



Northern Ireland
Assembly

Committee for Regional Development

OFFICIAL REPORT (Hansard)

Water and Sewerage Services (Amendment)
Bill: DRD Briefing

23 January 2013

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Jimmy Spratt (Chairperson)
Mr Seán Lynch (Deputy Chairperson)
Mr Stewart Dickson
Mr Alex Easton
Mr Declan McAleer
Mr Ian McCrea
Mr David McNarry
Mr Cathal Ó hOisín

Witnesses:

Mr John Mills	Department for Regional Development
Mr Stephen Rusk	Department for Regional Development

The Chairperson: We have a briefing from the Department for Regional Development (DRD) on the Water Bill. I welcome Stephen Rusk and John Mills from the Department. I do not have the details of your positions in the Department; perhaps you will clarify them for the record. The session will be recorded in a Hansard report.

Mr Stephen Rusk (Department for Regional Development): Thank you, Chairman. I am Stephen Rusk from the water policy division, and I report to John, who is the director of water policy in DRD.

The Chairperson: Since officials will talk about the Bill, it might be helpful if you have it in front of you, as we are going on to a discussion in closed session immediately after this discussion. Sorry for interrupting you, Stephen. Go ahead.

Mr Rusk: Thank you very much. Thank you for the opportunity to give evidence again today on the Water and Sewerage Services (Amendment) Bill, which is in its formal Committee Stage. The Bill consists of two substantive clauses. Clause 1 will amend the Water and Sewerage Services (Northern Ireland) Order 2006 to extend by three years the initial period in which DRD will pay a subsidy to Northern Ireland Water in lieu of household water charges. Under the current legislation, the initial period will expire on 31 March this year. The Bill will, therefore, implement the Executive's Programme for Government 2011-15 commitment not to introduce any additional household water charges by extending the initial period to 31 March 2016.

Clause 2 provides for the registration of statutory charges in respect of certain works on private land. Under the Water and Sewerage Services (Northern Ireland) Order 2006, water and sewerage undertakers are empowered to lay certain pipes and sewers on private land, but, before they do so, they are required to issue notices to owners and occupiers. The Bill will require notices in respect of

the laying of such pipes and sewers to be registered in the Land Registers of Northern Ireland as statutory charges, making that information, including the location of the pipes and sewers, publicly available.

We know that the Committee has been taking evidence on the Bill from various interested parties, and we are happy to take any questions that you may have about the content of the Bill or, indeed, any of the relevant matters that have been raised during the Committee's consultation.

The Chairperson: OK. Thanks for that, Stephen. Can you tell me why the subsidy was extended to 2016, particularly when the next Utility Regulator's price control will run from 2015 to 2021? Secondly, the Executive are considering an options paper from the Minister on the future governance of Northern Ireland Water. Can the Department indicate the timeline for the paper and advise us when the Committee will be afforded the opportunity to look at it and to discuss it? It is very important that that be done at an early stage, but the indications are that the paper has been with the Executive for some time.

Mr John Mills (Department for Regional Development): On the last point, the paper was issued to the Executive in September, and in December, the Executive remitted the paper to the Budget review committee for discussion. The Budget review group has had one meeting at which that was raised and has called for officials in the Department of Finance and Personnel and DRD to bring forward options to it. That is where it is at the moment. From the Minister's point of view, that is quite an early stage. However, I know that the Minister has made a commitment to bring any proposals to the Committee, so I will convey your statement to the Minister that that should be sooner rather than later.

The Chairperson: Several of the groups that gave evidence to us on the Bill know of the paper's existence and are aware that it has been with the Executive, and they have raised the issue in their evidence to the Committee. Indeed, some of them are amazed that we do not know anything about it, and we have had to say that it is with the Executive and has not been shared with the Committee at this point. Therefore, it would be helpful if we could get a timeline because it is important that the Committee has an early debate on the issue.

Moreover, some people who gave evidence to the Committee about the paper asked for an early debate, so there is obviously a fair amount of interest in it; people want to add to the debate on issues that may be in the paper. I accept that you will take it back to the Minister, but do you think that it will be sooner rather than later?

Mr Mills: I am not quite sure of the next date of the Budget review group, but I believe that it is scheduled for some time in March. The paper has been sent to the Executive, so no stakeholders have seen papers that the Committee has not. I just want to confirm that.

The Chairperson: As a Statutory Committee, part of our remit is to help to develop proposals on issues. If we get it when everything has been decided, it seems like a done deal to everybody, and the Committee does not have the input that it should in developing proposals. It is important that that issue be taken into consideration by Executive colleagues, the Minister and departmental officials. At the end of the day, the sooner we get involved in that, the better. I accept what you say, and I hope that you will come back to us, or that someone will come back to us at a reasonably early stage. Can we go to the first question?

Mr Mills: Yes. First, the extension to 2016 follows the previous extension from 2010 to 2013. Secondly, it more or less accords with as far into the future as the Executive were looking when they made the policy decision in the Programme for Government to have no new household charges during the current mandate. Therefore, 2016 takes us beyond the current mandate and so fulfils the Executive's commitment in the Programme for Government.

I suppose you could say that the Executive could have decided either never to have water charges or to consider their introduction during this mandate, in which case the period might have been shorter or longer. However, the situation is that there will be no charges during this mandate, and that is what the legislation reflects.

Mr Lynch: The representatives from the CBI expressed concerns about governance and said that there was political interference, bureaucracy and complex governance relationships. Do you agree? How do you intend to resolve those issues?

Mr Mills: The current arrangements are complex; nobody hesitates to say that. Northern Ireland Water is two things at once. It is a company designed to be at arm's length from government with the freedoms and flexibilities to deliver efficiencies; that is how the body was originally envisaged when it was set up in 2007. On the other hand, because it has remained majority funded from the public purse, it is also defined as a non-departmental public body and has the same controls applied to it as any other non-departmental public body. Therefore, there is a contradiction there for sure, and the arrangements are complex.

The Minister has put a paper to the Executive on future governance, and the Budget review group is considering it. It is fair to say that the Minister's view is that until there is some form of consensus, it is hard to land on a particular option. That is where the longer-term governance issue is at the moment.

Mr McAleer: How does clause 2 differ from the current situation?

Mr Rusk: At the moment, article 220 of the Water and Sewerage Services (Northern Ireland) Order 2006 allows Northern Ireland Water to lay pipes on certain land; so on a piece of private land, it is empowered, where it needs to do so, to lay a pipe or a sewer. It is also allowed to inspect, maintain, adjust, repair or alter those pipes and sewers, and to carry out works that are necessary to do so. This clause does not change any of that, except to say that, where Northern Ireland Water exercises its power to enter a person's land to lay a pipe or a sewer or to carry out works to enable that to be done, the notice given to the landowner or occupier must be registered in the statutory charges register. That makes it searchable, publicly and by solicitors, should people need to know whether there is a pipe or a sewer there that would need to be accessed in future.

The Chairperson: I do not have any other indications from members who want to ask questions, so I thank you both very much indeed. We are in discussions, and we will be taking that to the Assembly reasonably soon. I hope that the Executive and the Minister are as fast in letting us have a look at the other paper. One good turn deserves another.