

# WATER AND SEWERAGE SERVICES (MISCELLANEOUS PROVISIONS) (NORTHERN IRELAND) ORDER 2006

S.I. 2006 1946

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## EXPLANATORY MEMORANDUM

### INFORMATION SHARING (ARTICLES 3 AND 4)

#### *Background and Policy Objectives*

5. In 2002 the Government announced its intention to place the provision of water and sewerage services in Northern Ireland on a self-financing basis. This included the introduction of domestic water and sewerage charges to help generate the revenue needed to sustain investment in Northern Ireland's water and sewerage infrastructure. (It should be noted that the Order does not implement these charges; this will be done under proposed legislation – the draft Water and Sewerage Services (Northern Ireland) Order – which was published for consultation on 1 June 2006). Since 2002 extensive consultation and impact analysis has taken place on the Government's policies for reform of the delivery of water and sewerage services. The main proposals of relevance were set out in the consultation exercise on water reform launched in November 2004 and confirmed in the response to consultation published in December 2005. These are:
  - Northern Ireland's water and sewerage services should be provided by a Government-owned company (GoCo);
  - All households should pay a direct charge for water and sewerage services received, with a standing charge and a variable element for each service determined by the capital value of the property;
  - Householders in receipt of certain "passport benefits" (housing benefit, rate rebate or a proposed rate relief scheme under the proposed Rates (Amendment) (Northern Ireland) Order) should receive assistance, in the form of an affordability tariff, with their water and sewerage bills.
6. Legislation to implement these and other aspects of water reform was published for consultation on 1 June 2006 in the form of a proposal for a draft Water and Sewerage Services (Northern Ireland) Order (referred to as "the main water reform Order" in this memorandum.
7. [Articles 3](#) and [4](#) of the Order deal with a very specific aspect of charging policy in advance of the main water reform Order. They provide the basis for the Department of Finance and Personnel (in practice, that Department's Rates Collection and Valuation and Lands Agencies) and the Northern Ireland Housing Executive, which already possess information which could be used to identify those entitled to assistance with water and sewerage charges and other customers, to share that information with DRD. This is specifically so that DRD can establish a customer billing and contact service and provide automatic assistance to those entitled to the proposed affordability tariff in advance of the introduction of billing from April 2007. The details of how customer billing and the assistance for eligible groups will be handled will be set out under the main water reform Order. It is important to stress that the Order does not, in itself,

*This Explanatory Memorandum refers to the Water and Sewerage Services (Miscellaneous Provisions) (Northern Ireland) Order 20061946*

provide additional powers to make charges for domestic water and sewerage services and it remains the Government's aim to introduce domestic charges only from April 2007 onwards.

8. As part of the preparatory steps towards the billing of customers and implementation of special assistance for eligible groups, DRD's Water Service announced (16 January 2006) the selection of outsourced partners, Crystal Alliance, who will provide customer billing and enquiry management services to support the proposed Government owned company to be established to deliver water and sewerage services by the main water reform Order.