

Business performance

We submitted our PC21 Business Plan to the Utility Regulator in 2019/20. The plan sets out the step change in investment required to address the most critical needs and enable Northern Ireland to thrive from its water and sewerage infrastructure.



Delivering what matters

Our purpose is to provide the water for life we all rely on to thrive. We deliver great tasting, safe drinking water to our customers and recycle their wastewater safely back to the natural environment.

We are proud of the significant achievements we have made in water and wastewater services. We have been leading the challenge in doing more for less - we have been delivering record levels of service for our customers while reducing our cost base through sustainable efficiencies. NI Water has been successful in achieving levels of performance and efficiency with the benchmarked water companies in England, Wales and Scotland. We want to continue to build on this success and become world class.

Much of the work we are doing through the remainder of our PC15 Business Plan (2015-21) will build the foundation for further transformational changes in our next business plan period, PC21 (2021-27). We expect the Utility Regulator to issue its draft determination on our PC21 Business Plan in September 2020 and its final determination in March 2021.

Some of the notable highlights over 2019/20 are provided below and further details on progress are contained in this report.

Delighting our customers

Providing a great service to our customers is core to our business, so it is important that we continue to look for opportunities to help us adapt to changing customer expectations. Advancements in technology and innovation

have helped us make great strides in this area. We have set ourselves a challenge to achieve higher Net Promoter Scores, which is an internationally recognised customer advocacy benchmark that spans all sectors, not just utilities. We will achieve this by reducing service failures and resolving issues on first point of contact. We are delighted that our effort and innovation in this area is reflected in the achievement of our Net Promoter Score for 2019/20.

Over 2019/20 we have continued to promote Quick Check 101 to prevent 'bogus callers' and continued to grow and raise awareness of our Customer Care Register to ensure that our services are inclusive, available and accessible to all our customers, regardless of their personal circumstances.

In 2019/20 we invested in software robots to help us automate manual and repetitive tasks so our teams can spend more time focusing on helping customers with more complex tasks. In 2020/21, we will continue to develop our digital services for the benefit of our customers, with an exciting launch of an on-line application portal for new connections.

We liaise closely with the National Cyber Security Centre and the Centre for the Protection of National Infrastructure to ensure all our environments are 'Cyber Watertight'. Over 2019/20 we ran a number of phishing campaigns to highlight cyber risks and will continue this awareness over 2020/21.

P31 Read more about delivering an exceptional customer experience.

Clean and safe water when you need it

Great products start with great raw materials. In 2019/20 we completed the restoration of the largest expanse of intact blanket bog in Northern Ireland, the Garron Bog, which has improved the quality and reliability of the water received at NI Water's Dungonnell treatment works. In 2020/21 we are investing €4.9m to improve the Erne and Derg cross border river catchments that are a source of our drinking water, piloting changes in land management techniques.

Our changing climate is bringing more frequent and severe weather events such as heavy rainfall, heatwaves and extreme cold. One way we mitigate the risks associated with climate change is through temporary storage of drinking water in large storage tanks known as service reservoirs. Over 2019/20 we invested in additional storage capacity for our customers in Pomeroy and Cookstown. Investment in 2020/21 will provide additional storage capacity at treatment works serving Counties Down and Fermanagh.

To make it suitable for drinking, we treat the fresh water to remove anything that could be harmful. In 2019/20 we introduced a new treatment plant to enhance the water source at Rathlin Island. In 2020/21 we are trialling a number of pilot studies at Derg water treatment works to remove heavy metals, suspended solids (turbidity) and pesticides. We are delighted that through initiatives such as these we have maintained our best ever drinking water quality in 2019.

Reducing leakage is a top priority for NI Water, but with a network of around 27,000 km of underground water pipes, it can be a complex and costly job finding the leaks. In 2019/20 we tested a number of initiatives to detect leakage including, listening devices known as acoustic loggers. We have also improved our ability to understand water consumption by analysing water usage on a minute-by-minute basis. However, we have struggled with leakage over PC15. Our PC21 Business Plan sets out how we can achieve the sustainable economic level of leakage of 150 million litres per day, which is the point at which the cost of fixing a leak outweighs the benefit. To succeed we need to find more and more innovative ways to track down leaks and save water. For example,

in 2020/21 we will be trialling the use of satellite technologies to locate leaks.

Every minute counts when it comes to fixing water supply problems so we are looking at a range of areas to fix problems before customers are affected. One area we have been looking at over 2019/20 is better management of valves to reduce surges in our network. We have also been learning lessons from previous interruptions. In 2020/21 we will develop our SMART network to provide information in real time and help predict interruptions to supply and identify leaks.

P35 Read more about supporting a healthy and thriving population.

Sustainable economic growth

Funding levels made available to NI Water in recent price controls have not been sufficient to stem the degradation of assets. As a result, our infrastructure is having a widespread detrimental impact on the economy, by severely limiting development across the country in 25 of the 27 economic hubs identified by local councils for growth in the future. Our PC21 Business Plan sets out the funding required to start to address these constraints.

Using new efficiency models developed with the Utility Regulator, we estimate the gap to the upper quartile water company in England and Wales is reduced from 49% in 2007/08 to 7% in 2018/19. We recognise it is progressively harder to deliver efficiencies when quick wins have already been captured but our plan sets out that we will continue our efficiency journey. By the end of PC21 we are proposing to close 80% of the gap to the upper quartile company in England and Wales through 'Planning for the Future' projects.

These significant sustainable cost efficiencies have helped us keep any increase in non-domestic water and sewerage charges below inflation. We are acutely aware of the pressures that Covid-19 is having on our healthcare system and our local economy. A planned 1.7% increase in non-domestic water and sewerage charges, which had been due to be introduced in April 2020, has therefore been deferred and will be reviewed in September 2020.

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 2019/20 we invested in a new wastewater treatment works in Ballintoy, County Antrim to improve the water quality in the surrounding coastal areas and increase capacity to support growth in local tourism and development. Over 2020/21 we will upgrade the wastewater treatment works in the village of Greyabbey, County Down to help alleviate development constraints and support local tourism.

P41 Read more about supporting a growing economy.

Flourishing natural environment

Flooding and the risk of flooding can constrain economic development, increase the cost of insurance and pollute our natural environment. In 2019/20 we upgraded the sewers at Ormeau Avenue in Belfast, some of which dated back to the late 1800's

and were in very poor condition. This investment has reduced the risk of out of sewer flooding. Unforeseen complexities for another of our sewer rehabilitation schemes in Belfast has resulted in the removal of a lower number of properties at risk of out of sewer flooding than targeted. In 2020/21 we will continue our work with developers to ensure new developments are sustainable and do not increase the flood risk to the site or surrounding area by looking at more sustainable ways of taking storm water out of the combined sewer system.

Traditional treatment works require a lot of energy, carbon, concrete and chemicals such as chlorine to ensure wastewater can be safely released back to the environment. In 2019/20 we constructed a wetland in Clabby, County Fermanagh and plan to upgrade the existing wastewater treatment works in Ballykelly, County Derry/Londonderry in 2020/21 by constructing a sustainable integrated constructed wetland, both of which require less energy, carbon, concrete and chemicals.

We deal with around 15,000 blockages of our sewers each year, over 11,000 of which could have been prevented. In 2019/20, we



Wipezilla - our wet wipe monster reinforcing the message of flushing only the Three P's: pee, poo and paper

introduced Wipezilla the wet wipe monster to towns across Northern Ireland in a bid to raise awareness of the damage caused by wet wipes to sewers and our natural environment and to reinforce the message of flushing only the Three P's; pee, poo and paper.

We also launched the Refillution campaign to reduce the number of single use plastic bottles Northern Ireland uses every year and encourage people to refill a reusable bottle with tap water.

As Northern Ireland's single largest electricity consumer, our goal is to fully exploit innovative approaches to energy and new technology to reduce our carbon footprint and ultimately become carbon neutral by 2050. We are already taking significant steps. In 2019/20 we successfully achieved the ISO 50001 certification, the international standard for energy management systems, which will allow us to achieve continual improvement in energy performance. In 2020/21, we are aiming to increase our electricity consumption from renewable sources such as solar and hydro power to 40%, rising to 100% by 2027, and plan to improve our storage of carbon by planting around 200,000 trees in partnership with the Woodland Trust.

I am delighted that we won the Queen's Award for Enterprise for Sustainable Development 2020. The Queen's Awards are the highest official awards in the UK for business excellence and recognise companies that are leading the way in delivering a new blueprint for sustainable business in the 21st century.

P47 Read more about protecting and enhancing the natural environment.

Happy, safe and healthy people

Our water is world class and so are our people. Attracting, developing, retaining and partnering with the best talent is fundamental to the success of our business and therefore we are committed to making NI Water a great place to work.

In 2019/20 we launched a new emerging leaders program, developing around 50 aspiring leaders to fulfil their leadership potential and a new apprenticeship academy through which we will hire 30 new water

apprentices. In 2020/21, we are introducing a new recognition process to celebrate our colleagues who demonstrate our corporate values in their day-to-day work.

Our health and wellbeing programme helps staff 'live well' through a range of initiatives to support mental, physical, financial and social health and we were delighted to be awarded the Chartered Institute of Personnel and Development Award for best health and wellbeing in 2019/20. Significant efforts were made in 2019/20 and into 2020/21 to ensure the safety of our colleagues and contractors following the outbreak of Covid-19. I would like to reiterate the tribute paid to our colleagues and contractors by our Chairman for maintaining our water and wastewater services. We have included some images of how our workforce rose to the challenge on page 21.

In 2020/21 we plan to introduce a new health and safety software system, which will make it much easier to report and analyse incidents to identify any improvements to our systems or processes to prevent such incidents occurring in the future.

Our Cares Challenge volunteering programme is one of the largest corporate volunteering schemes in Northern Ireland. In 2019/20 we extended the volunteering programme to include a community led initiative called 'From Little Ripples' which gives staff the opportunity to pitch for their local charity or community group to receive volunteering support and funding.

We are really proud of our unique education programme, which includes the Waterbus mobile classroom initiative. Within the last 12 years we have educated over 216,000 'water-whizz' school kids about the value of water for health, the economy and nature, visiting 275 schools in 2019/20 alone. We were delighted to have our contribution to society recognised in 2019/20 by winning the International Corporate Social Responsibility Excellence Award.

P55 Read more about helping our people and communities to thrive.

Sara Venning

Sara Venning
Chief Executive
25 June 2020