

Welcome



Delivering what matters

Every aspect of life in Northern Ireland depends upon the services we deliver. Our business is essential for a healthy and thriving population, a growing economy, and a flourishing natural environment. Our focus is delivering high quality, clean, safe drinking water and recycling wastewater safely to the environment today and tomorrow. That has always been, and remains, our core mission, today and tomorrow.

NI Water's strategy 2021-2046

Having a clear strategic vision is vital particularly when faced with significant challenges, such as the climate emergency, the fourth Industrial Revolution, new legislation. It is also critically important to secure necessary funding.

Our strategic priorities

NI Water has five strategic priorities that help guide our focus. These are;

- Customer** – delivering an exceptional customer experience;
- Water** – delivering great tasting, clean and safe water to meet customer needs;
- Economy** – efficiently developing infrastructure to underpin sustainable growth;
- Nature** – protecting and enhancing the natural environment; and
- People** – providing a great place to work.

Since 2007, NI Water has worked closely with other key stakeholders: the NI Environment Agency, the Drinking Water Inspectorate, the Consumer Council and the Department for Infrastructure to agree and prioritise necessary works. This cooperative process is facilitated through a regulatory regime, referred to as a Price Control. It is led by the Utility Regulator. In making their determination of what outputs NI Water must deliver the Utility Regulator is guided by formal Ministerial Social and Environmental Guidance. The Utility Regulator also determines the funding necessary for NI Water to deliver the agreed outputs, balancing essential works alongside affordability for consumers. Currently, non-domestic consumers pay for their water and sewerage services, while the cost of those services to domestic consumers is met through a subsidy payment from public finances.

Price Control 2021-2027 (PC21)

NI Water is halfway through its fourth Price Control 2021-2027 (PC21). To date it has largely been supported in line with the regulatory determined funding levels and so enabled us to deliver its strategic priorities. Examples include the upgrade of Moyola water treatment works, which will ensure the treatment of water from Lough Neagh to meet EC compliance levels for the next 40 years; the upgrading of sewerage pumps and wastewater treatment works to begin to address areas with development constraints and to reduce the number of properties at risk of out of sewer flooding. This year has also seen us record our lowest ever level of leakage. Continuing to improve this infrastructure performance is central to avoid demand deficits during summer peak conditions. It also avoids wastage in energy and chemical costs by not treating and pumping water that is subsequently lost through leaking pipes.

At the start of 2023/24 we published our Climate Change Strategy, setting out how we will transition to a zero carbon business. Our PC21 commitment is to double our existing 8MW of solar generation by 2027. To date we have installed over 2,000 solar panels across three sites. We have also commissioned a state of the art 4.1MW battery storage facility, commissioned alongside our existing solar farm at one of our largest water treatment plants.

NI Water will always prioritise the quality of drinking water and will continue to maintain our extensive asset base. Our services are fundamental for good health and the upgrade of wastewater treatment works and networks infrastructure is essential in helping achieve better water quality in our rivers and lakes. We are proud of our success to date. However, whilst we deliver essential investment in our infrastructure, what we can deliver is made possible by having the necessary funding in place. The

NI Water Board is committed to supporting the Minister in seeking ways to put in place sustainable funding. We welcome the Minister's invitation to the key water sector stakeholders to engage so as to agree the prioritisation of what can be delivered to align with available funding.

I want to acknowledge and thank NI Water staff for their professionalism and dedication to consumers. I am confident that they will continue to deliver the best service they can with the funding made available to the company.

Long-term success of NI Water

Our ability to deliver on our Strategy 2021-2046 and to realise essential upgrades to our water and wastewater infrastructure in line with our regulatory Price Controls requires NI Water to be sustainably funded.

The independent regulatory regime was introduced to address the historic chronic underfunding of water and sewerage services with secure necessary financial support. Such a regime, guided by Ministerial Social and Environmental Guidance balances costs with consideration of affordability for today's and tomorrow's consumers. One hundred years ago our forefathers had the foresight to build the Silent Valley, an asset Northern Ireland uses every day, one hundred years on. We need now to find a way to secure sustainable funding for these essential services, to serve customers, to protect the environment and to support economic growth for future generations.

NI Water is continually challenged by the Utility Regulator to deliver efficiencies. Since 2007, NI Water has closed the efficiency gap with its benchmark comparators across these islands from 50% to close to 5%. Sustaining and further improving our efficiency and delivery will be possible only through sustainable funding.

This year NI Water experienced significant inflationary and geopolitical pressures across its cost base with energy and chemical costs almost doubling since the beginning of this current Price Control in 2021. Such escalations in costs are not able to be absorbed by NI Water within the current annual public expenditure funding arrangements.

We continue to work with all key stakeholders to maximise and deliver the

best outcomes for consumers in line with funding being made available to NI Water.

However, to deliver for consumers now and in the future, it is essential that we find the means to fully fund NI Water to regulatory determined Price Control levels.

Jo Aston
Chair of the Board
8 July 2024