



bc N.O.

JD

10 DOWNING STREET

*From the Private Secretary*

21 March 1983

WATER BILL: SEWERAGE ARRANGEMENTS

The Prime Minister was grateful for your Secretary of State's minute of 16 March.

She has asked if she may see the amendments which your Secretary of State will be tabling at Report Stage, before they are tabled.

29/3/83  
B/K

M. C. SCHOLAR

David Edmonds, Esq.,  
Department of the Environment.



Prime Minister (2) CC NO



Prime Minister

This now seems to  
be on right lines. 16 March 1983  
MLs 17/3

WATER BILL: SEWERAGE ARRANGEMENTS

I am sorry that I was not able to join your discussion on the Water Bill and the particular point regarding agency arrangements for local authorities, but Giles Shaw has reported to me your concerns. Might I say straight away that there is no difference of view whatsoever about the importance of maintaining the major role for local authorities in sewerage work as agents for water authorities. In recent meetings with the ADC I have borne in mind the obvious lessons that flow from the water strike.

The only real area of concern is that recognised by the MMC in their Report of the need to ensure that local authorities are working efficiently and economically in discharging their responsibilities as agents for the water authorities. This has been the subject of criticism in the past from water authorities and while there is no doubt that some of the complaints from certain authorities have been influenced by a desire to take over an increased amount of agencies from local authorities, nonetheless I also accept that there have been difficulties with a few authorities over which water authorities have justifiable complaint. What I have been anxious to ensure is that there should be some opportunity for water authorities to sort out any obviously unsatisfactory arrangements while at the same time ensuring against any empire building of water authorities. In the light of your discussion with Giles Shaw I gave instructions for the new clause to be withdrawn at Committee stage on 4 March to allow time for the matter to be considered further. I have now discussed this with Giles and Irwin Bellwin will be tabling new amendments at Report stage designed to make it clear that the Government is seeking not to end sewerage arrangements but to improve their efficiency, in accordance with the Monopolies and Mergers Commissions recommendations.

In moving this new amendment, the opportunity would be taken to make a statement of our policy on sewerage arrangements. This would emphasise that the MMC, although making a number of criticisms and recommendations for improvements, did not find the concept of arrangements with local authorities to be against the public interest and clearly did not favour any general abandonment of them. It would state the Government's view that such arrangements should generally continue but that the detailed provisions of individual agreements should be amended in the ways suggested by the MMC.

I believe that these proposals are in line with your comments and this is the basis on which we are proceeding unless there are any further comments you would like to make.

Can we see the amendments before they are tabled

TK



Local Gov: Water Ind Pt 2



16 MAR 1997

