

## **Consultation on a Grant Scheme to support reservoir managers with the initial supervision and inspection requirements of the Reservoirs Act (Northern Ireland) 2015.**

In order to ensure those eligible reservoir managers who need it receive help with the initial costs of complying with the Act, the Department proposes a number of criteria as follows:

### **Criterion 1 – The reservoir must be registered with the Department.**

Only reservoirs capable of holding 10,000 cubic metres or more of water and registered with the Department will be eligible for the grant.

### **Criterion 2 – The reservoir is not managed by a public sector organisation.**

The Department is not proposing grant support for reservoirs managed by the public sector such as Government Departments, Local Authorities and NI Water, as these public sector organisations have established mechanisms for securing budget to maintain their assets.

### **Criterion 3 – The reservoir must be designated as ‘High’ or ‘Medium’ consequence.**

A ‘High’ consequence reservoir is when a reservoir failure could result in a loss of 1 or more lives, or the significant impact on economic activity.

A ‘Medium’ consequence reservoir is when a reservoir failure could impact on people but no loss of life can be foreseen or may result in significant damage to environment / heritage.

It is important to remember that the consequence designation is not a reflection on the current management or condition of the reservoir. Instead, it considers the potential impact on the surrounding area if an uncontrolled release of water were to occur.

Grant support for the initial supervision and inspection requirements will only be provided for reservoirs that have been designated high and medium consequence by the Department’s Rivers Directorate.

The Department is not proposing grant support for reservoirs with a low consequence given they are not subject to the same level of regulation and obligations (as set out in the Act) as high and medium consequence reservoirs and subsequently will not incur the initial costs this grant scheme covers.

High and medium consequence reservoirs that have undertaken a precommencement inspection report not more than 8 years before the commencement date, as set out in Section 33 (1) are not required to undertake a further inspection report but are still required to meet the requirements in relation to supervising requirements.

### **Criterion 4 – Reservoir Manager must demonstrate a clear financial need for grant support for initial inspection costs.**

The Department is proposing that grant funding will only be provided to those reservoir managers who are deemed to need it to pay the initial costs of supervision and inspection.

The Department is proposing to assess the financial need through the bank statements of the reservoir manager.

The reservoir manager will therefore be required to supply:

- Their previous 6 months bank statements related to the management of the reservoir; and
- Details of the monthly income and outgoings related to the management of the reservoir.

It is assumed that the threshold for need to qualify for a grant is met if the bank statements demonstrate that there have been insufficient funds over the last 6 months to meet the costs of inspection (i.e.£10,000) once all other operating costs have been taken into account.

The Department is considering 2 options for the payment of grant: (i) Make payments directly to the supervising and inspecting engineers on receipt of the respective reports (as set out in the Act), up to a combined value of £10,000; or (ii) Make payments to reservoir managers in arrears on receipt of respective reports (as set out in the Act), allowing them to then pay the engineers.

It should be noted that the grant will only be provided to cover the costs of appointing a supervising engineer and an inspecting engineer, to provide an initial inspection.

## Consultation Questions

### Eligibility Criteria

**Question 1 – Do you agree with eligibility criterion 2 that only reservoirs not managed by a public sector organisation are eligible?**

☐ Yes

☒ **No**

If no, please provide information on your suggested changes to the above proposal.

**Response: Grant funding should be made available to all reservoir managers including local authorities who need financial assistance with the initial costs of complying with the Act**

**Question 2 – Do you agree with eligibility criterion 3 that the reservoir must be designated as ‘High’ or ‘Medium’ consequence?**

☒ **Yes**

☐ No

If no, please provide information on your suggested changes to the above proposal.

**Question 3 – Do you agree with eligibility criterion 4 that Reservoir Managers must demonstrate a financial need for grant support for initial inspection costs?**

☒ **Yes** but needs to be more flexible to allow access to help should an emergency/high risk situation arise.

☐ No

If no, please provide information on your suggested changes to the above proposal.

### Assessing Affordability

**Question 4 – Do you agree with the Department’s method for assessing affordability?**

☒ **Yes** but should Councils become eligible then there needs to be flexibility to ensure it complies with Council’s Financial Policy & regulations.

☐ No

If no, please provide information on your suggested changes to the above proposal.

### Level of Funding

**Question 5 – Do you agree with the level of funding ie up to a maximum of £10,000?**

☐ Yes

☒ **No**

If no, please provide information on your suggested changes to the above proposal.

**Response:** while it seems appropriate to provide a limit to the grant funding that will be available, the cost of initial inspections will depend on the size, complexity, site and number of reservoirs maintained by the reservoir owner, and it may not be expedient to limit total funding available

## **Payment of Grant**

**Question 6** – Which of the Department’s proposals for payment of grant do you prefer?

☐ Department pays engineers directly?

☒ Yes Department pays reservoir manager?

Please provide any additional relevant information below.

**Response:** this will depend on whether initial inspections have already taken place, and paid for by the reservoir owner, once the proposed grant scheme comes into effect, and whether in such circumstances reservoir owners will be able to retrospectively claim back these costs (and in what time frame), or whether the initial reservoir inspection takes place after the new grant scheme is established.

## **General**

**Question 7** - If you any further comments on the potential grant scheme for initial supervision and inspection requirements please provide any relevant information below.

The Department has recognised that there is significant cost in maintaining these facilities.

The Council has the responsibility for the management of five reservoirs, and has already established a thorough, regularised system of inspection (graduated daily, weekly, monthly, annual and decadal), utilising both Council officers and external, specialist consultants.

While the Council is not in a position to apply for a grant for the initial costs of supervision and inspection as per the proposals, the department should consider providing grant funding for the process of continued inspections, to a proportionate level against total annual costs, rather than solely for ‘initial’ supervision and inspection.

Given the number of reservoirs managed by the Council, the potential consequences of failure and the cost of the Council’s established programme of inspections and future capital development, consideration should be given to widening both the eligibility of reservoir owners who could apply to the grant scheme, the broadening of the scope of inspections such grants might be made available for, as well as considering the value of any grant being awarded.

## **Draft Impact Assessments**

**Question 8** – Do you have any comments to make on any of the draft impact assessments that accompany this consultation?

The link to all the impact assessments is available on page 5 of this consultation.

☐ Yes – please use the comment box below

☒ No