



# Water Act 2014

## 2014 CHAPTER 21

### PART 1

#### WATER INDUSTRY

### CHAPTER 3

#### REGULATION OF THE WATER INDUSTRY

*Regulation of relevant undertakers, water supply licensees and sewerage licensees*

#### **29 Standards of performance: water supply**

(1) After section 38 of the Water Industry Act 1991 there is inserted—

**“38ZA Standards of performance in connection with the supply of water:  
water supply licensees**

- (1) For the purpose of establishing overall standards of performance in connection with the supply of water by water supply licensees in accordance with their retail authorisations or restricted retail authorisations, the Minister may, in accordance with section 39ZA, by regulations—
  - (a) impose requirements in connection with such supplies of water;
  - (b) provide for a requirement so imposed to be enforceable under section 18 by—
    - (i) the Minister, or
    - (ii) the Authority, with the consent of or in accordance with a general authorisation given by the Secretary of State.
- (2) The Minister may, in accordance with section 39ZA, by regulations prescribe such standards of performance in connection with the provision of supplies of water as, in the Minister’s opinion, ought to be achieved in individual cases.

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- (3) Regulations under subsection (2) may provide that if a water supply licensee fails to meet a prescribed standard the licensee must pay such amount as may be prescribed to any person who—
- (a) is affected by the failure, and
  - (b) is of a prescribed description.
- (4) Without prejudice to the generality of the power conferred by subsection (2), regulations under subsection (2) may—
- (a) include in a standard of performance a requirement for a water supply licensee, in prescribed circumstances, to inform a person of that person’s rights by virtue of any such regulations;
  - (b) provide for a dispute under the regulations to be referred by either party to the dispute to the Authority;
  - (c) make provision for the procedure to be followed in connection with any such reference and for the Authority’s determination on such a reference to be enforceable in such manner as may be prescribed;
  - (d) prescribe circumstances in which a water supply licensee is to be exempted from requirements of the regulations.
- (5) Where the Authority determines any dispute in accordance with regulations under this section it must, in such manner as may be specified in the regulations, give its reasons for reaching its decision with respect to the dispute.
- (6) In this section—
- “the Minister” means—
- (a) the Secretary of State, in relation to supplies of water made in accordance with a retail authorisation;
  - (b) the Welsh Ministers, in relation to supplies of water made in accordance with a restricted retail authorisation;
- “prescribed” means prescribed by regulations made by the Minister.”
- (2) Section 38A of that Act (information as to levels of performance of water undertakers) is amended in accordance with subsections (3) to (6).
- (3) In subsection (1) (duty of Water Services Regulation Authority to collect information) —
- (a) the “and” following paragraph (a) is repealed;
  - (b) after paragraph (a) there is inserted—
    - “(aa) the compensation paid by water supply licensees under regulations under section 38ZA(2); and”;
  - (c) in paragraph (b), after “water undertakers” there is inserted “or water supply licensees”.
- (4) After subsection (2) there is inserted—
- “(2A) At such times as the Authority may direct, each water supply licensee is to give the following information to the Authority—
- (a) as respects each standard established by regulations under section 38ZA(1), such information with respect to the level of

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- performance achieved by the licensee as may be specified in the direction;
- (b) as respects each standard prescribed by regulations under section 38ZA(2), the number of cases in which compensation was paid and the aggregate amount or value of that compensation.”
- (5) For subsection (3) (offence of failing to comply with subsection (2)) there is substituted—
- “(3) The requirements in subsections (2) and (2A) are enforceable by the Authority under section 18.”
- (6) In subsection (4) (publication of information collected), after “water undertakers” there is inserted “or water supply licensees”.
- (7) After section 39 there is inserted—

**“39ZA Procedure for regulations under section 38ZA**

- (1) Section 39 applies for the purposes of making regulations under section 38ZA as it applies for the purposes of making regulations under section 38.
- (2) In the application of section 39 by virtue of subsection (1)—
- (a) a reference to a water undertaker is to be treated as a reference to a water supply licensee, and
- (b) a reference to the Secretary of State is to be treated as a reference to the Minister (as defined in section 38ZA(6)).
- (3) Regulations under section 38ZA are to be made by statutory instrument.
- (4) A statutory instrument containing regulations under section 38ZA is subject to annulment in pursuance of a resolution of—
- (a) either House of Parliament, in the case of regulations made by the Secretary of State;
- (b) the Assembly, in the case of regulations made by the Welsh Ministers.
- (5) Section 213(2) to (2B) applies to regulations made by the Welsh Ministers under section 38ZA as it applies to regulations made by the Secretary of State.”