



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



Circular L1/15

9 February 2015

To each Director of Services (Water Services)

To each Rural Water Liaison Officer

Re: Revision of Subsidy towards Operational Costs of Group Water Schemes

I refer to Department Circular L14/08 of 28 November, 2008 regarding subsidies payable towards the operational costs of group water schemes providing water for domestic use.

As part of a Government Decision on Irish Water financing taken in May 2014, the Government agreed that the subsidisation of group water schemes would be reviewed to ensure equity of treatment with households on public water supplies. This approach to ensuring households in the group water sector receive equivalent support, while allowing for any transitional issues, to sustain improvement in quality in the sector, was reiterated in November, 2014 following a review of the water charging system undertaken by the Government.

Following discussions in the matter between the Department and the National Federation of Group Water Schemes (NFGWS), the maximum subsidies for the group scheme sector have been revised with effect from 1 January 2015 as follows:

- Subsidy A towards the general operational and management costs of group schemes served from a public source is €40 (down from €70);
- Subsidy A towards the general operational and management costs of group schemes served from a private source is €95 (down from €140); and

- Subsidy B towards the operational and maintenance costs associated with “bona fide” DBO contracts for schemes which have their own water treatment facilities remains unchanged at €220.

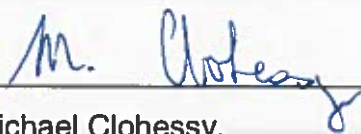
The Department’s Explanatory Memorandum on ‘ *Subsidy Towards the Operational Costs of Group Water Schemes*’ is currently being revised in consultation with the NFGWS and Local Authority representatives. This is necessary to take account of the revised subsidies set out above and further operational/administrative revisions which are under consideration. A further Circular in the matter will issue following completion of that revision.

As these changes apply from 1 January, 2015, local authorities can proceed with the usual arrangements for recoupment of subsidies due up to the end of 2014.

Authorities should ensure, in the case of Subsidy A, that any advance subsidies paid do not exceed 70% of the new amounts referred to above or 70% of the full Annual Subsidy paid to the group in respect of the previous year, whichever is the lesser.

Please arrange to bring the forgoing information to the attention of all groups in your functional area.

Enquiries in the matter may be directed to the undersigned.



Michael Clohessy,

Assistant Principal Officer

Water Services Section

Email: michael.clohessy@environ.ie

Tel: 096 24422