

# Water Services Training Group

18<sup>th</sup> Annual Conference

# Shaping the Future of Water Services

Radisson Blu Hotel, Sligo, 4<sup>th</sup> September 2014



Comhshaol, Pobal agus Rialtas Áitiúil  
Environment, Community and Local Government

# Shaping the Future of Water Services

## The Role of the DECLG play in the new Water arena

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Comhshaol, Pobal agus Rialtas Áitiúil  
Environment, Community and Local Government

# Presentation outline

- \* The DECLG's role is to provide the legal, policy and funding framework for a sustainable water sector in Ireland.
- \* This hasn't changed....
- \* but in a changing environment – the way objectives are set and how they are achieved is changing and new relationships between the different actors are evolving.
- \* The focus of this presentation is therefore on the implications of these changes for the DECLG's role.

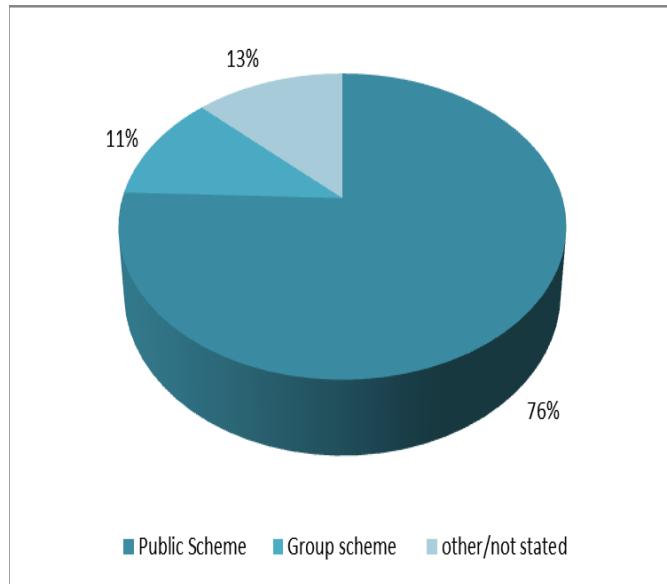
# Role reflects - Importance of the Water environment

- \* **Public health and well-being**
- \* **Economic Value**
  - \* 200-250,000 jobs in water intensive industries
  - \* Food Harvest 2020
  - \* Harnessing our Ocean Wealth
- \* **Heritage Value**
  - \* Willingness to pay studies
  - \* Irish Water campaign “value water”

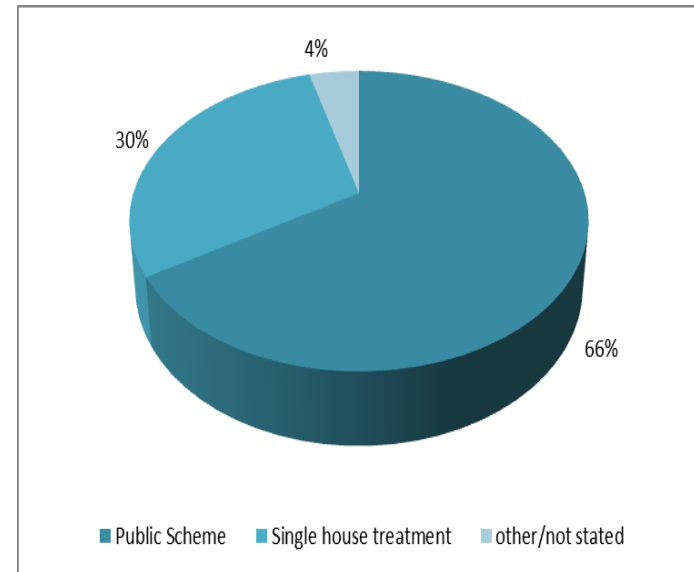


# DECLG role has to be holistic – to reflect all service provision

## \* Drinking water supply



## \* Waste Water Treatment



Source: CSO Census 2011

# Purpose & Mission remain

## \* High Level Objective :

- \* To protect and improve water resources and water dependent ecosystems;
- \* To provide water services infrastructure to support sustainable growth and environmental protection;
- \* To introduce new governance and pricing arrangements for the delivery and management of water services; and
- \* To ensure the appropriate regulation of the water sector.

### Outcome we aim to achieve:

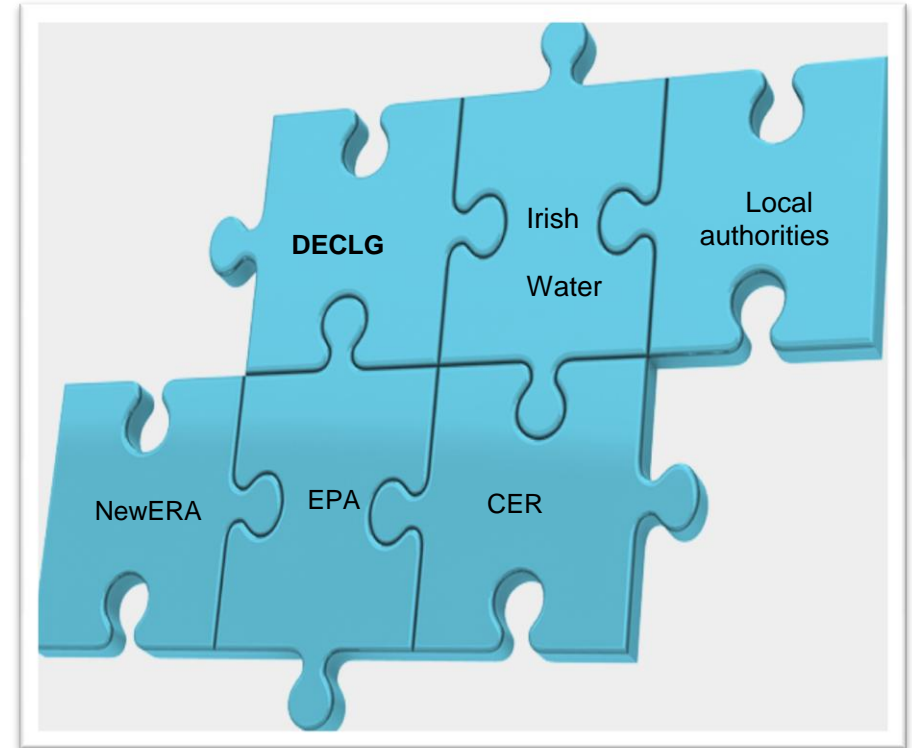
*“Ongoing improvements in the aquatic environment, the quality of drinking water and wastewater management; more efficient water use; appropriate water and wastewater treatment capacity; and efficient structures for water services provision and effective regulation of the water sector and sustainable use of marine resources, particularly renewable energy resources.”* **Statement of Strategy**

**2011-2014**

# If “why” remains – the “how” has changed...

Water sector reform programme has re-defined roles.....

- \* **New actors**
  - \* Irish Water
  - \* CER
  - \* NewERA
- \* **Changed responsibilities**
  - \* DECLG
  - \* Local authorities
- \* **New Relationships**
  - \* EPA
  - \* Local authorities



# Consultation processes reflect these roles

- \* **DECLG**

- \* Draft Work programme for next cycle of River Basin Management Plans – [www.environ.ie](http://www.environ.ie)

- \* **Irish Water**

- \* Water Services Strategic Plan (25 years) – [www.water.ie](http://www.water.ie)

- \* **CER**

- \* Water Charges Plan & Irish Water costs – [www.cer.ie](http://www.cer.ie)

The collage features several documents:

- DECLG Document:** "Timetable and Work Programme for the Development of River Basin Management Plans". Logo: "Comhaltas, Pobal agus Rialtas Ánail: Environment, Community and Local Government".
- Irish Water Document:** "Water Services Strategic Plan" Issues Paper, July 2014. Logo: "UISCE WATER".
- CER Document:** "Water Charges Plan Consultation (Executive Summary)". Logo: "CER Commission for Energy Regulation".
- Table of Contents:**

Consultation Paper
CER/14/366
31 July 2014
<a href="mailto:waterchargesplan@cer.ie">waterchargesplan@cer.ie</a>

A glass of water is positioned at the bottom right of the collage.



# DECLG's Policy Role

- \* Over-arching water services policy and legislation;
- \* Implementation of the Water Framework Directive – Ministerial approval of River Basin Management Plans;
- \* Interaction with other Government policies – planning, environmental, economic and social;
- \* Interaction with European Commission on legislation, compliance, infringements;
- \* Management of water sector reform programme;
- \* Governance of sector, including Irish Water;
- \* Implementation of policy: Minister has statutory powers to
  - \* give policy directions to the CER and Irish Water
  - \* Approve Water Services Strategic Plan (25 year plan)

# DECLG's funding role

## \* **Irish Water**

- \* Liaison with D/Finance on capital funding provision to Irish Water from Central funds (€400 m agreed for 2015 & 2016)
- \* Provision of subvention in 2015 and 2016 averaging €537m to cover subsidisation of water charges mainly through free allowances
- \* Conditions of funding letter to Irish Water and policy direction to the CER

## \* **Group Water sector**

- \* Capital funding via local authorities to support quality improvements
- \* Provision of subsidies (to be revised to align with public water subsidies) for domestic customers
- \* Support for other private provision through **wells grants** and **septic tank grants**
- \* Support for implementation of the **Water Framework Directive**

# DECLG – Management of Reform and Transition

- \* **Legislation**

- \* Water Services Act 2013 & Water Services No. 2 Act 2013
- \* Some further legislative provisions proposed - Planning Bills and proposed Water Environment Bill

- \* **Transition – remaining tasks**

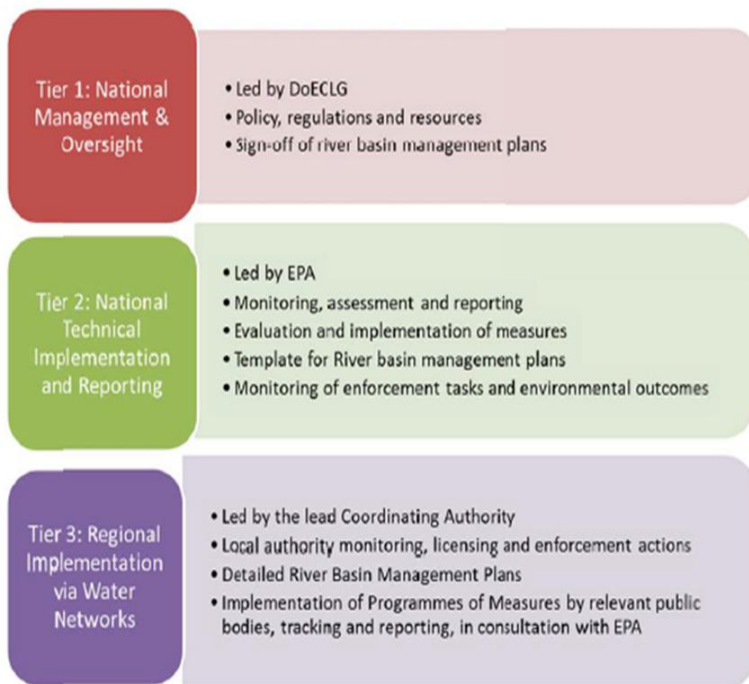
- \* Transfer of Assets and Liabilities – Ministerial order (contracts already transferred)
- \* Policy involvement in Irish Water Consultative Group

- \* **Oversight:** Steering group involving IW, CCMA, NewERA and D/PER. Funding of WSTO.

# Irish Water - Shareholder role

- \* **Boards of Irish Water and Ervia (formerly BGE) have responsibility for the running of the company as a commercial state company in the context of the legislation and the policy framework set by Minister for ECLG and subject to regulatory framework set by the CER and the EPA.**
- \* Irish Water is publically owned and Minister has obligations as a shareholder.
- \* Certain Ministerial functions are undertaken in consultation with other shareholder of Irish Water (Minister for finance) and Ministers with certain responsibilities for Ervia – Ministers for PER and CE &NR e.g.
  - \* Normal governance – approval of board members, annual reports, corporate plans.
  - \* Approval of borrowing and provision of consent to capital spending.
- \* NewERA advises the Ministerial shareholders on these issues.

# New Governance for WFD



- \* National level – integrates policies and resolves issues – involves departmental and regulatory representatives.
- \* EPA led approach at tier 2, critical for plan development and monitoring – key actors Irish Water and local authorities.
- \* Implementation level – key role for local authorities – with implementation by IW of its component of POM critical for success.

# Departmental change

## Present structure

Water Services Investment Programme	Water Services Policy	Water Quality	Marine Planning & Foreshore	Water Inspectorate	Water Sector Reform Programme Management
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## New Structure

Water Services Funding & Investment	Water Services Policy & Governance	Water Quality (freshwater)	Marine	Water Inspectorate management	To be integrated with other water sections
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# Conclusions

- \* Set of new relationships in the water arena - will take time for roles to be fully clarified and mature.
- \* Important to recall that this is still a period of transition
  - \* External and internal facing changes for existing organisations – re-evaluating skills and resources
  - \* Requires sustained leadership and commitment and continued building of relationships.
- \* key front-line relationship is between Irish Water and its customers and other relationships have to be managed in this context.