



Circular L1/19

8 February 2019

To each:

Director of Services with responsibility for Water Services and
Rural Water Liaison Officer

Re: Bids for Multi-Annual Rural Water Programme 2019-2021.

I am writing to advise you on funding arrangements for the period 2019 to 2021 for capital investment to support rural water services.

The particular purpose of this Circular is to invite your local authority to bid, on a priority schemes and project basis, for grant assistance under the *Multi-Annual Rural Water Programme 2019-2021*. Applications must be made on the attached Templates at Appendix 1. Completed applications should be returned as soon as possible but not later than close of business on Thursday 14 March 2019. Bids should be prepared based on the information and guidance set out in the Framework document at Appendix 2.

The Department's Circular L1/16 (5 January 2016) introduced the *Multi-Annual Rural Water Programme 2016–2018*, which was the first multi-annual funding framework approach for the Rural Water Programme. This marked the transition to a scheme-specific funding approach, from the previous annual block grant funding approach. That transition will be completed in the funding cycle for 2019-2021 with all measures now becoming scheme or project based.

1. Background and Objectives

In April 2018 the Minister established a Working Group to conduct a wider review of investment needs and rural water services. The Working Group, which is chaired by the Department, includes the National Federation of Group Water Schemes, Environmental Protection Agency, Health Service Executive, Department of Rural and Community Development and local authorities through the County and City Management Association.

There is a two-strand approach to the considerations of the Working Group. Strand 1 considered the composition and distribution of funding for the *Multi-annual Rural Water Programme 2019-2021*, while Strand 2 is considering the more complex

longer-focus issues surrounding the long-term future resourcing of the Rural Water Sector.

Based on the recommendations of the Working Group, which took into account the lessons learnt in the first multi-annual funding cycle 2016-2018 as well as the ongoing developments in the wider water services sector, the Minister has approved the multi-annual programme for the 2019-2021 cycle.

The objective for this cycle is to provide enhanced funding certainty for priority investment needs to support the implementation of proper planning and sustainable development in rural areas. This is to assist in meeting the requirements of the Drinking Water Directive in relation to rural water supplies and to support the delivery of measures identified in the *River Basin Management Plan for Ireland 2018-2021* to meet the objectives of the Water Framework Directive.

Capital funding of €23 million had been provided in 2019. A total of €75 million has been committed to the Programme under the National Development Plan from 2019 to 2021.

2. Scope of the Multi-Annual Rural Water Programme 2019-2021.

The 2019-2021 funding cycle of the multi-annual programme consists of eight measures. Most are further broken into sub-measures. These measures reflect the key challenges currently facing the rural water sector.

In particular, the measures have been more expressly focused around the multiple barriers approach, from catchment to consumers (source – treatment - distribution), to prevent water contamination and ensure that drinking water is safe and meets quality parameters of the Drinking Water Regulations¹ on a consistent long-term basis.

The eight funding measures are:

- **Measure 1 - Source Protection (Group Water Scheme Sector):** This measure is aimed at protecting the raw water source of existing group water schemes thus contributing to the safety of water users through the ability of the scheme to sustainably achieve compliance with the water quality parameters of the Drinking Water Regulations on a consistent long-term basis,
- **Measure 2 - Public health compliance (Group Water Scheme Sector):** This measure is aimed at improving water quality in existing group water schemes, through upgrading of their treatment facilities, so that the schemes can sustainably achieve compliance with the parameters of the Drinking Water Regulations on a consistent long-term basis,

¹ See at this link: <http://www.irishstatutebook.ie/eli/2014/si/122/made/en/pdf> and <http://www.irishstatutebook.ie/eli/2017/si/464/made/en/pdf>

- **Measure 3 - Enhancement of existing schemes including water conservation (Group Water Scheme Sector):** This measure supports projects to make existing group water schemes more efficient in their operation (e.g. water conservation and network upgrades, including storage) and contributing to good water quality on a consistent sustainable long-term basis,
- **Measure 4 – New Group Water Schemes:** This measure supports social and economic development in rural towns and villages and their hinterlands by providing new group water schemes where public water supply schemes or individual/private wells are not the most viable option,
- **Measure 5 – Transition of Existing Group Water Schemes and Group Sewerage Schemes to the Public (Irish Water) Water Sector:** This measure enables existing group water schemes and existing group sewerage schemes, where they wish to do so and with the agreement of Irish Water, to transition to the public water sector (Irish Water),
- **Measure 6 - Community Connections (Water and Wastewater):** This measure facilitates the continued expansion of the coverage of piped water supplies and central wastewater collection systems by extension off the public (Irish Water) network,
- **Measure 7 - Innovation and Research:** This measure is aimed at issues in the rural water sector which, given the major transition of water services in Ireland, require new and innovative approaches and solutions,
- **Measure 8 - Individual wells (more commonly known as private or household wells) and on-site wastewater treatment systems (more commonly known as septic tanks):** This measure is aimed at allowing householders that are dependent on these services to obtain funding support for their improvement. Separate circulars and guidance will issue on this measure. The changes to the grants schemes under Measure 8 are planned to come into effect by the end of April 2019.

The background, policy context and principles governing the various funding measures, as well as the issues for consideration and requirements for the preparation of bids by local authorities under the new measures, are set out in the Framework document at Appendix 2.

3. Remedial Action List for Group Water Schemes

The Department wants to draw particular attention to the Remedial Action List for Group Water Schemes (RAL-GWS) issued by the Department with Circular L2/17 in May 2017.

The RAL-GWS will continue to be the main basis for allocating scheme-based funding under Measure 2 for the 2019-2021 funding cycle to address water quality issues across the regulated private group water schemes.

The RAL-GWS is an evolving dynamic list that will change over time with schemes being added (though it is expected that additions will be in small numbers). This will happen as new information emerges on water quality issues, as schemes are identified as being within the full remit of the Drinking Water Regulations (schemes that were previously considered to fall below the threshold), or as schemes are removed as work is completed, including those taken over by Irish Water or amalgamated with another scheme. The Department will be working with local authorities and the National Federation of Group Water Schemes to update the RAL-GWS throughout the course of 2019.

In order to allow for the evolving and dynamic nature of the RAL-GWS, local authorities may bid for fully regulated schemes not on the list as long as details are provided (name of scheme, EPA Scheme Code and brief but sufficient details of the water quality issues that the scheme(s) are seeking to have resolved).

While the focus of the RAL-GWS is on regulated private group water schemes only, local authorities may also bid a specific block sum for funding improvements for group water schemes that are not fully regulated (i.e. due to their size fall below threshold for full application of the Drinking Water Regulations). Brief details should be provided in the bid, where possible, including the name of the group water scheme(s) and the water quality issues that the scheme is seeking to have resolved.

The goal of the Department is to have the current RAL-GWS fully resolved by the end of the 2019-2021 funding cycle through the development by the listed schemes of permanent remedial action programmes followed by their speedy completion. Schemes should be actively advised and assisted by the local authority in achieving this.

4. Transition between Current and Next Multi-annual Programmes

Schemes/projects approved but not started under the previous 2016-2018 multi-annual cycle will also continue to be eligible for funding to proceed to completion under the 2019-2021 multi-annual cycle. This is subject to the local authority confirming that these schemes/projects are in a position to commence construction in the first year (i.e. 2019) of the 2019-2021 multi-annual cycle. If these schemes/projects are not in a position to do so they will only be considered for funding as new applications. These schemes/projects should be listed and identified accordingly when submitting bids.

5. Preparation and Submission of Bids

Taking account of the criteria outlined above and the attached Framework (Appendix 2), local authorities are now invited to submit scheme/project proposals for the 2019-2021 cycle of the multi-annual programme. The Templates for completion of the bids for Measures 1-7 are provided at Appendix 1.

Local authorities should ensure as complete a return as practicable, as funding will be prioritised based on the information provided in the submission. Where more than one scheme is being submitted authorities should list them in order of priority.

In some cases, demonstration projects will be a feature of the funding stream and local authorities are also being invited to bid for funding for these projects in the period ahead.

While the multi-annual approach requires prioritisation and evaluation of projects/schemes by local authorities, it does not impinge on the devolved role of local authorities within this framework.

6. Deadline for Receipt of Bid Proposals

Local authorities should submit their funding requests for the period 2019 to 2021 as soon as possible but no later than Thursday 14 March 2019. Submissions should be made to the Water Policy and Rural Water Programme email account at Rural.Water@Housing.Gov.ie with the subject line of the email marked 'MARWP Proposals for 2019-2021' with your local authority name (e.g. 'MARWP Proposals for 2019-2021 - Clare Co Co').

7. Evaluation of proposals

A bids evaluation panel – the Expert Panel – will support the Department with its evaluation of bids from local authorities. In addition to expertise, the Panel brings independence, openness and transparency to the bids evaluation process which is done on a national prioritised basis.

The Panel will make recommendations to the Department on the suitability of schemes/ projects for funding based on objective criteria which are set out in the Framework attached to this Circular. The Department will then consider the recommendations of the Panel and based on these will propose allocations for the Minister's consideration.

8. Enquires

Any enquiries on this circular may be directed to Kara McNulty at +353 (0) 96 24460 (kara.mcnulty@housing.gov.ie).

Yours sincerely,



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