

WATER AND SEWERAGE SERVICES (NORTHERN IRELAND) ORDER 2006

S.I. 2006 3336

EXPLANATORY MEMORANDUM

OVERVIEW OF THE ORDER

Part X - Reorganisation of the Industry

Schedule 11 - Transfer Scheme

140. This Schedule sets out the specification for the Transfer Scheme. Paragraph 2 deals with the method whereby the Department will identify the assets and liabilities to be transferred to the successor company. It also permits the Department to except assets and liabilities from transfer and to divide assets and liabilities between the Department and the company, as appropriate. Paragraph 3 makes provision for modification of the transfer scheme after the transfer date whilst the company remains wholly owned by the Crown, whilst paragraph 4 enables the Department to provide proof of title for the successor company by issue of a certificate.
141. [Paragraph 5](#) sets out the provisions for dealing with the transfer of staff to the successor company. This will mean that the contract of employment is not terminated by the transfer to the successor company and has the effect that from the transfer date it is as if the contract had been made between the employee and the successor company, although employees will no longer be eligible for the Civil Service Pension Scheme they will be offered membership of a scheme which although not identical will be “broadly comparable”. The provisions dealing with the effect of the transfer scheme on third parties are dealt with in paragraph 6 providing that third parties should not be entitled to terminate, modify, acquire or claim any asset as a result of the transfer scheme. Paragraph 7 deals with the arrangements pertaining to any third party compensation liabilities which may arise as a result of the transfer of assets to the successor company. Paragraph 8 sets out the arrangements for the transfer of any external property, rights and liabilities which may be outside the scope of the law of Northern Ireland and makes provision for the Department to hold such property for the benefit of or to discharge that liability on behalf of the company until the transfer is effective under the relevant external law.