
STATUTORY INSTRUMENTS

2014 No. 3320 (C. 155)

**WATER INDUSTRY, ENGLAND AND WALES
INSURANCE**

The Water Act 2014 (Commencement No.
2 and Transitional Provisions) Order 2014

Made - - - - 15th December 2014

The Secretary of State makes the following Order, in exercise of the powers conferred by sections 91(1) and 94(3) and (6) of, and Schedule 12 to, the Water Act 2014⁽¹⁾.

Citation and interpretation

1.—(1) This Order may be cited as the Water Act 2014 (Commencement No. 2 and Transitional Provisions) Order 2014.

(2) In this Order—

“the 1991 Act” means the Water Industry Act 1991⁽²⁾;

“the 2014 Act” means the Water Act 2014.

Provisions in Part 1 of the 2014 Act coming into force on 1st January 2015

2.—(1) Subject to article 3, the following provisions in Part 1 of the 2014 Act (water industry) come into force on 1st January 2015⁽³⁾—

(a) section 23 (general duty as regards undue preference in the provision of services) except so far as it relates to sewerage licensees in section 2(3)(ba)(ii) of the 1991 Act; and

(b) section 38 (guidance relating to rules about charges) except so far as it relates to sewerage licensees in section 144ZE(9)(e) of the 1991 Act.

(2) The following provisions in Part 1 of the 2014 Act come into force on 1st January 2015—

(a) section 29 (standards of performance: water supply) as follows—

(i) subsection (2) so far as it relates to the provision set out in paragraph (ii); and

(1) [2014 c.21](#). The power in section 94(3) to appoint a day on which the remaining provisions of the 2014 Act come into force is vested in the “appropriate authority”. Section 94(6) provides that the appropriate authority is the Secretary of State except as stated in the table in Schedule 12.

(2) [1991 c.56](#).

(3) The Secretary of State is the appropriate authority for the purposes of sections 23 and 38 in relation to wholly or mainly English undertakers.

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- (ii) subsection (5) except so far as it relates to section 38A(2A) of the 1991 Act;
- (b) section 30 (standards of performance: sewerage) as follows—
 - (i) subsection (2) so far as it relates to the provision set out in paragraph (ii); and
 - (ii) subsection (5) except so far as it relates to section 95A(2A) of the 1991 Act;
- (c) section 55 (modification of appointment and licence conditions);
- (d) section 56 (further amendments) so far as it relates to the provisions set out in subparagraph (e); and
- (e) in Schedule 7 (further amendments)—
 - (i) paragraph 2 so far as it relates to the provisions set out in paragraphs (ii) to (v);
 - (ii) paragraph 97;
 - (iii) paragraph 120(1) so far as it relates to the provisions set out in paragraphs (iv) and (v);
 - (iv) paragraph 120(2)(b); and
 - (v) paragraph 120(3) so far as it relates to sections 8 and 86ZA of the 1991 Act⁽⁴⁾.

Transitional provisions

3.—(1) Until section 1 of the 2014 Act comes into force so far as it relates to section 17A(1) of the 1991 Act, the references to a water supply licensee in the following provisions are to be read as references to an old water supply licensee—

- (a) section 2(3)(ba)(ii) of the 1991 Act (as inserted by section 23 of the 2014 Act); and
- (b) section 144ZE of the 1991 Act (as inserted by section 38 of the 2014 Act).

(2) Until paragraph 5 of Schedule 2 to the 2014 Act comes into force so far as it relates to section 66E of the 1991 Act, the reference to rules under section 66E in section 144ZE(1)(a) of the 1991 Act (as inserted by section 38 of the 2014 Act) has effect as if section 66E of the 1991 Act as substituted is in force.

(3) In paragraph (1), “old water supply licensee” means a person who is the holder for the time being of an “old water supply licence” as defined in paragraph 11 of Schedule 11 to the 2014 Act⁽⁵⁾.

Provisions in Part 4 of the 2014 Act coming into force on 1st January 2015

4. The following provisions in Part 4 of the 2014 Act (flood insurance) come into force on 1st January 2015—

- (a) section 64 (the Flood Reinsurance Scheme);
- (b) section 65 (scheme administrator);
- (c) section 66 (scheme funding);
- (d) section 67 (scheme administration);
- (e) section 68 (replacement of the scheme or administrator);
- (f) section 69 (disclosure of HMRC council tax information) so far as it is not already in force;
- (g) section 82 (interpretation) as follows—
 - (i) subsections (1) to (5); and

⁽⁴⁾ Section 8 was amended by section 40(3) of the Competition and Service (Utilities) Act 1992 (c.43), section 36(2) of the Water Act 2003 (c.37) and section 13 of the 2014 Act. Section 86ZA was inserted by section 40(1) of the 2014 Act.

⁽⁵⁾ “Old water supply licence” is defined as “a water supply licence granted under old section 17A” (of the 1991 Act).

- (ii) subsection (7) so far as it relates to subsection (5);
- (h) section 83 (period of operation); and
- (i) section 84 (regulations and orders).

15th December 2014

Dan Rogerson
Parliamentary Under Secretary of State
Department for Environment, Food and Rural
Affairs

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EXPLANATORY NOTE

(This note is not part of the Order)

This Order is the second commencement order made under the Water Act 2014 (c.21) (“the 2014 Act”).

Article 2 brings into force on 1st January 2015 various provisions in Part 1 of the 2014 Act, which concern in particular the regulation of the water industry. Sections 23 and 38 are partially commenced in relation to wholly or mainly English undertakers.

Article 3 contains transitional provisions.

Article 4 brings into force on 1st January 2015 various sections in Part 4 of the 2014 Act, which contain powers to establish a levy-funded reinsurance scheme for flood insurance in areas of high flood risk. This scheme will be known as Flood Re.

An impact assessment of the effect that the 2014 Act will have on the costs of business and the voluntary sector has been produced, and copies are available from the website of the Department for Environment, Food and Rural Affairs at www.gov.uk/defra or from the Department for Environment, Food and Rural Affairs, Nobel House, 17 Smith Square, London SW1P 3JR. No separate impact assessment has been produced for this instrument.

NOTE AS TO EARLIER COMMENCEMENT ORDERS

(This note is not part of the Order)

The following provisions of the 2014 Act were brought into force by a commencement order made before the date of this Order:

<i>Provision</i>	<i>Date of Commencement</i>	<i>S.I. No.</i>
Section 40(1)	14th July 2014	2014/1823
Section 59	1st October 2014	2014/1823
Schedule 9	14th July 2014	2014/1823

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Changes and effects yet to be applied to :

- art. 3(1) revoked by [S.I. 2016/465 Sch. 2 para. 6\(a\)](#)