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STATUTORY INSTRUMENTS

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**2016 No. 181**

**WATER INDUSTRY, ENGLAND AND WALES**

**The Water Supply and Sewerage Licences  
(Cross-Border Applications) Regulations 2016**

<i>Made</i>	- - - -	<i>11th February 2016</i>
<i>Laid before Parliament</i>		<i>18th February 2016</i>
<i>Coming into force</i>	- -	<i>1st April 2016</i>

The Secretary of State, in exercise of the powers conferred by sections 17FA and 213(2)(f) of the Water Industry Act 1991<sup>(1)</sup>, makes the following Regulations.

**Citation, commencement and interpretation**

1.—(1) These Regulations may be cited as the Water Supply and Sewerage Licences (Cross-Border Applications) Regulations 2016 and come into force on 1st April 2016.

(2) In these Regulations—

“the 1991 Act” means the Water Industry Act 1991;

“the Commission” means the Water Industry Commission for Scotland.

**Applications forwarded by the Commission**

2.—(1) If the conditions in paragraph (2) are satisfied, the Authority<sup>(2)</sup> must treat—

(a) a 2005 Act application<sup>(3)</sup> for the grant of a water services licence under section 6 of the 2005 Act<sup>(4)</sup> as being also an application under section 17F of the 1991 Act<sup>(5)</sup> for the grant of a water supply licence giving only a retail authorisation or a restricted retail authorisation (or both);

(b) a 2005 Act application for the grant of a sewerage services licence under section 6 of the 2005 Act as being also an application under section 17F of the 1991 Act for the grant of a sewerage licence giving only a retail authorisation.

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(1) 1991 c.56; section 17FA was inserted by section 6 of the Water Act 2014 (c. 21).

(2) i.e. the Water Services Regulation Authority: see section 1A(1) of the 1991 Act, as inserted by section 34(1) of the Water Act 2003 (c.37).

(3) A “2005 Act application” is defined by section 17FA(4) of the 1991 Act as “an application under paragraph 1 of Schedule 2 to the 2005 Act.”

(4) “The 2005 Act” is defined by section 17FA(4) of the 1991 Act as “the Water Services etc. (Scotland) Act 2005.”

(5) Section 17F was substituted by section 25 of the Water Act 2014.

- (2) The conditions are that—
- (a) the applicant has requested that the Commission forwards a copy of the 2005 Act application to the Authority under paragraph 1B of Schedule 2 to the 2005 Act<sup>(6)</sup>;
  - (b) the Commission has so forwarded a copy of the 2005 Act application to the Authority and the Authority has received that copy; and
  - (c) the 2005 Act application complies with the relevant provisions of a section 17F notice set out in paragraph (3) which relate to the application for the grant of (as the case may be)—
    - (i) a water supply licence giving a retail authorisation or a restricted retail authorisation (or both); or
    - (ii) a sewerage licence giving a retail authorisation.
- (3) The relevant provisions referred to in paragraph (2)(c) are the provisions as to—
- (a) the form and manner of the application,
  - (b) the information which must be included in the application,
  - (c) the documents which must accompany the application,
  - (d) the fee (if any) which must accompany the application.
- (4) In this regulation, “section 17F notice” means a notice published by the Authority under section 17F(1C) of the 1991 Act.

### **Transitional provision**

3. These Regulations do not apply to 2005 Act applications made to the Commission before 1st April 2016.

### **Review**

- 4.—(1) The Secretary of State must—
- (a) carry out reviews of these Regulations; and
  - (b) for each review, publish a report setting out the conclusions of the review.
- (2) The reports must, in particular—
- (a) set out the objectives to be achieved by these Regulations;
  - (b) assess the extent to which those objectives are achieved; and
  - (c) assess whether those objectives remain appropriate, and if so, the extent to which they could be achieved with a system that imposes less regulation.
- (3) The first report must be published by 31st March 2021.
- (4) Subsequent reports must be published at intervals not exceeding five years.

*Rory Stewart*  
Parliamentary Under Secretary of State  
Department for Environment, Food and Rural  
Affairs

11th February 2016

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(6) Paragraph 1B of Schedule 2 was inserted into the 2005 Act by section 7 of the Water Act 2014.

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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

Paragraph 1B of Schedule 2 to the Water Services etc. (Scotland) Act 2005 (asp 3) (“the 2005 Act”) requires the Water Industry Commission for Scotland (“the Commission”) to forward certain applications for the grant of a water services or sewerage services licence to the Water Services Regulation Authority (“Ofwat”) in England and Wales, subject to certain requirements. An equivalent duty is placed on Ofwat by section 17FB of the Water Industry Act 1991 (c. 56) (“the 1991 Act”).

These Regulations provide that such an application under the 2005 Act forwarded to Ofwat by the Commission is to be treated by Ofwat as if it was an application for the grant of a water supply licence or sewerage licence (with a retail or restricted retail authorisation) under the 1991 Act, if certain conditions are fulfilled. These conditions include that—

- (a) the applicant has requested that the Commission forwards a copy of the licence application to Ofwat;
- (b) the Commission has forwarded a copy of the licence application to Ofwat; and
- (c) the licence application complies with the relevant provisions of a notice published by Ofwat under section 17F of the 1991 Act as to what information and documents are required and as to the fee to be paid to Ofwat.

These Regulations only apply to applications made to the Commission on or after 1st April 2016.

A full regulatory impact assessment has not been produced for this instrument as no, or no significant impact on the private, voluntary or public sector is foreseen. The Explanatory Memorandum is available at [www.legislation.gov.uk](http://www.legislation.gov.uk).