proposed Timing of Consideration of the SL1

The SL1 is being submitted to the Committee in accordance with the minimum four-week timeframe. The Department proposes that the Committee consider the SL1 at its meeting on 10 June 2026.

Proposed Operational Date

It is proposed that the rule will come into operation on 1 March 2027.

The draft of the proposed Statutory Rule and Explanatory Memorandum are attached, and you will wish to bring this matter to the attention of the Committee for Infrastructure.

Yours sincerely,



JOSEPH HEATH
Departmental Assembly Liaison Officer
Signed for The Department for Infrastructure

Committee for Infrastructure Clerk
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cc: TEO Assembly & Legislation Sections
Human Rights Commission
Equality Commission