

Business performance



We have completed the fourth year of our ambitious PC21 Business Plan (2021-27), which has now been extended to 2028. Endorsed by the independent Utility Regulator, this plan set out the step change in investment needed to modernise Northern Ireland's water and wastewater infrastructure, support economic growth, and protect the natural environment.

In the early years of PC21, when we were fully funded, we made strong progress and delivered meaningful improvements for our customers while driving efficiencies and embracing innovation. However, despite the Utility Regulator's PC21 Mid-Term Review in 2024 reaffirming the original funding requirements, this year has marked a tipping point. A significant and growing shortfall in funding has resulted in our stakeholders unable to agree revised PC21 targets, and the gap between what is required to deliver PC21 and the available funding continues to widen.

We now face a situation where full delivery of PC21 is no longer achievable. NI Water is exposed to potential enforcement action by the Utility Regulator, risk of overspending against DfI's funding allocation in breach of public expenditure rules and legal challenge for failing to meet statutory obligations. The Board has concluded that material uncertainties exist, which cast doubt over our future as a going concern. The financial statements are prepared on the going concern basis and do not include any adjustments that would be necessary if this basis were inappropriate.

At the same time, all other water companies in the UK and Ireland are scaling up investment within regulated price control periods, further underlining the imbalance and the urgent need for a solution to be found to funding Northern Ireland's water and wastewater infrastructure.

We remain fully committed to working with our Government Shareholder, the Utility Regulator and other stakeholders to secure this vital investment.

Delighting our customers

Over the past year, we have continued to build stronger, smarter, and more responsive relationships with our customers. Through

expanding our digital and social media platforms, we've not only provided timely and accurate information during incidents such as Storm Éowyn, but we've also created meaningful ways to engage with our customers every day. Our ability to deliver real-time updates and offer a growing range of contact options - from web chat to social media and 24/7 telephony - means we can meet our customers where they are, when they need us most. We've seen record levels of digital engagement, with our social media followers surpassing 61,000 and web chat support peaking at unprecedented levels. At the same time, our customer feedback and satisfaction results reflect the impact of our efforts, with NI Water ranked as the fourth highest performing water company in the UK Customer Satisfaction Index.

Looking ahead, our focus remains on delivering an exceptional customer experience through innovation and continuous improvement. We've exceeded key customer measures, improved self-service options, and are now laying the groundwork for our next generation customer platform, which will further enhance digital, telephony, and automated service channels. As we embrace new technologies like AI and robotics to simplify processes and boost efficiency, we are equally committed to supporting our most vulnerable customers through enhanced partnerships and an improved Customer Care Register. In everything we do - from responding to major incidents, to safeguarding data and infrastructure through robust cyber resilience - we strive to serve our customers better, first time, every time.



Read more about delivering an exceptional customer experience on page 30.

Clean and safe water when you need it

At NI Water, we recognise that protecting water quality begins long before the water reaches our treatment works. That's why we continue to prioritise catchment management, nature-based solutions, and partnerships. Projects like Forever Lough Neagh, Forever Mourne, WEST, and Protecting Shared Waters tackle pollution, restore habitats, and enhance resilience - reducing treatment needs and protecting the environment for future generations.

Our latest Water Resource and Supply Resilience Plan was published in April 2025 and forecasts long-term summer water supply deficits in five of ten resource zones, with four already in deficit. Key mitigations include upgrading treatment works, new boreholes, and progressing the Castor Bay to Ballydugan transfer project.

In 2024/25, resilience was improved through infrastructure upgrades, including new filters and treatability enhancements at multiple sites. Severe weather events, including a major freeze/thaw and Storm Éowyn, tested our operations but were effectively managed with minimal disruption to our customers.

Drinking water quality remained high at 99.88% compliance, with robust treatment at Lough Neagh for blue-green algae risks. NI Water continues to prepare for new regulatory standards and tackling lead risks through treatment, pipe replacement, and stakeholder engagement.

Leakage management saw 18,000 leaks repaired and daily losses reduced to record lows of 152.32 million litres, remaining on track to achieve the 2027 target of 150 million litres per day. Investment in SMART Networks, real-time pressure control, and mobile boosters continue to strengthen our operational resilience.



Read more about supporting a healthy and thriving population on page 36.

Sustainable economic growth

Our infrastructure, though largely unseen, is vital to the economic and social wellbeing of Northern Ireland. Every new home and business depend on reliable water and wastewater services, and I share the government's ambition for world-class infrastructure that supports the growth of a modern, dynamic, connected and competitive economy. However, this vision can only be realised with sustained multi-year funding for water and wastewater infrastructure that matches the independent Utility Regulator's recommendations and includes mechanisms to manage financial shocks. Without this, we face significant constraints, including wastewater networks operating beyond capacity that limit new connections and restrict economic growth across more than 100 towns and cities. Throughout the year, we have engaged extensively with stakeholders to communicate these challenges, prioritise investment, and trial innovative solutions that could unlock growth despite current funding and capacity limitations. Decisions on the funding model are a matter for Government Ministers.

NI Water is caught between regulatory obligations to deliver PC21 and shortfalls in public expenditure funding, creating significant uncertainty and conflicting obligations. If NI Water fails to meet the PC21 targets, the Company risks enforcement action from the Utility Regulator, including potential legal consequences. However, overspending to meet those targets would breach public expenditure rules. These risks crystallised in 2024/25, when the Utility Regulator launched enquiries into NI Water's compliance and financial viability. At the same time, NI Water briefed DfI of a potential overspend to maintain essential services, against which the DfI Minister allocated additional budget and commissioned a forensic review of NI Water's financial practices.

We welcome ongoing efforts to secure sustainable funding for Northern Ireland's water and wastewater infrastructure. The DfI Minister is working with Executive colleagues to increase investment, including a public

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consultation on developer contributions and the introduction of The Water, Sustainable Drainage and Flood Risk Management Bill. The recent review by the NI Audit Office highlighted weaknesses in current funding model and called for an independent, expert-led review. The NI Fiscal Council published its own assessment of NI Water's funding sustainability in June 2025. The NI Fiscal Council's Sustainability Report on Water was published in June 2025 and highlights a growing crisis in the provision of water and sewerage services in Northern Ireland. The NI Fiscal Council states that without greater and sustained investment, NI Water risks falling further behind its peers in service quality and environmental standards. This underinvestment is also constraining economic development. The NI Fiscal Council considers that resolving these issues will require new sources of funding.

At the same time, we are advancing innovative technologies and capital projects to future-proof our infrastructure against climate change and economic demands, while improving operational efficiency and reducing carbon emissions. Our goal is to secure a resilient, affordable, and environmentally sustainable water future for Northern Ireland, backed by the investment needed to deliver it.

 Read more about supporting a growing economy on page 50.

Flourishing natural environment

In 2024/25, we took meaningful steps to strengthen the resilience of our wastewater network and reduce its environmental impact. We met our pollution incident target and used the opportunity to enhance our Pollution Management Strategy, improving how we monitor and respond to incidents. Our stormwater removal programme exceeded expectations, helping to reduce sewer flooding and supporting more sustainable growth. The Ravenhill Avenue Flood Alleviation Scheme, which received three major industry awards, is just one example of how we are delivering improved outcomes through collaboration and innovation. We also published our first set of Taskforce on Nature-related Financial Disclosures (TNFD), reinforcing

our commitment to better understand and manage our impacts and dependencies on the natural environment.

At the same time, we are facing significant challenges. Our wastewater infrastructure, much of it built for a different era, is under increasing strain from heavier rainfall and continued development. Many storm overflows are operating more frequently and discharging into sensitive environments, often beyond acceptable limits. We are working with the NIEA to modernise the regulatory framework and better understand where investment is most urgently needed. Alongside this, we are introducing sustainable technologies - such as reed-bed treatment systems and green hydrogen production - to support long-term environmental goals. Through a combination of innovation, collaboration, and public engagement, we are laying the groundwork for a cleaner, more sustainable future.

 Read more about protecting and enhancing the natural environment on page 58.

Happy, safe and healthy people

We are committed to attracting, developing, and retaining the very best talent to ensure we remain fit for the future. Our people strategy is centered on building strong organisational capability and empowering every employee to perform at their best in a safe, healthy, and inclusive environment. The results speak for themselves - from our low staff turnover and high promotion rates to the overwhelming interest in our entry-level and reskilling programmes. Our leadership development framework continues to flourish, helping to embed a high-performance culture that has earned us well-deserved recognition for employee development and management excellence.

Equally important is the wellbeing and safety of our workforce. We take a proactive, data-driven approach to supporting the physical, mental, financial, and social health of our people, while fostering a culture of zero harm through continuous improvement and best practices. Our new Health and Safety Strategy sets a clear direction for the coming years, built on collaboration and shared responsibility.

Listening to our employees remains a priority, and we are creating a diverse and inclusive workplace where everyone feels valued and empowered.

 Read more about helping our people and communities to thrive on page 68.

We have made strong progress under the PC21 plan but now face a critical funding shortfall that threatens our ability to deliver essential services and meet statutory and regulatory obligations. The current funding model is unsustainable, risking enforcement and financial instability. To protect the environment, support growth, and improve customer service, urgent investment aligned with the Utility Regulator's determination of required funding is essential. We are committed to working with our stakeholders to secure the support needed for a resilient and sustainable water and wastewater sector in Northern Ireland. Decisions on the funding model are a matter for Government Ministers.



Dr Sara Venning
Chief Executive
10 July 2025

