

# WATER (SPECIAL MEASURES) BILL [HL]

## EXPLANATORY NOTES ON COMMONS AMENDMENTS

### What these notes do

- These Explanatory Notes relate to Commons Amendments made to the Water (Special Measures) Bill [HL] as brought from the House of Commons on 29 January 2025 (HL Bill 66).
- These Explanatory Notes have been prepared by the Department for Environment Food and Rural Affairs in order to assist the reader of the Bill, and to help inform debate on these amendments. They do not form part of the Bill and have not been endorsed by Parliament.
- These Explanatory Notes, like the Commons amendments themselves, refer to Bill 141, the Bill as first printed for the Commons.
- These Explanatory Notes need to be read in conjunction with the Commons amendments and the text of the Bill. They are not, and are not meant to be, a comprehensive description of the Commons amendments.
- Commons Amendments 1, 2, 9 were tabled in the name of the Minister, Emma Hardy MP.
- Commons Amendments 3, 4, 5, 6, 7, 8, were tabled in the name of the Secretary of State, Steve Reed MP.

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## **Commentary on Commons amendments**

### **Commons Amendments to Clause 1: Rules on remuneration and governance**

#### **Commons Amendment 1**

- 1 This amendment reverses an amendment made at Lords Report stage and so removes the requirement for companies to report at least annually to Ofwat on their actual or planned financial structuring or restructuring.

#### **Commons Amendment 2**

- 2 This amendment reverses an amendment made at Lords Report stage and so removes the requirement for the first set of rules made by Ofwat under clause 1 to be brought into force by an affirmative statutory instrument within 6 months of Royal Assent.

#### **Commons Amendments 5, 6 and 7**

- 3 Amendment 5, with consequential amendments 6 and 7, will provide for commencement of clause 1 on Royal Assent, rather than by way of statutory instrument. This will give greater certainty to Ofwat and companies for when Ofwat's duty to issue rules on remuneration and governance will come into force.

### **Commons Amendments to Clause 10: Charges in respect of Environment Agency and NRW functions**

#### **Commons Amendment 3**

- 4 This amendment is consequential to amendments made to clause 2 of the Bill in the Lords regarding the duty as applied in Wales and the introduction of "Implementation reports" alongside annual plans. It ensures that the Environment Agency and Natural Resources Body for Wales can recover costs associated with the enforcement of the requirement for water companies to produce annual implementation reports in their pollution incident reduction plans.

### **Commons Amendments to Clause 15: Extent, commencement, transitional provision and short title**

#### **Commons Amendment 9**

- 5 This amendment reverses the financial privilege amendment made in the House of Lords.

#### **Commons Amendment 8**

- 6 This amendment brings the new clause on special provision in charging schemes, as tabled by the Government at Commons Report stage, into force two months after Royal Assent.

### **Commons Amendments (after Clause 11): Special provision in charges schemes**

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## Commons Amendment 4

- 7 This new clause supplements existing powers to provide for special charging arrangements for customers in need.
- 8 It enables automatic enrolment, cost-sharing among water companies (and their customers), and broader information-sharing between public authorities and water companies; and imposes a requirement for consultation.

## Financial Effects of Commons Amendments

- 9 Commons amendment 3 requires ways and means cover, which is provided by the existing ways and means resolution.

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