

Economy

Efficiently delivering infrastructure to underpin sustainable growth



Belfast wastewater treatment works and sludge incinerator, County Antrim

Strategic areas of focus



Sustainable development goals



Strategic threats/opportunities

ST1 ST2 ST3 ST4 ST5 ST7 ST8 SO3 SO4
 Page 59 Read more about strategic threats and opportunities.

Strategic performance indicators

Economy	Unit of measurement	Target 2019/20	Actual 2019/20	Pass/Fail	Target 2020/21
Increase/(decrease) in customer tariffs excluding inflation	%	3.19	2.70	Pass	2.25
Reduction in number of areas with development constraints	New indicator - target to be set in 2020/21				
Bathing water quality*	Excellent	Majority excellent or good. No poor.	14	Pass	Majority excellent or good. No poor.
	Good		9		
	Sufficient		3		
	Poor		0		

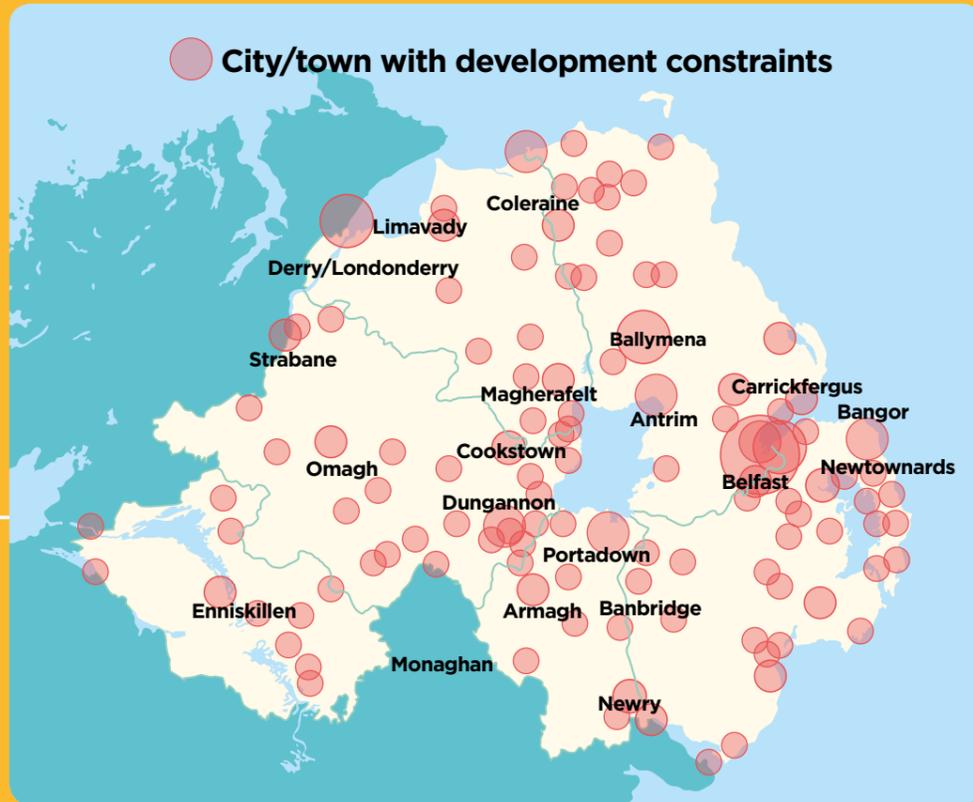
*Other major contributors to bathing water quality include agriculture, wider industry and consumer behaviour (flushing inappropriate items).

Strategic areas of focus

Funding world class economic infrastructure

Over the past 15 years the public expenditure made available from Government 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 in 116 towns and cities across Northern Ireland, including Belfast and Derry/Londonderry.

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



Development constraints across Northern Ireland at the start of PC21 (2021)

Efficient and affordable service

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.

Using new efficiency models developed in conjunction with the Utility Regulator, we have calculated that the gap between us and the most efficient water companies in England and Wales has reduced from 49% in 2007/08 to just 7% in 2018/19. We are committed to eliminating this efficiency gap by 2027 by reducing our annual operating costs by a further £14m.



Ulster University representative with NI Water meter query technician at Ulster University Magee Campus, County Derry/Londonderry

Strategic areas of focus

Efficient and affordable service (continued)

We have identified ten opportunities to become more efficient and still deliver a high level of service to our customers. We have created a plan called 'Planning for the Future', which we believe will allow NI Water to continue to deliver sustainable efficiencies.

The amount by which NI Water can increase customer tariffs is determined by the Utility Regulator. We work with the Utility Regulator to ensure the fairest pricing outcome for our customers. NI Water is acutely aware of its responsibility to strike a balance between our need to generate sufficient income to allow us to continue delivering our services and minimising the impact on non-domestic customers.

Over the last few years we have kept any increase in non-domestic water and sewerage charge below inflation. This has meant that non-domestic customers

pay less, in real terms, for their water and sewerage services in 2019/20, than they did when the current PC15 price control period began in 2015. This has been achieved, in part, because of the significant sustainable cost efficiencies which are being delivered by NI Water over the PC15 period.

Looking forward, our ambition is to continue to keep bills stable in real terms despite a significant increase in the level of capital investment planned. Our PC21 Business Plan proposes that average bills will not increase in real terms over the PC21 period. 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.

Planning for the Future



Contact management



Intelligent operations centre



Reliability centred maintenance



Asset delivery: decisions & capabilities



Commercial 2.0



Smart metering



Next generation Mechanical and Electrical



Energy matters



Excellence in capital programmes



Performance excellence

Sustainable growth

Every aspect of life in Northern Ireland relies on the water and wastewater services we provide, so it is important that any investment we make in our infrastructure is built with the future in mind. In order to improve our long term resilience we need to ensure our infrastructure can withstand pressures such as climate change, growth in the economy and the need to protect and restore nature.

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.

Ballintoy Harbour in County Antrim is one of the most photogenic locations on the famous coastal route, whatever the weather - from the splitting sunshine on a good day or big waves

on a wet stormy day, it still looks incredible. Ballintoy Harbour is also a tourist hotspot not only for the stunning views on offer but its claim to fame with being used in the iconic show - Game of Thrones.

In 2019/20 we invested around £3m to construct a new wastewater treatment works in Ballintoy, County Antrim to improve the water quality in the surrounding coastal areas and support growth in local tourism and development.

Over 2020/21 we will invest over £2m to upgrade the wastewater treatment works in the village of Greyabbey, County Down. This investment will helping to alleviate development constraints, support local tourism in the area and protect Strangford Lough, Northern Ireland's first marine conservation zone.



New wastewater treatment works under construction at Ballintoy, County Antrim