
northern ireland
water



Monitoring Plan for 2016-17

July 2016



MONITORING PLAN FOR 2016-17

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Foreword

Our PC15 Business Plan set out our proposals for the six year period from 2015 to 2021. We intend to build on our successes in PC10 and PC13 and continue to improve the service to our customers today while investing to safeguard service for future customers. Our PC15 Business Plan reflected that we will do this with continued improvements in our efficiency.

The Utility Regulator published the PC15 Final Determination (FD) which challenged us to stretch our plans even further.

The absence of a medium term financial settlement to underpin the PC15 Final Determination has required stakeholders to work together to assess changes to regulatory outputs required because funding was not at the level required by the PC15 FD.

NI Water's budget allocation for 2016/17 is £108.8m Resource DEL Cash (excluding £0.3m ring-fenced VE funding) and £146.7m Capital DEL. Compared to the challenging PC15 FD, this results in a shortfall of £6.9m in Resource DEL Cash and £11.3m in Capital DEL.

At the time of writing, there is no further clarity on the funding position beyond the end of 2016/17. As a result this Monitoring Plan outlines the key commitments NI Water is making to its customers up to 31 March 2017 only.

While we continue to engage with government and wider stakeholders to fund water and sewerage services to the level set out in the PC15 FD, our focus remains on delivering water and wastewater services in a sustainable way including investment in the local economy and supply chain. Improving the customer experience is at the core of our daily work and we haven't lost sight of this in the present funding difficulties.

Sara Venning
Chief Executive

July 2016

1 Our Vision and Strategy

Our Vision:

To be a valued and trusted provider of one of Northern Ireland's most essential services; an organisation our customers and staff are proud of.

To achieve our vision and as a prelude to the PC15 Business Plan, we prepared 'Our Strategy for NI Water'.

This sets out our long term strategy for providing water and wastewater services to our customers in Northern Ireland. We believe our strategy should focus on the following eight priorities:

In our strategy, we outline the key challenges and opportunities facing the Northern Ireland water industry in the years to come.

To ensure we are prepared to address these challenges and opportunities, we outline our aspirations for our customers in 2040 and our priorities to the milestone year of 2020-21 - the end of the PC15 period.

Find out more about Our Strategy for NI Water at:
<http://www.niwater.com/reports>



We provide you customer service you value and expect



We provide you with clean, safe water to drink



We seek to give you value for money



We adapt to deal with the effects of climate change



We want to protect and enhance the natural environment



We take care of your waste water so it doesn't pollute your environment



We supply you with the water you need



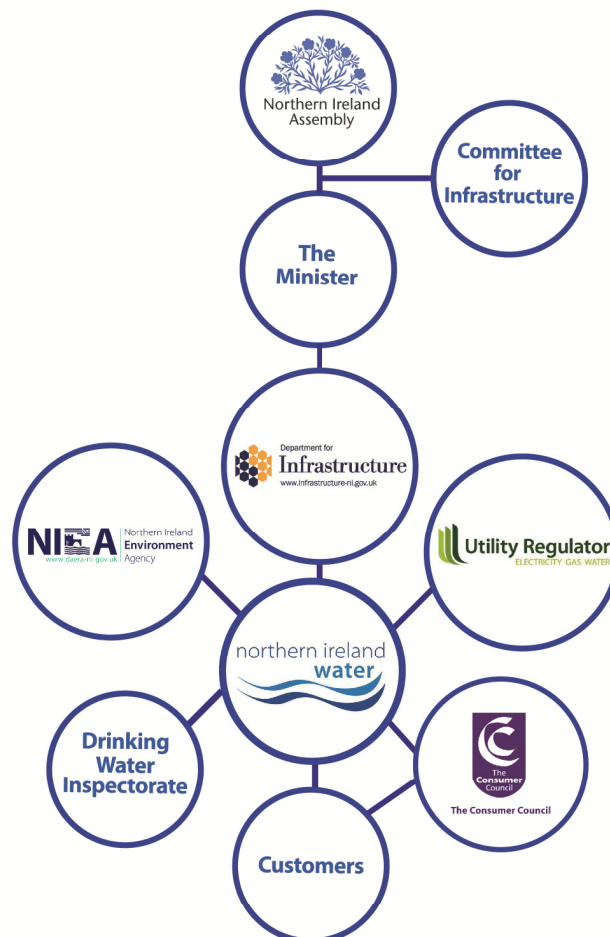
We provide excellent service by having the right people doing the right thing for you

2 Industry Structure

NI Water is a Government Owned Company (GoCo). The Department for Infrastructure (DfI)¹ is the company's sole shareholder.

The Northern Ireland Assembly has decided to defer the introduction of domestic water charges. Instead, NI Water receives funding by means of a subsidy provided by DfI. Due to the level of subsidy, NI Water is also designated as a Non-Departmental Public Body (NDPB) and is subject to public sector spending rules.

As with all water and sewerage companies across the UK, NI Water is regulated. Regulators provide assurance that NI Water meets the interests of its customers, protects the quality of drinking water and the environment, and is accountable for its performance. The water industry structure in Northern Ireland is shown below.



¹ Formerly DRD

It is recognised by stakeholders that the requirement for NI Water to operate both as a GoCo and an NDPB is sub-optimal. The NI Assembly is considering what changes might be made to the water industry in Northern Ireland to optimise performance and streamline governance.

3 Summary of Key Benefits to our Customers

In 2016-17 we plan to build on the progress that has been achieved. In our customer engagement, customers told us that we must maintain existing service levels. Nearly 60% of our investment will be targeted on ensuring we can sustain the high levels of service we are currently delivering.

Our capital investment programme aims to deliver the maximum possible outputs within the planned funding constraints, in line with the Department's Social and Environmental Guidance (S&EG) and our customer's priorities.

In summary, our plans for 2016-17 will deliver the following benefits for our customers:

Drinking Water Quality

maintained in accordance with PC15 S&EG.

Leakage Reduction

Reduce leakage by 2 million litres a day from 2015-16 target.

Improving Water Pressure

Removing 200 properties from our low pressure register by the end of 2016/17*.

Supply interruptions

Downward trend with focus on interruptions >6 and >12 hours.

Customer Experience

New targets introduced to measure customer experience.

Improving Wastewater compliance

By 31 December 2016, 98.3% of population equivalent served by compliant works.

Reducing Risk of flooding

Removing 14 properties from our register of properties at risk of internal sewer flooding by the end of 2016/17*.

Pollution incidents

Continuing downward trend.

Further details on our plans for 2016-17 are included in Annex 1.

* Cumulative total for 2015/16 and 2016/17, see Annex 1.

4 Our commitments on Service to Customers

Overview

The Monitoring Plan outputs are those as presented in the PC15 Final Determination for 2016-17 adjusted for reduced Public Expenditure (PE) funding in 2016-17. The detail can be found in Annex 1.

Any further amendments to the programme will be managed through due regulatory process as agreed by key statutory stakeholders.

The PC15 Final Determination also included key development areas which cannot be monitored by numerical targets. NI Water is committed to delivering on these key development areas.

Impact of reduction in PE funding

NI Water agrees that reduction in the RPI forecast reduces the impact of reduced Resource DEL funding.

We have agreed to hold service targets at PC15 Final Determination levels in 2016-17 on the basis that if some of the targets are not achieved, stakeholders will acknowledge and recognise related impact of reduced funding position.

NI Water has largely agreed to hold nominated outputs at PC15 Final Determination levels in 2016-17. Impacts have been restricted Wastewater Treatment Works and Unsatisfactory Intermittent Discharges. The detail can be found in Annex 1.

The impact on nominated outputs will more likely be in future years and directly dependent on PE funding available.

Following consultation with stakeholders, the Utility Regulator wrote to NI Water on 1 June advising their acceptance of our proposal for adjusted outputs for 2016/17 due to shortfall in Public Expenditure funding, concluding that our proposals are in line with PC15 Final Determination taking account of efficiency and lower than forecast inflation.

Monitoring

The Utility Regulator has prescribed two tables² (Tables 1 and 2 in Annex 1) to set out the key targets which we will be striving to achieve in 2016-17.

² PC15 Monitoring Plan Information Requirements, January 2015, The Utility Regulator

Progress in the delivery of our 2016-17 commitments will be monitored by stakeholders³ through quarterly Outputs Monitoring Submissions and an Annual Information Return (AIR).

³ Consumer Council for Northern Ireland; Drinking Water Inspectorate; Northern Ireland Environment Agency; Department for Regional Development; and the Utility Regulator.

Annex 1 - Tables

Table 1 - Commitments on Water Provision and Service Outputs

PC15 Monitoring Plan

Table 1 - Commitments on Water Provision and Service Outputs

Line description				Units	DP	PC13		PC15	
						2013-14	2014-15	2015-16	2016-17
A Consumer Service Water									
1	DG2 Properties at risk of low pressure removed from the risk register by company action	nr	0			132	186	92	108
2	DG2 Properties receiving pressure below the reference level at end of year	nr	0			1,257	1,082	1,040	932
3	DG3 Supply interruptions > 12hrs (unplanned and unwarned)	%	2			0.14	3.10	0.18	0.17
4	DG3 Supply interruptions (overall performance score)	nr	2			0.97	11.72	1.07	1.05
5	DG6 % billing contacts dealt with within 5 working days	%	2			99.92	99.97	99.90	99.90
6	DG7 % written complaints dealt with within 10 working days	%	2			99.72	99.96	99.50	99.50
7	DG8 % metered customers received bill based on a meter reading	%	2			99.11	99.11	99.00	99.00
9	DG9 % Calls not abandoned	%	2			98.40	97.99	99.00	99.00
10	DG9 % calls not receiving the engaged tone	%	2			100.00	99.99	99.90	99.90
11	Overall Performance Assessment (OPA) score (11 Measures)	nr	0			216	206	218	221
12	Total Leakage	MI/d	0			167	166	163	161
13	Security of supply index	nr	0			100	100	100	100
14	Percentage of NI Water's power usage derived from renewable sources	%	1			33.1	51.4	20.0	25.0
B Quality Water									
15a	% overall compliance with drinking water regulations	%	2					99.79	99.79
15b	% compliance at consumers tap	%	2					99.69	99.69
16	% iron compliance at consumers tap	%	2					97.10	97.10
17	% Service Reservoirs with coliforms in >5% samples	%	2			0.00	0.00	0.00	0.00
C Water Outputs									
18	Water mains activity - Length of new, renewed or relined mains	km	0			226	223	93	144
19	Completion of nominated trunk main schemes	nr	0			0	1	2	1
20	Completion of nominated water treatment works schemes	nr	0			0	3	1	0
21	Completion of nominated improvements to increase the capacity of service reservoirs and clear water tanks	nr	0			0	1	0	0
D Serviceability									
22	Water infrastructure serviceability	Text	N/A			Stable	Stable	Stable	Stable
23	Water non-infrastructure serviceability	Text	N/A			Stable	Stable	Stable	Stable
E New Output Measures									
24	Number of Catchment Management Plans	nr	0					3	7
25	Number of lead communication pipes replaced under the proactive lead replacement programme	nr	0					1,844	1,844
26	Number of school visits	nr	0					176	176
27	Number of other education events	nr	0					57	57
28	% Service Reservoirs where sample taps have been assessed and are to required standard	%	1					0.0	50.0

Table 2 - Commitments on Sewerage Provision and Service Outputs

Table 2 - Commitments on Sewerage Provision and Service Outputs

Line description		Units	DP	PC13		PC15	
				2013-14	2014-15	2015-16	2016-17
A Consumer Service Sewerage							
1	DG5 Properties at risk of flooding - number removed from the 2 in 10, 1 in 10 and 1 in 20 risk register by company action	nr	0	11	28	6	8
2	DG5 Properties on the 2 in 10, 1 in 10 and 1 in 20 risk register at the end of the year	nr	0	190	179	179	158
B Quality Sewerage							
3	% of WwTWs discharges compliant with numeric consents	%	1	92.0	92.4	91.1	92.4
4	% of total p.e. served by WwTWs compliant with numeric consents excluding upper tier failures	%	1	98.0	98.4	98.1	98.3
5	Small WwTW compliance (works greater than or equal to 20p.e. but less than 250p.e.)	%	2			80.07	83.99
6	Number of high and medium pollution incidents attributable to NI Water	nr	0	26	25	28	27
C Sewerage Outputs							
7	Sewerage activity - Length of sewers replaced or renovated	km	0	25	21	11	12
8	Delivery of improvements to nominated UIDs as part of a defined programme of work	nr	0	11	17	27	10
9	Delivery of improvements to nominated WwTWs as part of a defined programme of work	nr	0	17	16	4	1
10	Small wastewater treatment works delivered as part of the rural wastewater investment programme	nr	0	7	18	1	8
D Serviceability							
11	Sewerage infrastructure serviceability	Text	N/A	Stable	Stable	Stable	Stable
12	Sewerage non-infrastructure serviceability	Text	N/A	Stable	Stable	Stable	Stable
E New Output Measures							
13	CSO and EO discharges at which event and duration monitoring equipment has been installed	nr	0			0	58
14	WwTWs upgraded to comply with PPC Regulations	nr	0			0	0
15	Impermeable surface water collection area removed from the combined sewerage network	m ²	0			27,000	30,000
16	Number of sustainable WwTW solutions delivered (p.e. ≥ 250)	nr	0			0	1
17	Number of sustainable WwTW solutions delivered (p.e. < 250)	nr	0			0	0

Glossary

AIR	Annual Information Return
CCNI	Consumer Council for Northern Ireland
CSO	Combined Sewer Overflow
DEL	Departmental Expenditure Limits
Dfi	Department for Infrastructure
DG measures	Director General measures – regulatory key performance indicators
DG2	Reference to the number of properties at risk of receiving low pressure
DG3	Reference to the number of properties affected by unplanned and un-warned interruptions to water supply
DG5	Reference to the number of properties at risk of internal flooding
DG6	Reference to the percentage of billing contacts dealt with within 5 days
DG7	Reference to the percentage of written complaints dealt with within 10 days
DG8	Reference to the percentage of metered customers receiving bill based on a meter reading
DG9	Reference to telephone call handling
DRD	Department for Regional Development
DWI	Drinking Water Inspectorate
EO	Emergency Overflow
GoCo	Government Owned Company
NDPB	Non-Departmental Public Body
NIEA	Northern Ireland Environment Agency
OPA	Overall Performance Assessment
ORG	Outputs Review Group
PC10	Price Control period April 2010 – March 2013
PC13	Price Control period April 2013 – March 2015
PC15	Price Control period April 2015 – March 2021
PPC	Pollution Prevention and Control
PE	Public Expenditure
RPI	Retail Price Index
S&EG	Social & Environmental Guidance issued by the DRD
UID	Unsatisfactory Intermittent Discharges
Utility Regulator	Northern Ireland Authority for Utility Regulation
WTW	Water Treatment Works
WwTW	Wastewater Treatment Works