

PC21 Monitoring Plan



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1 FOREWORD

Our PC21 Business Plan is a strong, challenging, ambitious plan which continues to improve services for our customers and reflects that we will do so with continuing efficiency. It is a balanced package for a six year period and will deliver the Department for Infrastructure's Social & Environmental Guidance (S&EG) for Water and Sewerage Services (2021-27)¹.

In May 2021 the Utility Regulator published the PC21 Final Determination (FD) which challenged us to stretch our plans even further. We confirmed our acceptance of the PC21 Final Determination on 6 July 2021.

Our plan is a balanced package – the capital investment programme, our opex and capex efficiency targets and our performance commitments to our customers are interwoven. Our shared future success is dependent on Northern Ireland's water and sewerage infrastructure being adequately funded. Northern Ireland is unique in the UK as being the only part where the regulated water utility has been unable to fully implement the economic regulator's Final Determination due to public expenditure constraints. We are 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. It is on the basis that PC21 continues to be fully funded that the Board of NI Water accepted the PC21 Final Determination.

The Board remains in discussion with the Department for Infrastructure and other Government Departments to ensure that there is support and continuing commitment to fund the Final Determination for the whole of the PC21 period.

2 INTRODUCTION

The purpose of this Monitoring Plan is to inform consumers and other stakeholders of the high level targets which we will deliver during the six year PC21 period (2021/22 – 2026/27). In it we set out:

- A summary of our strategy for delivering water and sewerage services over the next 25 years;
- A summary of the benefits secured through successful delivery of our plan;

¹<http://www.infrastructure-ni.gov.uk/publications/social-and-environmental-guidance-water-and-sewerage-services-2021-2027>

- Two prescribed tables, one for water and the other sewerage, containing a summary of the outcomes (i.e. consumer, quality and serviceability targets and outputs) to be delivered during PC21;
- An overview of how we will ensure successful delivery of our plan.

3 OUR STRATEGY

In preparation for setting out our plans for the PC21 period, we refreshed Our Strategy which provides a longer-term view across the next 25 years (2021-2046).

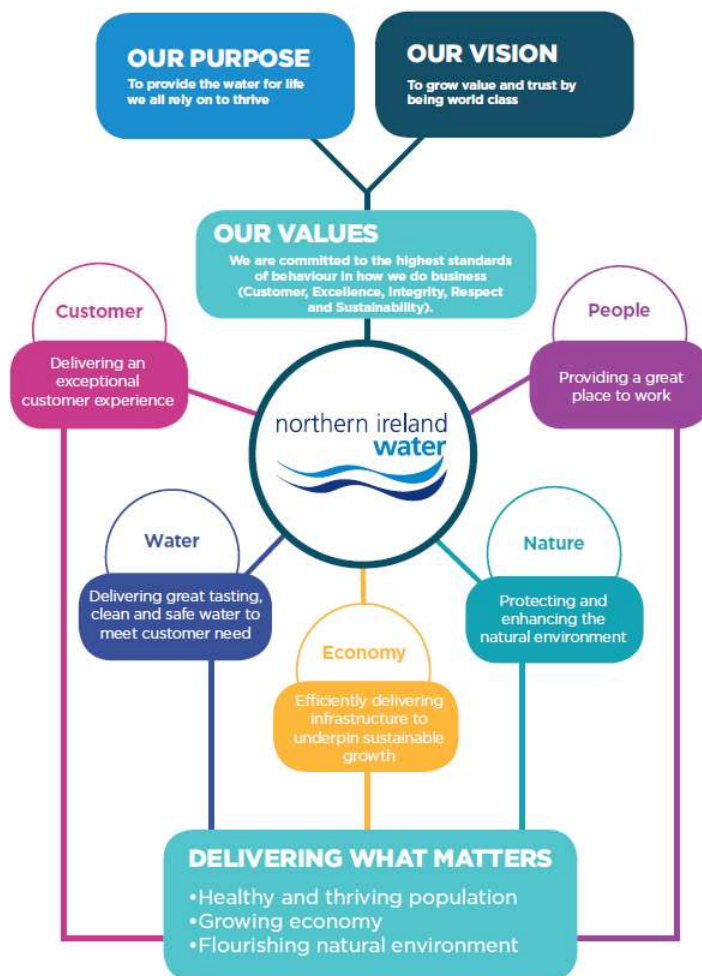
The world is changing and we have identified six strategic risks and opportunities: climate emergency, compliance with new legislation, rising customer expectations, customer demographics, innovation and our governance and funding model.

Our role is to meet these challenges and take advantage of opportunities available to us in a way which is affordable and sustainable for our customers today and in the future.

We want to meet increasing customer expectations, engage our communities in the value of water, harness innovation and new technology, improve our resilience in the widest sense, drive sustainability by moving to a more circular economy and help build a thriving regional economy in Northern Ireland.

We have developed five strategic priorities, which set out how we will deliver our purpose and vision in the face of our six strategic risks. The five strategic priorities are shown below.

Figure 1 – NI Water’s strategy on a page.



Our strategic priorities focus on sustainably growing all forms of capital (natural capital, social capital, intellectual capital, human capital, manufactured capital and financial capital) to ensure that we put back more than we take out.

The priorities provide a framework to support best practice corporate decision making, corporate reporting and corporate governance. We measure the progress towards our strategic priorities by tracking the delivery of our summary actions and the strategic performance indicators.

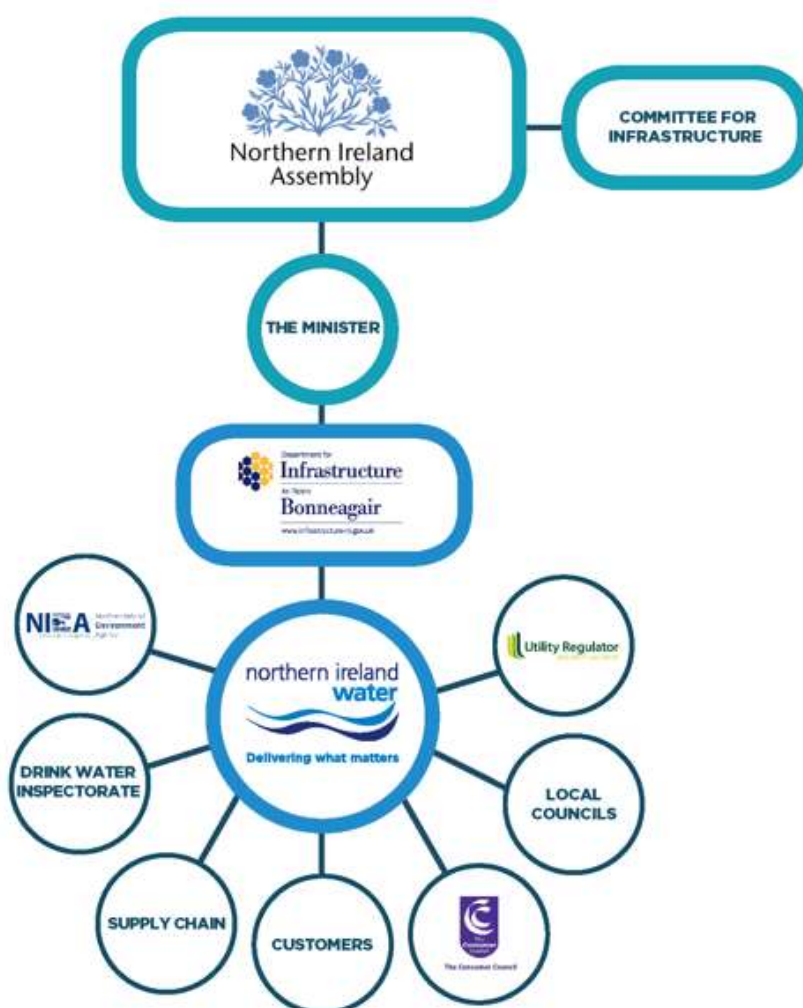
Our PC21 Business Plan sets out how our plans contribute to achieving our strategy over the next six years. For more information on our strategy go to: <https://www.niwater.com/ourstrategy/>

4 ENGAGING WITH OUR CUSTOMERS AND OUR STAKEHOLDERS

We recognise the fact that we cannot deliver our plan alone; working with stakeholders and customers is critical.

We have worked hard to develop our business plan with and for our customers. We talk to our customers every day and have used this insight plus additional research with our domestic and non-domestic customers, our developer community and those on our Customer Care register to inform our plan. We have also prepared our Business Plan in consultation with our principal stakeholders depicted below:

Figure 2 – Structure of Water Industry in NI



Further details on how a collaborative approach was undertaken and integrated into our plan can be found in our PC21 Business Plan, a summary of which can be found at: <https://www.niwater.com/sitefiles/resources/pdf/2020/pc21/ourstrategyfastread.pdf>.

5 KEY BENEFITS

The last number of years have seen us make significant improvements in our services to our customers, but we want to continue to do more. We have been leading the challenge in doing more for less - we have transformed the delivery of water and sewerage services, 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 akin to our counterparts in England, Wales and Scotland.

We want to continue to build on this success and become world class for Northern Ireland. In our PC21 plan we set out the performance improvements we are committing to deliver for our customers, building on our successes to date and continuing to drive efficiency and innovation.

Key performance commitments in our plan have been reflected in the PC21 Final Determination and are summarised below:

- **Deliver an exceptional customer experience** – We aim to achieve our highest ever Net Promoter Score (NPS) which is an internationally recognised benchmark that spans all sectors, not just utilities. We will achieve this by reducing service failures and sorting issues on first point of contact;
- **Improved Consumer Protection** – We are committed to working with the Utility Regulator, key stakeholders and the wider utilities sector in Northern Ireland to enhance protection for vulnerable consumers through the Utility Regulator's Consumer Protection Programme and Best Practice Frameworks Project;
- **Water Quality** – Building on our strong performance in PC15, we will continue to deliver great drinking water quality throughout PC21;
- **Always on** – We will continue to reduce unplanned and unwarned interruptions to supply which we know causes inconvenience to our customers; we will transition to customer minutes lost by the PC21 Mid-term Review;
- **Leakage** – We aim to achieve the sustainable economic level of leakage (150MLD) which is the point at which the cost of fixing a leak outweighs the benefit;
- **Internal Sewer flooding** – We will reduce the number of properties at risk of internal flooding by more than 30%;
- **Pollution incidents** – Based on our strong performance in PC15, we have set ourselves a challenge to achieve our lowest ever number of pollution incidents in PC21;
- **Wastewater compliance** – We expect to see an initial dip in compliance (percentage of population equivalent served) as 2 relatively large wastewater treatment works will

become non-compliant due to a change in consent standards in 2022/23. We also anticipate that a number of works, which will become subject to Water Order Consent for the first time, will not be compliant.

- **Carbon footprint** – It is our aim that 100% of our power will be derived from renewable sources by 2027.
- **Development constraints** – We will invest to address development constraints in 12 larger conurbations and 37 towns and villages.
- **Balancing affordability and investment** - Our plan proposes that average bills will not increase in real terms over the PC21 period.

6 OUR COMMITMENTS ON PERFORMANCE AND SERVICE OUTPUTS

The PC21 Final Determination requires NI Water to deliver a series of targets and outputs for the PC21 period. Details of these numeric targets can be found in Annex 1. These are stretching targets which NI Water is committed to achieving.

Key to achieving these targets will be the successful delivery of a comprehensive capital programme of maintenance and enhancement. This programme has been summarised as a set of named projects (nominated outputs) which we will deliver during PC21. These outputs are detailed in Annex G² of the PC21 Final Determination.

In order to deliver this programme, it is vital that our plan is fully funded. If that is not the case then it is likely that continuing to deliver improved performance to the standards required becomes an unrealistic goal. At the time of writing, a commitment to fully fund our PC21 plans has not been secured. In the event that the PC21 final determination is not fully funded, we will work together with the Utility Regulator and other key stakeholders to ensure that amended targets remain stretching but achievable.

Outputs to be delivered have been profiled over the six year PC21 period. Our main priority is to ensure that we deliver the required outputs by the end of PC21. Whilst we will endeavour to deliver in-line with the annualised profile stipulated in the tables, it may be necessary to accelerate or decelerate delivery of certain outputs during the course of PC21.

Progress against these targets will be monitored by stakeholders through quarterly Outputs Monitoring Submissions and by the Utility Regulator through its Annual Information Return (AIR) and Cost and Performance Report (CPR).

² PC21 Final Determination Annex G: Nominated Outputs List. <https://www.uregni.gov.uk/news-centre/pc21-price-control-determination-published>

7 DEVELOPMENT OUTPUTS

Not all of the outputs which we will deliver in PC21 can be measured against numerical targets. The work which NI Water undertakes to develop its capability and introduce new techniques is equally important for the long term development of the services we provide to consumers.

During PC21, NI Water will address 25 new ‘development outputs’, summarised in the table below. Full details can be found in Annex T of the PC21 Final Determination³.

PC21 Development Outputs:

Ref	Development Objective
01	Consumer Engagement
02	Consumer Protection / Customer Care Register
03	NI Water Alpha Ltd - WTWs Treatability Improvements
04	DWD Recast & Emerging Issues Study
05	Refresh of DG2 Register
06	Targeted Mains Renewals in High Leakage Areas
07	Leakage Innovation
08	Smart Networks – ITS Strategy
09	WwPS / CSO Quality (UID) and WwPS (Capacity increase)
10	Event Duration Monitors WwPS/CSOs
11	Cranfield Catchment, Kilkeel Storm Separation
12	Storm Water Separation
13	Real Time Network Modelling
14	Urban Drainage Modelling - Live Models for IOC
15	Innovation Initiatives
16	Urban Drainage Modelling - Studies to Inform PC27 - Top 271 Priority Drainage Areas
17	Raw Water Trunk Main Rehabilitation
18	Culmore DA KL554 - Skeoge Link Road
19	LWWP Networks
20	LWWP Wastewater Treatment Works
21	AD - Asset Strategy - Wastewater Asset Performance Modelling
22	AD - Asset Strategy - Water Asset Performance Modelling
23	Facilities H&S Compliance
24	Smart metering
25	Addressing scope uncertainty for the Mid-term Review

³ PC21 Final Determination Annex T: Development Outputs. <https://www.uregni.gov.uk/news-centre/pc21-price-control-determination-published>

8 DELIVERING OUR PLANS

We believe our PC21 Plan is a strong, balanced plan which is right for Northern Ireland. Successful delivery of our commitments over the six year PC21 period will be made possible through the following key processes:

- **Delivery Frameworks** - We will deliver our PC21 capital works plan through our capital delivery frameworks, corporate frameworks, corporate contracts and by individual competition.
- **Key Performance Indicators (KPIs)** – will be used to measure performance of both Contractor and Consultant partners throughout the programme period. Allocation of work will be based on the best performing partners and best value for money.
- **Integrated Partnership Frameworks** - where applicable, integrated partnership framework contracts will be used and, where the project value is greater than the nominal £10m threshold, these contracts will be delivered following OJEU competition.
- **Major Projects/Programmes** - there are 20 major projects and programmes that exceed the £10m threshold. These may be delivered individually using the OJEU process or phased delivery annual bundles under existing frameworks.
- **Monitoring** - reporting performance is vitally important to maintain and outperform our delivery commitments. Having change mechanisms ensures resources remain aligned with agreed programme priorities.
- **Innovation** - is a key part of the future service delivery and a vehicle to reduce costs to customers. We are planning to harness and embrace innovation to ensure efficient solutions. This often requires collaboration with others to identify opportunities and to develop integrated, sustainable solutions with a range of stakeholders for lowest whole life cost.
- **Our People** - are the most important drivers of our success and our PC21 plan aims to create a more diverse, engaged and high performance organisation in which all employees are supported and empowered to reach their full potential and excel in whatever they do.

ANNEX 1 – TABLES

Table 1 - Commitments on Water Provision and Service Outputs

Line description			Units	DP	PC21					
					2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
A	Consumer Service Water									
1	DG2 Properties at risk of low pressure removed from the risk register by company action	nr		0	147	145	143	139	137	135
2	DG2 Properties receiving pressure below the reference level at end of year	nr		0	492	427	365	306	250	195
3	DG3 Supply interruptions > 12hrs (unplanned and unwarned)	%		2	0.091	0.087	0.084	0.08	0.077	0.073
4	DG3 Supply interruptions (overall performance score)	nr		2	0.81	0.79	0.77	0.75	0.72	0.70
5	DG8 % metered customers received bill based on a meter reading	%		2	99.00	99.00	99.00	99.00	99.00	99.00
6	Unwanted Contacts	nr		0	67,000	66,100	65,200	64,300	63,400	62,500
7	First Point of Contact Resolved (FPOCR)	%		1	84.0	84.0	84.0	84.0	84.0	84.0
8	Net Promoter Score (all contacts)	nr		0	42	42	42	42	42	42
9	Total Leakage	MI/d		0	157	156	154	153	151	150
10	Security of supply index	nr		0	100	100	100	100	100	100
11	Percentage of NI Water's power usage derived from renewable sources	%		1	45.0	45.0	50.0	50.0	75.0	100.0
B	Quality Water									
12	% overall compliance with drinking water regulations	%		2	99.83	99.83	99.83	99.83	99.83	99.83
13	% compliance at consumers tap	%		2	99.74	99.74	99.74	99.74	99.74	99.74
14	% iron compliance at consumers tap	%		2	98.62	98.62	98.62	98.62	98.62	98.62
15	% Service Reservoirs with coliforms in >5% samples	%		2	0.00	0.00	0.00	0.00	0.00	0.00
C	Water Outputs									
16	Water mains activity - Length of new, renewed or relined mains	km		1	139.7	139.7	139.7	139.7	139.7	139.7
17	Completion of nominated trunk main schemes	nr		0	0	2	1	5	2	4
18	Completion of nominated water treatment works schemes	nr		0	1	0	6	4	1	7
19	Completion of nominated improvements to increase the capacity of service reservoirs and clear water tanks	nr		0	1	0	0	0	3	0
D	Serviceability									
20	Water infrastructure serviceability	Text		N/A	Stable	Stable	Stable	Stable	Stable	Stable
21	Water non-infrastructure serviceability	Text		N/A	Stable	Stable	Stable	Stable	Stable	Stable
E	PC15 Additional Output Measures									
22	Number of lead communication pipes replaced under the proactive lead replacement programme	nr		0	1,844	1,844	1,844	1,844	1,844	1,844
23	Number of school visits	nr		0	176	176	176	176	176	176
24	Number of other education events	nr		0	57	57	57	57	57	57
F	PC21 Additional Output Measures									
25	Number of catchments where management plan recommendations have been delivered.	nr		0	0	3	4	5	5	3
26	Number of treatability studies completed	nr		0	0	0	0	12	0	0

Table 2 - Commitments on Sewerage Provision and Service Outputs

Line description				Units	DP	PC21						
						2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	
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	0	0	20	6	10	21
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	120	123	106	103	96	78
B Quality Sewerage												
3	% of WwTWs discharges compliant with numeric consents				%	1	92.1	91.6	92.3	93.3	93.7	94.1
4	% of total p.e. served by WwTWs compliant with numeric consents excluding upper tier failures				%	1	99.2	94.7	94.7	95.7	95.7	95.8
5	Small WwTW compliance (works greater than or equal to 20p.e. but less than 250p.e.)				%	2	90.76	91.09	93.07	95.05	97.03	99.01
6	Number of high and medium pollution incidents attributable to NI Water				nr	0	12	11	10	9	8	7
C Sewerage Outputs												
7	Sewerage activity - Length of sewers replaced or renovated				km	1	10.1	10.1	10.1	10.1	10.1	10.1
8	Delivery of improvements to nominated UIDs as part of a defined programme of work				nr	0	7	21	21	13	25	49
9	Delivery of improvements to nominated WwTWs as part of a defined programme of work				nr	0	0	5	16	3	7	14
10	Small wastewater treatment works delivered as part of the rural wastewater investment programme				nr	0	6	6	6	6	6	6
D Serviceability												
11	Sewerage infrastructure serviceability				Text	N/A	Stable	Stable	Stable	Stable	Stable	Stable
12	Sewerage non-infrastructure serviceability				Text	N/A	Stable	Stable	Stable	Stable	Stable	Stable
E PC15 Additional Output Measures												
13	CSO and EO discharges at which event and duration monitoring equipment has been installed NIEA standards				nr	0	66	67	117	166	166	162
14	WwTWs upgraded to comply with PPC Regulations				nr	0	0	0	4	3	4	4
15	Impermeable surface water collection area removed from the combined sewerage network				m ²	0	364,540	364,540	364,540	364,540	364,540	364,540
16	Number of sustainable WwTW solutions delivered (p.e. ≥ 250)				nr	0	0	0	0	1	1	2
17	Number of sustainable WwTW solutions delivered (p.e. < 250)				nr	0	0	0	0	1	1	1
F PC21 Additional Sewerage Output Measures												
18	Number of current Economic Constraint Areas removed by PC21 investment				nr	0	0	0	0	2	1	9
19	Number of current Serious Development Restrictions removed by PC21 investment				nr	0	4	0	0	8	9	16