



An Roinn Tithíochta, Pleanála  
agus Rialtais Áitiúil  
Department of Housing, Planning  
and Local Government



Circular: L8/17

29 November 2017

**To each Director of Services (Water)**  
**To each Rural Water Liaison Officer**

**Subsidy towards Operational Costs of Group Water Schemes - Retrospective  
Restoration of maximum subsidies for the period 1 January 2015 to 30 June 2016.**

The Department Circular L1/15 of 9 February 2015 outlined reduced maximum subsidies payable towards the operational costs of group water schemes from the 1 January 2015. This reduction in subsidies reflected the new domestic water (Irish Water) charging regime introduced on 1 January 2015 for customers of public (Irish Water) services.

As committed to under the 'Confidence and Supply Arrangement' (C&SA), agreed in the context of facilitating a minority government, the Water Services (Amendment) Act 2016 provided for the suspension of domestic water charges from 1 July 2016.

Circular L5/16 (19 August 2016) outlined restored (to pre 1 January 2015 levels) maximum subsidies to apply with effect from 1 July 2016. Circular L5/17 (25 July 2017) applies the restored rates to all of 2017.

The Water Services Act 2017, which was signed into law on 17 November 2017, provides the mechanism through which the majority of the recommendations of the report of the Joint Oireachtas Committee on the Future Funding of Domestic Water Services are introduced. The Act made provision for, among other things, refund of

water charges paid by customers on public (Irish Water) water services for the period 1 January 2015 to 30 June 2016.

In the interests that the principles of equity of treatment and equivalent financial support be applied equally between households using public water services and those supplied from group water schemes, as recommended by the Joint Oireachtas Committee on the Future Funding of Domestic Water Services, the pre 1st January 2015 maximum subsidies available are being retrospectively restored for the period 1 January 2015 to 30 June 2016. Accordingly, for certainty, the table below shows the maximum Subsidy A now payable for this period. Subsidy B remained unchanged throughout the process ie remains at the 1 January 2015 levels.

	<b>Maximum Amount of Subsidy A for 2015 and 2016</b>
Public (Irish Water) sourced GWS	€70
Privately sourced GWS	€140

When restoring the subsidies in mid-2016 the Department consulted with the National Federation for Group Water Schemes (NFGWS) and a number of local authorities on the issues that the restored subsidy rates for 2016 and 2017 may present for current local authority payment systems. On the basis of the consultation it was proposed then, and now, that the restored element of the subsidy be dealt with as a supplemental payment to group water schemes and be recouped by authorities accordingly from the Department as set out in the Department's Explanatory Memorandum 'Subsidy towards the Operational Costs of Group Water Schemes' (as issued with Circular L5/16). The Explanatory Memorandum will remain as is on the subsidy amount for the time being with the proviso that a supplemental subsidy amount will pertain to Subsidy A for the period.

So as to ensure continued parity of treatment between households connected to the public water services and those on group water schemes the Department has recently commenced a review, in consultation with the NFGWS, of existing subsidy levels for group water schemes. The intention is to conclude the review at the earliest possible

opportunity so any new subsidy rates are known from 01 January 2018, the same time as the new enduring regime of funding public domestic water services through central taxation commences. The Department intends conducting a wider review of investment needs in relation to rural water services in 2018.

The Department also wishes to take this opportunity to remind local authorities that payment of grants/subsidies to group water schemes are to be aligned to Government policy on encouraging the use of Eircodes. As such, each group water scheme is required to provide this information for each property included in the application for subsidy payments from (Circular L5/16 set 1 October 2016 as the start date). It is understood that individual group schemes may already collect Eircodes for their own administration purposes. This requirement is now incorporated into the relevant part of the application form in the Department's Explanatory Memorandum (attached to Circular L5/16). An information leaflet has also been prepared to assist group water schemes on Eircodes (also attached to Circular L5/16).

Please arrange to bring the foregoing information to the attention of all group water schemes in your functional area.

Any queries in relation to this circular and the recoupmnt of subsidy payments made to group water schemes can be directed to Mary Smyth at 096-24460 (mary.smyth@housing.gov.ie) or the undersigned.

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