

CONFIDENTIAL



cc Mr. Mount

Local Govt

10 DOWNING STREET

From the Private Secretary

29 March, 1983

Sewerage

Thank you for your two letters of today's date with the draft amendments to Clause 6 of the Water Bill on local authority sewerage arrangements.

The Prime Minister is content with the amendments which your Secretary of State is planning to put down.

M. C. SCHOLAR

Mrs. Helen Ghosh,
Department of the Environment.

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Prime Minister

CCNO

2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434

I have discussed these amendments with Ferdie Mount.

My ref:

It is clear that Mr King has now done what was asked of him: he retains

Your ref:

29 March 1983

the duty on water authorities to enter into sewerage arrangements with local authorities; and if the water authorities wish to

Dear Michael, may or end the arrangements the local authorities have the

WATER BILL: SEWERAGE ARRANGEMENTS right of appeal, as before, to the Secretary of State.

I sent over earlier today a copy of the draft amendments to Clause 6 of the Water Bill on local authority sewerage arrangements. The covering letter did not expand on their context, but it may be helpful to you if I summarise what they would mean.

As the Secretary of State said in his letter of 16 March, the intention of the amendments is to make it clearer that the government is seeking not to end sewerage agencies but to improve their efficiency. The amendments now retain the duty to endeavour to enter into agency arrangements instead of replacing it with a power; they remove those features of the present Section 15 which the Monopolies and Mergers Commission said (in para 14.34 of their report) would probably require amendment; they provide for appeal by local authorities against variation or ending of arrangements proposed by the water authority; and they provide for new arrangements where they would be cost-effective. There has been consultation with local authority and water authority representatives on them. The Prime Minister will recall that the Secretary of State's letter outlined the statement that would be made in moving the amendments setting out the policy underlying them.

yours sincerely
Helen Ghosh

MRS H F GHOSH
Private Secretary

These amendments, Ferdie believes, will not make it more likely that sewerage workers are taken on by water authorities.

KCNO



2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434

My ref:

Your ref:

29 March 1983

Dear Michael

WATER BILL: CLAUSE 6

The Prime Minister asked to see the amendments to Clause 6 of the Water Bill on local authority sewerage arrangements, before they were laid. I attach a copy of the amendments which the Secretary of State has approved. We would like to lay these amendments today - I would be grateful for comments by 4.00 pm this afternoon if at all possible.

yours sincerely
Helen Ghosh

MRS H F GHOSH
Private Secretary

Local Gov: Water Ind: #42

WATER BILL
AMENDMENTS
TO BE MOVED ON REPORT
BY THE LORD BELLWIN

Clause 6

Leave out clause 6 and insert the following new clause -

("Arrangements for carrying out sewerage functions.

6.-(1) The following section is substituted for section 15 of the principal Act -

"Arrangements for carrying out sewerage functions.

15.-(1) It shall be the duty of every water authority and of every relevant authority whose area is wholly or partly in the area of the water authority to endeavour to make arrangements for the relevant authority to discharge, as respects their area, the sewerage functions of the water authority.

(2) Schedule 4A to this Act shall have effect for the purpose of supplementing this section."

(2) After Schedule 4 to the principal Act there are inserted, as Schedule 4A, the provisions set out in Schedule (Arrangements for carrying out sewerage functions) to this Act."

CLAUSE 11

Page 8, line 15, leave out ("5") and insert ("6")

Page 8, line 18, at end insert -

("(dd) Schedule ("Arrangements for carrying out sewerage functions");")

After Schedule 2

After Schedule 2 insert the following new Schedule -

"SCHEDULE 2A

ARRANGEMENTS FOR CARRYING OUT SEWERAGE FUNCTIONS

The following is the Schedule inserted in the principal Act by section 6(2) of this Act -

"SCHEDULE 4A

ARRANGEMENTS FOR CARRYING OUT SEWERAGE FUNCTIONS

1. In this Schedule "arrangements" means arrangements (whenever made) under section 15 of this Act.

General

2. Arrangements entered into by a water authority shall be made with a view to ensuring that their sewerage functions, taken as a whole, are carried out efficiently.

3. (1) All arrangements shall comply with the requirements of such regulations as may be made by the Secretary of State for the purposes of this paragraph.

(2) Any such regulations may, in particular, include requirements as to the obligations to be imposed by any arrangements on the parties to those arrangements.

(3) Regulations under this paragraph shall be subject to annulment in pursuance of a resolution of either House of Parliament.

(4) Where arrangements are in force at the time when the first regulations made under this paragraph come into force, the parties to those arrangements shall, within such period as may be specified by the Secretary of State, make such alterations in the arrangements as are necessary to ensure that

they comply with the regulations; and where, on the expiry of that period, any arrangements fail to comply with the regulations those arrangements shall have effect subject to such alterations as the Secretary of State may direct.

Cases where duty to make arrangements does not apply

4.-(1) The duty imposed by section 15(1) of this Act shall not apply in relation to any sewerage functions where -

- (a) the water authority and relevant authority concerned agree that it would be inexpedient for arrangements to be made in respect of those functions;
- (b) arrangements in respect of those functions have been brought to an end within the previous five years and either the water authority or relevant authority concerned are of the opinion that it would be inexpedient for arrangements to be so made; or
- (c) any relevant authority requesting the making of arrangements have had a similar request refused by the water authority concerned within that period and the water authority are of that opinion.

(2) A water authority may refuse to enter into arrangements with a relevant authority where they are of the opinion that it would be inexpedient to do so, but where a water authority so refuse, in a case which does not fall within subparagraph (1) above, the relevant authority may apply to the Secretary of State for the decision to be reviewed.

(3) On any such review the Secretary of State may confirm the water authority's decision or give a direction requiring them to enter into arrangements with the relevant authority; and any such direction may specify the provision to be made by the arrangements (either in substitution for or in addition to any provision required by regulations under paragraph 3 above).

Variation and termination of arrangements

- 5.-(1) Any arrangements may -
- (a) be varied or brought to an end by agreement between the parties;
 - (b) be brought to an end by the relevant authority giving reasonable notice to the water authority; and
 - (c) subject to sub-paragraph (2) below, be varied or brought to an end by the water authority giving reasonable notice to the relevant authority.

(2) Where a notice has been served under sub-paragraph (1)(c) above, the Secretary of State may, on an application made to him by the relevant authority before the expiry of the notice, review the proposed variation or ending of the arrangements; and on any such review the Secretary of State may confirm the proposals or give a direction -

- (a) requiring the arrangements to be brought to an end, or varied, in accordance with the terms of the direction; or

(b) requiring the notice to be withdrawn.

(3) The matters to which the Secretary of State must have regard in conducting a review under paragraph 4(2) or sub-paragraph (2) above, include the likely financial consequences for the parties of the proposed action.

(4) Where a review is conducted under sub-paragraph (2) above the notice in question shall not take effect except in accordance with a confirmation or direction under that sub-paragraph.

Local authority committees etc.

6.-(1) Where by virtue of any arrangements functions of a water authority are to be discharged by a local authority, then, subject to the provision made by the arrangements, the local authority may arrange for the discharge of those functions by a committee, sub-committee or officer of theirs.

(2) Where by virtue of sub-paragraph (1) above any such functions may be discharged by a committee of a local authority, then, unless the water authority or local authority otherwise direct, the committee may arrange for the discharge of any of those functions by a sub-committee or an officer of the local authority.

(3) Where by virtue of sub-paragraph (1) above any such functions may be discharged by a sub-committee of a local authority, then, unless the water authority, the local authority or the committee otherwise direct, the sub-committee may arrange for the discharge of any of those functions by an officer of the local authority.

(4) Any arrangements made by a local authority or committee under this paragraph for the discharge of any functions by a committee, sub-committee or officer shall not prevent the authority or committee by whom those arrangements are made from discharging those functions.

Transfer of officers

7. Where arrangements are made, varied or brought to an end, provision may be made by the parties to the arrangements for the transfer of any officers of either party to the other.

Compensation

8.-(1) Where an authority who are party to any arrangements have compensated any officer of theirs who has suffered loss as a result of the making, variation or ending of those arrangements, the authority who are the other party to those arrangements may make such payment to the compensating authority, by way of total or partial reimbursement, as they consider appropriate.

(2) The application, by section 34 of this Act, of section 259 of the Local Government Act 1972 (compensation for loss of office), and accordingly the regulations made under section 259, shall cease to have effect in relation to any loss of employment or loss or diminution of emoluments resulting, after the passing of this Act, from the making, varying or ending of any arrangements.

Interpretation

9. In this Schedule, and in section 15 of this Act -

"council" means the council of a district or London borough or the Common Council of the City of London;

"relevant authority" means a council or -

- (a) in relation to a new town as respects which an order is in force under section 34 of the New Towns Act 1981 (provision of sewers and sewage disposal works by development corporation), the development corporation or any council within whose area the town is wholly or partly situated;
- (b) in relation to a new town as respects which an order is in force under paragraph 51 of Schedule 3 to the Development of Rural Wales Act 1976 (provision of sewers and sewage disposal works by Development Board for Rural Wales), the Board or any council within whose area the town is wholly or partly situated;
- (c) in relation to an area designated as an urban development area under Part XVI of the Local Government, Planning and Land Act 1980, the urban development corporation or any council within whose area the urban development area is wholly or partly situated; and

"sewerage functions" means, in relation to a water authority, the functions of the authority under Part II of the Public Health Act 1936, other than those relating to sewage disposal.")

SCHEDULE 4

Page 20, line 38, at end insert -

("1976 c.75	The Development of Rural	In Schedule 7,
	Wales Act 1976	paragraph 11.")

Page 20, line 44, column 3, at end insert ("In section
158, subsections (1) and (2)")

Page 20, line 46, at end insert -

("1981 c.64	The New Towns Act 1981	In Schedule 12,
		paragraph 12.")