Building back better

Water companies sit at the heart of society and provide an essential service with considerable health dimensions. Our abstraction and sewage treatment also have major environmental consequences, and our infrastructure is a foundation for sustainable economic growth. It’s time to start properly funding our critical infrastructure to build back better.

Delivering despite COVID-19

The COVID-19 pandemic is a stark reminder of the fragility of our societal and economic systems, and challenges us to think about becoming more resilient not just to pandemics but to other threats, known and unknown.

Like most organisations, NI Water faced limitations to usual ways of working following the introduction of lockdown restrictions. This challenge was coupled in 2020/21 with the driest Spring on record and an increase in household demand for drinking water. We activated our major incident and business continuity plans to ensure that over 700 staff were able to switch to working from home. Protocols were initiated for staff deemed essential to frontline operations, within the laboratories, networks or treatment works to ensure a safe working environment. Our role in ensuring that drinking water continued to flow to households, care homes and for food productions was crucial. The Government’s public health advice centres on key messages such as regular hand washing and keeping hydrated, again highlighting the importance of a clean, safe and reliable water supply. I would like to thank all our staff, contractors and suppliers for their continued commitment and dedication to delivering what matters.

It’s time to properly fund our critical infrastructure

In 2007/08 the Independent Water Review Panel highlighted the need to take difficult decisions to properly fund our critical infrastructure. The failure of Government to provide proper funding has led to a generational underinvestment in our wastewater infrastructure, which adds complexity and significant inefficiency to the delivery of longer term asset resilience, risks deterioration in levels of service for customers, and is leading to inadequate environmental protection through increased sewer flooding and pollution.

NI Water’s goal is to ensure we have a modern, efficient and sustainable business. While chronic underfunding of NI Water is an urgent issue, we are working hard at a local level to find solutions to enable Councils and developers to progress their vision and facilitate future economic development. NI Water is ready to provide engineering solutions to short-term constraints where possible, however we must face the inescapable reality that our infrastructure needs to be properly funded over the next quarter of a century to address this problem. Over £2 billion is required in our next business plan period PC21 (2021-27), including £0.5 billion for the Living With Water Programme to address strategic drainage in Belfast. This investment is required to start to address the problems of economic development constraints facing our towns and cities. This is not a ‘wish list’ or a ‘nice to have’; this is the plan that will help us ensure NI Water can deliver in a strong, modern regional economy.

The Utility Regulator’s Final Determination on NI Water’s PC21 Business Plan (2021-27) was published in May 2021 and NI Water has until 13 July 2021 to decide on acceptability. The Board of NI Water is encouraged to see that the first year of PC21 (2021/22) has been fully funded by the Department for Infrastructure and the Northern Ireland Executive. The Board is in discussion with the Department for Infrastructure and other Government Departments to ensure that, in order to accept the PC21 Final Determination, there is support and continuing commitment to fund the determination.

The Northern Ireland Executive gave NI Water high profile within the New Decade, New Approach deal, stating that it will invest urgently in wastewater infrastructure. We have also been encouraged by the Ministerial Advisory Panel on Infrastructure’s Report which highlighted the need to reform infrastructure planning and delivery and we can directly support delivery of seven of the nine outcomes in the Programme of Government draft outcomes framework. We also understand that the NI Audit Office is preparing a public interest report on NI Water to inform future infrastructure delivery. It’s time to take the difficult decisions to properly fund our critical infrastructure.

Supporting a sustainable revolution

Like the industrial revolution which fundamentally changed our economy and wider society in previous centuries, the changes required to decarbonise our economy, become climate resilient and restore biodiversity over this century represent nothing short of a sustainable revolution. This will require a colossal joined up effort across the public, private and voluntary sectors to rethink policy development, decision making and funding in order to help our society meet these challenges and address our inherent blind spots. Otherwise our planet earth may not be sustainable for those who come after us by the end of this century.

Northern Ireland’s economy, like many other countries, has stalled. Governments are highlighting the importance of investing in infrastructure to stimulate economic recovery and address climate change. We believe that the much needed investment in our infrastructure presents an opportunity to grow our economy in a way that restores rather than depletes our natural environment on which we all depend.

As a natural capital business, with infrastructure entwined with the natural water cycle, NI Water is at the forefront of the shift to a green economy. We are determined to harness the huge and largely unseen potential for NI Water to address climate change and restore biodiversity. We believe that our infrastructure, which includes significant land holdings and over 3,000 grid connected sites across Northern Ireland, can play a strategically important role in helping society to meet these challenges. Our big, bold ideas were launched in 2020/21 and include nature based solutions such as planting one million trees and restoring our peat bogs; building more renewables on our land; kick-starting our hydrogen economy; and providing sources of warmth for district heating schemes.

Crystallising the full benefits from these ideas will require changes to Government policy, funding and regulation to rethink infrastructure as a total interconnected system rather than isolated silos. These benefits include ensuring that our economy is productive and competitive in a decarbonised world.

Creating a more prosperous society

As society begins to contemplate what ‘normal’ may now look like, the sustainable delivery of clean water and sanitation remains vital in the face of rising challenges such as health pandemics, climate change and the loss of biodiversity.

NI Water stands ready to deliver. Our plan will start to address the underinvestment in our infrastructure and the damage it has caused to our economy and the natural environment. We have consistently demonstrated the importance of this investment to enable a healthy and thriving population, a growing economy and a flourishing natural environment. We need a multi-year funding settlement from Government to efficiently deliver our multi-year plan. So much, which is so very important, to so many, now depends on it.

Dr Leonard J. P. O’Hagan CBE DL
Chair of the Board
23 June 2021