

Belfast used water treatment works and sludge incinerator, County Antrim.



Economy

efficiently delivering infrastructure to underpin sustainable growth

Funding world class economic infrastructure

Efficient and affordable services

Sustainable growth

Largely unseen, our infrastructure is the foundation for all economic activity in Northern Ireland as almost every new home and business requires a connection to the public water and sewerage system. We share the government's ambition for Northern Ireland to be recognised as having world class economic infrastructure supporting the sustainable growth of a modern, dynamic, connected and competitive economy. This ambition can only be realised if it is underpinned by a sustainable funding model to deliver world class economic infrastructure.

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Funding world class economic infrastructure

NI Water is in the unique position of being the only publicly funded, regulated utility in the UK. While this has some benefits in relation to access to low cost debt financing for example, it is posing challenges in relation to being able to support a sustainable funding model to deliver world class economic infrastructure.

As a Government Owned Company and a Non-Departmental Public Body, NI Water is subject to public expenditure cuts and uncertainty over funding. While this may be manageable for a short period, the continued underfunding of the Utility Regulator's regulatory settlements places progress on efficiencies at risk and could result in tangible impacts on service delivery, the local economy and the environment.

Over the past 15 years the capital budget made available for investment in sewerage services has not been able to keep pace with the investment required to provide increased capacity to facilitate growth or achieve more stringent standards to achieve water quality targets. As a result, many of our sewerage networks and treatment plants are now having to operate at or beyond their design capacity, limiting opportunities for new connections and constraining economic development. We will work with principal stakeholders to agree a capacity framework against which future applications for new connections will be assessed. We will communicate these constraints spatially so that this can inform development plans by others.

A sustainable long term business model for NI Water is essential to the economy of Northern Ireland. It is vital if we are to continue to invest efficiently in infrastructure and improve the essential services we deliver to our customers to ensure they are on a par with our counterparts in England and Wales.

We will continue to work with principal stakeholders to identify a more efficient funding model and to continue to highlight the disadvantages of the current model.

We will promote how our investment in new treatment works and associated infrastructure also pumps millions of pounds into the local economy. The ripples from our investment don't just reach our own employees and suppliers. They are felt by a wide range of other businesses from agri-food production, to new house construction, to tourism development. Ulster University Business School has estimated that for every £1 invested by NI Water, the knock-on effect in the local economy is almost double. In purely economic terms then, our £2.5 billion 'ripple effect' over the six year PC15 period (2015-2021) can be viewed as a major contributor to Northern Ireland's Gross Value Added⁸ (GVA).

⁸ <https://www.niwater.com/sitefiles/resources/pdf/reports/rippleeffectdocument.pdf>



NI Water Innovation Day.

Innovation was the topic of the day at the first innovation event run in Northern Ireland for the water sector. NI Water created an opportunity for companies and entrepreneurs to have a chance to pitch their ideas to key influencers in the water industry.

Efficient and affordable services

Since 2007, NI Water has delivered significant improvements to water services. We have reduced operating costs and improved comparative efficiency with water companies in England and Wales, and more than doubled the level of service we provide to our customers. While great progress has been made, there remain opportunities to build on our achievements and further reduce costs while improving our services.

We will continue to transform our business so our efficiency remains on a par with that of the better performing water companies in Great Britain. We will keep customers' bills affordable by balancing capital investment solutions and demands on operating expenditure with opportunities to

innovate to reduce the cost of both. We want to harness innovation and embrace new technology in pursuit of ever more efficient and sustainable solutions. We recognise efficient solutions often require collaboration with others. We will identify opportunities to develop integrated, sustainable solutions with a range of stakeholders for lowest whole life cost.

We will work with regulators to ensure that when discharge standards need to be made more stringent to help achieve shared water quality objectives, the standards are appropriate and affordable.



New treatment works at Ballycastle, County Antrim.

The treatment works treats used water and recycles it safely to the environment. Ballycastle is growing in terms of its population, tourism industry and infrastructure. The new plant underpins growth in the tourism industry and development of Ballycastle town. It will be essential to manage increased capacity in the local sewerage system during key events such as the Lammas Fair and delivers an improvement in the local water quality within the River Tow and local coastal waters.

Sustainable growth

Efforts to rebalance the economy, increase tourism, attract and embed foreign direct investment and grow and diversify the export base all require reliable water and sewerage services. They are a pre-requisite for the aspirations set out in Department of the Economy's draft Industrial Strategy 2030, the draft Programme for Government and Councils' Local Development Plans. NI Water is committed to supporting these growth aspirations, contingent on funding. This includes participating with Belfast City Council and other organisations in the Living with Water Programme to address strategic drainage issues.

We will actively engage with DfI and local councils to understand growth projections, and following guidance from DfI, will seek to provide investment ahead of the demand.

Northern Ireland is aiming to capitalise on a predicted 20 years of sustained growth across global tourism. A major draw is our natural

environment, with Northern Ireland having some of the most spectacular beaches in Europe. In addition, our lakes and rivers offer some of the finest destinations for fishing and water sports. As the operator of thousands of facilities and one of Northern Ireland's largest land owners, NI Water has a key role to play. We will manage upland catchments so that they help produce the optimum runoff for use by NI Water for drinking water and also to reduce pollution and maintain a base flow necessary for a healthy and attractive ecosystem. We will carefully manage all continuous discharges from treatment works and invest to reduce the impact of intermittent discharges that occur during storms from combined sewer overflows. We will also seek opportunities to utilise our catchment land, raw water reservoirs and assets to maximise the community benefits for the people and economy of Northern Ireland.

Summary actions

- Work with principal stakeholders to communicate capacity constraints spatially so that this can inform development plans by others.
- Work with principal stakeholders to secure a medium term funding settlement.
- Promote the ripple effect from our investment.
- Support economic growth aspirations by seeking to provide investment ahead of demand.
- Continue to transform our business so our efficiency remains on par with that of the better performing water companies in Great Britain.
- Keep customers' bills affordable by balancing capital investment solutions and demands on operating expenditure with opportunities to innovate to reduce the cost of both.
- Identify opportunities to develop integrated, sustainable solutions with a range of stakeholders for the lowest whole life cost.
- Work with regulators to ensure that discharge standards are appropriate and affordable.
- Manage all continuous discharges from treatment works and invest to reduce the impact of intermittent discharges that occur during storms from combined sewer overflows.
- Seek opportunities to utilise our catchment land, raw water reservoirs and assets to maximise the community benefits.
- Live by our values in efficiently delivering infrastructure to underpin sustainable growth.

How will we measure progress?

We will measure progress by tracking delivery of the summary actions and the strategic performance measures:

