

## ICE NI Water PC21 Draft Determination response

Dear Paul,

On behalf of the Institution of Civil Engineers in NI, we have reviewed the draft determination on NI Water's Price Control (PC21).

We acknowledge and welcome the stepped increase in investment planned for the PC21 period, to allow the process of beginning to address capacity constraints in the sewerage network and wastewater treatment works. However, ICE is concerned that the proposed investment falls too short of NI Water's requirements, and will compound the issues caused by historic underinvestment.

ICE also has concerns about the proposed efficiency requirements linked to OpEx reductions. Efficiency savings will be a huge challenge at this level, given the existing condition of the network and the need for capital investment to help drive many of those efficiencies. Again, the historic underinvestment in capital funding for the network makes this very difficult, particularly with the proposed capital investment levels. Further, efficiencies in the supply chain will be very difficult to achieve with the ongoing single-year budgets from the government Departments. Supply chains will not be in a position to invest in equipment, technology etc if they cannot be appointed on a longer-term basis with certainty of workload.

ICE notes that our water and wastewater network lies at the heart of the plans for Northern Ireland's society, both in terms of wellbeing (health, environment, thriving and sustainable communities) and the economy (multiplier effects of investment in infrastructure, including water infrastructure, are considerable). The opportunities for Northern Ireland as a whole rely on key investment and an 'invest now to save longer term' approach. We also believe that the increased momentum from global governments to address the push to Net Zero Carbon, along with requirements to mitigate the effects of climate change, will mean that even greater investment is needed in NI Water's infrastructure in the next decade and beyond. Being on the 'front foot' with further investment can only be a positive step for NI society as we begin to try to catch up with our approach to the climate emergency. NI Water has made notable and progressive achievement in many of these areas, and has the potential to be a leading player in this field, but this will be stifled if funds are limited and continue to address basic requirements.

We hope that the Utility Regulator will reconsider their proposals, particularly on capital investment and demands for efficiency savings, with a view to allowing NI society and economy to flourish in the near future. There is huge opportunity for a green recovery from the Covid-19 crisis to be led by NI Water's approach to their work during the PC21 period, but strong investment is vital to allow this.

Yours sincerely,

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John Glass (ICE NI Chair)

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