



Water Industry (Financial Assistance) Act 2012

CHAPTER 8

Explanatory Notes have been produced to assist in the understanding of this Act and are available separately



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CONTENTS

- 1 Financial assistance to reduce charges
- 2 Financial assistance for major works
- 3 Short title, commencement and extent



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2012 CHAPTER 8

An Act to make provision for the giving of financial assistance for the purpose of securing the reduction of charges for the supply of water and the provision of sewerage services and in connection with the construction of, and the carrying out of works in respect of, water and sewerage infrastructure.

[1st May 2012]

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1 Financial assistance to reduce charges

In Part 5 of the Water Industry Act 1991, in Chapter 2 (financial assistance for undertakers and licensed water suppliers), after section 154 there is inserted—

“154A Financial assistance to reduce charges

- (1) If the Secretary of State considers it desirable to do so, the Secretary of State may give financial assistance for the purpose in subsection (2) to—
 - (a) an English undertaker, or
 - (b) a licensed water supplier that supplies water to premises in accordance with its retail authorisation using the supply system of an English undertaker.
- (2) The purpose is that of securing the reduction of charges payable by customers in an English undertaker's area for the supply of water or the provision of sewerage services.

- (3) The power in subsection (1) may be exercised in relation to all customers in an English undertaker's area or customers of a particular description.
- (4) Financial assistance under subsection (1) may be given in any form and in particular may be given by way of—
 - (a) grant,
 - (b) loan, or
 - (c) guarantee.
- (5) Financial assistance under subsection (1) may be given on such terms and conditions as the Secretary of State considers appropriate.
- (6) Financial assistance under subsection (1) may be given in any manner and in particular may be given—
 - (a) to an English undertaker by means of an arrangement made by the Secretary of State with another English undertaker, or
 - (b) to a licensed water supplier by means of an arrangement made by the Secretary of State with an English undertaker that is a water undertaker.
- (7) A reference in this section to a customer in an English undertaker's area is a reference to—
 - (a) a person liable to pay charges to the undertaker in respect of the supply of water or the provision of sewerage services, other than a licensed water supplier, or
 - (b) a person whose premises are supplied with water by a licensed water supplier in accordance with its retail authorisation using the undertaker's supply system.
- (8) In this section a reference to the retail authorisation of a licensed water supplier is to be construed in accordance with section 17A(2).
- (9) In this section "English undertaker" means a water undertaker or sewerage undertaker whose area is wholly or mainly in England."

2 Financial assistance for major works

In Chapter 2 of Part 5 of the Water Industry Act 1991, after section 154A (inserted by section 1) there is inserted—

"154B Financial assistance for major works

- (1) If the Secretary of State considers it desirable to do so, the Secretary of State may give financial assistance in connection with—
 - (a) the construction of water or sewerage infrastructure, or
 - (b) the carrying out of works in respect of existing water or sewerage infrastructure.
- (2) Financial assistance may be given under subsection (1) only if constructing the infrastructure in question or carrying out the works in question, or doing a combination of those things, involves exceptionally large or complex works.
- (3) Financial assistance may be given under subsection (1) only if the use or intended use of the infrastructure includes use by an English undertaker in carrying out a duty under section 37 or 94.

- (4) The power under subsection (1) includes power to give financial assistance or further financial assistance for the purposes described in subsection (1) after completion of the infrastructure or the works in question.
- (5) Financial assistance under subsection (1) may be given in any form and in particular may be given by way of –
 - (a) grant,
 - (b) loan,
 - (c) guarantee or indemnity,
 - (d) the provision of insurance, or
 - (e) the acquisition of shares in or securities of a body corporate.
- (6) Financial assistance under subsection (1) may be given on such terms and conditions as the Secretary of State considers appropriate.
- (7) In this section –
 - “English undertaker” means a water undertaker or sewerage undertaker whose area is wholly or mainly in England;
 - “sewerage infrastructure” means infrastructure relating to the provision of a system of sewers or the provision of means for emptying, or dealing effectually with the contents of, sewers;
 - “water infrastructure” means infrastructure relating to the provision of a system of water supply or the securing of supplies of water.”

3 Short title, commencement and extent

- (1) This Act may be cited as the Water Industry (Financial Assistance) Act 2012.
- (2) Sections 1 and 2 come into force at the end of the period of two months beginning with the date on which this Act is passed.
- (3) This section comes into force on the day on which this Act is passed.
- (4) This Act extends to England and Wales only.