

# Efficient and effective regulator

Being a best practice regulator is important to us. As a well-run, efficient, high-performing regulator, we aim to be responsive to the needs of stakeholders, enabling successful utilities, protecting consumers.

## Performing effectively as a regulator

**Further progress was made on meeting our corporate strategy objectives and there was a high level of achievement against our annual Forward Work programme.**

At the end of the fourth year of our Corporate Strategy 2019-2024, we have made good progress against our corporate objectives.

A report on progress to achieve our Corporate Strategy objectives is included in Appendix 1.

Our Forward Work Programme (FWP) 2021/2022 sets out the key projects that we intend to undertake each year. These projects are aligned with our Corporate Strategy objectives.

Overall, we achieved or partially achieved 93% of our FWP projects for 2021/2022. This was accomplished in a challenging external environment with increasing pressures on our resources. Appendix 1 includes an overview of progress against the FWP projects for 2021/2022.



## Effectively managing our financial and people resources

**We continued to prudently manage our financial resources. We've been increasing our staff resources to meet the challenges of the strategic energy agenda. Our staff absence rate was 4.03%, below the Northern Ireland Civil Service (NICS) average.**

As a non-ministerial government department, our funds are voted by the Northern Ireland Assembly. A summary of our financial performance is included at Appendix 1.

Table 1 is an overview of the key financial figures. Our statutory accounts can be obtained from the Stationery Office or from our website. Most of our costs are collected from annual fees paid by electricity, gas and water licensees.

Table 1: Overview of financial position	
Expenditure	Actual (£'000)
Operating costs (gross)	9,826
Income	9,561
Operating costs (net)	265

We are committed to the prompt payment of bills for goods and services received. During 2021/2022, 91.3% of undisputed invoices were paid within 10 days (93.1% in 2020/2021).

Our staff group comes from a range of backgrounds and are mostly directly recruited. We do however also have a small group of secondees from the wider (NICS).

In the context of the wider decarbonisation agenda, and the publication of DfE's Energy Strategy, we have taken steps to increase our staff complement to enable us to meet the strategic challenges. A rolling programme of recruitment to help bring on board additional staff and expertise, commenced in Autumn 2021.

During 2021/2022, our absence rate was 4.03% or 8.9 days per employee, based on employee numbers at 31 March 2022 (this compares to an absence rate of 2.04% in 2020/2021) which is below the NICS rate in 2020/2021 (the latest figures available) of 4.4% or 9.8 days lost per staff year.

## Being an employer of choice

**We commenced a new UR People Programme to support and develop our staff. We are developing an approach to future ways of working that will provide hybrid working for staff. Our commitment to diversity and inclusion saw us receiving an initial bronze accreditation under Diversity Mark NI.**

We want to be an organisation that attracts and retains the best people. Without our staff's continuing commitment, we could not do our job effectively and we take proactive steps to support their development.

At the heart of the support we provide for our people, is the UR People (URP) Programme. URP is an integrated approach, bringing together HR and communications staff with representatives from other parts of the organisation, to deliver a joined up programme to support and develop our staff.

Following the Investors in People Silver accreditation, awarded last year, the URP has been pivotal to progressing learning and development activity. A new URP programme was agreed and work to implement this programme has been moved forward. This has included an organisational learning and development plan. A key feature of this plan has been the rollout of a leadership programme across the senior leadership team and managers, delivered by an external provider.

While most of our staff continued to work remotely during the year, we are looking to the future. We have developed a new future model of working, based on a hybrid approach where staff will spend their time working from Queens House and remotely. Our staff have helped to shape this approach and the URP team carried out an extensive staff engagement exercise in February/March 2022.



The accent on staff feedback is an important aspect of how we work. Part of this is about taking the opportunity to compare ourselves with other organisations, to identify how we can improve. We are also working with Best Companies, which will help shape approaches to how we improve as an organisation.

Being an employer of choice is also about harnessing the abilities and talents of everyone who works for us. We are committed to creating a diverse and inclusive workforce. As well as establishing a cross-directorate group to drive our commitment to diversity and inclusion, we also attained the bronze accreditation under the Diversity Mark NI scheme.



One aspect of supporting our staff is through effective and transparent internal communications. We have developed a new staff intranet that has shown excellent levels of staff engagement since its launch. Weekly all-staff meetings have continued. We also sought staff views on our internal communications as part of the wider URP-led staff engagement exercise. A new internal communications strategy is being developed to reflect staff views.

We continued to work closely with colleagues in IT Assist (the NICS in house IT provider) to ensure all staff are provided with the facilities needed to work fully from home.

## Reaching out, explaining, engaging with stakeholders

**We reached out to more stakeholders than ever, to raise awareness of and explain the value of our work. We used the full range of communications channels to set out and explain the reasons for price rises.**


Our work does not take place in isolation. We recognise the value of effective external communications through building relationships, working with others and collaboration. Effective external communications is also a critical enabler, helping us to deliver our corporate strategy and the achievement of our FWP projects.

Our stakeholder programme remains a key focus for our communications. We have reached out further than ever before to stakeholders including business and consumer representatives, political representatives, academia and individuals alike to help inform them about key issues and our role. We have made numerous appearances at the Economy Committee, and before local councils, to provide clear responses to their questions and allow for debate as we continue to find new ways to reach out to our elected representatives. Our focus on reaching as many people as possible saw us publish our consultations on the CitizenSpace online portal for the first time.

As we seek new ways to continue to build on our external engagement, we have made significant improvements to the data and information we publish, providing a great insight into the workings and outcomes of our energy and water markets. As we work to further enhance this data and insight into our markets, we also launched a new monthly newsletter to provide further market transparency and an update on our work. We will continue to build on this information, and the scope of the data we publish, to further enhance understanding and educate around our energy and water regulatory role.







During a challenging year regarding energy price increases our external communications has been more important than ever. We pro-actively increased the volume of our communications in the public domain to explain the reasons for energy price increases – through an unprecedented level of public relations activity. To increase the reach of our communications, we also upscaled our social media posts and developed our Facebook and LinkedIn presence. We also developed video content, producing a corporate video and a series of explainer videos.

As ever, we spoke and delivered presentations to a range of stakeholder organisations and conferences, and facilitated events and workshops on specific areas of our work, such as our non-domestic consumer tracker research.

As a regulator, we continued to participate in the UK Regulators' Network (UKRN) and a range of working groups, which provides a valuable opportunity to both share and learn from best regulatory practice. Additionally, we play an active role in the UK Competition Network (UKCN) which aims to promote competition and to prevent anti-competitive behaviour. We also meet with the Competition and Markets Authority (CMA) quarterly to discuss competition-related issues and contribute to their annual concurrency report.

## Ensuring our organisation is well-run – corporate governance

**Good governance is important to us. We supported board and board sub-committees and the Single Electricity Market Committee (SEMC). Our IT infrastructure and business continuity arrangements continue to support the effective delivery of our work remotely.**

### Governance and audit

The Department of Finance (DoF) appoints the Chair and members of our Board. We are accountable to the Northern Ireland Assembly and produce this Annual Report, which DfE lays before the Northern Ireland Assembly on our behalf. Our decisions are subject to external review by, for example, the CMA and the courts.

Our internal audit is outsourced to Ernst and Young. Areas reviewed during the past year included regulated tariffs, disputes, procurement, the NIE Network's Landbank and PC21. We achieved a "satisfactory" assurance level and are committed to implementing recommendations from these audit reports and also to the Report to Those Charged with Governance issued by the NIAO as a priority. The latter provided an unqualified audit opinion for 2021/2022.

All of our desktop, telephony and IT infrastructure services are provided by IT Assist, the NICS managed service provider of IT services. This provides a secure, fully managed IT support service. IT Assist manages the resilience of the infrastructure to deal with cyber-attacks and is constantly revising and updating security measures with that in mind. Major incidents are reported to our business relationship manager and through the Enterprise Shared Service Operations Management Board on which we have a seat.



### Board and board sub-committees and the SEM Committee

Our Board met formally eleven times during 2021-2022. Because of the public health restrictions, all but one of these meetings was held via video conference. Despite the challenge of not meeting in person, the Board meetings conducted remotely have ensured the efficient transaction of Board business.

Although the public health restrictions constrained the extent of Board engagement with external organisations, the Board still managed to meet – via video conference – with several stakeholders. Board members also took part in board sub-groups and attended conferences and seminars.



There were four meetings of our Audit and Risk Committee during the year. Its membership comprised Jim Oatridge (independent chair), Alex Wiseman and Claire Williams. The Board Chair also attends meetings periodically. The Chief Executive, as Accounting Officer, and Director of Corporate Affairs also attend, as do other members of the senior management team by invitation. The NIAO and Head of Internal Audit have standing invitations to attend meetings. The Chair also periodically meets internal and external auditors without the senior management team present.

Our Remuneration Committee met four times. Its membership comprises Teresa Perchard (Chair), Jon Carlton and David de Casseres. The Board Chair also attends periodically. The Chief Executive, as Accounting Officer, and Director of Corporate Affairs also attend, as do other members of the senior management team by invitation.

During the past year, our Board Advisory Forum met four times. Membership comprises non-executive directors and senior staff. It allows the office to benefit from the advice and guidance of non-executive directors as well as challenge and provides scrutiny on key policy issues.

Our senior leadership team (SLT) continues to meet weekly. In addition, there were regular SLT workshops throughout the year on a series of strategic organisational issues.

The SEMC meets monthly to take decisions in respect of the exercise of relevant functions of both the CRU and/or the Utility Regulator, in relation to a SEM matter on behalf of each regulator. The Utility Regulator's current SEM Committee members, appointed by DfE and the Irish Government's Department of Communications, Climate Action and the Environment (DCCAE), are John French, Bill Emery and Jon Carlton.

We provide the secretariat for the SEMC. During the year, we developed and published the FWP for the SEMC for October 2021 – September 2022 and have published a mid-term review of the delivery of those projects. This document sets out the key projects to help us achieve our strategic objectives as well as pointing to emerging work areas and key issues impacting on the market. For the first time we reported on the achievement of our first Forward Work Programme (FWP) goals set in 2020-2021 in our published SEMC Annual Report for the same period. We continue to support the SEMC in all its communication activities including in the production and publication of key market data.





## Regulatory action

Our enforcement procedure provides information on what to expect when we initiate an investigation or take enforcement action. The financial penalties policy covers both whether to impose a financial penalty and also a process for determining the amount of the penalty. We also have a quasi-judicial role with regard to the determination of industry complaints and disputes. During this year, we have determined on two disputes and have taken no enforcement actions.

We also hold competition powers concurrently with the CMA. We have published competition guidelines which provide a framework for handling competition related matters and we continue to work closely with the CMA on all competition related matters.

## Information technology and governance

Our Information Management Committee oversees governance arrangements and compliance with the General Data Protection Regulation (GDPR). The Board is our Data Controller and our Head of Legal has been appointed as Data Protection Officer for these purposes. The Board will receive a compliance report in June 2022.

All of our staff have been able to work fully remotely during the year which has meant minimal disruption to the conduct of our business and delivery of objectives. This has been achieved in partnership with our NICS IT provider, IT Assist, who look after all of our desktop, infrastructure and network security services. In addition to individual staff workstations, which provide full and secure access to our network, we have been able to maintain contacts and meetings with stakeholders and regulated companies through online meeting platforms. Our Board and committees have also adopted an online meeting tool which includes the facility to access board papers by secure electronic means. This is typical of innovations introduced of necessity to allow us to continue operating in an emergency context and build a more resilient operating model for the future. This will also be of lasting usefulness as we move towards a new form of longer term working which will involve a mix of online and in person engagement. Whilst we recognise the importance and value of face to face meetings and engagement, these new tools will allow us to conduct more of our business in ways which have the potential to offer significant savings in time, cost and environmental impact.

A further significant benefit is the significantly enhanced resilience that the technology offers from a business continuity perspective. We are no longer reliant, in the short term at least, on needing to find alternative accommodation for staff should Queens House become unavailable for some reason. With the experience of using the remote technology that we now have behind us, and the high levels of assurance around its reliability, we are able to focus our business continuity efforts on how to address what might be needed, should there need to be some restrictions imposed in a future public health emergency. This will be to the benefit of staff in terms of their individual wellbeing. It also means that business continuity planning can be more focussed on a narrower, though as we have learned, no less significant range of scenarios.



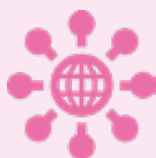
## Freedom of Information

During 2021/2022, we received seven requests under the Freedom of Information Act and Environmental Information Regulations. Five out of the seven responses were issued within the statutory period. The requests that saw a delay in response, were to the same requester. The delays were caused by the large volume of relevant documents that had to be processed as part of our response.

# Sustainability report

The Northern Ireland Renewables Obligation support scheme, supported 3.7 TWh of renewable generation. Over £8 million of funding was provided to energy efficiency schemes under the Northern Ireland Sustainable Energy Programme.

## Northern Ireland Sustainable Energy Programme in figures



**£8 million**  
spent on NISEP  
schemes overall



**481.9GWh**  
total lifetime  
energy  
savings



**44,847 tonnes**  
of lifetime  
carbon savings



**Over £22m**  
in lifetime gross  
consumer benefit  
savings

## Promoting sustainable energy for consumers

The Northern Ireland Sustainable Energy Programme (NISEP) delivers energy efficiency measures with 80% of the funding aimed at vulnerable / low-income consumers.

As well as protecting consumers, particularly those who are vulnerable, energy efficiency and affordability are key concerns. Northern Ireland is expected to contribute energy savings each year to the UK-wide energy efficiency target.

NISEP is the only energy efficiency scheme in Northern Ireland which contributes to the UK's energy efficiency target. NISEP is currently under review and to date we have issued a discussion paper, call for evidence, held focus groups throughout Northern Ireland and carried out a series of structured interviews to gather stakeholder views. Our Board has agreed to continue NISEP until March 2025, This will enable any final decision regarding NISEP or any successor scheme to be consistent with the requirements of the next energy strategy for Northern Ireland.



## Supporting renewable development

We are committed to playing our role in increasing the proportion of electricity generated from renewable sources.

We are responsible for the administration of the NI Renewables Obligation (NIRO). The NIRO is a statutory requirement on electricity suppliers to source an increasing amount of their electricity from renewable sources. Suppliers can meet their obligation by either presenting renewable obligation certificates (ROCs) or paying into a buyout fund (or a combination of both). ROCs are issued directly to renewable generators.

The NIRO scheme is now closed to new entrants.

During the year, we worked with DfE to provide them with information for use by the Public Accounts Committee for Northern Ireland (PAC). This enabled the completion of the PAC report on generating electricity from renewable sources, published September 2021.

## Providing fuel mix information to consumers

We are required to ensure that all electricity suppliers provide reliable information on customer bills and promotional materials regarding the contribution of each energy source to their overall fuel mix and the associated environmental impacts in the preceding year. Along with colleagues in CRU and SEMO, we worked to ensure suppliers provide fuel mix information to their customers. We publish this report in August each year.