Northern Ireland Authority for Utility Regulation

ANNUAL REPORT & ACCOUNTS

For the year ended 31 March 2025

Utility Regulator

www.uregni.gov.uk

NORTHERN IRELAND AUTHORITY FOR UTILITY REGULATION

ANNUAL REPORT AND ACCOUNTS 2024-25

For the year ended 31 March 2025

Laid before the Northern Ireland Assembly under section 10(4) of the Government Resources and Accounts Act (Northern Ireland) 2001 by the Department of Finance on 4 July 2025

Any enquiries regarding this publication should be sent to us at:
Utility Regulator, First Floor Millennium House, 16-22 Great Victoria Street, Belfast, BT2 7NB, or e-mail: info@uregni.gov.uk or tel: (028) 9031 1575.

CONTENTS

PERFORMANCE REPORT

OVERVIEW

The purpose of this overview is to provide a short summary of the Utility Regulator's (UR) structure, purpose, and performance during the year. It also sets out the key risks to the achievement of our objectives, providing sufficient information for readers to form a high-level understanding of our organisation and performance.

CHAIR’S FOREWORD

I am delighted to contribute this foreword, my first as Chair of the Board of UR. 2024-25 has been a year of development and change, both externally and internally.

After extensive engagement and a development process spanning nearly two years, we published our new Corporate Strategy for the period 2024-29, ‘Protecting Consumers on the way to Net Zero’, in April 2024. I am pleased to see work already underway to deliver our new strategy.

Our new strategy is bold. It makes a clear statement of intent about the biggest issue that is common to the energy and water sectors now and into the future, that of decarbonisation. Our new strategy is also ambitious. We want to meet the challenges of net zero, but we also want to balance this with a Just Transition. This will ensure that the benefits of net zero are shared widely.

Protecting consumers is at the heart of everything we do. That is why we have made a clear commitment in our strategy to Northern Ireland’s consumers, who deserve the best from the companies that provide energy and water services to homes and businesses. Despite the unprecedented disruption caused by Storm Éowyn, we also expect that homes and businesses across Northern Ireland will continue to enjoy a secure energy and water supply.

Our commitment to energy and water networks saw us conclude our electricity network price control review and approve £2 billion of expenditure that will contribute to Northern Ireland’s journey to net zero. A mid-term review of NI Water’s (NIW) price control saw us confirm a capital allowance of £2.4 billion for the company.

The success of our work relies on the support of our stakeholders. We continue to work with Ministers and elected representatives on energy and water issues. We are grateful for the continued engagement of officials in key policy departments, the Department for the Economy (DfE) - for energy and the Department for Infrastructure (DfI) - for water, and welcome DfE’s work to bring forward legislation to enable us to assist the Department in the development of essential net zero energy policies.

Internally, we made considerable progress on our organisational transformation to help better equip us to meet the challenges of the future. Since my appointment to the Board, I have been deeply impressed by the professionalism and ability of everyone who works for UR. Their dedication and commitment are admirable.

Finally, I would like to record my thanks to Bill Emery and Teresa Perchard who stood down from the Board after long and distinguished service, and to welcome Isolde Goggin, who joined the Board in October 2024. In what has been a very busy time, I would like to thank my Board colleagues for their commitment and support during the last year.

Rosamund Blomfield-Smith
Chair of the Utility Regulator Board

CHIEF EXECUTIVE'S FOREWORD

As I look back on the past year, I see real progress on delivering on our Corporate Strategy and moving our organisation forward.

Protecting consumers remains our main statutory priority. Our scrutiny of regulated energy prices has ensured that they reflect costs, and we were pleased to welcome a reduction in consumer bills in March 2025. As a proactive regulator, we also announced, following our scrutiny, a reduction in gas transmission tariffs.

We introduced a code of practice to improve customer protection measures for consumers. Our award-winning Consumer Energy Charter was developed further to extend the range of protections available to small business customers. We also launched a consultation on potential measures to improve the retail energy market for non-domestic consumers. A new compliance monitoring and reporting framework was introduced to put in place enhanced and effective licence compliance arrangements for all licence holders.

Our Corporate Strategy, which focuses on delivering the benefits of the energy transition on the way to net zero, saw us approve investment in low carbon technology such as heat pumps, as part of the electricity network price control. The Just Transition to net zero also means that, among other things, the issues of affordability for consumers remains critical. Our report looking at the findings of research into smart meter rollouts in Great Britain (GB) and Ireland, and their impact on consumers, was published in September 2024. More broadly, we continued to work with DfE on the implementation of their Energy Strategy Action Plan and we also engaged in cross-government carbon reduction work.

The operation of the Single Electricity Market (SEM) continued to be critical to securing our energy supply and a series of capacity auctions took place to drive generation investment. We also approved an interconnector licence for a developer wishing to construct a 700MW interconnector between Northern Ireland and Scotland, known as LirIC.

I am also pleased to see the impressive progress in our organisational transformation to help us meet current and future challenges. We have invested in developing our leadership and management staff through a dedicated development programme. Throughout all the change, I continue to be impressed by the enthusiasm and dedication of the team at UR. I am looking forward to working with our team to meet future challenges.

Finally, I also would like to personally thank Bill Emery and Teresa Perchard for their considerable and important contribution to the UR Board, as they stepped down in 2024, and to welcome Rosamund Blomfield-Smith and Isolde Goggin to the Board.

John French
Chief Executive

ABOUT THE UTILITY REGULATOR

OUR ROLE

UR is a non-ministerial government department responsible for regulating Northern Ireland's electricity, gas, water, and sewerage industries.

Our work is based on statutory duties set out in various pieces of legislation including the Energy (Northern Ireland) Order 2003, and the Water and Sewerage Services Order 2006. These statutory duties include:

ELECTRICITY
To protect the interests of electricity consumers in regards to price and quality of service, by promoting effective competition where appropriate.

GAS
To promote the development and maintenance of an efficient, economic, and co-ordinated gas industry.

WATER
To protect the interests of water and sewerage consumers by promoting an efficient industry which delivers high quality services.

More details about our role and our statutory duties is provided in the Governance Statement.

OUR STRUCTURE

We are governed by a publicly appointed Board. The Board comprises six non-executive members and one executive member (Chief Executive, John French), who is also the Accounting Officer. The Senior Leadership Team (SLT), who report to the Chief Executive, oversees the delivery of UR's functions and duties. Further detail on the membership of the Board and SLT is provided in the Governance Statement.

As part of the development of our new Corporate Strategy 2024-29 we have also reviewed our organisational values. We published these new values in April 2024.

OUR MISSION

To protect the short and long-term interests of consumers of electricity, gas and water.

OUR VISION

To ensure value and sustainability in energy and water.

OUR VALUES

Accountable:
We take ownership of our actions.

Transparent:
Ensuring trust through openness and honesty.

Collaborative:
Connecting and working with others for a shared purpose.

Diligent:
Working with care and rigour.

Respectful:
Treating everyone with dignity and fairness.

KEY ISSUES AND RISKS

During 2024-25 the key issues facing UR were:

DELIVERING ON DECARBONISATION AND ENSURING THE JUST TRANSITION

The UK Government passed legislation which requires the reduction of the UK's net emissions of greenhouse gases by 100% (relative to 1990 levels) by 2050. In 2022, the Northern Ireland Assembly passed the Climate Change Act (Northern Ireland) 2022, which set a target of an at least 100% reduction in net zero greenhouse gas emissions by 2050. To achieve these targets, a very significant increase in renewables and low carbon electricity will be needed.

The principle of a Just Transition is a core element of the Climate Change Act (Northern Ireland) 2022 and underscores the need to promote fairness across all sections of society in the journey to net zero. In 2024, the UK Government announced the Great British Energy Bill (which aims to set up a publicly-owned clean power company to accelerate investment in renewable energy). The Northern Ireland Executive's Programme for Government (published in March 2025) identifies decarbonisation as a key element of its intermediate priority to Grow a Globally Competitive and Sustainable Economy. Our Corporate Strategy 2024-29 identifies Supporting the Just Transition to Net Zero as a strategic objective.

ADDRESSING AFFORDABILITY CONCERNS FOR CONSUMERS

Following Russia's invasion of Ukraine, households and business in Northern Ireland, like those in the rest of the UK and Europe, have experienced significant increases in energy costs. While the headline rate of inflation has decreased recently, and energy prices have fallen from their peak, current prices still remain significantly above historic trend levels. The need for regulators to support consumers to mitigate affordability concerns remains a key issue. The Northern Ireland Executive launched a consultation on a fuel poverty strategy at the end of 2024.

ENERGY AND WATER POLICY AND STRATEGY

We operate within a defined statutory remit. The Northern Ireland Executive published its Energy Strategy in 2021. This sets out a pathway for energy to 2030 and sets out a vision of net zero carbon and affordable energy by 2050. The Climate Change Act (Northern Ireland) 2022 sets a target of an at least 100% reduction in net zero greenhouse gas emissions by 2050. In water, DfI works within its long-term strategy, 'Sustainable Water – A Long-Term Water Strategy for Northern Ireland (2015-40)', to help achieve the vision of a sustainable water sector.

SECURING ENERGY AND WATER SUPPLY

The need for a secure and reliable supply remains a priority. It is one of the key principles of the Northern Ireland Executive's Energy Strategy. Decarbonisation presents a further challenge, as we will seek to facilitate the right mix of technologies to meet business and household demand, as older forms of generation are replaced by new technologies. In electricity, the capacity arrangements in the SEM help manage long-term security of supply risks. In gas, a reliable supply remains essential, and in water, the Long-Term Water Strategy's high-level aims are to provide sustainable, reliable water and sewerage services that meet customers' needs.

PROTECTING CONSUMERS IN ENERGY MARKETS

We continue to focus on our energy markets to ensure that businesses and households get a fair deal. As well as putting in place robust market monitoring regimes to protect consumers, we also act when required to address any market abuse. Protecting consumers also means that we take action to protect the most vulnerable when required.

For instance, we introduced a code of practice to improve customer protection measures for consumers. During the last year, we also renewed our partnership with the Police Service of Northern Ireland and energy and water companies to protect Northern Ireland consumers through the Quick Check 101 scheme. This is a scheme designed to protect households against bogus callers. Under the scheme, residents can phone 101, the police non-emergency number, to check the identity of callers to their home who claim to represent an electricity or gas supplier, energy network company or NIW.

OUR REGULATION

Given the amount of change that is underway to meet the net zero targets, we recognise that, as a regulator, we need to be proactive and flexible. Key to this is ensuring that our statutory powers are appropriate following the publication of the Northern Ireland Executive's Energy Strategy and the Climate Change (NI) Act 2022.

DfE launched a consultation during 2024 on enhancing our powers to support the Department around decarbonisation. We need to support the development of world-class, efficient electricity, gas and water companies, that are focussed on providing the best levels of service to households and businesses and are fully compliant with their licence conditions and codes of practice. We aim to be fully transparent and accountable for our work, and we will look to constantly improve our own performance, to maximise the benefits to energy and water consumers.

ORGANISATIONAL TRANSFORMATION

Our Corporate Strategy 2024-29 identified key enablers which are critical to the kind of organisation we aim to be. We have significantly moved forward our organisational transformation programme, 'Shaping UR for the Future', which will help us deliver on the ambition set out in our new Corporate Strategy.

DURING 2024-25, KEY RISKS FACING UR WERE:

1. Not having the statutory powers to facilitate the implementation of existing and future energy and climate policies.
2. The efficient and secure delivery of key workstreams to the benefit of consumers.
3. The delivery of the Northern Ireland Executive's Energy Strategy.
4. Legal challenge because of a failure to make regulatory decisions in line with UR's current statutory framework.
5. Electricity supply interruptions caused by insufficient generation adequacy/ system services.
6. Volatility in energy prices and potential loss of confidence in UR's ability to regulate wholesale and retail markets effectively.
7. Underfunding of NIW's PC21 price control and the associated implications in achieving statutory targets.
8. Ineffective financial and budgetary management processes in place and non-compliance with mandatory Department of Finance (DoF) guidance, which may result in criticism, poor value for money and potential qualification of accounts.
9. Inability to effectively manage the series of impacts from storm events.

PERFORMANCE OVERVIEW

KEY DEVELOPMENTS 2024-25

Average **GAS BILLS** in **GREATER BELFAST AREA** fell from **£1,400 to £1,079**

We published our **Corporate Strategy** Corporate Strategy 2024-29, Protecting Consumers on the way to **NET ZERO**

Our electricity network price control earmarked a **£2.2 billion investment** to support the journey to **NET ZERO**

We published **information and guidance** for **households** and **businesses** affected by **STORM ÉOWYN**

We launched the first **SMALL BUSINESS ENERGY CHARTER** (along with the domestic charter)

Our new **Statement of Licence Compliance** (SoLC) approach resulted in a **100% COMPLIANCE** return rate

Average **NATIONAL WATER BILL** rose from **£519 to £547**

The implementation of our **transformation programme** saw our staff in post increase to **149** by the end of March 2025

The proportion of generation from **RENEWABLE SOURCES** was **43.5%**

Average **GAS BILLS** in **TEN TOWNS AREA** fell from **£1,363 to £1,151**

SEM capacity market auctions secured **6,727 MWd** of **NEW GENERATION CAPACITY**

Our new **code of practice** on customer service will help address service failings and **TACKLE CONSUMER CONCERNS**

9% of electricity interconnector flows were from the higher market price **TO LOWER MARKET PRICE**

Average **ELECTRICITY BILLS** fell from **£1,015 to £989**

Our water mid-term review (MTR) resulted in an **additional £54m** operating expenditure and a **capital allowance of c£2.4bn** (in nominal prices)

We supported applications for **NEW GENERATION LICENCES**, for a range of existing and new technologies

THE YEAR IN SUMMARY 2024-25

April

We launched our new corporate strategy for 2024-29, Protecting Consumers on the way to Net Zero.

May

A non-domestic energy retail market position paper identified areas for strengthening or enhancing protections to non-domestic consumers.

Our domestic consumer tracker survey showed that overall awareness of support services offered by electricity and gas companies had increased.

Our draft determination for NI Water's PC21 price control mid-term review was published.

June

We published the responses to our joint (with the Department for the Economy) call for evidence on the connections policy framework in Northern Ireland.

July

SONI's draft Transmission Development Plan for Northern Ireland proposals for the next 10 years was published for consultation.

August

The Single Electricity Market Committee (SEMC) published the All-Island programme's approach to Governance and Revenue Recovery Arrangements.

September

Longstanding Board members, Bill Emery and Teresa Perchard, stood down from our Board after completing their term of office.

We hosted a stakeholder reception at Queens House to provide an update on our work and a look ahead to the rest of 2024-25.

THE YEAR IN SUMMARY 2024–25

October

The Minister of Finance appointed Rosamund Blomfield-Smith (as Chair) and Isolde Goggin as new Board members.

Our electricity network price control earmarked a £2.23 billion investment to support the journey to net zero.

Extra support measures were put in place for consumers during the winter with the launch of Northern Ireland's Domestic Consumer and Small Business Energy Charters.

We published new research into smart meter rollouts in Great Britain and the ROI and the impact on the consumer experience.

November

Following a review, we announced an increase to Power NI's regulated domestic tariff.

Along with energy and water companies and the PSNI, we re-launched the Quick Check 101 scheme, which protects households against bogus callers.

December

We published our draft Power NI price control determination.

A consultation was launched on our Draft Forward Work Programme.

January

Our decision on SONI's draft Transmission Development Plan was published.

February

We announced our decision to introduce a new code of practice on customer service.

The SEMC published a draft price control determination for the SEM Operator.

March

Regulated tariff reviews concluded and we announced a decrease in firmus energy's tariff.

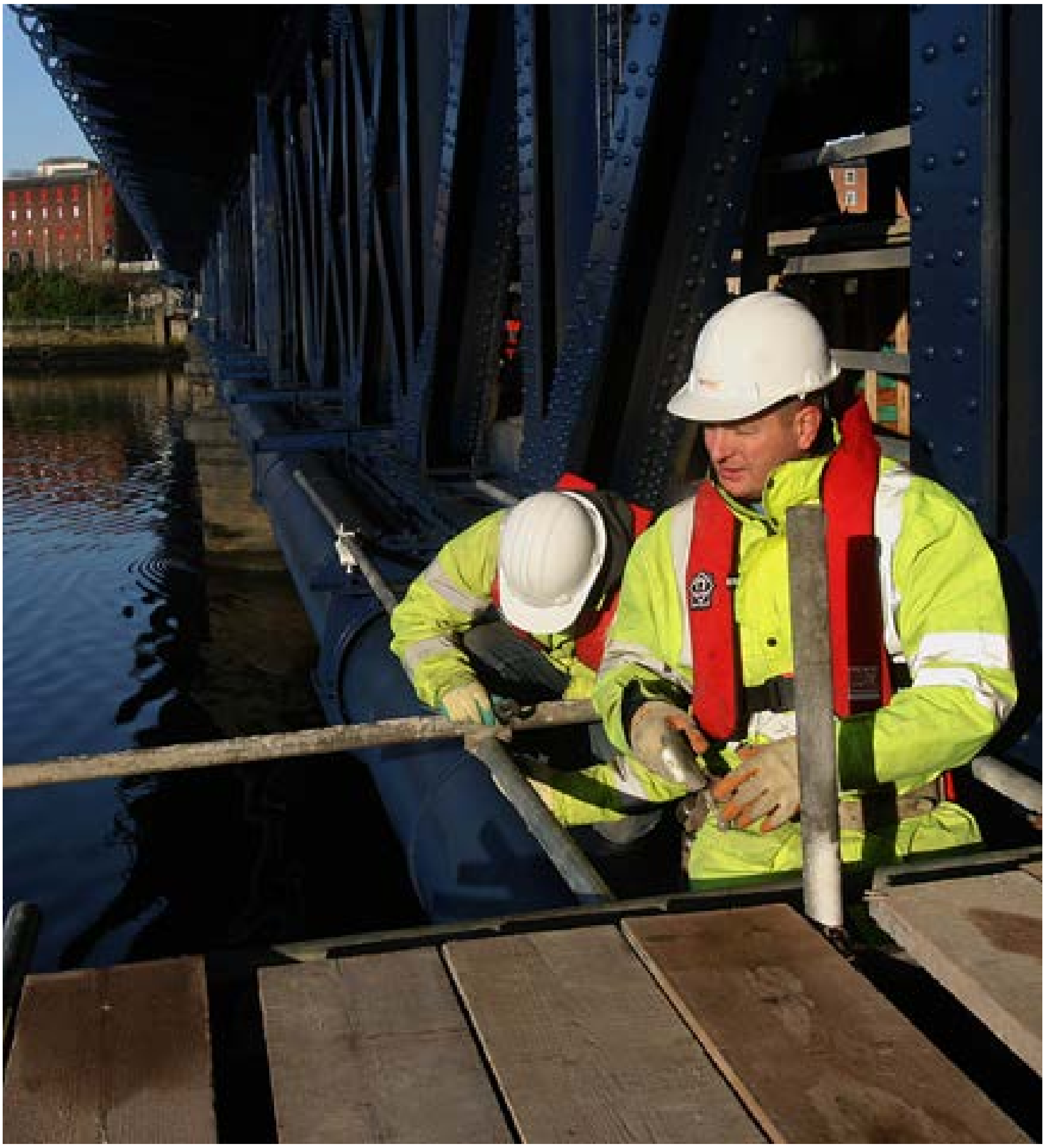
Our Forward Work Programme 2025-26 was published.

We approved modifications to the transportation agreement to enhance gas market access arrangements to Great Britain.

We published information and guidance for those affected by Storm Éowyn.

CORPORATE STRATEGY 2024-29

During 2024-25, UR's work was guided by the overarching principle and strategic objectives outlined in our five-year Corporate Strategy 2024-29. The Corporate Strategy sets out how we aim to meet our strategic objectives and the outcomes that will be achieved. The Corporate Strategy was published in April 2024 and is available on UR's website – Corporate Strategy 2024-29. A summary of progress against Corporate Strategy objectives is outlined below.



STRATEGIC OBJECTIVE 1: SUPPORTING THE JUST TRANSITION TO NET ZERO

DESIRED OUTCOMES

- Updated statutory powers, which will enable us to fully support the Northern Ireland Executive departments to meet their statutory targets within the Climate Change Act (Northern Ireland) 2022 and related Government Strategic Frameworks.
- Achievement of the 80% renewables by 2030 statutory target.
- Supporting the delivery of Northern Ireland's Climate Change Act Sectoral Plans and Carbon Budgets.
- Just Transition aspects are considered within our analysis and decision-making as permitted by legislation.
- Work with Ireland's Commission for the Regulation of Utilities (CRU), through the SEM, to help deliver all-island net zero goals.

KEY ACHIEVEMENTS AND WORK UNDERTAKEN DURING 2024-25

- ☑ We worked with DfE to develop an interim legislative solution on our vires in advance of a new NI Energy Bill.
- ☑ We participated in DfE's Offshore Renewable Energy Action Plan (OREAP).
- ☑ We approved a project proposed by the gas network operators to consider an optimal infrastructure plan to remove biomethane network constraints on the gas network.
- ☑ Working with DfE, UR has evaluated the information on hybrid heat pumps generated by the 'Electrification of Heat' trial in GB.
- ☑ We developed an in-house strategic modelling capability.

- ☑ We delivered a bespoke project, working in collaboration with System Operator for Northern Ireland (SONI) and DfE, to produce and analyse a range of scenarios that aim to better understand how aspects of the power market might outturn in 2030.
- ☑ We published our NIW PC21 Mid-Term Review (MTR) Final Determination in September 2024.
- ☑ As part of our gas network price controls (GD23 and GT22) we provided further allowances in 2024-25 to support gas networks in preparing for decarbonisation in line with DfE's Energy Strategy.
- ☑ We held price control training and information-sharing workshops with DfE to clarify and explain potential issues affecting future gas network price controls which may link to DfE's energy strategy.
- ☑ We took part in SONI's Dispatch Down working group which resulted in SONI's Dispatch Down Action Plan.
- ☑ We worked with DfE and Ofgem to ensure the ongoing administration of the Northern Ireland Renewables Obligation (NIRO).
- ☑ We continued to ensure the delivery of all Northern Ireland Sustainable Energy Programme (NISEP) schemes in 2024-25 and facilitated an additional £2.5 million of funding for NISEP from DfE in 2024-25.
- ☑ We completed our benchmarking exercise of Just Transition activities in other jurisdictions.
- ☑ We processed the initial funding request for the Strategic Markets Programme, resulting in approval of 50% of the anticipated project spend (circa €63.5 million, on an all-island basis).
- ☑ The Clean Energy Package compliance plan work commenced during 2024, with initial engagement taking place with the Transmission System Operator (TSO).

STRATEGIC OBJECTIVE 2: SECURING OUR ENERGY SUPPLY, AND WATER AND WASTEWATER SERVICES

DESIRED OUTCOMES

- The energy infrastructure and the market facilitate reliable energy supplies to homes and businesses.
- Greater physical market interconnection with GB and Ireland.
- Efficient and resilient operation of electricity, gas and water companies in Northern Ireland.

KEY ACHIEVEMENTS AND WORK UNDERTAKEN DURING 2024-25

- ☑ We have worked extensively with SONI and DfE to protect security of supply during the 2024-25 winter period.
- ☑ We have supported applications for new generation licences, for a range of existing and new technologies.
- ☑ We approved the Northern Ireland element of the all-island National Resource Adequacy Assessment (NRAA), setting out the forecast demand and supply position for 2025-34.
- ☑ A total of 784.97 MW of de-rated capacity was offered into the T-1 auction and all of this was successfully procured, and a total of 6,279 MW of de-rated capacity was offered into the T-4 auction, and 5,942 MW was procured.
- ☑ We worked closely with Gas Networks Ireland (GNI) (UK) as it undertook a large gas transmission connection in the North-West, to ensure that the timing requirements of the customer were met.
- ☑ We granted an electricity transmission licence for the LirIC interconnector.

- ☑ Early Delivery Incentives were also introduced for the Capacity Mechanism in 2024. These incentives were primarily brought in to address the capacity margin deficit, following a failure to meet capacity requirements in the T-4 2027-28 auction.

- ☑ We are developing the approach to the next NIW Price Control (PC28) for water and wastewater services. We have set up a working group on Water Social Policy to support this.

- ☑ We approved a network code modification for the Entry Point Switching Agreement, so that gas flow could be quickly directed through the South-North Pipeline at times of congestion.

- ☑ We held our annual Winter Preparedness Event.

STRATEGIC OBJECTIVE 3: ENABLING BEST IN CLASS ENERGY AND WATER COMPANIES

DESIRED OUTCOMES

- Northern Ireland energy and water companies compare to the best.
- Enabling long-term, value for money investment that benefits consumers and drives innovation.
- Energy and water companies are fully compliant with their licence obligations.

KEY ACHIEVEMENTS AND WORK UNDERTAKEN DURING 2024-25

☑ Our water PC21 MTR Final Determination was published in September 2024. This allowed an additional £54 million operating expenditure and a capital allowance of c£2.4 billion (in nominal prices).

☑ In October 2024, we published our Final Determination and associated licence modification for RP7, which is the seventh regulatory price control for NIE Networks (NIEN) and will run from April 2025 to March 2031. Following our scrutiny, we identified £322 million in savings, which is a 12.6% reduction compared to the total amount requested through NIEN's Business Plan.

☑ We set up gas distribution and gas transmission price control working groups with gas network companies to support early and effective engagement to inform our next gas network price controls.

☑ We approved tariffs in 2024-25 for the gas distribution networks and reviewed those for transmission network companies.

☑ We assisted the Utilities Regulatory Authority of St Helena, a British overseas territory in the South Atlantic Ocean, to review and develop a regulation programme which will include increasing their use of renewable generation.

☑ We have produced and published quarterly and annual retail energy market monitoring reports, which are based on consistent and high-quality returns from relevant companies and create increased transparency of retail energy market information.

- ☑ We approved the principle of anticipatory investment as part of the cluster methodology for both NIEN and SONI.
- ☑ We approved SONI's Ten Year Network Development Plan, which sets out the plan for the development of the electricity transmission network over the next 10 years.
- ☑ We held the five-year review of the transmission tariff methodology to meet the requirements of the Tariff Network Code.
- ☑ We supported DfE as it prepared the High-Level Design for the smart meter rollout, absorbing the lessons from other regions and listening to the views of stakeholders.
- ☑ We commissioned and published research on the consumer experience of smart meter rollouts in GB and Ireland. We will use this insight to shape the delivery of the smart metering rollout to achieve the best results possible for Northern Ireland consumers.
- ☑ The SEM Market Monitoring Unit (MMU) conducted targeted market inquiries in accordance with the MMU Inquiry Procedure Manual, which ensures a structured and fair process.
- ☑ During 2024–25, we developed and published our new approach to compliance monitoring and reporting. This new approach delivers an enhanced, proportionate, consistent and effective licence compliance framework across all licensees.
- ☑ We have undertaken a range of enforcement activity across the year, with several licensees, in the pursuit of protecting the interests of consumers.
- ☑ In January 2025, we agreed an alternative resolution (AR) with an electricity supplier. In lieu of further enforcement action, the AR included a number of undertakings, including a £50,000 donation to a local charity.
- ☑ In 2024-25, we processed 180 requests for time extensions for connection offers, along with a number of other derogations, and continue to seek regular updates from the companies on their actions to minimise the need for such extensions.
- ☑ We continued to engage with SONI as they work towards the full implementation of Condition 42 of their TSO licence and agreed to a new model for engagement with EirGrid.

STRATEGIC OBJECTIVE 4: PROVIDING THE HIGHEST LEVEL OF CONSUMER SERVICE AND PROTECTION

DESIRED OUTCOMES

- Measurable improvement in customer service experience for consumers.
- New regulatory frameworks are in place to protect consumers in the adoption and use of new technologies.
- Increased data capabilities so that we can produce more evidence-based research to enable positive policy outcomes for current and future consumers.
- Increased reporting on consumer metrics which highlights the performance of energy and water companies.

KEY ACHIEVEMENTS AND WORK UNDERTAKEN DURING 2024-25

☑ During 2024-25, we conducted our fifth domestic insight tracker and the third non-domestic tracker research.

☑ We worked with gas and electricity suppliers to put in place extra support measures for consumers during the winter via two Energy Charters, one for domestic consumers and one for small businesses.

☑ We implemented the Best Practice Framework new mandatory Code of Practice (CoP) for Consumers in Vulnerable Circumstances.

☑ We continued to evolve the regulatory framework for biomethane during the year in cooperation with the gas network operators, working to an agreed timeline.

☑ During 2024-25, we published new data including domestic gas prices and complaints. We have improved data accessibility through including downloadable data tables that allow people to access the data behind each figure across all Retail Energy Market Monitoring (REMM) publications.

- ☑ We supported DfE in the presentation of their Call for Evidence (CfE) on biomethane production. Following the closure of the CfE, DfE is progressing a series of workstreams, and we are assisting DfE with a number of these.
- ☑ We also reviewed and subsequently approved a request by Phoenix Energy to extend its licensed areas to facilitate the connection of biomethane production facilities adjacent to their licensed area.
- ☑ During 2024-25, we developed, consulted on and published our decisions in relation to new customer service measures and introduced a new mandatory Code of Practice on Energy Supplier Customer Service Levels.
- ☑ We have implemented new licence conditions in relation to suppliers' processes for setting fixed direct debits and processes for the return of customer credit, which will mark a significant step forward in the customer service journey.
- ☑ We issued a notice to the gas TSOs to reforecast the gas transmission tariff, which will reduce the transmission tariff for the rest of the Gas Year (from 1 October), to ensure that the end consumer does not pay more than is required for the gas transmission network.

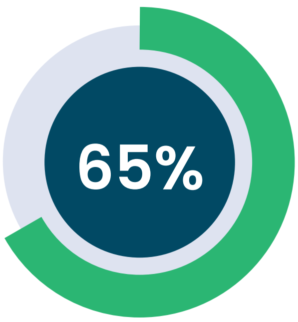
FORWARD WORK PROGRAMME 2024-25

The Forward Work Programme (FWP) is our annual Business Plan. The FWP sets out the non-routine projects that we intend to undertake in each year, covered by the Corporate Strategy. The requirement to publish the FWP, before 1 April in each year, is set out in Article 6 of the Energy Order, and Article 4 of the Water and Sewerage Order. Article 6(4) of the Water and Sewerage Order specifically enables UR to prepare a combined FWP covering its energy and water and sewerage functions. The FWP also includes an estimate of the overall expenditure that UR expects to incur during the year.

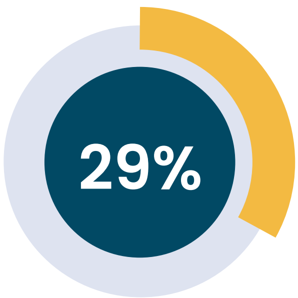
The FWP for 2024-25 was consulted on and published and can be accessed from our website at: FWP - FINAL PUBLISHED.pdf

In total, 94% of the non-routine projects in the FWP 2024-25 were either achieved or partially achieved, with six of the nine partially achieved being multi-year projects which are in progress.

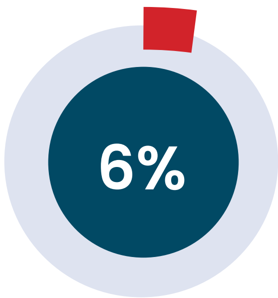
6% of the non-routine projects were not achieved during the year. This relates to two projects, one of which was terminated due to an internal resource issue, and one has been paused due to an external dependency.



ACHIEVED



PARTIALLY ACHIEVED[1]



NOT ACHIEVED

Further detail of performance against the Corporate Strategy indicators and FWP targets is provided in the following Performance Analysis section.

1. Six of which are multi-year projects

ORGANISATIONAL PERFORMANCE OVERVIEW

Other key organisational performance elements during the year included:

- ☑ Published a new Corporate Strategy 2024-29, called 'Protecting Consumers on the way to Net Zero' in April 2024. The strategy publication followed a development approach which focused on deliberative engagement with external and internal stakeholders.
- ☑ Our Silver Award Investors in People (IiP) re-accreditation was awarded in February 2024. Progress on our next IiP accreditation was positively endorsed by our IiP assessor in our 12 month review in February 2025.
- ☑ Best Companies 'Ones to Watch' accreditation and engagement score of 639.7.

FINANCIAL PERFORMANCE

In terms of financial performance, in 2024-25, we reported a net resource outturn position of £376k (2023-24 £273k). The net expenditure includes a small amount of public expenditure funding to cover the cost of administering the Renewable Energy Guarantee of Origin scheme (REGO) and depreciation costs, as most of our income comes from electricity, gas and water licence holders. In terms of gross expenditure in 2024-25, UR outturn was within the DoF and Northern Ireland Assembly approved budget position.

Further detail on financial performance is contained within the Financial Review section of the Performance Analysis.

PERFORMANCE ANALYSIS

This section provides an analysis of how performance is monitored and measured within UR and gives a detailed assessment of performance during 2024-25.

MONITORING ORGANISATIONAL PERFORMANCE

An organisational framework is in place to monitor UR performance.

At the strategic level, progress against Corporate Strategy objectives is assessed through reporting on key performance indicators. The FWP contributes to the achievement of Corporate Strategy objectives and progress against each FWP project is also monitored and reported. Financial and operational performance is monitored at directorate level, by the SLT, by the Audit and Risk Committee (ARC) and by the UR Board.

REPORTING AGAINST PERFORMANCE

Performance is also assessed on an ongoing basis throughout the year. Specifically, performance is monitored regularly and reported through finance and performance papers at each meeting of the Board and ARC. SLT also regularly reviews performance against targets and these form part of discussions and periodic formal reviews between the Chief Executive, Executive Directors and individual directors.

UR monitors its financial position on an ongoing basis to ensure that it operates within Board and DoF approved limits. An internal financial controls framework is in place and effective delegation arrangements operate through a Scheme of Delegation, delegating authority from the Board on a number of financial approvals to levels across the organisation.

A summary of organisational performance against the Corporate Strategy 2024-29 objectives and 2024-25 FWP targets is detailed below, together with a financial review and reporting against sustainability.

Details on the key risks in delivering against the Corporate Strategy objectives are provided in the Governance Statement, page 78.

Performance against Corporate Strategy 2024-29 objectives

STRATEGIC OBJECTIVE 1: SUPPORTING THE JUST TRANSITION TO NET ZERO

DESIRED OUTCOME

Updated statutory powers, which will enable us to fully support the Northern Ireland Executive departments to meet their statutory targets within the Climate Change Act 2022 and related Government Strategic Frameworks.

ACHIEVEMENTS AND WORK UNDERTAKEN

Statutory powers

We have worked with DfE to develop an interim legislation solution that may allow UR to give advice and assistance on energy policy issues such as decarbonisation in the short term. DfE is working on options for updating the legislation.

DESIRED OUTCOME

Achievement of the 80% renewables by 2030 statutory target.

ACHIEVEMENTS AND WORK UNDERTAKEN

Offshore wind

In preparation for offshore wind farms, we participate in DfE's OREAP, listening to the views of network and system operators as well as renewable developers. We have worked with Ofgem to confirm matters around regulatory boundaries and confirm that Northern Ireland's territorial boundary for licensable activities is 12 nautical miles from Northern Ireland's coastline.

We have worked with network operators to build our understanding of where the connection boundaries for offshore developments need to be and we intend to confirm the position in the 2025-26 year.

Electricity connections

We assisted DfE on the delivery of the electricity connection review, which has considered a change in how reinforcement costs, which are sometimes required before an electricity connection can be made or upgraded, are charged to consumers. We worked closely with NIEN to assess the potential impact on consumer bills if reinforcement costs were collected from all customers instead of the single customer who triggers the reinforcement. If the policy was changed to a greater level of socialisation across all consumers, this may encourage the uptake of heat pumps and electric vehicles (EV).

Electric vehicles

As an extension to the electricity connection review with DfE, we continue to participate in DfI's EV Infrastructure Taskforce, looking at ways to improve the charging infrastructure.

Biomethane

During the year, we also approved a project proposed by the gas network operators to consider what an optimal infrastructure plan to remove biomethane network constraints on the gas network might look like, how any risks or issues can be overcome and associated costs. This analysis will support DfE's policy development on biomethane. A regulatory allowance was approved in July 2024 and the results of the project are anticipated in the coming months.

We have also discussed the scope of a hybrid heat pump trial with DfE and the gas distribution operators following earlier, smaller scale trials taken forward by Phoenix Energy. Working with DfE, we have evaluated the information on hybrid heat pumps generated by the Electrification of Heat Trail in GB. Outcomes from the GB trial will be considered in the design of a Northern Ireland trial to ensure evidence gaps are filled. The design of a Northern Ireland trial is being scoped out for commencement in 2025-26.

2030 modelling

During the 2024-25 business year, we have undertaken a number of activities to deliver on a FWP objective to develop an in-house modelling capability (including internal and external training and development of relevant staff and the development of our suite of available power system/market Plexos models).

Along with our work to build capability in this area internally, we have worked in collaboration with SONI and DfE to develop and analyse a suite of models and sensitivities. These models and sensitivities have been designed to generate insights into the impact of different factors on delivery of 2030 emissions and renewable targets under the Climate Change Act.

Multi-year plan - long duration energy storage (LDES) incentivisation

We have undertaken a number of activities during the 2024-25 business year with a view to implementing assessment and incentivisation processes for flexible resources, including LDES, in line with DfE policy positions once these have been determined.

We have engaged with key stakeholders to develop a common understanding on the appropriate approach to flexibility needs in general, and LDES in particular. We have provided a suite of advisory materials to DfE to inform their policy development in this area via their Smart Systems and Flexibility Plan work. We have engaged with CRU and EirGrid to develop an understanding of in-flight designs for LDES incentivisation in Ireland with a view to assessing any Northern Ireland implications via the all-island SEM arrangements and considering Northern Ireland arrangements in the same area over the coming years.

We have carried out an initial assessment of newly adopted European Union (EU) legislation, which requires the development of a Flexibility Needs Assessment in line with the European Network of Transmission System Operators for Electricity (ENTSO-E) methodology, which is currently in draft form pending approval. This Flexibility Needs Assessment, to be carried out between mid-2025 and mid-2026, will lead to the determination of a national non-fossil flexibility objective.

System non-synchronous penetration (SNSP) % - non-synchronous generation

The TSOs continue to operate the All-Island Transmission System with high levels of SNSP, comprised mainly of wind, solar and high voltage direct current interconnection.

The move to 75% SNSP became formal operational policy in March 2022, and it is anticipated that trials for 80% SNSP will be finalised in 2025.

DESIRED OUTCOME

Supporting the delivery of Northern Ireland's Climate Change Act Sectoral Plans and Carbon Budgets.

ACHIEVEMENTS AND WORK UNDERTAKEN

Delivery of low carbon inertia services (LCIS)

As we move towards our net zero ambitions this requires the TSOs to make significant, and rapid changes, to the all-island transmission system to accommodate continued growth in variable non-synchronous renewable generation.

The TSOs have provided a plan out to 2035 which details the new innovative solutions and technologies required to achieve these ambitions.

These include programmes such as LCIS, Energy Storage (i.e. battery storage, LDES, Demand Response, Network Flexibility Technologies and Grid-Forming Technology.

LCIS is used to absorb or produce reactive power on the electricity grid to provide inertia (or a steady frequency) and thereby ensure security of supply. The context for requiring LCIS is an increasing amount of renewable and non-synchronous generation in Ireland and Northern Ireland, which poses challenges to electricity system stability.

In line with government targets to reach a 80% share of electricity generation capacity coming from renewable sources by 2030 in Ireland and Northern Ireland, the TSOs have completed LCIS Phase 1 Procurement. The SEM Committee (SEMC) set a target to procure 10,000 MVAs of LCIS in both jurisdictions and the TSOs successfully contracted 10,963 MVA.s in total, equating to approximately 45% of the system's current inertia floor requirements. The success of the LCIS procurement will allow the Regulatory Authorities and TSOs to further decarbonise the electricity system, support increasing renewable and low carbon generation, and ensure security of supply.

Water PC21 Mid-Term Review

We published our NIW PC21 MTR Final Determination in September 2024. Our MTR findings form the basis for our ongoing cost and performance reporting of NIW's performance during the remainder of PC21, through our established Annual Information Return and Cost and Performance Report processes. Our MTR sets out various targets[2] relating to greenhouse gas emission savings and renewable energy (for example, power derived from renewable sources) and sustainable solutions (for example, number of sustainable wastewater treatment works solutions). We also monitor against NIW's progress in developing its capability for the long-term development of the services through development outputs, many of which are relating to environmental and sustainable outcomes.

We will publish a combined Cost and Performance Report for the years 2023 and 2024 in quarter 2 2025. We also report biannually to DfI on our associated Long Term Water Strategy (LTWS) aim of 'Set targets for incentivising NIW to increase the percentage of renewable energy generated by use of its own assets and lands and contribute to achieving the Northern Ireland Executive's greenhouse gas emissions reduction target'. We are currently updating our report for return to DfI. We are also developing our approach to the next price control and have set up working groups on environmental quality to inform the approach.

NIEN RP7

In October 2024, we published our RP7 final determination and associated licence modifications, which is our seventh regulatory price control for NIEN. It will run from April 2025 to March 2031. It sets out the investment journey that will pave the way for an improved electricity system in Northern Ireland. This is a long-term investment journey. Work began in the latter stages of RP6 price control and will continue during future price controls, including RP8 and RP9, they will all play their roles in this journey towards net zero and meeting government targets.

Our decisions in the RP7 Final Determination set out how much money NIEN has to run its business; deliver a smarter, more flexible and integrated electricity system; maintain the security of the electricity network; and build new infrastructure, to ensure that electricity gets to where homes, businesses and transport need it.

We are very aware that this significant infrastructure upgrade will come at a cost to Northern Ireland electricity consumers. Protecting consumers is at the heart of our work, we therefore, fully scrutinised NIEN's costs to ensure they were efficient, and that every pound of investment we approved represented value for money for today and tomorrow's electricity consumers. Following this scrutiny, we identified £322 million in savings, which is a 12.6% reduction, in the total amount requested in NIEN's Business Plan.

2. UR PC21 MTR Final Determination 01.00 Final.pdf

Power NI Price Control

In April 2024 we published our Final Determination for Power NI's next supply price control for 2026-29. The Final Determination outlines our decisions on the scope, duration, operating costs allowance and profit margin for the Power NI Supply Price Control, which will commence in April 2025.

Gas price controls (GD23 and GT22)

As part of our gas network price controls (GD23 and GT22) we provided further allowances in 2024-25 to support gas networks preparation for decarbonisation in line with DfE's Energy Strategy. This includes preparing for biomethane injection into the gas networks and also supporting TSOs augmentation of the current Gas Capacity Statement.

We have also held price control training and information sharing workshops with DfE to clarify and explain potential issues affecting future gas network price controls which may link to DfE's energy strategy and to understand how DfE's work may affect future price controls. This work will feed into a call for information which was published in June 2025 on future network gas price controls.

Dispatch down

We have been tracking the extent of renewable generation which is not being utilised due to network constraints and have taken part in SONI's Dispatch Down working group which resulted in SONI's Dispatch Down Action Plan. We will continue this work as we embark on scoping out a firm access review in the 2025-26 year. We shared the Northern Ireland's experience at a wind energy conference in Athens in March 2025 and gathered information on how other countries are dealing with growing levels of unused renewable generation.

NIRO

We worked with DfE and Ofgem to ensure the smooth running of the NIRO during the year. We worked with DfE to evaluate any implications for the NIRO of the government's Fixed Price Certificate regime proposals as these emerged during the year. We also updated the data sharing agreements between ourselves and Ofgem and are currently also reviewing the Agency Services Agreement that governs how Ofgem administer the NIRO on behalf of UR with a view to extending the current run off period, if Ofgem or UR were to terminate the arrangement.

NISEP

We undertook work to either complete an assessment with DfE on a successor programme for NISEP, or to work towards the extension of NISEP as needed. Work in DfE on a successor programme for NISEP is ongoing. Therefore, to ensure that there is no gap in the provision of energy efficiency schemes and provision for Northern Ireland's consumers, UR has focused in 2024-25 on facilitating an extension of NISEP.

We decided to extend the NISEP for two years until the end of March 2027. This was announced in April 2024 following which work commenced on the Framework Document for NISEP which would apply during the extension period. A revised Framework Document was published on our website in October 2024, and this will apply from April 2025-27 for the two-year duration of the programme. NISEP primary bidders were subsequently invited to make submissions to the scheme. These were evaluated by the scheme administrator, Energy Savings Trust, and decided by UR. The new 2025-27 programme commenced as planned on 1 April 2025.

Alongside this work we continued to ensure the delivery of all NISEP schemes in 2024-25. Measures installed under NISEP will improve the warmth and comfort of homes, deliver lower energy bills and reduce carbon emissions.

We have also facilitated the injection of £2.5 million worth of funding for NISEP by DfE in 2024-25. This additional funding will result in a range of energy efficiency measures (insulation measures) being installed in approximately 1,000 low-income households. This followed a £1 million injection which NISEP facilitated in 2023-24 which provided insulation measures to c500 homes.

DESIRED OUTCOME

Just Transition principles are inbuilt within our analysis and decision making.

ACHIEVEMENTS AND WORK UNDERTAKEN

Just Transition

We have completed our benchmarking exercise of 'Just Transition' activities in other jurisdictions. This benchmarking exercise analyses the differing jurisdictional and regulatory approaches to the Just Transition being undertaken in Northern Ireland's neighbouring jurisdictions of GB (including the approaches being developed by the devolved administrations for both Scotland and Wales) and Ireland. For further comparison the report also considers the approach being undertaken in New Zealand due to its similar emissions profile to Northern Ireland. This work is being used to define learning points for UR. These learning points will be used to help shape future work to deliver against this corporate objective.

We are developing a deliberative research programme which will conclude in quarter 2 2025-26. This research will allow us to engage with consumers to help establish important dialogue around what they understand the 'Just Transition' to mean in the context of decarbonising energy in Northern Ireland. This engagement will play an important role in helping UR develop our work in line with both our statutory requirements and the expectations of our stakeholders (including consumers).

DESIRED OUTCOME

Work with Ireland's Commission for the Regulation of Utilities, through the Single Electricity Market, to help deliver all-island net zero goals.

ACHIEVEMENTS AND WORK UNDERTAKEN

Strategic Markets Programme - Reintegration of SEM into the Internal Energy Market, Balancing Market Reform, and SEM-GB arrangements

The Strategic Markets Programme is a substantial, multi-year programme of work to deliver new cross border treatments at the SEM-France and SEM-GB borders, to facilitate the entry into operation of the 'Celtic Interconnector' and post Brexit trading arrangements respectively. It also includes significant updates to the SEM balancing market arrangements targeted at facilitation of renewables and the flexible resources (e.g. storage and demand response) needed to enable their effective utilisation.

During the 2024-25 business year, we processed the initial funding request for this programme resulting in approval of 50% of the anticipated project spend (circa €63.5 million on an all-island basis). We have also progressed initial designs in a number of areas including: rulesets and processes for dispatchable consumption, energy storage, cross border balancing, interconnector capacity calculation, re-coupling with EU via Single Day Ahead Coupling, introduction of Single Intraday Coupling, long term transmission rights etc. We have also worked to identify a number of potential external dependencies and compliance considerations which will be worked through in parallel e.g. compliance with the Electricity Balancing Guideline and interaction with other changes to market design stemming from EU regulations.

Along with works associated with various design activities, we have also been engaged with the TSOs in a replanning exercise, to account for changes in timing and scope due to a variety of factors. This will culminate in the production of a new set of planning and design materials, and the processing of a second and final funding request to take the programme through to delivery. We have also begun to interact with relevant EU implementation groups on the Core region processes for cross border capacity calculation etc.

Scheduling and Dispatch programme – clean energy package and update on programme

EirGrid and SONI are progressing the Scheduling and Dispatch Programme which is a programme of works developed by the TSOs. It proposes six initiatives aiming to enhance the Scheduling and Dispatch approach for intermittent renewable generation and energy storage, and to introduce approaches for non-priority dispatch renewables, synchronous condensers, fast frequency response and reserve service providers.

Across 2024-25 a consultation was published in relation to the wind / solar dispatchability improvements pertaining to the definitions of curtailment, constraint and energy balancing as well as a modification to the Trading and Settlement Code approved for the Energy Storage Power Station initiative. Work continues to progress in this programme and the programme is expected to conclude in October 2025.
The Clean Energy Package compliance plan work commenced during 2024, with initial engagement taking place with the TSOs. Work to be further progressed in 2025 includes a review of priority dispatch and the implementation of a redispatch priority dispatch hierarchy.

Future Arrangements for System Services (FASS) – project update and TSO operational changes to develop markets to integrate low carbon sources

The Electricity Balancing Guidelines and the Clean Energy Package put in place requirements to procure ancillary services through market-based methods on a short-term basis, to the extent possible and in the most economic manner possible.

The move from a tariff model to a competitive based market approach will include a Day Ahead System Services Auction (DASSA), a secondary market, layered procurement framework and other associated mechanisms in development and subject to industry consultation.

Throughout the year the market design phase progressed pertaining to the DASSA, layered procurement framework and fixed contract framework, with the publication of the DASSA Auction Design. Work also progressed in relation to the governance arrangements, with the SEMC decision on the FASS supplier charge, volume forecast methodology and the TSOs publication of their first plain English version of the proposed System Services Code.

Work will continue through 2025 with the consultations expected on the non-reserve system services products, the parameters and scalars consultation and a SEMC decision on the transitional arrangements, the period between April 2026 when the current system service tariff arrangements are expected to conclude and the DASSA go live date (i.e. the 'gap').

STRATEGIC OBJECTIVE 2: SECURING OUR ENERGY SUPPLY, AND WATER AND WASTEWATER SERVICES

DESIRED OUTCOME

The energy infrastructure and the market facilitate reliable energy supplies to homes and businesses.

ACHIEVEMENTS AND WORK UNDERTAKEN

Security of supply

In Winter 2024-25, Northern Ireland was in a situation with the loss of generation at Ballylumford power station following damage, caused by Storm Darragh. Since that occurred in December 2024, we worked extensively with SONI and DfE to protect security of supply during the crucial 2024-25 winter period. We engaged with key stakeholders to identify mitigations and supported SONI in actions needed to manage the system. We worked with SONI in the development of an addendum to their winter outlook, to reflect the revised position.

New generation licences

Throughout the past year, we have supported applications for new generation licences, for a range of existing and new technologies. We have assisted applicants and have sought to provide improvements to the process to make this an easier more user-friendly experience for the applicants. We currently have four licence applications under review, including for hybrid technologies and multiple sites. We are also working to consider potential applications for onshore and offshore generation. We continue to facilitate the SEM Oversight Committee for New Awarded Capacity.

In March 2025, UR approved the Northern Ireland element of the all-island National Resource Adequacy Assessment (NRAA), previously the Generation Capacity Statement, setting out the forecast demand and supply position for 2025-34. This followed extensive engagement through 2024-25 with the Transmission System Operations, Eirgrid and SONI (the producers of the NRAA), and the CRU. The NRAA for 2025-34 was based on a new methodology and as part of the process, both UR and CRU reviewed that, along with key inputs and assumptions. The process for the 2026-35 NRAA has now commenced and that will bring an additional change, in the form of Economic Viability Assessments being considered as part of the process.

Capacity Renumeration Mechanism (CRM) Operations – Auctions T-1 2024-25 and T-4 2028-29

A total of 785 MW of de-rated capacity was offered into the T-1 auction, all 785 MW was successful. 753 MW was existing capacity and 32 MW was new. The average price of awarded capacity was €148,287 €/MW per year or £128,728 £/MW per year, this led to a total cost of €116 million for the auction. Taking into account previous auctions, the total capacity procured for 2024-25 to 8642 MW, 725 MW more than 2023-24.

A total of 6279 MW of de-rated capacity was offered into the T-4 auction, 5942 MW of that was successful. 5336 MW was existing capacity, while 606 MW was new. The Auction Clearing Price was €160,577 €/MW per year or £144,888 £/MW per year, this led to a total cost of €954 million for the auction. Taking into account previous auctions, the total capacity procured for 2028-29 is now 9,564 MW, 177 MW more than 2027-28.

Gas capacity arrangements

We completed the review of gas capacity arrangements at exit and published our decision in November 2024. We continue to consider what mitigations may be available to protect consumers from any distortions caused by how the gas capacity arrangements align with the SEM.

Further changes by the Gas Market Operator (GMO NI) have included work commencing to the Virtual Reverse Flow arrangements which will prepare for virtual biomethane flows between Northern Ireland and GB. We have also approved some amendments to the Transportation Agreement which sets out arrangements for the gas pipeline between Moffat and Twynholm.

We worked closely with GNI (UK) as it undertook a large gas transmission connection in the North-West of Northern Ireland, to ensure that the timing requirements of the customer were met.

DESIRED OUTCOME

Greater physical market interconnection with GB and Ireland.

ACHIEVEMENTS AND WORK UNDERTAKEN

Interconnection through grant of licenses

Interconnectors can help to resolve the energy trilemma as they have the ability to increase security of supply, facilitate the transition to a low carbon future and create price arbitrage. In the last year, we granted an electricity transmission licence for the LirIC interconnector.

LirIC is a proposed 700MW interconnection project between Northern Ireland and Scotland. It was determined that we would progress the grant of an electricity transmission licence via a pragmatic two-step approach, with step one concluding upon the licence grant without any regulated operational revenue regime conditions. As Northern Ireland does not have any potential regulated operational revenue regime, this would be the subject of consultation and a cost benefit analysis.

Step 2 commenced in early 2025, with consideration for the timelines for TSO certification and in progressing the assessment of any cost benefit analysis for future regulated revenue regimes. We will work closely with DfE in relation to Step 2.

DESIRED OUTCOME

Efficient and resilient operation of electricity, gas and water companies in Northern Ireland.

ACHIEVEMENTS AND WORK UNDERTAKEN

CRM Development – Intermediate Length Contracts and Early Delivery Incentives

SEMC introduced Intermediate Length Contracts in 2024, this was to reduce the risk of investment for existing capacity by allowing them to recover investment costs over a multi-year contract up to five years. This was to address the increasing forced outage rates and capacity shortages in the SEM. Intermediate Length Contracts are also expected to have environmental benefits, extending the life of existing Combined Cycle Gas Turbines (CCGT) should help to avoid locking in new fossil fuel units in future years.
Early Delivery Incentives were also introduced in 2024. These incentives were primarily brought in to address the capacity margin deficit following a failure to meet capacity requirements in the T-4 2027-28 auction. These incentives should encourage projects who receive contracts in the 2028-29 auction to deliver early in order to meet the deficit.

PC21 Mid-Term Review

We published our MTR for NIW's PC21 in September 2024. This allowed for water and sewerage service improvements required to meet consumers' needs, including water supply resilience, in line with the Social and Environmental Guidance priorities for the period. This was supported by the requirements identified by stakeholders (including the Quality Regulators and Living with Water) and the longer-term policy aims set out in the Long-Term Water Strategy.

NIW undertakes a Water Resource and Supply Resilience (WR and SR) Planning process every six years to establish the interventions required to meet its Supply Demand Balance and Resilience needs in the short, medium and longer term. We sit on the WR and SRP steering group and have been inputting into the latest review process during 2024-25. Our work on price control outputs and participation in the WR and SRP process helps ensure the water Supply Demand Balance in Northern Ireland is maintained.

We are also reviewing our next price control approach (PC28) to secure water and wastewater services and have set up a working group on Water Social Policy to support this.

Gas price controls (GT27 and GD29)

In June 2025, we published a call for information to help inform our future gas network price controls (GT27 and GD29). In doing so we want to ensure our price controls take account of issues such as how the price controls can support the coordination between sectors (gas and electricity) and vectors so as to reflect changing and integrated use of energy and energy infrastructure in Northern Ireland.

Gas capacity

Over the past two years, we have worked with the gas network operators to prepare for changes in how gas capacity is required. As gas-fired power stations must now react flexibly to the intermittency of renewable generation, we approved a network code modification for the Entry Point Switching Agreement, so that gas flow could be quickly directed through the South-North Pipeline at times of congestion.

Storm Darragh in December 2024 closed Ballylumford Power Station and substantially changed how gas was required for the other power stations. The new Agreement was used to re-route the gas and ensure that customers and power stations continued to be supplied with the gas they needed.

In October 2024, we held our annual Winter Preparedness Event, which brought together representatives from electricity, gas and water network operators to discuss the challenges facing Northern Ireland's utilities in the winter and the preparations being made to ensure continuity of supply. Related to that, we reviewed the gas network operators' Northern Ireland Gas Capacity Statement, which provided an assessment of the ability of the gas network to deliver gas over number of scenarios in the next 10 years.

As noted above, the gas TSOs produce an annual document – the Northern Ireland Gas Capacity Statement (NIGCS) which includes a 10-year forecast of anticipated natural gas demand. Gas demand has grown. In addition, there is an increased reliance on natural gas in the wider energy transition, as a back up to the increasing penetration of renewable energy (e.g. when wind availability is low).

Potential for new dispatchable power stations in Northern Ireland need to be factored into the gas TSO analysis as does the future supply of new renewable gases, including biomethane and hydrogen from electrolysis. In this context the gas TSOs and SONI will need to take an integrated 'whole energy system' approach to planning the gas and electricity networks and work collaboratively to look ahead longer than 10 years (out to 2050).

We have supported a proposal from the gas TSOs to develop an enhanced gas planning framework and collaborative work with SONI to deliver an agreed set of common assumptions, forecasts and scenarios designed to support optimal delivery of the energy strategy. Over time, UR would like to see a common gas/electricity 'Energy Scenarios' produced collaboratively by SONI and the gas TSOs.

STRATEGIC OBJECTIVE 3: ENABLING BEST IN CLASS ENERGY AND WATER COMPANIES

DESIRED OUTCOME

Northern Ireland energy and water companies compare to the best.

ACHIEVEMENTS AND WORK UNDERTAKEN

PC21 MTR

Our PC21 MTR Final Determination was published in September 2024. It allowed an additional £54 million operating expenditure and a capital allowance of c£2.4 billion (in nominal prices). This followed an assessment of costs, including benchmarking, to ensure that NIW operates an efficient business and deliver water and sewerage services to meet consumers' needs. The inclusion of associated PC21 efficiency and output targets which we report on is intended to deliver the improvements needed to move NIW towards best in class.

We are also due to provide our biannual update to DfI as part of its LTWS action reporting request. This relates to our actions to 'Put in place an effective system of benchmarking NIW's performance against other utilities' and 'Continue to regulate NIW to improve operational efficiency and close efficiency gap with water and sewerage companies in the UK'. We are also in the process of requesting the introduction of Overall Standards of Service (OSS) for NIW from DfI, having engaged with stakeholders.

We also undertook work to approve NIW's tariffs for 2025-26 - these were approved in February 2025. We are also reviewing our approach to our next price control (PC28) to support efficient outcomes for consumers.

Gas price controls

We set up gas distribution and gas transmission price control working groups with gas network companies to support early and effective engagement to inform our next gas network price controls: GT27 and GD29.

We published a call for evidence in June 2025 so we can take account of the issues which may affect consumers as part of our future price controls.

We also approved tariffs in 2024-25 for the gas distribution networks and reviewed those for transmission network companies. We also developed new gas network distribution reporting guidance for the GD23 period and continue to monitor gas network price control performance.

St. Helena

We developed a training opportunity and shared our regulatory knowledge and expertise in assisting the Utilities Regulatory Authority of St Helena, a British overseas territory in the South Atlantic Ocean, to review and develop a regulation programme, which will include increasing their use of renewable generation.

We attend a number of regular meetings to share knowledge with stakeholders and discuss the progress of strategic and operational projects, such as the gas Shipper Forum, the electricity Grid Code Forum and the electricity Central Design Authority. We lead on the Gas Market Operator Group and the Gas Metering Solutions Group.

Retail Energy Market Monitoring

We publish quarterly and annual retail energy market monitoring reports. These contain relevant information for the gas and electricity markets in Northern Ireland. It includes quarterly data on connections, consumption and switches and semesterly (every six months) data on prices. It also includes price comparison with UK, Ireland, and the EU 15 countries. These reports are based on consistent and high-quality returns from relevant companies and create increased transparency of retail energy market information.

DESIRED OUTCOME

Enabling long-term, value for money investment that benefits consumers and drives innovation.

ACHIEVEMENTS AND WORK UNDERTAKEN

Electricity transmission investment

We approved the principle of anticipatory investment as part of the cluster methodology for both NIEN and SONI. By allowing the network operators to invest ahead of need, we anticipate this will improve access to the electricity network. We approved SONI's Ten Year Network Development Plan, which sets out the plan for the development of the electricity transmission network over the next 10 years.

Gas transmission

We processed a number of licence modifications to the gas transmission operators regarding improving access for the Stranraer offtake as well as allowing a correction when the enduring charging methodology for the Haynestown offtake is agreed. We are working with the CRU to work through the options for that enduring charging methodology. We have recently held the five-year review of transmission tariff methodology to meet the requirements of the Tariff Network Code.

Landbank

We meet regularly with NIEN to ensure that the landbank land that it manages is maintained and made available for future generation needs.

Smart meters

We supported DfE as it prepared the high-level design for the smart meter roll-out, absorbing the lessons from other regions and listening to the views of stakeholders. In the associated consultation in late 2024, DfE proposed that UR would have an oversight role. With that in mind, we recruited a Smart Meter Manager and have begun discussions on the governance arrangements and began to prepare for the roll-out.

We commissioned and published research on the consumer experience of smart meter rollouts in GB and Ireland. The purpose was to understand the lessons learned from these rollouts, explore the impacts on consumers, and to use this insight and recommendations to shape the delivery of the smart meter rollout to achieve the best results possible for Northern Ireland consumers.

DESIRED OUTCOME

Energy and water companies are fully compliant with their licence obligations.

ACHIEVEMENTS AND WORK UNDERTAKEN

SEM Market Monitoring

The Market Monitoring Unit (MMU) also conduct targeted market inquiries in accordance with the MMU Inquiry Procedure Manual, which ensures a structured and fair process. These inquiries examine specific behaviours or outcomes that may signal non-compliance, inefficiency, or potential market power issues. Where warranted, issues are escalated to the regulatory authorities (UR or CRU) for further action. This framework helps uphold market integrity and drives continuous improvement in market participant behaviour.

The MMU produce and publish comprehensive wholesale market metrics on both a weekly and monthly basis. These reports provide valuable insights into market performance, pricing trends, generation and demand dynamics, and potential anomalies. This information is regularly submitted to the SEMC and made available to industry participants to support informed decision-making and enhance market transparency.

Compliance monitoring and reporting

During 2024-25, we developed and published our new approach to compliance monitoring and reporting. This new approach delivers an enhanced, proportionate, consistent and effective licence compliance framework across all licence types and licence holders. This approach includes both routine compliance and annual compliance monitoring.

We held an external stakeholder information session in November 2024 to provide information and clarity on the new process and ensure licensees were fully briefed on all aspects of the new requirements. A key element of the new compliance approach is the annual assurance process known as the Statement of Licence Compliance. This requires all licenses to confirm annually their compliance status in relation to all conditions of their licence. For the 2024 reporting year, we have had a 100% compliance return rate of Statement of Licence Compliance submissions. Our first external report providing insight into UR compliance monitoring will be published in quarter 3 2025-26.

We closely monitor the customer service performance of energy licensees in respect of their domestic customers. This helps us to respond to any market issues in a timely fashion and also monitor the metrics to have an evidence base for market interventions. Going forward we hope to publish infographics and trend data on customer service performance across suppliers.

We expect regulated companies to comply with their licence conditions and/or the applicable legislation and we have undertaken a range of enforcement activities over the year. The aim of our enforcement work is to protect the interests of consumers and ensure that regulated companies comply with their obligations. If we are satisfied that a company is breaching, has breached or is likely to breach a relevant condition or requirement, we have a number of powers to take enforcement action. We carry out this work in accordance with our Enforcement Policy Approach and Procedure and we publish relevant information where applicable on our website.

In January 2025, we agreed an AR with an electricity supplier, Electric Ireland in relation to an issue that impacted a number of the company’s Pay-As-You-Go customers. In lieu of further enforcement action, the AR included a £50,000 donation to a local charity and a number of undertakings that the UR will monitor to ensure that Electric Ireland delivers upon these commitments.

Network connection offers

The network operators routinely seek derogations and time extensions, as allowed for in their licences, where they cannot comply within the timescales in a licence condition. In the 2024-25 year, we processed 180 requests for time extensions for connection offers, along with a number of other derogations. We track the number and length of extensions and continue to seek regular updates from the companies on their actions to minimise the need for such extensions.

We processed a derogation request from a small generator which wished to cease generation without the notice required in the Grid Code. Following analysis and consultation with the system operator, we agreed to a partial derogation.

We have monitored changes to EU network codes and ensured that the Northern Ireland network codes have been updated in a timely manner.

SONI

We continued to engage with SONI as they work towards the full implementation of Condition 42 of their TSO licence and agree a new model for engagement with EirGrid.

In February 2025, we issued a direction to SONI to facilitate revised compliance dates reflecting the fact that SONI were engaging productively on several matters relating to the implementation of Condition 42 and consequently, to allow the new SONI Board sufficient time to consider and make its decisions on matters relating to the implementation of Condition 42.

STRATEGIC OBJECTIVE 4: PROVIDING THE HIGHEST LEVEL OF CONSUMER SERVICE AND PROTECTION

DESIRED OUTCOME

Measurable improvement in customer service experience for consumers.

ACHIEVEMENTS AND WORK UNDERTAKEN

Affordability

During 2024-25, we conducted our fifth domestic insight tracker and the third non-domestic tracker research. These tracker surveys provide insight into consumer outcomes, awareness and behaviours in the Northern Ireland electricity and gas markets. Final reports have both been completed and will be published in June 2025.

For our debt and affordability workstream we established a roundtable working group comprising UR, gas and electricity suppliers and consumer representatives. Through this group we are working to enhance the current supplier approach to consumers facing energy hardship and to improve outcomes for this consumer base. UR has developed an evidence-based framework on effective written communications for suppliers to encourage consumers to engage with companies at an early stage to prevent debt.

We worked with gas and electricity suppliers to put in place extra support measures for consumers during the winter via the Northern Ireland Domestic Consumer and Small Business Energy Charters. The Domestic Consumer Energy Charter, in its third year, provides households with enhanced protections such as contributing to a hardship fund for households struggling with their bills and reducing the maximum debt repayment rate amount. For the first time, small business consumers benefited from additional support measures such as suppliers engaging with small business consumers in payment arrears to agree reasonable repayment plan options.

Vulnerable consumers

We implemented the Best Practice Framework new mandatory CoP for Consumers in Vulnerable Circumstances. The code introduced new protections and support for consumers in vulnerable circumstances and will provide consistency in the regulatory frameworks between distribution network companies and suppliers across electricity, gas and water. In addition, the new code will ensure that the support and protections offered to domestic consumers in Northern Ireland are consistent and adequately promoted. We are continuing to work on the implementation of a new Customer Care Register structure over three years of Customer Protection Programme 2024 (CPP) which has the long-term aim of implementing a single Customer Care Register across industry.

Non-domestic consumers

Our 'Review of the Regulation of the Non-Domestic Energy Retail Market' identified several areas where non-domestic consumers were being impacted adversely. This included, but was not limited to, areas such as tariff transparency and treatment of consumers in debt. We consulted on a range of options designed to mitigate these issues and improve the overall experience of non-domestic consumers in the energy market. The final decisions will be published in June 2025.

PC21 MTR

The PC21 MTR Final Determination, published in September 2024, updated PC21 consumer measures. As part of this, the Customer Measures/Satisfaction working group identified further amendments which could be introduced at the MTR to make the PC21 consumer measures more relevant to NIW and its customers to deliver improvements in the service delivered to consumers, and the consumer experience.

Our work to establish Overall Standard of Standards of Service for water consumers is also intended to improve consumer facing outcomes.

DESIRED OUTCOME

New regulatory frameworks are in place to protect consumers in the adoption and use of new technologies.

ACHIEVEMENTS AND WORK UNDERTAKEN

Biomethane

We continued to evolve the regulatory framework for biomethane during the year in cooperation with the gas network operators, working to an agreed timeline and program of work which we collectively review monthly to ensure focus on priority issues.

We approved a number of energy strategy funding requests from the gas networks operators during the year which will help to progress many of the issues in our joint project plan. At its January 2025 meeting, the UR Board approved work to evolve the regulatory framework at transmission level.

DESIRED OUTCOME

Increased data capabilities so that we can produce more evidence-based research to enable positive policy outcomes for current and future consumers.

ACHIEVEMENTS AND WORK UNDERTAKEN

Retail Energy Market Monitoring

During 2024-25, the REMM team have published new data including domestic gas prices and complaints. We improved data accessibility through including downloadable data tables that allow access to data supporting each figure across all REMM publications.

We are currently developing internal datasets and Power BI reports to automate the quality assurance and publication development process. This will allow us more flexibility to analyse the data we receive for both internal and external purposes. We have also carried out quality assurance across all historic REMM data, created internal insight papers and are actively working on new bespoke analysis for internal monitoring with the potential to publish in the future.

We are also working towards the modification of the provision of information licence condition across all relevant licences. The focus of this is greater transparency including publishing more relevant information that promotes the interests of consumers and reflects the expectations of stakeholders.

Biomethane

We supported DfE in the presentation of its CfE on biomethane production. The CfE sought information, data and views on a range of issues relating to the development of a sustainable biomethane sector in Northern Ireland. Following the close of the CfE, DfE is progressing a series of workstreams and we are assisting DfE on a number of these, such as the treatment of connection costs and gas quality issues.

We also reviewed, and in February 2025 approved, a request by Phoenix Energy to extend its licensed areas to facilitate the connection of biomethane production facilities adjacent to their licensed area. We have also largely completed drafting of a wider set of licence modifications to all the gas conveyance license to enhance the robustness of the licence arrangements for biomethane connections. We expect to publish a consultation on these modifications in 2025.

Connection charges

We liaised with stakeholders ahead of NIEN's revising the Standard Housing Charge as part of its Statement of Connection Charges. The Standard Housing Charge, which applies to housing developments with more than 12 houses, needed to be increased to reflect changes in cost of delivery. Stakeholders asked for more time to prepare for the increase, so we asked NIEN to implement it over two phases.

DESIRED OUTCOME

Increased reporting on consumer metrics which highlight the performance of energy and water companies.

ACHIEVEMENTS AND WORK UNDERTAKEN

Customer service

During 2024-25, we developed, consulted on and published our decisions in relation to new customer service measures. These measures place mandatory obligations on domestic gas and electricity suppliers, providing a safety net for all domestic customers through minimum customer service requirements in the form of a new mandatory Code of Practice on Customer Service which includes additional requirements for those customers in vulnerable circumstances.

In addition, we have implemented new licence conditions in relation to supplier's processes for setting fixed direct debits and processes for the return of customer credit. The licence modifications came into effect on 24 April 2025 and will mark a significant step forward in the customer service journey. The new measures will help to ensure that all domestic energy customers in Northern Ireland receive improved standards of customer service, particularly those in vulnerable circumstances, and are protected in their dealings with their energy supplier.

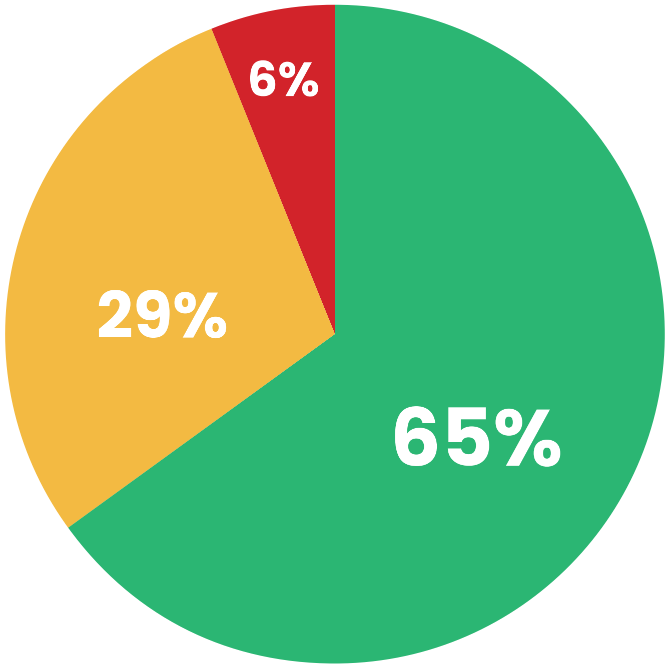
Gas transmission

In March 2025, we issued a notice to the gas TSOs to reforecast the gas transmission tariff, following our mid-year review which highlighted a significant over-recovery following a change to gas capacity bookings.

The TSOs, through GMO NI, have reduced the transmission tariff for the rest of the Gas Year to reduce the over-recovery by year-end. This is intended to ensure that the end consumer does not pay more than is necessary for the gas transmission network.

PERFORMANCE AGAINST FORWARD WORK PROGRAMME TARGETS

Overall UR achieved, or partially achieved, 94% of the projects listed to be completed within the 2024-25 year. Of the 31 projects identified, the progress report on 31 March 2025 was as follows:



* six of which are multiyear projects.

STRATEGIC OBJECTIVE 1: SUPPORTING THE JUST TRANSITION TO NET ZERO				
REF	PROJECT DESCRIPTION	SCOPE AND ANTICIPATED OUTCOME/S	Status (achieved, partially achieved or not achieved)	Explanation if partially achieved or not achieved
1	**Complete an assessment of any gaps in the policy/regulatory framework and evidence base needed to deliver net zero.**	During 2024-25 we will work with DfE to: • ensure that policy/regulatory action is optimal based on current information and resources; and • facilitate appropriate implementation of energy strategy and Climate Action Plans will help deliver net-zero in a way which is affordable for consumers and ensures security of supply.	**Achieved**	
2	**Work with DfE to facilitate the further development of NIRO policy and legislation and address NIRO compliance issues.**	We will work with DfE during 2024-25 to address outstanding audit recommendations and identifying learning for any successor scheme. We will work with DfE to facilitate the appropriate implementation in Northern Ireland of government's proposed Fixed Price Certificate regime.	**Achieved**	
3	**Complete assessment with DfE to allow decision to be made on a successor programme for, or the extension of, NISEP.**	Work with DfE on the development of any successor programme and/ or the extension of NISEP to facilitate the delivery of energy/carbon savings. Decision on NISEP extension completed and if extension is required consultation and framework document published to enable new programme from April 2025 onwards.	**Achieved**	
4	**Develop a policy framework with DfE for biomethane injection.**	In 2024-25, we will scope day two issues and agree timetable of work with the gas network operators. Will facilitate delivery of renewable gas in line with developing energy policy and emerging interest in biomethane injection. This will involve review of connections policy and potential code and licence modifications.	**Partially achieved (multi-year project. Estimated completion date: quarter 4 2025-26)**	Consultation on the licence modifications will be published in quarter 1 2025-26.
5	**Scope out with DfE the regulatory framework to facilitate offshore wind connections.**	In 2024-25, we will progress any actions identified for UR in the DfE Offshore Action Plan once finalised. Will facilitate offshore connection to contribute to government decarbonisation targets by reviewing the suitability of current regulatory arrangements.	**Achieved**	
6	**Benchmark other jurisdictional and regulatory approaches to a Just Transition to Decarbonisation to define learning points for UR.**	Will include defining options for further work that will progress a Just Transition in Northern Ireland and that can be facilitated by UR, including stakeholder engagement. Will help deliver net zero in a way which focuses on delivering a Just Transition.	**Achieved**	
7	**Develop system services markets to integrate low carbon sources.**	Work with TSOs to deliver detailed design of FASS arrangements and to progress procurement of low carbon interia services. Will meet our energy needs in a secure and efficient manner.	**Achieved**	
8	**Develop and implement modifications to the capacity market code.**	Will enhance the operational effectiveness of the CRM, including in relation to sending efficient investment signals, in the context of policy and legislative requirements.	**Achieved**	

STRATEGIC OBJECTIVE 2: SECURING OUR ENERGY SUPPLY, AND WATER AND WASTEWATER SERVICES				
REF	PROJECT DESCRIPTION	SCOPE AND ANTICIPATED OUTCOME/S	Status (achieved, partially achieved or not achieved)	Explanation if partially achieved or not achieved
1	**Work with SONI to develop a new NRAA and develop framework to transition from existing Generation Capacity Statement.**	Will facilitate delivery of net zero by putting in place a licence obligation leading to a digitalisation strategy for electricity networks in Northern Ireland that delivers access to information on network operation from NIEN and SONI.	**Achieved**	
2	**Commence a review of the approach to future network gas price control Regulation.**	Drawing on the learning from the GD23 and GT22 price control, and, in the context of government policy on net zero, to reviewing the future of gas price control regulation. In 2024-25 the project will initially scope out the implications of wider strategic developments to begin to provide clarity on the price control framework and process in preparation for the next GD29 and GT27 reviews.	**Partially achieved (estimated completion date: quarter 1 2025-26)**	Call for evidence published in June 2025.
3	**Develop an assessment in conjunction with DfE on the need for future interconnection.**	Scope requirements through horizon scanning on projects of strategic importance specifically focussing on interconnection and evidencing of the cost benefit for electricity consumers in Northern Ireland.	**Partially achieved (multi-year project. Estimated completion date: quarter 1 2025-26)**	UR issued a licence for the LirIC interconnector. Further work in relation to assessing whether an operational revenue regime will take place throughout 2025 in conjunction with DfE.

STRATEGIC OBJECTIVE 3: ENABLING BEST IN CLASS ENERGY AND WATER COMPANIES				
REF	PROJECT DESCRIPTION	SCOPE AND ANTICIPATED OUTCOME/S	Status (achieved, partially achieved or not achieved)	Explanation if partially achieved or not achieved
1	**Complete the electricity network (RP7) price control review.**	Will provide for long-term value for money investment in the electricity network, which benchmarks well with comparative network companies, facilitates innovation and supports the delivery of net zero.	**Achieved**	
2	**Complete the Power NI Price Control review.**	Ensures consumers receive an effective service from Power NI at the lowest possible cost.	**Partially achieved (Multi-year project. Estimated completion date: quarter 1 2025-26)**	A Draft Determination was published and a response received. The Final Determination was published in April 2025.
3	**Complete the SEM Operator Price Control review.**	Ensure that the company produce quality outputs at reasonable cost to consumers and has sufficient revenues to run its business.	**Partially Achieved (Multi-year project. Estimated completion date: quarter 2 2025-26)**	A Draft Determination was published. The Final Determination publication is delayed to quarter 2 2025.
4	**Progress the SONI Price Control 2025-30 review in line with project schedule.**	During 2024-25, publish approach to price control during quarter 1. Ensure that the company produces quality outputs at lowest cost to consumers, has sufficient revenues to run its business, and facilitates the delivery of net zero.	**Achieved**	A Draft Determination was published. The Final Determination publication is delayed to quarter 2 2025.
5	**Extend the SONI 2023-24 Price Control.**	Will conclude the extension to the current price control, to address outstanding SONI licence modifications. Ensure that the company produces quality outputs at lowest cost to consumers and has sufficient revenues to run its business.	**Partially achieved (estimated completion date: quarter 2 2025-26)**	A decision was issued in May 2025.
6	**Commence the PC28[3] Price Control.**	PC28 Approach confirmed and stakeholder engagement initiated to support the development of a regulatory framework that will allow NIW to compare to the best water companies. A call for evidence on the regulatory asset base and the level of depreciation will also be completed.	**Partially achieved (multi-year project. Estimated completion date: quarter 3 2025-26)**	UR Board agreed a one-year extension to price control in Autumn 2024. This was to allow NIW further time to develop its business plan and for UR to review the price control framework, in a complex environment.

3. Previously known as PC27.

STRATEGIC OBJECTIVE 3: ENABLING BEST IN CLASS ENERGY AND WATER COMPANIES				
REF	PROJECT DESCRIPTION	SCOPE AND ANTICIPATED OUTCOME/S	Status (achieved, partially achieved or not achieved)	Explanation if partially achieved or not achieved
7	**Commence a review of cost and performance reporting for network companies.**	This review is being initiated to support the ambition of best in class energy and water companies, by enhancing performance reporting to that improved comparative benchmarking, while also minimising regulatory burden, and ensures consistency and clarity.	**Not achieved**	This project was terminated due to higher priorities. It will now become part of our ongoing price control work.
8	**Complete the Mid-Term Review of PC21 Price Control.**	The efficient delivery of sustainable water services over the period 2021-27, which aligns with the Long-Term Water Strategy.	**Achieved**	A Draft Determination was published and a response received. The Final Determination was published in April 2025.
9	**Design and implement new licence compliance framework including the development of a new public compliance reporting regime.**	Develop and deliver a robust, consistent and proportionate licence compliance framework. Publish guidance document for licensees detailing the new approach. Design and implement an external reporting framework for licence compliance activities across all licensees.	**Partially achieved (estimated completion date: quarter 2 2025-26)**	All aspects of the compliance approach have been delivered with only the first external report publication outstanding. Development of external report design is in progress. The external report will be published in quarter 2 2025 following completion of the first annual Statement of Licence Compliance process which was undertaken in July 2025.
10	**Assist DfE in planning the roll-out of electricity smart meters.**	In 2024-25, we will progress any actions identified for UR in the DfE Energy Strategy Action Plan. Will ensure that the electricity smart meter roll-out is planned with consumers at the core, in terms of both consumer protection, empowerment and cost effectiveness.	**Achieved**	
11	**Outline the next steps in the review of electricity connections cost allocation.**	We will publish a next steps paper in 2024-25. Plan next steps for the appropriate allocation of costs that delivers the net zero targets at lowest cost and ensures that those who benefit from a connection pay an appropriate charge.	**Achieved**	

STRATEGIC OBJECTIVE 4: PROVIDING THE HIGHEST LEVEL OF CONSUMER SERVICE AND PROTECTION				
REF	PROJECT DESCRIPTION	SCOPE AND ANTICIPATED OUTCOME/S	Status (achieved, partially achieved or not achieved)	Explanation if partially achieved or not achieved
1	**Carry out a review and enhancement of the MMU monitoring tools.**	Increased ability to detect and prevent trading based on inside information and market manipulation. Enhance transparency of the SEM and ability of the unit to detect and observe trading patterns in the market. During 2024-25, we will define the outputs of the project and intend to fully develop and implement the enhancements to our operating tools. We will also introduce a greater level of automation to the process.	**Achieved**	
2	**Complete a review of monitoring of the retail electricity and gas markets.**	Development of an enhanced publicationof the Quarterly REMM and Annual REMM reports. During 2024-25, we will undertake a review of the metrics used in the reports. Following this review we will design an enhanced REMM report, with a view to including additional information that will improve transparency in the retail market. We intend to have this report published by quarter 4.	**Achieved**	
3	**Deliver our CPP for 2024-29.**	During 2024-25, we will complete those projects identified for year one of the programme. This will deliver positive impacts for both domestic and non-domestic consumers of electricity, gas and water, including those in vulnerable circumstances. This will be achieved by implementing a series of projects focusing on best practice.	**Partially Achieved (multi-year project. Estimated completion date: quarter 4 2025-26)**	There are 15 projects identified for development or completing in year one of the CPP with 13 of those projects complete or on track. The energy literacy project was delayed but it will be delivered within the three-year time frame. The Guaranteed Standards of Service project will be a priority project for finalising during 2025-26.
4	**Finalise Best Practice Framework project for electricity, gas and water.**	Implement final decisions in relation to the CoP on Consumers in Vulnerable Circumstances. Make final decisions on the critical care register.	**Achieved**	
5	**Work with DfE to scope out the regulatory framework for heat networks.**	Following any new powers to regulate heat networks, UR, along with DfE, will engage with stakeholders to consider priority areas for regulatory arrangements.	**Not achieved**	The project has been paused awaiting legislation on heat networks.
6	**Complete both non-domestic and domestic consumer insight tracker research and review areas for new research.**	This will deliver positive impacts for both domestic and non-domestic consumers of electricity and gas by establishing a firm and evolving evidence base on consumer needs, wants and understanding of the energy markets. This will enable UR to develop consumer-focused policies/projects that are evidence based.	**Achieved**	

OTHER ORGANISATIONAL PROJECTS				
REF	PROJECT DESCRIPTION	SCOPE AND ANTICIPATED OUTCOME/S	Status (achieved, partially achieved or not achieved)	Explanation if partially achieved or not achieved
1	**Develop an in-house modelling capability.**	Over the period we will develop an inhouse modelling team that will provide UR with an 'over the horizon' capability to forecast longer term market prices and assess the impact of different outcomes on the market. This facility will aide our work across a number of policy areas including market design, security of supply and energy strategy. During 2024-25, we will set up the unit, ensure that staff are trained in the use of various modelling tools such as PLEXOS, and are capable of undertaking independent modelling to support various roles within UR.	**Achieved**	
2	**Review our market and consumer data to enhance our evidence base and insights capability.**	Review the various market and consumer data banks we hold, with a view to establishing the optimal way forward for internal and external 'publication of data to: (i) assist informed utility policy debate; (ii) provide information to consumers and consumer representatives; (iii)inform internal regulatory discussions and decisions.	**Achieved**	
3	**Implement a programme to grow and develop the potential of staff to support UR's future.**	Scope and define options for improving UR's approach to learning and development, succession planning, growing internal talent and capabilities.	**Achieved**	

FUTURE PERFORMANCE

In 2023, UR put in place a new organisational structure. This organisational transformation allied to a Corporate Strategy covering the period 2024-29 (which was published in April 2024), 'Protecting Consumers on the way to Net Zero' which will make UR better equipped to meet the challenges of the future. Our FWP for 2025-26 has already been consulted on, published and identifies the non-routine work that we plan to progress in 2025-26, alongside our core business related work.

BUDGET POSITION AND AUTHORITY

The Budget Act (Northern Ireland) 2025, which received Royal Assent on 6 March 2025, together with the Northern Ireland Spring Supplementary Estimates 2024-25 which were agreed by the Assembly on 17 February 2025, provide the statutory authority for the Executive's final 2024-25 expenditure plans. The Budget Act (Northern Ireland) 2025 also provides a Vote on Account to authorise expenditure by departments and other bodies into the early months of the 2025-26 financial year.

BUDGETING FRAMEWORK

DoF is responsible for the management of the Northern Ireland budget process in line with a budgetary framework set by Treasury.

The total amount a department spends is referred to as the Total Managed Expenditure (TME); which is split into:

- Annually Managed Expenditure (AME)
- Departmental Expenditure Limit (DEL)

Treasury, and in turn DoF, do not set firm AME budgets. They are volatile or demand-led in a way that departments cannot control. DoF monitors AME forecasts closely and this facilitates reporting to DoF, which in turn report to Treasury.

As DEL budgets are controllable, Treasury sets firm limits for DEL budgets for Whitehall departments and devolved administrations at each spending review. The Northern Ireland Executive, based on advice from the Finance Minister, will in turn agree a local budget that will set DEL controls for Executive departments.

DEL budgets are classified into resource and capital:

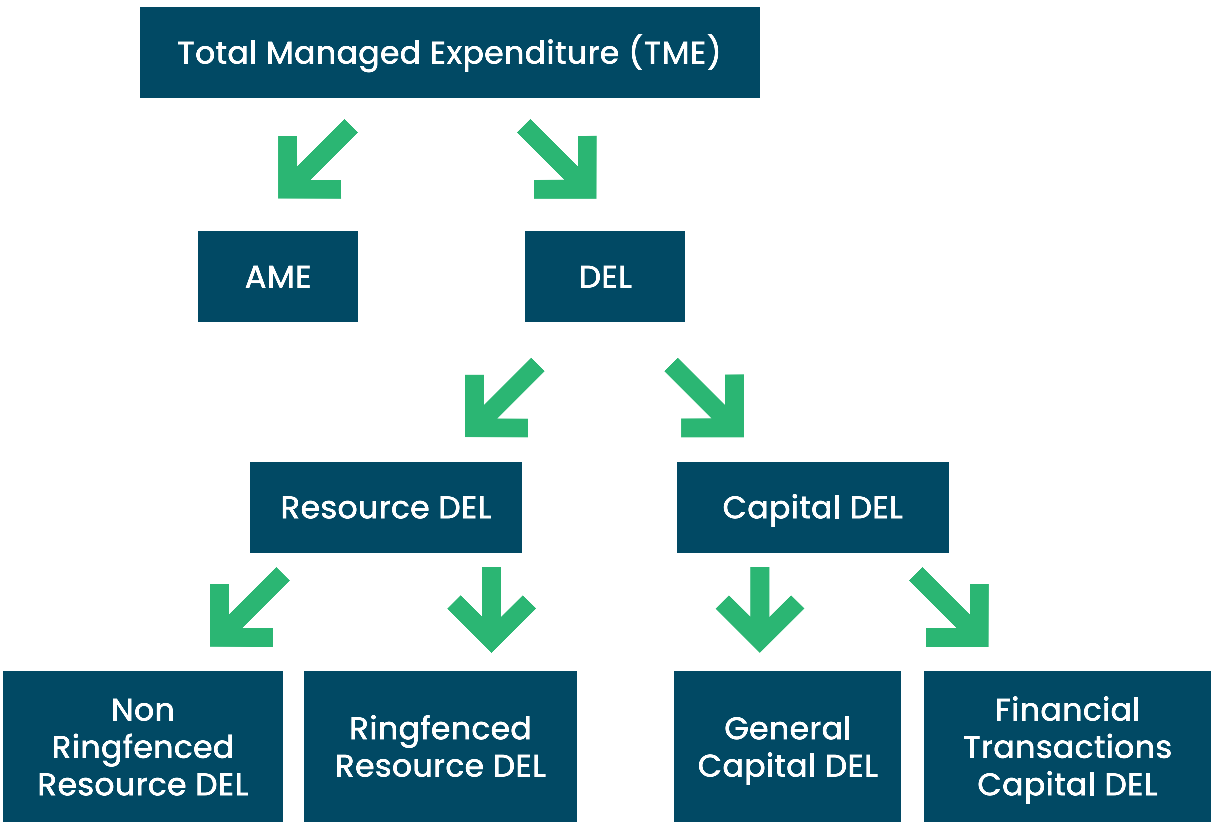
- Resource budgets are further split into non-ringfenced resource that pays for programme delivery and departmental running costs, and separately ringfenced resource that covers non-cash charges for depreciation and impairment of assets.

- Capital DEL is split into 'Financial Transactions Capital' which can only be used for loans or equity investments in private sector organisations; and 'general' capital for spending on the purchase and/or acquisition of assets.

Further detail on the budgeting framework can be found in the Consolidated Budgeting Guidance published by Treasury.

Consolidated budgeting guidance 2024 to 2025 - GOV.UK

BUDGET STRUCTURE



BUDGETARY PERFORMANCE

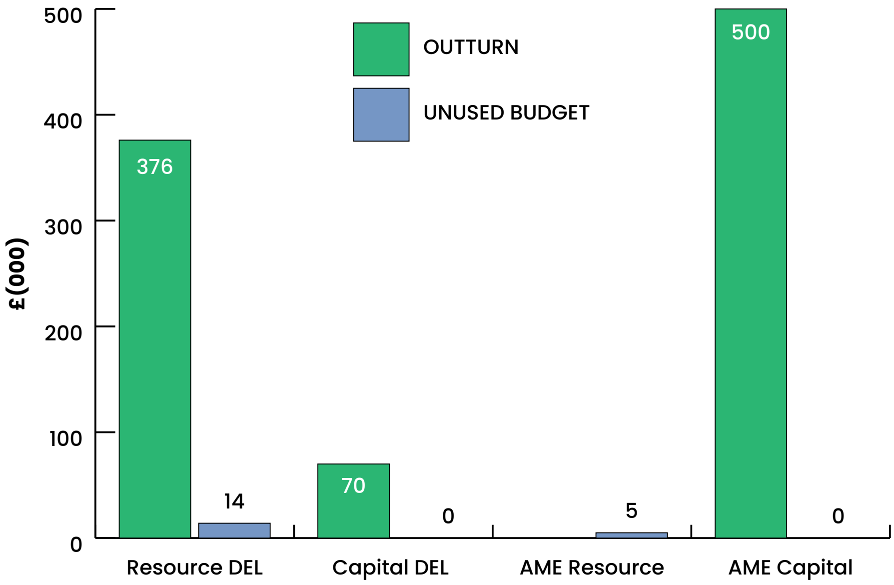
UR has DEL and AME budgets. As a non-ministerial government department, we are required to prepare a supply estimate each financial year to seek authority for the DEL budgetary control totals. UR is required to operate within the expenditure and income approved limits and related controls.

Details of UR's performance against budgetary control totals is set out in the table and chart below:

	Estimate 2024-25 £000	Provisional outturn 2024-25 £000	Underspend/ (overspend) £000
Resource DEL	**390**	**376**	**14**
Including non-ring-fenced	182	170	12
Ring-fenced D/I	208	206	2
Capital DEL	**70**	**70**	**-**
Including general capital	70	70	-
Total DEL	**460**	**446**	**14**
AME	**501**	**500**	**1**
including			
AME resource	1	-	1
AME capital	500	500	-
Total managed expenditure	**961**	**946**	**15**

The above table ties directly to the Statement of Assembly Supply (SOAS) as a key accountability statement which is audited.

UR Financial Performance 2024-25



The net resource outturn was £376k against an estimate of £390k, resulting in a saving against estimate of £14k. £12k was unused against the resource DEL non-ring-fenced allocation, £2k unused against the ring-fenced depreciation provision and £1k unused AME allocation.

UR is largely funded by annual licence fees paid by the electricity and gas licensees and water and sewerage undertakers, and expenditure is therefore primarily covered by receipts. Previously, receipts collected from the electricity and gas licence fees were paid directly into the Northern Ireland Consolidated Fund. However, UR has been allowed to retain these following HM Treasury direction, using powers under the 1920 Treasury Act and DfE nomination of UR (previously Director General of Electricity Supply and Director General of Gas) to collect receipts on its behalf. The licence issued by DfI to NIW in respect of water and sewerage services provides for licence fees under that licence to be paid to UR.

Licence fees are set annually by a determination made by UR – the income from electricity, gas and water and sewerage licence fees in 2024-25 was £15,755k. This is compared with £11,208k in 2023-24.

UR recovers and retains the cost of administering the NIRO scheme from a buy-out fund. This is funded by electricity suppliers that elect to meet their NIRO obligations by presenting ROCs, paying a buy-out fee or a combination of both. For 2024-25 suppliers were obligated to present ROCs or pay the buy-out fee of 0.184 per megawatt hour. In 2024-25, the total cost of administering the NIRO and recovered from the buy-out fund was £2,288k. This was compared to £1,669k in 2023-24.

For consistency with the allocation of costs, for the purposes of recovering them through licence fees, expenditure is reported with reference to the duties and objectives as set out in legislation, rather than those included within the Corporate Strategy. In 2024-25, gross expenditure, as detailed in the 'Statement of Operating Costs by Operating Segments', is as follows:

- Segment 1 (Electricity) - £12,998k (£9,309k in 2023-24)
- Segment 2 (Gas) - £4,282k (£3,507k in 2023-24)
- Segment 3 (Water) - £1,109k (£489k in 2023-24)

Our most significant cost is salaries, which in 2024-25 made up 66% of total costs (2023-24: 67%). The Statement of Comprehensive Net Expenditure shows that salary costs increased from the previous year (£9,061k for 2023-24 against £12,155k for 2024-25). This reflected additional staff to support the delivery of the Corporate Strategy, FWPs and annual pay awards paid during the year.

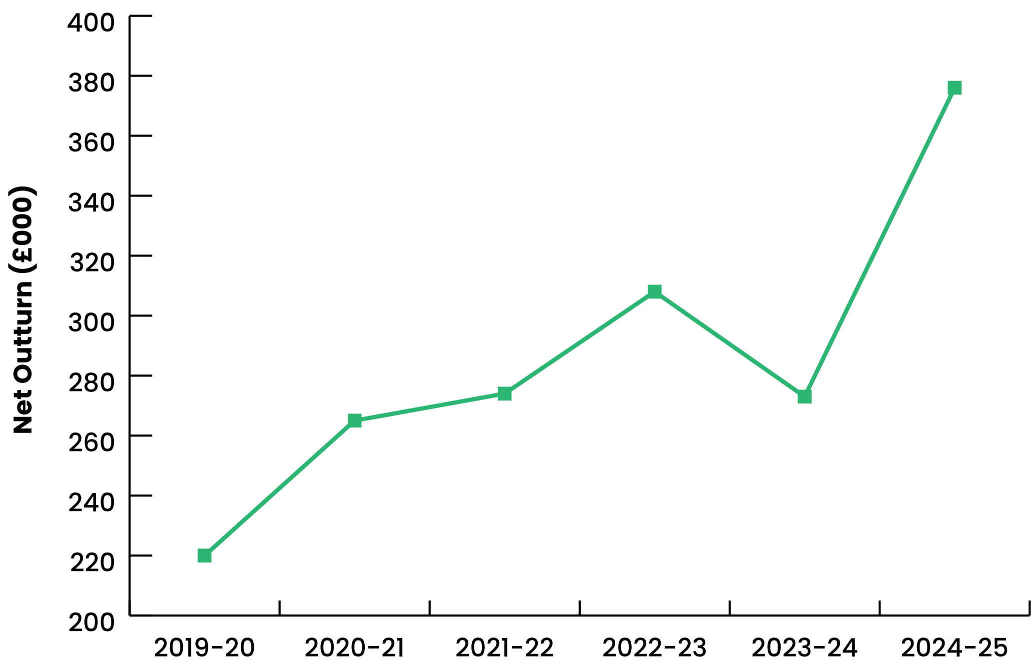
Other current expenditure has increased from £4,443k in 2023-24 to £6,500k in 2024-25.

LONG TERM EXPENDITURE TRENDS

The following table and chart illustrate the net and gross outturn position over the previous five financial years.

	Gross outturn £000	Income £000	Net outturn £000
2019-20	9,362	9,142	220
2020-21	9,826	9,561	265
2021-22	10,501	10,227	274
2022-23	10,627	10,319	308
2023-24	13,305	13,032	273
2024-25	18,389	18,013	376

UR Net Outturn Position



CAPITAL

The above table reflects resource expenditure and income only.

UR expenditure on capital in 2024-25 totalled £70k which mainly consisted of IT equipment and furniture and fittings. UR also received £500k AME capital cover in 2024-25 for dilapidation costs (International Financial Reporting Standards (IFRS) 16 lease provision) associated with the current lease of Queens House. In prior years, capital spend was minimal (between £3k and £20k) and covered routine office requirements only as almost all IT services are provided by the Government's IT Assist facility.

REPORTING AGAINST SUSTAINABILITY

THE NORTHERN IRELAND RENEWABLES SUPPORT SCHEME

We are responsible for running the NIRO scheme. 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 ROCs or paying into a buyout fund (or a combination of both). ROCs are issued directly to renewable generators.

Ofgem administers the NIRO Scheme on behalf of UR. Each year Ofgem publishes its Renewables Obligation Annual Report in March for the preceding financial year, and the Annual Report for 2023-24 was published in March 2025.

In the latest report published on 31 March 2025[4], it was reported that the NIRO Scheme supported 3.3 terawatt-hour (TWh) of renewable generation in the period 1 April 2023-31 March 2024. By the end of 2023-24, there were 23,763 NIRO-accredited generating stations with a capacity of 2,164 MW, and a total of 5.8m NIROCs were issued to accredited stations. A total of eight electricity suppliers in Northern Ireland were required to present a total of 1,329,926 ROCs or pay a buyout fee to meet their obligation.

During 2023-24, Ofgem's independent auditor carried out one targeted audit, 39 statistical audits and 80 microgenerator audits in Northern Ireland.

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 that contributes to the UK's energy efficiency target.

UR's Board has agreed to continue NISEP until March 2027, to enable any final decision regarding NISEP or any successor scheme to be consistent with the requirements of the next energy strategy for Northern Ireland.

4. Renewables Obligation (RO) Annual report scheme year 22

Investment in low carbon technology

£8.3 million
spent on NISEP schemes overall

488GWh
of total lifetime energy savings

36,182 tonnes
of lifetime carbon savings

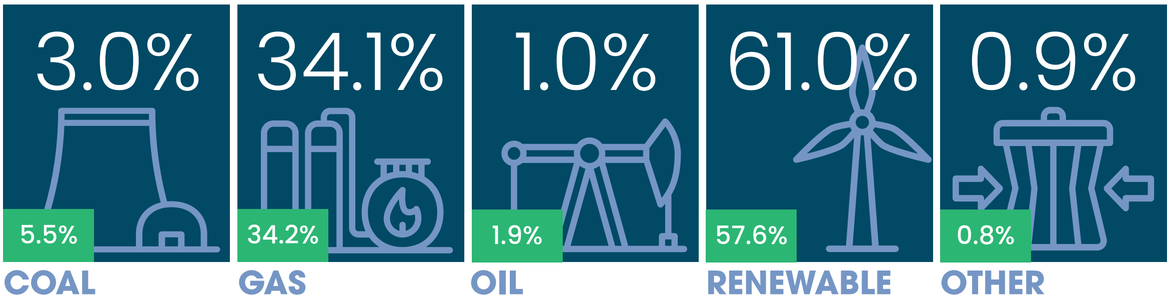
Over £16.3m
in lifetime consumer benefit savings

FUEL MIX DISCLOSURE

Electricity suppliers are required to specify in billing information and promotional materials the contribution of each energy source to the overall fuel mix of the supplier over the previous year. In addition, suppliers are required to provide information on the environmental impact of their electricity. We work with colleagues in the CRU and SEM Operator to ensure suppliers provide fuel mix information to their customers.

The fuel mix and CO2 emissions figures for Northern Ireland suppliers operating in the SEM were published in December 2024[5]. The key data is outlined below.

Fuel Mix Disclosure in 2023 (Box - 2022 figure for comparison)



OUR COMMITMENT TO SUSTAINABILITY

We are committed to taking steps to ensure that environmental sustainability plays an important part in how we carry out our work and operate as an organisation. UR has engaged specialist support to develop measurement techniques to allow us to monitor how we are improving the sustainability of our office, particularly in preparation for relocating to a new office in Summer 2025.

In 2023, we took part, for the first time, in the Business in The Community Northern Ireland Environmental Benchmarking Survey, and in November 2024 maintained green level accreditation. We are using this to draw on others' experience to take as much learning as is practically possible for us. We use shared Northern Ireland Civil Service (NICS) contracts for purchases and supplies which, for example, have allowed us to take our electricity supplies from renewable energy sources.

---

5. Fuel Mix Disclosure 2023 | Utility Regulator

OTHER MATTERS TO REPORT

EMPLOYEE INVOLVEMENT

UR recognises the benefit of keeping all employees regularly informed about progress towards achieving its aims and objectives. Consultation with staff on matters related to terms and conditions is through Trade Union representatives and wider staff engagement.

A Joint Negotiating and Consultative Committee (JNCC), established under a recognition agreement signed with the Northern Ireland Public Service Alliance, is the formal vehicle for the conduct of industrial relations in UR.

The Health and Safety Committee oversees measures to ensure the safe conduct of business for staff and visitors in the office and for staff working at home. The Committee comprises management and Trade Union representatives and meets quarterly to address both standing items of business (including any incidents or near misses) as well as ad hoc matters as they arise. Among the matters considered during 2024-25 has been the updating of display screen equipment assessment guidance in order to ensure that workstations in the office and at home comply with the latest requirements.

Staff engagement continues to be central to significant developments during 2024-25. During 2023, we started to draft our new Corporate Strategy and provided the opportunity for staff to contribute their views. We asked staff to identify priorities for our new strategy and these priorities are among those that made their way into the draft strategy. We held two more all-staff sessions on the draft strategy in 2024, before finalising and launching our Corporate Strategy 2024-29.

During the reporting period, we continued to work on our organisational values. We consulted with staff through a working group, followed by directorate sessions facilitated in April and June 2024. The new values were endorsed by our SLT and Board and then formally launched. During 2024-25, we also ran a number of sessions which focused on continuing to develop ideas and examples of how we can 'live' our values, and be seen to be doing so, from the top down, across the organisation. This included activities at an all-staff 'away day' in January 2025.

This year, we have been working on developing commitments under a series of 'charters': Management Charter, Staff Charter and Mentor Charter. We have engaged directly with line managers to facilitate their contribution to the formulation of the Management Charter, via our internal line management training, conducted in September 2024. We also asked staff to contribute to our charter development work during our all-staff away day in January 2025.

Finally, during the year we have continued to meet every Wednesday at our all-staff meeting to provide the latest news on recruitment, both in terms of new staff joining and lateral moves and other organisational updates. A dynamic organisational chart is published on our 'Shaping UR for the Future' section of the intranet and our fortnightly 'Five on Friday' all staff email and monthly external e-newsletter also provide regular updates on the latest news from across the organisation.

Overall, we have continued to keep our internal communications under review. In September 2024, our Communications Team undertook a stakeholder management scoping exercise to define the requirements for a stakeholder management system. We engaged an expert third party, who had expertise in this area, to assist in this process. We met with representatives from each of the directorates/functions to develop an understanding of how external stakeholder engagement is managed currently within each area. We also want to consider how we communicate internally on cross-cutting/corporate requirements to see whether the new system could help with this. We are now considering the best system for our future needs.

UR, as a member of Business in the Community, is committed to facilitating staff volunteering, which provides opportunities for staff to contribute their skills to, and receive development from, third-sector bodies.

During the period, we have continued to work with Give as You Earn to provide webinars and promotion to staff and have increased the take-up of staff donating through Payroll Giving, achieving our payroll Giving Gold Award.

We have achieved the Green Level in Business in the Community's Environmental Benchmarking Survey and we took our first steps towards attaining the Business in the Community Standard for Responsible Business.

Our Corporate Charity, Cancer Fund for Children, continues to be well supported by our staff. Staff have taken part in a number of volunteering opportunities with Cancer Fund for Children. We also continued to support the Welcome Organisation throughout the year, with donations of clothes, cash, food and toiletries.

Wellbeing continues to be a focus, and we continue to promote Kingsbridge Health plan and Benenden Healthcare to provide information to staff who might benefit from monthly membership. We continue to provide online training and support for staff wellbeing including support from our Mental Health First Aiders, our Employee Assistance Programme, Lena (formerly Inspire), and the Charity for Civil Servants. We have also provided a number of specialist support services for our staff through Lena.

We continue to work closely with Action Mental Health to deliver training for managers in how to support the mental health of their team members. We also continue to promote the Digital Wellbeing Charter and are working with Macmillan Cancer Care to provide training for managers and colleagues living with cancer. A Cancer Policy is currently being drafted.

Mental health has been included as a standing item on the JNCC agenda. We met with Mental Health First Aiders and Trade Union representatives in December 2024 to discuss the types of issues UR staff are facing, and how we can further work in partnership to support staff. We are also part of the UK Regulators Network mental health group and are exploring the Mindful Business Charter.

Following our reassessment under Investors in People (IiP), we retained 'Silver' level accreditation in February 2024. IiP/UR People work has continued and our IiP assessor joined our February 2025 Remuneration Committee to review our progress over the last 12 months. We received a positive report and have continued to work on our IiP activities, developing a new UR People Plan 2025-27 during the year, which we expect to launch to staff in July 2025.

We maintain a significant and ongoing focus on staff development, launching our Learning and Development Plan 2024-25, which is also developed through staff personal development plans via annual performance reviews. The Learning and Development Plan will incorporate staff learning and development to support our growing structure to meet our corporate objectives.

PAYMENT TO SUPPLIERS

UR is committed to the prompt payment of bills for goods and services received, in accordance with the Better Payment Practice Code. Unless otherwise stated in the contract, payment is due within 30 days of the receipt of the goods or services, or on presentation of a valid or undisputed invoice or similar demand, whichever is later. During the year, 100% (2023-24 98%) of undisputed invoices were paid within this standard.

In line with other NI departments, UR has aimed to promptly pay invoices within a 10-day target. In the past year, 85% (2023-24 76%) of invoices have been paid within 10 days.

EQUALITY SCHEME

UR has produced an equality scheme, as required by Schedule 9 of the Northern Ireland Act 1998 (the Act). Following a consultation in August 2023, UR published its Equality Scheme and Disability Action Plan for 2024-29. The Equality Scheme sets out how it proposes to fulfil the duties imposed on it by Section 75 of the Act. The scheme was approved by the Equality Commission and is available in either paper or electronic format. It will also be available on request in a variety of alternative formats.

John French
Accounting Officer
25 June 2025

ACCOUNTABILITY REPORT

CORPORATE GOVERNANCE REPORT

The purpose of the Corporate Governance Report is to explain the composition and organisation of UR's governance structures and outline how they support the achievement of our objectives.

DIRECTORS' REPORT

The Governance Statement on pages 78-90 sets out UR's governance, risk management and control arrangements. The main components of the governance arrangements in 2024-25 are stated below.

THE BOARD OF UR

The Board provides corporate leadership and directs UR's strategic planning. It assists the Chief Executive in meeting his corporate governance responsibilities as Accounting Officer.

At the end of 2024-25, the Board comprised six non-executive members and one executive member. Details of each of the members who served on the Board throughout the year are as follows:

- Dr William Emery (Chair) – appointed to the Board on 1 July 2012 for a period of five years, with a variation of appointment to 30 June 2018. Reappointment for a period of five years to 30 June 2023, which was extended to 30 September 2024, when his term of appointment on the Board concluded.
- Teresa Perchard (non-executive) – appointed to the Board on 1 September 2013 for a period of five years. Reappointed on 1 September 2018 for a further term of five years with a one-year increase to her term to 1 September 2024, when her term of appointment on the Board concluded.
- Alex Wiseman (non-executive) – appointed to the Board on 1 November 2015 for a period of five years. Reappointed on 1 November 2020 for a further term of five years.
- Jon Carlton (non-executive) – appointed to the Board on 1 November 2015 for a period of five years. Reappointed on 1 November 2020 for a further term of five years.
- Claire Williams (non-executive) – appointed to the Board on 1 May 2019 for a period of seven years.
- David de Casseres (non-executive) – appointed to the Board on 1 May 2019 for a period of seven years.
- Rosamund Blomfield-Smith (Chair) – appointed to the Board on 1 October 2024 for a period of seven years.
- Isolde Goggin – appointed to the Board on 1 October 2024 for a period of seven years.
- John French (CEO) – (executive) – appointed to the Board on 2 November 2020.

BOARD COMMITTEES

The Board has established a number of committees to support its work. These are: the Audit and Risk Committee (ARC), the Remuneration Committee, the Board Advisory Forum and the Single Electricity Market Committee (SEMC). Further information about the responsibilities and work of these Committees is provided in a later section of this report. The terms of reference for the Board's committees are published on the UR website.

UR SENIOR LEADERSHIP

The Senior Leadership Team (SLT) comprises the following:

NAME	JOB TITLE	DIRECTORATE
John French	Chief Executive	
Kevin Shiels	Executive Director	Markets and Consumer Protection
Peter Russell	Executive Director	Price Controls, Networks and Energy Futures
Donald Henry	Director	Networks and Energy Futures
Brian Mulhern	Director (Interim)	Networks and Energy Futures (from 17 June 2024)
Tanya Hedley	Director	Price Controls (until 27 June 2024)
Elaine Cassidy	Director	Price Controls (from 17 June 2024)
Colin Broomfield	Director	Markets
Barbara Cantley	Director	Consumer Protection and Enforcement

The SLT meets weekly. The Senior Management Team (SMT) comprises the SLT and Heads of Function. The Board Secretary acts as a secretariat to SLT, which meets twice a month and considers matters relevant to the day-to-day running of the office and facilitates information sharing, strategy, co-ordination on policy issues and the development of good practice.

REGISTER OF INTERESTS

UR maintains a Register of Interests containing details of company directorships and any other relevant interests held by Board members and staff. ARC reviews this annually. Staff and Board interests are managed in line with UR Staff and Board Interests policies and assurance processes, as outlined in the Governance Statement. These policies and processes comply with the guidance on Conflicts of Interest, as issued under cover of Dear Accounting Officer (DAO) (DoF) 07/21 (amended in line with DAO (DoF) 03/23 Conflicts of interest - Employment/legal cases).

The Register of Interests of Board and SLT members can be viewed here.[6]

None of UR's non-executive or executive staff held company directorships or significant interests in 2024-25 which might conflict with their responsibilities.

PERSONAL DATA RELATED INCIDENTS

The nature of UR's business only requires it to hold a limited amount of personal data, most of which is in connection with staff. A suite of policies has been put in place, and privacy notices updated, to address the requirements of the General Data Protection Regulation. The Information Management Committee has developed an Information Management Guide which has been launched to staff with the aim of providing clear guidance on the main information management related risks and how to minimise the likelihood of their occurrence. There were no personal data-related incidents which required reporting to the Information Commissioner's Office during the year and up to the date of the signing of the accounts.

AUDIT ARRANGEMENTS

Under Section 10 of the Government Resources and Accounts Act (Northern Ireland) 2001, the Comptroller and Auditor General for Northern Ireland (C&AG) is the statutory auditor for UR.

The total notional audit fee for 2024-25 was £38.8k (2023-24: £36.7k).

During 2024-25, there was £1.4k paid to the Northern Ireland Audit Office (NIAO) for the work associated with the National Fraud Initiative (NFI) 2024-25 exercise. There were no non-audit work services purchased from NIAO during 2023-24.

Ernst & Young continued to act as internal auditors for UR until May 2024. SCC Chartered Accountants subsequently were appointed as UR internal auditors on 27 May 2024. Further detail on their work can be found in the Governance Statement.

As Accounting Officer, I confirm that there is no relevant audit information of which the auditor is unaware. I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the auditor is informed of it.

6. https://www.uregni.gov.uk/publications/declaration-interests-register-2024-2025

DEPARTMENTAL ACCOUNTING BOUNDARY

No other entities fall within UR's accounting boundary.

RELATIONSHIPS WITH ARM'S LENGTH BODIES

UR has no arm's length bodies.

COMPLAINTS HANDLING

Where someone is dissatisfied with UR's procedures or the way in which UR has operated, a complaints procedure is available. The complaints procedure is published on our website, https://www.uregni.gov.uk/publications/utility-regulator-complaints-procedure. The procedure provides for both formal and informal approaches and includes information about our process for dealing with complaints. During 2024-25, one complaint was referred to the Northern Ireland Public Sector Ombudsman (NIPSO). This matter is still being investigated by NIPSO.

No referrals have been made to the Competitions and Markets Authority, and we have not received any formal direction from DfE during 2024-25.

HEALTH AND SAFETY

UR is committed to applying all existing health and safety at work legislation and regulations to ensure that staff and visitors enjoy the benefits of a safe environment. UR's Health and Safety Committee is responsible for overseeing the safe and healthy working environment. Our Health and Safety Policy Statement is kept under review and updated as needed to take account of any legislative changes and to keep pace with best practice in the public sector.

Enhanced arrangements for regular checks on the office to ensure that health and safety requirements are being met are now in place along with training for additional first aid, mental health first aid volunteers and in basic fire warden duties. The Health and Safety Policy is included in a suite of documents accompanying publication of our hybrid working guide.

STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Under the Government Resources and Accounts Act (NI) 2001, DoF has directed UR to prepare, for each financial year, resource accounts detailing the resources acquired, held or disposed of during the year and the use of resources by UR during the year. The accounts are prepared on an accruals basis and must give a true and fair view of the state of the affairs of UR and of its income and expenditure, Statement of Financial Position, and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by DoF, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards, as set out in the Government Financial Reporting Manual, have been followed, and disclose and explain any material departures in the accounts;
- prepare the accounts on a going concern basis; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

DoF has appointed the Chief Executive as Accounting Officer of UR. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding UR's assets, are set out in Managing Public Money Northern Ireland, published by the DoF.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that UR's auditors are aware of that information. So far as I am aware, there is no relevant information of which the auditors are unaware.

GOVERNANCE STATEMENT

GOVERNANCE FRAMEWORK

As a non-ministerial government department, UR operates independently in the discharge of its statutory duties, as set out in the Energy (Northern Ireland) Order 2003, and the Water and Sewerage Services (Northern Ireland) Order 2006 and other relevant legislation. The Chief Executive is responsible and accountable to the Board for the discharge of UR policies, programmes and actions.

The Chief Executive is, however, also designated as Accounting Officer and, in respect of those responsibilities, is accountable to DoF and the Northern Ireland Assembly. The Accounting Officer has responsibility for maintaining a framework of corporate governance that supports the policies, aims and objectives of UR whilst safeguarding public funds and UR assets. This is in accordance with the responsibilities set out in Managing Public Money Northern Ireland.

THE BOARD

Under Schedule 1 of the Energy (Northern Ireland) Order 2003 (as amended by the Water and Sewerage Services (Northern Ireland) Order 2006), UR Board is required to have a minimum of four members. The Board Members are appointed by the DoF Minister. The Board operates in accordance with its Rules of Procedure. The Board provides corporate leadership and directs UR's strategic planning. It assists the Chief Executive in meeting his corporate governance responsibilities as Accounting Officer.

A Governance Guide has been developed, which sets out relevant guidelines for Board, ARC members and staff. This guide covers such areas as Board and Board Committee Terms of Reference, Scheme of Delegation, Raising Concerns, Bribery Act, Seven Principles of Public Life, Fraud, Gifts and Hospitality, Statutory Confidentiality Requirements, Information Management, Risk Management Strategy and Staff and Members' Interest Statements. The content of the Governance Guide is reviewed by ARC and, where necessary, updated on an annual basis.

COMPLIANCE WITH THE CORPORATE GOVERNANCE IN CENTRAL GOVERNMENT DEPARTMENTS: CODE OF GOOD PRACTICE NI (THE CODE)

UR is required to comply with 'The Code' and, in particular, its focus on the role of the Board. Subject to the comments that follow, UR considers that it is compliant with the requirements of 'The Code'.

'The Code' references the accountability of the Minister in charge of the department. However, UR is an independent, non-ministerial government department. Questions from Northern Ireland Assembly members may be addressed to, and answered directly by, UR. As a non-ministerial government department, UR does not receive any ministerial directions.

The Board operates under its Rules of Procedure and considers that these constitute a Board Operating Framework. The Rules of Procedure form part of a wider governance guide that is annually reviewed by the ARC. The ARC is chaired by a Board Member who is a qualified accountant. The ARC Chair provides an update to the Board on the work of the ARC and provides an annual report to the Board summarising its work programme. This provides assurance on UR's compliance with public sector financial and governance requirements. The ARC Terms of Reference (ToR) are referenced as part of the ARC report to the Board and a review is presented to the Board annually. The ToR are published on the UR website.

BOARD EFFECTIVENESS

Last year saw the implementation of the action plan, resulting from a previous review of Board effectiveness. The action plan has been progressed with a further annual self-assessment survey completed. Following the appointment of new Board Members, there were changes to the composition of Board Committees. The Board also took the opportunity to consider the format and timing of Board meetings, and it was agreed that Board meetings would be, by default, held in-person. A formal induction programme was implemented to support the appointment of new Board members in October 2024.

The Board has raised no concerns about the quality of the data they receive. The need to identify further opportunities for the Board to hold strategic discussions, and for learning and development, was also discussed. UR also continued to support the Boardroom Apprentice scheme, a 12-month Board learning, development, and placement programme which enables those who would like to serve on a public or third sector Board to learn and gain experience. The development of UR staff members was also supported by enabling a different member of staff from one of UR's directorates to attend each Board meeting.

The Board has committed to annual self-assessments of effectiveness with a further external review scheduled for later in 2025.

BOARD MEMBERS' INTERESTS

In respect of Board interests, Board Members complete registers of interest on appointment and biannually thereafter. In addition, any updates required during the year will be registered as they arise and members report any specific matters, relevant to the Board agenda, at each meeting. Details of the Board Members' interests are available here[7]. Where Board Members have registered or declared a conflict, these may be managed by the Board Member absenting themselves from the meeting when the item in question comes up for discussion and/or decision. In addition, where a Board Member has registered a conflict of interest, he/she would not receive any discussion or decision papers relevant to that interest.

7. https://www.uregni.gov.uk/publications/declaration-interests-register-2024-2025

All members of staff are also required to complete interest's statements biannually, updated in-year for any changes. Separate policies are in place for both staff and Board interests. In addition, a Gifts and Hospitality Policy are in place and registers are maintained and signed off in line with the Scheme of Delegation. UR considers that it is compliant with the requirements of DAO (DoF) 07/21 and DAO (DoF) 03/23 guidance on conflicts of interest.

MATTERS CONSIDERED BY THE BOARD DURING THE PERIOD

The Board continued to exercise its oversight of several key governance issues. It considered the draft FWP, and following a public consultation, approved the final version at the March 2025 meeting. At the same meeting, the Board also approved the Budget for 2025-26.

A key area of focus for the Board and leadership team during 2024-25 has been strategic and organisational change.

Our Corporate Strategy for the period 2024-29, 'Protecting Consumers on the way to Net Zero', was published in April 2024, with Board Members closely involved in developing the strategy and having participated in internal and external engagement events as part of an open dialogue. The Board looks forward to monitoring progress on delivery.

Alongside the Corporate Strategy, the Board has supported the organisational transformation programme that has seen major progress during 2024-25. The Board continued to review progress on the transformation programme. Board members also assisted with the recruitment programme. By the end of the 2024-25 year, the recruitment programme had been achieved. The Remuneration Committee also played a specific and significant role in putting in place new performance management arrangements for senior staff.

The Board is clear that UR needs updated powers to deliver its strategy and optimise our contribution on key energy and water programmes. The internal group that was set up, following Board endorsement, to focus on vires, continued to meet during 2024-25. Regular updates on progress on UR vires were provided and discussed by the Board.

During the last year, the Board continued to exercise its scrutiny over price control reviews, most significantly over NIEN's price control (RP7). A sub-group comprising UR and NIEN Board Members continued to meet to consider the progress of the electricity network price control review. Following extensive Board involvement, the RP7 price control was published in October 2024. The Board also discussed the Mid-Term Review of the NIW PC21 Price Control and the next Power NI Price Control. Following the implementation of the SONI governance review, our Board met with the SONI Board in February 2025.

Protecting consumers is at the heart of what we do. The Board's focus on protecting consumers saw us prioritise enforcement and compliance arrangements and we made this a standing item on the Board agenda. Making sure that consumers continued to enjoy a secure supply meant that the Board was regularly updated on security of supply risks. In March 2025, the Board availed of the opportunity to visit ESB's Coolkeeragh Power Station to gain a handson understanding of the operation of a major generating asset. The need to understand the needs of consumers saw us focus on consumer research and the lived experience of consumers and we received a series of presentations on the work being progressed in this area.

An update on the SEM was a standing item on the Board's meeting agenda. During 2024-25, the Board was regularly apprised on SEMC agenda items, specifically around capacity auctions, All-Island Programme governance arrangements and significant litigation.

As well as considering the broader energy transition agenda, the Board also supported practical approaches, such as ongoing work around offshore wind, smart meters and biomethane. The Board took the opportunity, in June 2024, to visit Phoenix Energy's hybrid heat pump trial in Belfast to see this innovative project.

The Board continued to focus on organisational risk. The corporate risk register was a standing item on the Board's agenda. A workshop to discuss and reflect on organisational risk management arrangements took place in December 2024. ARC also focused on risk, with a review of the corporate risks at each of their meetings during 2024-25.

As well as its scrutiny of the development of a new Corporate Strategy, the Board approved key governance documents in respect of the budget and the Scheme of Delegation. The Board approved changes to the Terms of Reference for the ARC and Remuneration committees. Annual reports from both committees were also approved by the Board. The ARC and Remuneration Committees also provided regular updates to the Board at Board meetings.

Board Members continued to play an active role in meeting stakeholders and attending events to ensure they were informed about current and relevant energy and water issues, as part of an agreed Board engagement programme for 2025. This was initiated with the Board availing of the opportunity, for instance, of meeting local stakeholders in a visit to Derry~Londonderry in March 2025. The Board and its committees played a key role in discussions around important organisational issues, such as UR's vires and stakeholder engagement.

Minutes of the Board's meetings are published on our website.

BOARD COMMITTEES

AUDIT AND RISK COMMITTEE (ARC)

The Board and the Accounting Officer are supported by ARC, which is a standing committee of UR. It reports to the Board and its Chair has the right of direct access to the Chair of the Board. ARC provides independent and objective assurance to the Board and Accounting Officer on any matters affecting UR's financial health, probity or external reputation. It provides independent and objective opinion on issues of risk, control and governance and associated assurance. ARC supports the Accounting Officer in monitoring the corporate governance and control systems, including financial reporting. In fulfilling this role, it reviews significant issues identified by internal audit and the NIAO and action being taken to address these issues.

Jim Oatridge served as ARC Chair until 26 July 2024. Alex Wiseman, ARC member, was appointed Chair on 27 July 2024 and was later joined by Committee members Claire Williams and David de Casseres (appointed 20 December 2024). The Chief Executive, Executive Directors and Head of Finance and Project Management attend meetings and the Chair of the Board is also invited to attend. Details of attendance are below.

ARC met four times during 2024-25. As part of its programme of work during 2024-25, it scrutinised the draft budget and corporate risk register before approval was sought for each from the Board. It reviewed the draft and final annual report and accounts and received in-year finance and performance reports. It oversaw the work of internal audit and received all reports for review of recommendations and management responses. It also actively monitored the timeliness of implementation of audit recommendations, which is regarded as a high priority.

In addition, it reviewed governance-related policies in accordance with a timetable of business. On behalf of ARC, the Chair provided an annual report to the Board in June 2024, summarising the Committee's work for the year.

During 2024-25, ARC completed the National Audit Office Audit and Risk Assurance Self-Assessment on ARC effectiveness. ARC completes this assessment on an annual basis. The outcome of the assessment indicated a high level of satisfaction with the current operation and effectiveness of ARC. In every area, responses indicated that ARC was going beyond the 'essentials' and was focused on 'good practice' activities.

ARC is satisfied that it has fulfilled its duties as guided by its Terms of Reference. Taking account of the work of internal and external audit and assurances provided to the Committee, every effort was made to review and oversee internal control and risk management arrangements and to provide assurances to the Accounting Officer, in the discharge of his accountability obligations. Based on its work for the year, ARC has provided constructive feedback on what it views to be the risks, challenges and opportunities for UR.

REMUNERATION COMMITTEE

The Board is further supported by the Remuneration Committee. The Remuneration Committee determines pay, terms and conditions of senior staff (SMT and Heads of Function), advises on UR's human resource strategy and contributes to wider pay and reward policy issues affecting all staff.

The Remuneration Committee met four times during 2024-25 and dealt with several matters by correspondence in the intervening periods.

Jon Carlton, Remuneration Committee Member, served as its new Chair during 2024-25, succeeding Teresa Perchard, and was joined by new Committee Member, Isolde Goggin. David de Casseres stood down from the Committee following the September 2024 meeting. The Chief Executive, Executive Directors and Human Resources Manager attend Remuneration Committee meetings, and the Chair of the Board also attends regularly.

ATTENDANCE AT BOARD AND OTHER COMMITTEES

Attendance at the Board and Board committees was as follows:

	Board	Audit and Risk Committee (ARC)	Remuneration Committee
William Emery*	3/3	0/2	0/2
Rosamund Blomfield-Smith*	4/4	2/2	3/3
Jim Oatridge**	-	2/2	-
Teresa Perchard***	2/2	-	1/1
Isolde Goggin****	4/4	-	2/2
Alex Wiseman	7/7	4/4	-
Jon Carlton	7/7	-	4/4
Claire Williams	7/7	4/4	-
David de Casseres*****	6/7	2/2	2/2
John French	7/7	4/4	4/4

* William Emery and Rosamund Blomfield-Smith are not members of ARC or Remuneration Committee but are invited to attend all meetings. William Emery left on 30 September 2024 and Rosamund Blomfield-Smith took up appointment as Chair to the Board on 1 October 2024.

** Jim Oatridge's appointment as Chair of ARC terminated on 26 July 2024 and Alex Wiseman was appointed as Chair of ARC on 27 July 2024.

*** Teresa Perchard attended her last Remuneration Committee as Chair in May 2024. Jon Carlton took over as Chair.

**** Isolde Goggin became a member of the Remuneration Committee since her appointment to the Board on 1 October 2024.

***** David de Casseres attended his last Remuneration Committee meeting in September 2024 and was appointed as ARC member on 20 December 2024.

Details of the remuneration of UR non-executive Board members are provided on pages 93-94.

STATUTORY COMMITTEES

SINGLE ELECTRICITY MARKET COMMITTEE (SEMC)

SEMC, which is a statutory committee of UR and the CRU, was established on 1 November 2007. The Committee was established following amendments made to the Electricity Regulation Act 1991 and the Electricity Single Wholesale Market (Northern Ireland) Order 2007 in respect of the functions, powers and duties in relation to the regulation of the SEM. The principal objective of the SEMC is to protect the interests of electricity consumers by promoting, when appropriate, effective competition in relation to the sale and purchase of electricity within the SEM. The SEMC regulates the wholesale electricity market and takes decisions on those matters which are considered to be SEM related. In order to be a SEM matter, the matter must have a material impact on the wholesale electricity market.

The membership of SEMC comprises an independent member, a deputy independent member and up to three persons (who must either be a member of UR Board or staff) appointed by DfE after consultation with UR and with the approval of the Minister of Environment, Climate and Communications (being a Minister of the Government of Ireland), 'the Irish Minister', and up to three persons (who must be members of the CRU) appointed by the Irish Minister with the approval of DfE.

From 1 November 2022, Jonathan Hodgkin took up the post of Independent Member and Dr Chris Harris, the post of Deputy Independent Member. Both have been appointed for a five-year term to 31 October 2027. UR and CRU each pay 50% of the costs of the independent members and other costs incurred by SEMC.

John French was appointed to SEMC, following his appointment as Chief Executive on 2 November 2020. William Emery was appointed to SEMC for a five-year term from 1 March 2013 and reappointed for a further five-year term to 28 February 2023, with a further extension to 30 September 2024, when his term of appointment was concluded. Jon Carlton was appointed to SEMC with effect from 1 April 2016. Rosamund Blomfield-Smith was appointed to SEMC from 1 October 2025 to replace William Emery.

During 2024-25, SEMC held 11 scheduled meetings.

OTHER COMMITTEES

BOARD ADVISORY FORUM

A Board Advisory Forum provides a forum for discussion on energy and water related matters and for considering significant policy and strategy issues. This is attended by all members of the Board and SLT and is chaired by the Chief Executive.

Attendance during the year at the Board Advisory Forum by the Chair and the non-executives was as follows:

BOARD ADVISORY FORUM	
Member Name	**Attendance**
William Emery	2/2
Rosamund Blomfield-Smith	2/2
Teresa Perchard	2/2
Alex Wiseman	4/4
Jon Carlton	4/4
Claire Williams	4/4
David de Casseres	4/4
Isolde Goggin	2/2
John French (executive)	4/4

The Board decided, in January 2025, to hold Board meetings in place of Board Advisory Forum meetings going forward.

ENFORCEMENT COMMITTEE

The Board establishes Enforcement Committees to deal with specific enforcement matters as required. No committees were established during 2024-25 and 2023-24.

INTERNAL AUDIT ARRANGEMENTS

Ernst & Young continued to act as the internal auditors for UR until May 2024. SCC Chartered Accountants subsequently were appointed as UR internal auditors on 27 May 2024. The primary objective of internal audit is to provide the Accounting Officer and ARC with an independent and objective opinion on risk management, control and governance by measuring and evaluating these measures' effectiveness in achieving UR's objectives.

The work of internal audit is undertaken to the Public Sector Internal Audit Standards[8] (PSIAS) and informed by an analysis of the risks to which the organisation is exposed. The Head of Internal Audit in SCC Chartered Accountants has a standing invitation to attend ARC and oversees the delivery of the internal audit plan which was approved by ARC. The plan takes account of the analysis of risks faced by UR and, in addition, reviews the corporate functions, providing a focus on operational aspects.

ARC members meet senior representatives from internal audit and NIAO periodically without members of the SLT present.

In 2024-25, the overall internal audit assurance for UR was satisfactory assurance.

RISK MANAGEMENT AND INTERNAL CONTROL

The Risk Management Strategy (the Strategy), which is reviewed annually, sets out UR's approach to the management of risk. Our approach to risk management is guided by professional best practice and takes full consideration of the context and environment in which we operate. The risk management process in place complies with all the principles included within the revised Orange Book: Management of Risk – Principles and Concepts (2023). The strategy also draws on the NIAO report on Good Practice in Risk Management (June 2011) and the Audit Committee Handbook. It provides a framework for the management of risk and promotes a consistent approach across the organisation. The risk management cycle in UR encompasses both a 'top-down' and 'bottom-up' approach, which allows risks to be identified, managed and escalated as appropriate.

The Strategy sets out the roles and responsibilities in respect of risk management. The Board is responsible for establishing and overseeing risk management procedures within the organisation. The Board ensures that significant risks are being managed by SMT and challenges the risk management process to ensure that all key risks have been identified. ARC supports the Board and Chief Executive by reviewing the risk control processes and biannually completes a deep dive of directorate risk registers, providing a challenge and advisory role as necessary. ARC receives assurances from the Head of Internal Audit in SCC Chartered Accountants on the effectiveness of risk management.

8. Global Internal Audit Standards (GIAS) from 1 April 2025

RISK ENVIRONMENT

UR, alongside CRU in Ireland, continues to adjust the design of the all-island market to reflect the UK's exit from the EU. The market design changes are mainly related to the mechanism to allocate capacity of the interconnectors between the island of Ireland and GB. The enhanced SEM that went live in 2018, continues to operate as normal and is now underpinned by provisions of the Ireland/Northern Ireland Protocol and Trade and Cooperation Agreement (TCA) between the UK Government and European Commission. UR continues to work with Ofgem to establish new Administrative Arrangements with Agency for the Co-operation of Energy Regulators (ACER) in line with the requirements of the TCA.

At a national level, UR is a member of the UK Regulatory Network and the UK Competition Network, formed to develop common understanding of best practice, facilitate consistency and provide a platform for skills and knowledge transfer in the exercise of sector regulatory functions and competition, respectively.

At a local level, energy policy falls within the remit of DfE. In December 2021, DfE published a new Energy Strategy. The new strategy sets out a pathway to achieve net zero carbon and affordable energy by 2050.

UR risks are driven from workstreams arising out of the environment, as described above, in which it operates.

UR's intention is to reflect good practice in risk management, as it forms an integral part of the work carried out. As a result, the SMT, ARC and Board keep the high-level risks under review. The key risks facing UR during the year are detailed in the Performance Report.

In addition to the corporate risk register being a standing item on the Board agenda, the Board held a risk workshop in December 2024. In advance of that, the Board provided responses to standard questions on each of the risks on the corporate register. The discussion at the workshop focused on the three risks that were subject to the most Board commentary. After the workshop, the corporate risk register was updated to reflect the required changes, which included variations to the wording of some of the corporate risks, the Board-agreed appetite position for each category of risk, the controls in place and actions to mitigate the risks further.

INFORMATION SECURITY

UR continues to maintain its information management and governance agenda. UR's business only requires it to hold a limited amount of personal data. Information awareness sessions are periodically held, and staff induction includes an information management briefing.

The Information Management Committee, which is a cross-directorate internal group of staff that oversees related governance issues, keeps policies under review and considers actions arising should a breach of one of the policies occur. The Committee's terms of reference set out the scope of its duties and it is responsible to SLT. In particular, UR's continued compliance with the requirements of the General Data Protection Regulation has included maintenance of registers cataloguing personal data held, as defined by the General Data Protection Regulation, who holds it, where it's held, for how long, on what authority and with what purpose in mind. Up to date privacy policies are also in place. There were no information breaches that the Information Management Committee considered to represent a security concern.

FRAUD

Specific fraud risks are identified and managed at directorate level in line with the UR Fraud and Response Policy. There were no cases of actual or suspected fraud during 2024-25 (2023-24 nil).

RAISING CONCERNS

UR has limited references made to it under the Public Interest Disclosure Order provisions. Internal and external Raising Concerns guides are in place and are reviewed annually by ARC to ensure that they remain in line with the latest guidance. Updates on any concerns raised under the legislation are provided to ARC. Guides are published on the intranet and public website and both form part of the Governance Guide that all staff have access to.

UPDATE ON PRIOR-YEAR SIGNIFICANT ISSUES

In 2023-24 UR accounts were qualified on the basis on an Excess Vote as the Net Cash Requirement was £464k more than the Assembly had authorised. UR sought Assembly approval of the Excess Vote; this request was ratified by the Public Accounts Committee on 14 November 2024.

THE ACCOUNTING OFFICER'S REVIEW OF EFFECTIVENESS

As the Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, the work of ARC, members of SMT, managers who have responsibility for developing and maintaining the internal control framework and comments from external auditors in their reports. Executive Directors, Directors and Heads of Function have provided me with quarterly assurance statements commenting on the adequacy and effectiveness of the control environment, including the regularity and propriety of expenditure. I have been advised on the adequacy of the system of internal control by ARC and plans to address weaknesses and ensure continuous improvement of the system are in place.

I am content that the risk management process is appropriate, risks identified are relevant and have been managed during the year.

The governance system described in this statement has been in place for the whole of the year ended 31 March 2025 and up to the date of approval of the Annual Report and Accounts and accords with DoF guidance. No significant problems with the governance system arose during the period covered by this statement.

REMUNERATION AND STAFF REPORT

REMUNERATION REPORT

The purpose of the remuneration and staff report is to set out UR's remuneration policy for senior management, how this policy has been implemented and what amounts have been paid to senior management. This report also provides other information on remuneration and staff numbers for the financial year.

REMUNERATION POLICY

The non-executive Chair and non-executive Board members of UR are appointed by DoF (Schedule 1, paragraph 1(1) of the Energy Order). The salary level and terms for the non-executive posts are set by DoF. UR appoints its own Chief Executive. The remuneration for the Chief Executive post and that payable to senior staff (SLT and Heads of Function) is approved by UR's Remuneration Committee. Further information on the Remuneration Committee can be found in the Governance Statement, page 78. The non-executive Board members of UR are appointed to SEMC by DfE, and the salary level and terms for this post are also set by DfE.

UR also operates within the context of the wider public sector pay remit, normally determined by the Minister of Finance. The pay award for SLT and all other staff for 2024-25 was agreed and paid in the 2024-25 year. The pay of UR staff is based on a system of pay scales for each grade, excluding senior management, containing a number of pay points from minimum to maximum, allowing progression towards the maximum based on satisfactory performance. A new system of pay scales was introduced for senior management in 2023-24. The scales contain a number of pay points allowing progression towards the maximum based on outstanding performance.

SERVICE CONTRACTS

The Civil Service Commissioners (NI) Order 1999 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Code published by the Civil Service Commissioners for Northern Ireland specifies the circumstances when appointments may be made by exception to merit.

With the exception of the Chief Executive, whose appointment is on a fixed-term seven-year basis which may be extended, the officials covered by this report hold appointments that are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme[9]. Non-executive Board members hold fixed term appointments as detailed in the Directors' Report, page 72.

DoF has authorised the independent exercise of the appointment power contained within Schedule 1, paragraph 5 of the Energy (Northern Ireland) Order 2003 and UR thereby sets the numbers and terms and conditions of service of those civil servants employed by it within the context of the public sector pay remit. The direct appointments are permanent, pensionable (optional) appointments.

9. Civil Service Commissioners for Northern Ireland (nicscommissioners.org)

REMUNERATION (INCLUDING SALARY) AND PENSION ENTITLEMENTS (AUDITED)

The following sections provide details of the remuneration and pension interests of UR Board and SLT.

REMUNERATION AND PENSION ENTITLEMENTS

SINGLE TOTAL FIGURE OF REMUNERATION								
	Salary (£000)		Benefits in kind (to nearest £100)		Pension benefits (to nearest £1,000)[10]		Total	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
NON-EXECUTIVE BOARD MEMBERS								
Dr William Emery[11] (Non-executive Chair)	25-30* (50-55 full year equivalent)	45-50*	8,400	6,300	-	-	35-40*	55-60*
Ms Rosamund-Blomfield Smith[12] (Non-executive Chair)	25-30* (50-55 full year equivalent)	-	11,800	-	-	-	35-40	-
Mrs Teresa Perchard[13] (Non-executive Director)	5-10 (10-15 full year equivalent)	10-15	400	3,200	-	-	5-10	10-15
Mr Alex Wiseman (Non-executive Director)	10-15	10-15	3,300	3,800	-	-	15-20	15-20
Mr Jon Carlton (Non-executive Director)	20-25*	20-25*	12,200	12,000	-	-	35-40*	30-35*

10. The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation and any increase or decrease due to a transfer of pension rights.

11. Left 30 September 2024

12. Started 1 October 2024

13. Left 1 September 2024

Mrs Claire Williams (Non-executive Director)	10-15	10-15	4,200	3,600	-	-	15-20	10-15
Mr David de Casseres (Non-executive Director)	10-15	10-15	1,600	1,000	-	-	10-15	10-15
Ms Isolde Goggin[14] (Non-executive Director)	5-10 (10-15 full year equivalent)	-	2,000	-	-	-	5-10	-
OTHER								
Mr Jim Oatridge[15] (Independent Chair of Audit and Risk Committee)	0-5 (0-5 full year equivalent)	0-5	400	2,000	-	-	0-5	5-10

During 2024-25, basic remuneration for the Chair was £50k-£50k (2023-24: £45k-£50k) and for the non-executive Board members was £10k-£15k (2023-24: £10k-£15k).

* Includes remuneration for SEMC membership £10k-£15k.

14. Started 1 October 2024

15. Left 26 July 2024

SINGLE TOTAL FIGURE OF REMUNERATION								
	Salary (£000)		Benefits in kind (to nearest £100)		Pension benefits[16] (to nearest £1,000)		Total	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24[17]	2024-25	2023-24
SENIOR EXCUTIVES								
Mr John French Chief Executive	170-175**	165-170	-	-	70,000	60,000	240-245	225-230
Mr Peter Russell (Executive Director, Price Controls, Networks and Energy Futures – appointed on 3 January 2024)	130-135**	30-35 (full year equivalent 120-125)	-	-	53,000	12,000	180-185	40-45
Mr Kevin Shiels (Executive Director, Markets and Consumer Protection)	130-135**	125-130	-	-	86,000	154,000	215-220	280-285
Mr Colin Broomfield (Director, Markets)	115-120**	115-120	-	-	50,000	42,000	165-170	155-160
Mrs Barbara Cantley (Director, Consumer Protection and Enforcement) (from 1 January 2023)	130-135**and ***	125-130***	-	-	-	-	130-135	125-130
Ms Tanya Hedley (Director, Price Controls until 27 June 2024)	60-65** (105-110 full year equivalent)	115-120	-	-	(92,000)	42,000	(25)-(30)	155-160
Mr Donald Henry (Director, Networks and Energy Futures)	105-110** (115-120 full year equivalent)	115-120	-	-	72,000	30,000	175-180	145-150
Mrs Elaine Cassidy (Director, Price Controls from 17 June 2024)	100-105** (105-110 full year equivalent)	-	-	-	112,000	-	215-220	-
Mr Brian Mulhern (Interim Director, Networks and Energy Futures from 17 June 2024)	100-105** (105-110 full year equivalent)	-	-	-	45,000	-	145-150	-

** Includes 2024-25 pay awards in full, no further pay awards are due as at 31 March 2025.

*** Includes 18.5% uplift in lieu of employer's pension contributions.

16. The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation and any increase or decrease due to a transfer of pension rights.

17. Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the Remedy Period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the alpha scheme for the period from 1 April 2015 to 31 March 2022.

SALARY

'Salary' includes gross salary, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances, private office allowances and any other allowance to the extent that it is subject to UK taxation and any severance or ex gratia payments. This report is based on accrued payments made by UR and thus recorded in these accounts.

BENEFITS IN KIND

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. Benefits in kind include the taxable value of home to office costs, overnight accommodation and expenses incurred by members of the Board including those in respect of any additional duties undertaken in the year. Benefits in kind are disclosed gross of any tax payable. The value has increased in 2024-25 due to increased travel associated with attendance at meetings.

PAY RATIOS (AUDITED)

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in UR in the financial year 2024-25 was £170,000-£175,000 (2023-24: £155,000-£160,000). The relationship between the mid-point of this band and the remuneration of the organisation's workforce is disclosed below. This is based on annualised full-time equivalent remuneration as at the reporting date.

2024-25	25th percentile	Median	75th percentile
Total remuneration (£)	45,478	52,582	66,824
Pay ratio	3.79:1	3.28:1	2.58:1

2023-24	25th percentile	Median	75th percentile
Total remuneration (£)	43,312	52,786	65,979
Pay ratio	3.64:1	2.98:1	2.39:1

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions, uplift in lieu of pension and the cash equivalent transfer value of pensions.

For 2024-25 and 2023-24, the 25th percentile, median and 75th percentile remuneration values consisted solely of salary payments.

The movement in ratios between 2024-25 and 2023-24 is a result of two pay awards paid in 2023-24 and the implementation of the restructure.

In 2024-25, no employee (2023-24: nil) received remuneration in excess of the highest paid director.

Remuneration ranged from £22,000 to £172,500 (2023-24: £20,000 to £157,500).

PERCENTAGE CHANGE IN REMUNERATION (AUDITED)

Reporting bodies are also required to disclose the percentage change from the previous financial year in the:

a) salary and allowances, and

b) performance pay and bonuses

of the highest paid director and of their employees as a whole.

The percentage changes in respect of UR are shown in the following table. It should be noted that the calculation for the highest paid director is based on the mid-point of the band within which their remuneration fell in each year.

Percentage change for:	2024-25 v 2023-24	2023-24 v 2022-23
Average employee salary and allowances	7.34%	13.76%
Highest paid director's salary and allowances	9.52%	18.87%

As noted above, the percentage increase is primarily due to two pay awards paid in 2023-24 and the implementation of the restructure.

PENSION ENTITLEMENTS (AUDITED)

The following sections provide details of the pension interests of the senior officials of UR.

	Accrued pension at pension age as at 31/03/25 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/03/25	CETV at 31/03/24[18]	Real increase / (decrease) in CETV
	£000	£000	£000	£000	£000
Mr John French Chief Executive	25-30	2.5-5	404	321	43
Mr Peter Russell (Executive Director, Price Controls, Networks and Energy Futures – appointed on 3 January 2024)	10-15	2.5-5	118	76	26
Mr Kevin Shiels (Executive Director, Markets and Consumer Protection)	60-65 plus a lump sum of 160-165	2.5-5 plus a lump sum of 2.5-5	1,427	1,297	71
Mr Colin Broomfield (Director, Markets)	25-30	2.5-5	313	257	26
Ms Tanya Hedley (Director, Price Controls until 27June 2024)	30-35	-	517	561	(75)
Mr Donald Henry (Director, Networks and Energy Futures)	40-45 plus a lump sum of 95-100	2.5-5 plus a lump sum of 2.5-5	847	755	56
Mrs Elaine Cassidy (Director, Price Controls from 17 June 2024)	30-35	5-7.5	540	424	97
Mr Brian Mulhern (Interim Director, Networks and Energy Futures from 17 June 2024)	20-25	2.5-5	259	230	23

There were no employer contributions to a partnership pension account in respect of the SLT.

18. The pension benefits of any members affected by the Public Service Pensions Remedy which were reported in 2022-23 based on alpha membership for the period between 1 April 2015 and 31 March 2022 have been reported since 2023-24 based on Principal Civil Service Pension Scheme (Northern Ireland) (PCSPS(NI)) membership for the same period.

NORTHERN IRELAND CIVIL SERVICE (NICS) PENSION ARRANGEMENTS

Pension benefits are provided through the Northern Ireland Civil Service pension schemes, which are administered by Civil Service Pensions (CSP), for employees who have joined the scheme. UR employees may opt out of the pension arrangements and receive an uplift in lieu of employer pension contributions of 18.5% of base salary. Some employees have opted out of the pension scheme and receive an uplift in lieu of employer pension contributions as part of the contract of employment. Following auto-enrolment, any new employees will be automatically enrolled in Alpha, however, if those employees opt out of the pension scheme, they will not receive an uplift in lieu of pension.

The Alpha pension scheme was initially introduced for new entrants from 1 April 2015. The Alpha scheme and all previous scheme arrangements are unfunded with the cost of benefits met by monies voted each year. The majority of members of the Classic, Premium, Classic Plus and Nuvos pension arrangements (collectively known as the PCSPS(NI)) also moved to Alpha from that date. Transitional protection measures introduced alongside these reforms meant that any members who, on 1 April 2012, were within 10 years of their normal pension age remained in their previous scheme arrangement (full protection) and those who were between 13.5 years and 10 years of their normal pension age were given a choice between moving to Alpha on 1 April 2015 or at a later date determined by their age (tapered protection).

MCCLOUD JUDGMENT AND 2015 REMEDY

In 2018, the Court of Appeal found that the transitional protections put in place back in 2015, that allowed older workers to remain in their original scheme, were discriminatory on the basis of age. As a result, steps have been taken by DoF to remedy this discrimination.

DoF has now made regulations which remedy the discrimination by:

- ensuring all active members are treated equally for future service as members of the reformed Alpha scheme only from 1 April 2022; and
- providing each eligible member with options to have their pension entitlements for the period when the discrimination existed between 1 April 2015 and 31 March 2022 (the Remedy Period) retrospectively calculated under either the current (reformed) scheme rules, or the older (pre-reform) legacy rules which existed before 2015.

This means that all active NICS Pension Scheme members are in the same pension scheme, Alpha, from 1 April 2022 onwards, regardless of age. This removes the discrimination going forwards in providing equal pension provision for all scheme members.

The Department is now implementing the second part of the remedy, which addresses the discrimination which was incurred by affected members between 1 April 2015 and 31 March 2022.

Eligible members with relevant service between 1 April 2015 and 31 March 2022 (the Remedy Period) will now be entitled to a choice of alternative pension benefits in relation to that period, i.e. calculated under the pre-reformed PCSPS(NI) 'Classic', 'Premium' or 'Nuvos' rules or, alternatively, calculated under the reformed Alpha rules. As part of this 'retrospective' remedy, most active members will now receive a choice about their Remedy Period benefits at the point of retirement. This is known as the Deferred Choice Underpin. For those members who already have pension benefits in payment in relation to the Remedy Period, they will receive an Immediate Choice. There are a significant number of Immediate Choice Remediable Service Statement (RSS) packs to issue. This process involves complex calculations to provide members with individually tailored statements. Due to the complexity of the calculations and some prolonged work to finalise policy elements of the remedy, not all Immediate Choice packs will issue by 31 March 2025 as originally planned. The legislation for the 2015 Remedy provides discretion which allows the Scheme Manager to extend beyond this date, so it has become necessary to engage this discretion.

At this stage, allowance has not yet been made within CETVs for this remedy. Further information on the remedy will be included in the NICS pension scheme accounts which, once published, are available at DoF Annual Reports and Accounts.

As part of the remedy involved rolling back all remediable service into the relevant legacy PCSPS(NI) arrangement for the 7-Year Remedy Period, the value of pension benefits for the 2024-25 pension disclosures for affected members continues to be based on the rolled back position.

ALPHA

Alpha is a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current accrual rate is 2.32%.

From 1 April 2015, all new entrants joining the NICS can choose between membership of Alpha or joining a 'money purchase' stakeholder arrangement with a significant employer contribution (Partnership Pension Account).

INFORMATION ON THE PCSPS(NI) – CLOSED SCHEME

Staff in post prior to 30 July 2007 were eligible to be in one of three statutory based 'final salary' legacy defined benefit arrangements (Classic, Premium and Classic Plus). From April 2011, pensions payable under these arrangements have been reviewed annually in line with changes in the cost of living. New entrants who joined on or after 1 October 2002 and before 30 July 2007 will have chosen between membership of Premium or joining the Partnership Pension Account.

New entrants who joined on or after 30 July 2007 were eligible for membership of the legacy PCSPS(NI) Nuvos arrangement or they could have opted for a Partnership Pension Account. Nuvos was also a CARE arrangement in which members accrued pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The rate of accrual was 2.3%.

Benefits in Classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For Premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike Classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic Plus is essentially a variation of Premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per Classic.

PARTNERSHIP PENSION ACCOUNT

The Partnership Pension Account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

ANNUAL BENEFIT STATEMENTS

Active members of the pension scheme will receive an Annual Benefit Statement. The accrued pension quoted is the pension the member is entitled to receive when they reach their scheme pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. The normal scheme pension age in alpha is linked to the member's State Pension Age but cannot be before age 65. The Scheme Pension age is 60 for any pension accrued in the legacy **Classic, Premium** and **Classic Plus** arrangements and 65 for any benefits accrued in **Nuvos**. Further details about the NICS pension arrangements can be found at the website Civil Service Pensions (NI).

PENSION INCREASES

All pension benefits are reviewed annually in line with changes in the cost of living. Any applicable increases are applied from April and are determined by the Consumer Prices Index (CPI) figure for the preceding September. The CPI in September 2024 was 1.7% and HM Treasury has announced that public service pensions will be increased accordingly from April 2025.

EMPLOYEE CONTRIBUTION RATES

Employee contribution rates for all members for the periods covering 1 April 2024-31 March 2025 and 1 April 2025-30 June 2025 are as follows.[19]

Annualised Rate of Pensionable Earnings (Salary Bands) 1 April 2024 to 31 March 2025		Annualised Rate of Pensionable Earnings (Salary Bands) 1 April 2025 to 30 June 2025		Contribution rates - All members
From	To	From	To	
£0	£26,302.49	£0	£27,091.99	4.6%
£26,302.50	£59,849.99	£26,092.00	£61,645.99	5.45%
£59,850.00	£160,964.99	£61,646.00	£165,793.99	7.35%
£160,965.00 and above		£165,794.00 and above		8.05%

19. Rates are expected to change mid-year as a result of the outcome of the consultation on Scheme Yield and Member Contributions

CASH EQUIVALENT TRANSFER VALUES

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The CETV figures, and, from 2003-04, the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NICS pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost.

CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) Regulations 1996 (as amended).

HM Treasury provides the assumptions for discount rates for calculating CETVs payable from the public service pension schemes. On 27 April 2023, HM Treasury published guidance on the basis for setting the discount rates for calculating cash equivalent transfer values payable by public service pension schemes. In their guidance of 27 April 2023, HM Treasury advised that, with immediate effect, the discount rate adopted for calculating CETVs should be in line with the new SCAPE discount rate of 1.7% above CPI inflation, superseding the previous SCAPE discount rate of 2.4% above CPI inflation. All else being the same, a lower SCAPE discount rate leads to higher CETVs. The HM Treasury Guidance of 27 April 2023 can be found at: Basis for setting the discount rates for calculating cash equivalent transfer values payable by public service pension schemes - GOV.UK. **As at the year-end, there** have been no further changes to the SCAPE discount rate of 1.7% above CPI inflation since the HM Treasury guidance was published.

REAL INCREASE IN CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period (which therefore disregards the effect of any changes in factors).

COMPENSATION FOR LOSS OF OFFICE

There were no compensation for loss of office payments made in 2024-25 (2023-24; nil).

STAFF REPORT

STAFF COSTS (AUDITED)

Staff costs comprise:

	Permanently employed staff	Others	2024-25 £000 Total	2023-24 £000 Total
Wages and salaries	8,257	403	8,660	6,562
Social Security costs	947	15	962	734
Other pension costs	2,595	27	2,622	1,835
Sub total	**11,799**	**445**	**12,244**	**9,131**
Less recoveries in respect of outward secondments	(89)	-	(89)	(70)
Total net costs*	**11,710**	**445**	**12,155**	**9,061**

Of which:

	Charged to administration	Charged to programme	Total
Department	-	12,155	12,155
Total net costs	-	12,155	12,155

* Of which, £nil has been charged to capital.

NICS main pension schemes are unfunded multi-employer defined benefit schemes, but UR is unable to identify its share of the underlying assets and liabilities.

The Public Service Pensions Act (NI) 2014 provides the legal framework for regular actuarial valuations of the public service pension schemes to measure the costs of the benefits being provided. These valuations inform the future contribution rates to be paid into the schemes by employers every four years following the scheme valuation. The Act also provides for the establishment of an employer cost cap mechanism to ensure that the costs of the pension schemes remain sustainable in future.

The Government Actuary's Department (GAD) is responsible for carrying out scheme valuations. The Actuary reviews employer contributions every four years following the scheme valuation. The 2020 scheme valuation was completed by GAD in October 2023. The outcome of this valuation was used to set the level of contributions for employers from 1 April 2024 to 31 March 2027.

The Cost Cap Mechanism (CCM) is a measure of scheme costs and determines whether member costs or scheme benefits require adjustment to maintain costs within a set corridor. Reforms were made to the CCM which were applied to the 2020 scheme valuations and included the introduction of a reformed scheme-only cost control mechanism which assesses just the costs relating to reformed schemes (alpha for the NICS) and introduced an economic check. Prior to the cost control mechanism reforms, legacy scheme (PCSPS(NI)) costs associated with active members were also captured in the mechanism. The reformed-scheme-only design and the economic check were applied to the 2020 scheme valuations for the devolved public sector pension schemes, including the NICS pension scheme. The 2020 scheme valuation outcome was that the core cost cap cost of the scheme lies within the 3% cost cap corridor. As there is no breach of the cost control mechanism, there is no requirement for DoF to consult on changes to the scheme. Further information can be found on the DoF website: https://www.finance-ni.gov.uk/articles/northern-ireland-civil-service-pension-scheme-valuations.

For 2024-25, employers' contributions of £2,608,321 were payable to the NICS pension arrangements at a flat rate of 34.25% of pensionable pay, for all salaries (2023-24: £1,809,704) at one of three rates in the range 28.7% to 34.2% of pensionable pay, based on salary bands.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £12,920.01 (2023-24: £19,163.60) were paid to one or more of the panel of two appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% (2023-24: 8% to 14.75%) of pensionable pay.

The partnership pension account offers the member the opportunity of having a 'free' pension. The employer will pay the age-related contribution and if the member does contribute, the employer will pay an additional amount to match member contributions up to 3% of pensionable earnings.

Employer contributions of £617.03, 0.5% (2023-24: £632.52, 0.5%) of pensionable pay, were payable to the NICS Pension schemes to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. Contributions due to the **partnership** pension providers at the reporting period date were £615.84 (2023-24: £1,413.31). Contributions prepaid at that date were £nil (2023-24 £nil).

Employees who joined before the pension auto-enrolment may opt out of the pension arrangements and receive an uplift in lieu of employer contributions of 18.5% of base salary. In 2024-25, four (2023-24: six) members of staff opted out of the pension arrangements.

No employer pension costs are paid for those staff but the uplift in lieu of employer pension amounted to £51,271 (2023-24: £58,138). These costs are included in wages and salaries above.

No persons (2023-24: nil) retired early on ill health grounds. The total additional accrued pension liabilities in the year amounted to £nil (2023-24: £nil).

AVERAGE NUMBER OF PERSONS EMPLOYED (AUDITED)

The average number of whole-time equivalent persons employed during the year was as follows:

	Permanently employed staff	Others	2024-25 Total	2023-24 Total
Segment 1 To protect the interests of consumers of electricity supplied by authorised suppliers, wherever appropriate, by promoting effective competition between persons engaged in, or in commercial activities connected with, the generation, transmission or supply of electricity.	84	4	88	67
Segment 2 To promote the development and maintenance of an efficient, economic and coordinated gas industry in Northern Ireland.	40	3	43	35
Segment 3 To protect the interests of consumers of water and sewerage services, where appropriate, by the promotion of effective competition.	9	1	10	6
Total	**133**	**8**	**141**	**108**

REPORTING OF CIVIL SERVICE AND OTHER COMPENSATION SCHEMES – EXIT PACKAGES (AUDITED)

There were no exit packages in 2024-25 (2023-24: nil).

NUMBER OF SENIOR CIVIL SERVICE STAFF BY BAND

UR has its own staff grades and bands, however Heads of Function (12 staff), Directors (four staff), Executive Directors (two staff) and the CEO would be the equivalent of Senior Civil Service staff. The Head of Function would be broadly in line with the grade 5 level, the Directors, the Executive Directors and CEO are broadly in line with Senior Civil Service grade 3 and above.

COMPOSITION OF UR STAFF

Details of UR Board and SLT are included in the Directors' Report. However, within the context of the Staff Report, UR is required to disclose the gender of the Board, SLT and employees of UR. The figure includes temporary promotions at the 31 March 2025, the split was as follows:

	Male	Female	Total
Non-executive Board members	3	3	6
SLT	5	2	7
Employees excluding SLT	67	75	142
Other staff: Student placement Secondees Temporary staff/agency	 1 2 3	 0 0 4	 1 2 7

STAFF TURNOVER

The staff turnover percentage is defined by the Northern Ireland Statistics and Research Agency's (NISRA) formula which is used as a benchmark against the Northern Ireland Civil Service figure. The most recent available figure for 2023-24 is 4.8%. The figures for the past three years are as follows:

Year	Turnover
2024-25	5.4%
2023-24	7.5%
2022-23	10.2%

STAFF ENGAGEMENT

During the year, two surveys were undertaken – a Best Companies all-staff engagement survey which went live on 31 March and closed on 14 April 2025, and a feedback survey about our staff away day in January 2025.

SICKNESS ABSENCE DATA

Sickness absence figures for the past three years are as follows:

Year	Absence rate	Average days lost	Excluding LTS
2024-25	3.99%	9.1	1.40%
2023-24	2.92%	6.5	1.19%
2022-23	2.09%	4.6	1.01%

DIVERSITY AND INCLUSION

In July 2024, we completed our application for Diversity Charter Mark, Bronze assessment. We were delighted to retain our Bronze accreditation and we are currently working on feedback from our Silver submission.

Due to the recent restructure, we have made significant strides in addressing the balance between male and female members across our SMT, Chief Executive, Executive Director, Director and Head of Function levels. Before the restructure, there were five (56%) men (56%) and four (44%) women. We now have eight (44%) men and 10 (56%) women permanent members of SMT. Again, we have made significant improvements and strides in addressing the balance of female and male managers. In our initial submission in 2021, there was 70% male managers and 30% female managers. Now, this figure currently stands at 54% male and 46% female.

We have submitted a new gender target under the Silver Award requirements, which is to support women across all grades to undertake continued personal development, including activities such as an accreditation related to career development, targeted leadership development, undertaking mentoring or a lateral move within the organisation to a new work area or project to aid their career development.

UR People group engaged with staff to form a cross-directorate Diversity and Inclusion (D and I) group representing a mix of age, gender and grade. A diversity calendar is being developed by the group in line with our commitments under the charter mark, and Remuneration Committee approval will be sought on delivering the most appropriate events, in the context of our Section 75 duties and equality legislation.

EQUAL OPPORTUNITIES

UR is an equal opportunity employer. It is fully committed to the elimination of all forms of discrimination, harassment and victimisation, not only because of the legal requirements under which it operates but because it makes sound business sense and ensures that working relationships are based on mutual trust, respect and understanding. This allows the best use to be made of the wide variety of skills, abilities and attributes available in the organisation and promotes a harmonious working environment.

DISABLED PERSONS

UR is committed to ensuring that its policies and practices comply with the requirements of the Disability Discrimination Act 1995. In recruitment and promotion terms, applicant packs and information are available in accessible formats and assistance provided at assessment and interview in line with an applicant's requirements. Reasonable adjustments are made as a matter of policy to assist staff with disabilities in work and candidates applying for roles with UR.

OFF-PAYROLL ARRANGEMENTS

UR is required to disclose details of any off-payroll arrangements at a cost of over £245 per day, lasting longer than six months, that were in place during 2024-25. All off-payroll arrangements are now assessed in line with IR35 requirements. In 2024-25, UR had no such arrangements in place (2023-24: nil).

SPENDING ON CONSULTANCY AND TEMPORARY STAFF

In 2024-25, UR incurred £29,459 on consultancy expenditure associated with HR and organisational support (2023-24: £47,250).

In 2024-25, there were several agency arrangements in place, providing interim cover for staffing gaps, with a total spend in-year of £336,475 (2023-24: £240,113).

ASSEMBLY ACCOUNTABILITY REPORT

STATEMENT OF OUTTURN AGAINST ASSEMBLY SUPPLY (AUDITED)

In addition to the primary statements prepared under International Financial Reporting Standards (IFRS), the Government Financial Reporting Manual (FReM) requires UR to prepare a Statement of Outturn against Assembly Supply (SOAS) and supporting notes.

The SOAS and related notes are subject to audit, as detailed in the Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly.

The SOAS is a key accountability statement that shows, in detail, how an entity has spent against their Supply Estimate. Supply is the monetary provision (for resource and capital purposes) and cash (drawn primarily from the Consolidated Fund) that the Assembly gives statutory authority for entities to utilise. The Estimate details Supply and is voted on by the Assembly at the start of the financial year and is then normally revised by a Supplementary Estimate at the end of the financial year. It is the final Estimate, normally the Spring Supplementary Estimate, which forms the basis of the SOAS.

Should an entity exceed the limits set by their Supply Estimate and corresponding Act of the Assembly, called control limits, its accounts will receive a qualified opinion.

The format of the SOAS mirrors the Supply Estimates to enable comparability between what the Assembly approves and the final outturn. The Supply Estimates are voted by the Assembly and published on DoF website.

The SOAS contain a summary table, detailing performance against the control limits that the Assembly has voted on, cash spent (budgets are compiled on an accruals basis and so outturn will not exactly reconcile to cash spent) and administration.

The supporting notes detail the following: Outturn detailed by Estimate line, providing a more detailed breakdown (Note 1); a reconciliation of outturn to net expenditure in the SOCNE, to tie the SOAS to the financial statements (Note 2); a reconciliation of net resource outturn to net cash requirement (Note 3) and an analysis of income payable to the Consolidated Fund (Note 4).

The SOAS and Estimates are compiled against the budgeting framework, which is similar to, but different to, IFRS. An understanding of the budgeting framework and an explanation of key terms is provided in the financial review section of the Performance Report on page 60. Further information on the Public Spending Framework and the reasons why budgeting rules are different to IFRS can also be found in Chapter 1 of the Consolidated Budgeting Guidance, available on gov.uk.

A summary of outturn against Estimate is provided in the Performance Report, page 62.

Summary table, 2024-25, all figures presented in £000

Type of spend	Note	Outturn			Estimate			Outturn vs Estimate, saving/ (excess)		Prior Year Outturn Total 2023-24
		Voted	Non-voted	Total	Voted	Non-voted	Total	Voted	Total	
Departmental Expenditure Limit										
Resource	SOAS 1.1	376	-	376	390	-	390	14	14	273
Capital	SOAS 1.2	70	-	70	70	-	70	-	-	20
Total		**446**	**-**	**446**	**460**	**-**	**460**	**14**	**14**	293
Annual Managed Expenditure										
Resource	SOAS 1.1	-	-	-	1	-	1	1	1	1
Capital	SOAS 1.2	500	-	500	500	-	500	-	-	-
Total		**500**	**-**	**500**	**501**	**-**	**501**	**1**	**1**	1
Total Budget										
Resource	SOAS 1.1	376	-	376	391	-	391	15	15	273
Capital	SOAS 1.2	570	-	570	570	-	570	-	-	20
Total Budget Expenditure		**946**	**-**	**946**	**961**	**-**	**961**	**15**	**15**	293
Non-Budget										
Resource	SOAS 1.1	-	-	-	-	-	-	-	-	-
Capital	SOAS 1.2	-	-	-	-	-	-	-	-	-
Total Non-Budget Expenditure		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-
Total Budget and Non-Budget		**946**	**-**	**946**	**961**	**-**	**961**	**15**	**15**	293

Figures in the areas outlined in bold cover the voted control limits voted by Assembly.

Net cash requirement 2024-25, all figures presented in £000

Item	SOAS Note	Outturn	Estimate	Outturn vs Estimate, saving/ (excess)	Prior Year Outturn Total 2023-24
Net cash requirement	**3**	-	**10,253**	10,253	1,094

Figures in the areas outlined in bold are voted totals subject to Assembly control.

Notes to the Statement of Outturn Against Assembly Supply, 2024-25 £000

SOAS 1. Outturn detail, by Estimate Line

SOAS 1.1 Analysis of resource outturn by Estimate Line, all figures presented in £000

Type of spend (Resource)	Resource outturn							Estimate			Outturn vs Estimate (inc virements), saving/ (excess)	Prior Year Outturn Total, 2023-24
	Administration			Programme								
	Gross	Income	Net	Gross	Income	Net	Total	Total	Virements*	Total inc. virements		
Spending in Departmental Limits (DEL) Voted Expenditure Utility Regulation	-	-	-	18,389	(18,013)	376	376	390	-	390	14	273
Total Voted DEL	**-**	**-**	**-**	**18,389**	**(18,013)**	**376**	**376**	**390**	**-**	**390**	**14**	273
Non-voted Expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Total non-voted DEL	-	-	-	-	-	-	-	-	-	-	-	-
Total spending in DEL	**-**	**-**	**-**	**18,389**	**(18,013)**	**376**	**376**	**390**	**-**	**390**	**14**	273
Spending in Annually Managed Expenditure (AME) Voted Expenditure Utility Regulation	-	-	-	-	-	-	-	1	-	1	1	-
Total voted AME	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1**	**-**	**1**	**1**	-
Non-voted Expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Total non-voted AME	-	-	-	-	-	-	-	-	-	-	-	-
Total spending in AME	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1**	**-**	**1**	**1**	-
Total Non Budget	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-
Total resource	**-**	**-**	**-**	**18,389**	**(18,013)**	**376**	**376**	**391**	**-**	**391**	**15**	273

SOAS 1.2 Analysis of capital outturn by Estimate Line, all figures presented in £000

Type of spend (Capital)	Outturn			Estimate			Outturn vs Estimate (including virements), saving/ (excess)	Prior Year Outturn Total, 2023-24
	Gross	Income	Net total	Total	Virements*	Total including virements		
Spending in Departmental Limits (DEL) Voted Expenditure Utility Regulation	70	-	70	70	-	70	-	20
Total Voted DEL	**70**	**-**	**70**	**70**	**-**	**70**	**-**	20
Non-voted Expenditure	-	-	-	-	-	-	-	-
Total non-voted DEL	-	-	-	-	-	-	-	-
Total spending in DEL	**70**	**-**	**70**	**70**	**-**	**70**	**-**	20
Spending in annually Managed Expenditure (AME) Voted Expenditure	500	-	500	500	-	500	-	-
Total voted AME	**500**	**-**	**500**	**500**	**-**	**500**	**-**	-
Non-voted expenditure	-	-	-	-	-	-	-	-
Total non-voted AME	-	-	-	-	-	-	-	-
Total spending in AME	**500**	**-**	**500**	**00**	**-**	**500**	**-**	-
Total Non Budget	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-
Total capital	**570**	**-**	**570**	**570**	**-**	**570**	**-**	20

*Virements are the reallocation of provision in the Estimates that do not require Assembly authority (because the Assembly does not vote to that level of detail and delegates to DoF). Further information on virements is provided in the Supply Estimates in Northern Ireland Guidance Manual, available on the DoF website.

The Outturn vs Estimate column is based on the total including virements. The Estimate total before virements have been made is included so that users can reconcile this Estimate back to the Estimates approved by the Assembly.

ANALYSIS OF OUTTURN AGAINST ESTIMATE

Expenditure is lower than the Estimate position as a result of lower renewable scheme and depreciation costs than anticipated.

SOAS2. Reconciliation of outturn to net expenditure

Item	Note	Outturn Total 2024-25 £000	Prior Year Outturn Total, 2023-24 £000
Total Resource Outturn	**SOAS 1.1**	**376**	273
Add: Capital Grants		-	-
Total		376	273
Less: Income paid/payable to the Consolidated Fund	-	-	
Total	-	-	
Net Expenditure in Consolidated Statement of Comprehensive Net Expenditure	**SOCNE**	**376**	273

As noted in the introduction to the SOAS above, outturn and the Estimates are compiled against the budgeting framework, which is similar to, but different from, IFRS. Therefore, this note reconciles the resource outturn to net expenditure, linking the SOAS to the financial statements.

As the total resource outturn in the SOAS is the same as net expenditure in the SoCNE, no reconciliation is required.

SOAS3. Reconciliation of Net Resource Outturn to Net Cash Requirement

Item	Note	Outturn total £000	Estimate £000	Outturn vs Estimate, Saving/ (excess) £000
Total Resource outturn	**SOAS 1.1**	**376**	**391**	**15**
Total Capital outturn	**SOAS 1.2**	**570**	**570**	**-**
Adjustments to remove non-cash items:				
Depreciation, impairments and revaluations		(206)	(208)	(2)
New provisions and adjustments to previous provisions		(900)	(1,000)	(100)
Adjustments to reflect movements in working balances:				
Increase/(decrease) in receivables		33	9,738	9,705
(Increase)/Decrease in payables		(691)	762	1,453
Lease liability		192	-	(192)
Excess cash receipts surrenderable to the Consolidated Fund		626	-	(626)
Total		**(946)**	**9,292**	**10,238**
Net cash requirement		**-**	**10,253**	**10,253**

As noted in the introduction to the SOAS above, outturn and the Estimates are compiled against the budgeting framework, not on a cash basis. Therefore, this reconciliation bridges the resource outturn to the net cash requirement.

SOAS4. Amounts of Income to the Consolidated Fund

In addition to income retained by the department, the following income is payable to the Consolidated Fund.

SOAS4.1 Analysis of Income Payable to the Consolidated Fund £000

Item	Note	Outturn total 2024-25		Prior Year 2023-24	
		Accruals	Cash basis	Accruals	Cash basis
(Excess) cash surrenderable to the Consolidated Fund	SOAS 3	626	626	481	481
Total amount payable to the Consolidated Fund		**626**	**626**	481	481

ASSEMBLY ACCOUNTABILITY DISCLOSURES

LOSSES AND SPECIAL PAYMENTS (AUDITED)

There were no losses and special payments requiring disclosure in the 2024-25 financial year (2023-24: nil).

FEES AND CHARGES (AUDITED)

The majority of UR's income comes from electricity, gas and water licence holders. An analysis of income is provided in Note 4 to the accounts and split by operating segment in Note 2 to the accounts. This also allocates the cost by segment. Total fees from licence holders in year was £15,755k resulting in a deferred income balance of £435k for gas, and an accrued income balance of £316k and £38k for electricity and water respectively.

REMOTE CONTINGENT LIABILITIES (AUDITED)

In addition to contingent liabilities reported within the meaning of IAS 37, UR also reports liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of a contingent liability. UR had no such liabilities at 31 March 2025.

John French
Accounting Officer
25 June 2025

NORTHERN IRELAND AUTHORITY FOR UTILITY REGULATION

THE CERTIFICATE OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY

Opinion on financial statements

I certify that I have audited the financial statements of the Northern Ireland Authority for Utility Regulation for the year ended 31 March 2025 under the Government Resources and Accounts Act (Northern Ireland) 2001. The financial statements comprise:

- Statement of Financial Position as at 31 March 2025
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in their preparation of the financial statements is applicable law and UK adopted international accounting standards as interpreted and adapted by the Government Financial Reporting Manual.

I have also audited the Statement of Outturn against Assembly Supply, and the related notes, and the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the Northern Ireland Authority for Utility Regulation's affairs as at 31 March 2025 and of its net operating expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects:

- the Statement of Outturn against Assembly Supply properly presents the outturn against voted Assembly control totals for the year ended 31 March 2025 and shows that those totals have not been exceeded; and
- the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate.

My staff and I are independent of the Northern Ireland Authority for Utility Regulation in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Northern Ireland Authority for Utility Regulation's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Northern Ireland Authority for Utility Regulation's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for the Northern Ireland Authority for Utility Regulation is adopted in consideration of the requirements set out in the Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

Other Information

The other information comprises the information included in the annual report other than the financial statements, the parts of the Accountability Report described in that report as having been audited, and my audit certificate and report. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Department of Finance directions made under the Government Resources and Accounts Act (Northern Ireland) 2001; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Northern Ireland Authority for Utility Regulation and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring such internal controls as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- ensuring the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with the applicable financial reporting framework; and
- assessing the Northern Ireland Authority for Utility Regulation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Northern Ireland Authority for Utility Regulation will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Northern Ireland Authority for Utility Regulation through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Government Resources and Account Act (Northern Ireland) 2001, the Energy (Northern Ireland) Order 2003 and the Water and Sewerage Services Order 2006;

- making enquires of management and those charged with governance on the Northern Ireland Authority for Utility Regulation's compliance with laws and regulations;

- making enquiries of internal audit, management and those charged with governance as to the Northern Ireland Authority for Utility Regulation's susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;

- completing risk assessment procedures to assess the susceptibility of the Northern Ireland Authority for Utility Regulation's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the posting of unusual journals;

- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;

- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;

- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate; and

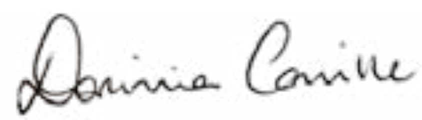
- addressing the risk of fraud as a result of management override of controls by:
    - performing analytical procedures to identify unusual or unexpected relationships or movements;
    - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
    - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
    - investigating significant or unusual transactions made outside of the normal course of business.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the Statement of Outturn against Assembly Supply properly presents the outturn against voted Assembly control totals and that those totals have not been exceeded. The voted Assembly control totals are Departmental Expenditure Limits (Resource and Capital), Annually Managed Expenditure (Resource and Capital), Non-Budget and Net Cash Requirement. I am also required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Report

I have no observations to make on these financial statements.



Dorinnia Carville
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
BELFAST
BT7 1EU

30 June 2025

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE NET EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2025

This account summarises the expenditure and income generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure, which include changes to the values of non-current assets and other financial instruments that cannot yet be recognised as income or expenditure.

	Note	2024-25 £000	2023-24 £000
Revenue from contracts with customers	4.1	(15,755)	(11,208)
Other operating income	4.2	(2,258)	(1,824)
Total operating income		**(18,013)**	**(13,032)**
Staff costs	3	12,155	9,061
Purchase of goods and services	3	5,431	3,870
Depreciation and impairment charge	3/5/12	206	202
Provision expense	3/10	400	(21)
Other operating expenditure	3	195	189
Total operating expenditure		**18,387**	**13,301**
Net operating expenditure		**374**	**269**
Finance expense	3	2	4
Net expenditure for the year		**376**	**273**
Notional audit costs	3	39	37
Other notional costs	3	227	162
Total notional costs		**266**	**199**
Net expenditure for the year including notionals		**642**	**472**
Other comprehensive net expenditure			
Items that will not be reclassified to net operating expenditure			
Net (gain)/loss on revaluation of property, plant and equipment	5	(1)	-
Comprehensive net expenditure for the year		**641**	**472**

The notes on pages 132-148 form part of these accounts.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

This statement presents the financial position of UR. It comprises three main components: assets owned or controlled; liabilities owed to other bodies; and equity, the remaining value of the entity.

	Note	2024-25		2023-24	
		£000	£000	£000	£000
Non-current assets:					
Property, plant and equipment	5	689		324	
Total non-current assets			**689**		**324**
Current assets:					
Trade and other receivables	8	582		549	
Cash and cash equivalents	7	1,688		17	
Total current assets			**2,270**		**566**
Total assets			**2,959**		**890**
Current liabilities:					
Trade and other payables	9	(4,215)		(2,317)	
Lease liabilities	12	(64)		(192)	
Provisions	10	(900)		-	
Total current liabilities			**(5,179)**		**(2,509)**
Total assets less current liabilities			**(2,220)**		**(1,619)**
Non-current liabilities:					
Provisions	10	-		-	
Lease liabilities	12	-		(65)	
Total non-current liabilities			**-**		**(65)**
Total assets less total liabilities			**(2,220)**		**(1,684)**
Taxpayers' equity and other reserves:					
General fund			(2,223)		(1,684)
Revaluation reserve			3		-
Total equity			**(2,220)**		**(1,684)**

John French
Accounting Officer
25 June 2025

The notes on pages 132-148 form part of these accounts.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

The Statement of Cash Flows shows the changes in cash and cash equivalents of UR during the reporting period. The statement shows how UR generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by UR. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to UR future public service delivery.

Cashflows from operating activities	Note	2024-25 £000	2023-24 £000
Net expenditure for the year including notionals	2	(642)	(472)
Adjustments for non-cash transactions	3	872	380
(Increase)/Decrease in trade and other receivables	8	(33)	(337)
Increase/(Decrease) in trade and other payables	9	1,898	(765)
Less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure			
- Supply amounts due to the Consolidated Fund	9	(1,062)	462
- Capital accruals		(62)	(5)
- CFER amounts due to/from the Consolidated Fund	9	(145)	4
Use of provisions	10	-	(154)
Interest on lease liabilities	12.2	1	6
Net cash inflow/(outflow) from operating activities		**827**	**(881)**
Cashflows from investing activities			
Purchase of non-financial assets	5	(8)	(15)
Net cash inflow/(outflow) from investing activities		**(8)**	**(15)**

Cash flows from financing activities			
From the Consolidated Fund (Supply) – current year		1,058	626
From the Consolidated Fund (Supply) – prior year		468	-
Advances from the Consolidated Fund		4,800	2,600
Repayments of advances from the Consolidated Fund		(4,800)	(2,600)
Payment of lease liabilities		(193)	(194)
Net financing		**1,333**	**432**
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for payments to the Consolidated Fund		**2,152**	**(464)**
Payments of amounts due to the Consolidated Fund		(481)	(462)
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		**1,671**	**(926)**
Cash and cash equivalents at the beginning of the period	**7**	**17**	**943**
Cash and cash equivalents at the end of the period	**7**	**1,688**	**17**

The notes on pages 132-148 form part of these accounts.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2025

This statement shows the movement in the year on the different reserves held by UR, analysed into 'general fund reserves' (i.e. those reserves that reflect a contribution from the Consolidated Fund). The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure. The General Fund represents the total assets less liabilities of a department, to the extent that the total is not represented by other reserves and financing items.

	Note	General Fund £000	Revaluation Reserve £000	Taxpayers' Equity £000
Balance at 31 March 2023		**(2,044)**	**3**	**(2,041)**
Net Assembly Funding		626	-	626
Comprehensive net expenditure for the year	SoCNE	(472)	-	(472)
Supply (payable)/receivable adjustment		4	-	4
CFERs payable to the Consolidated Fund		-	-	-
Non-cash adjustments:				
Non-cash charges – auditors remuneration	3	37	-	37
Non-cash charges – other		162	-	162
Other reserves movements including transfers		3	(3)	-
Balance at 31 March 2024		**(1,684)**	**-**	**(1,684)**
Net Assembly Funding 2024-25		1,062	-	1,062
Funds granted in respect of 2023-24 Excess Vote		464	-	464
Comprehensive expenditure for the year	SoCNE	(642)	1	(641)
Supply (payable)/receivable adjustment		(1,062)	-	(1,062)
CFERs payable to the Consolidated Fund		(626)	-	(626)
Non-cash adjustments:				
Non-cash charges – auditors remuneration	3	39	-	39
Non-cash charges – other		227	-	227
Other reserves movements including transfers		(1)	2	1
Balance at 31 March 2025		**(2,223)**	**3**	**(2,220)**

The notes on pages 132-148 form part of these accounts.

NOTES TO THE DEPARTMENTAL RESOURCE ACCOUNTS

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2024-25 Government Financial Reporting Manual (FReM) issued by DoF. The accounting policies contained in the FReM apply IFRS as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate to the particular circumstances of UR for the purpose of giving a true and fair view has been selected. The particular policies adopted by UR are described below. These have been applied consistently in dealing with items that are considered material to the accounts.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention, modified to account for the revaluation of property, plant and equipment.

1.2 Property, Plant and Equipment

The minimal level for capitalisation of property, plant and equipment is £2k (excluding VAT) for all assets, except for IT equipment where the threshold is £1k (excluding VAT). Where material, assets may be pooled/grouped so as to reflect asset holdings more accurately. The capitalisation threshold for grouped assets is £2k (excluding VAT).

The following asset categories existed at the start of the year, namely IT equipment, office equipment, furniture and fittings and leasehold improvements. Asset additions have been valued at purchase price. Existing assets are revalued annually by reference to revaluation indices obtained from the Office for National Statistics and the Land and Property Services.

1.3 Depreciation and Amortisation

Depreciation and amortisation are provided at the rates calculated to write off the valuation of property, plant and equipment by equal instalments over their estimated useful lives. Lives are in the following ranges:

Leasehold improvements	10 years or lifetime of lease
IT equipment	5 years
Furniture and Fittings	5 to 10 years
Office Equipment	5 years

1.4 Revenue – licence fees

The costs of UR are offset primarily by annual licence fees paid on the issue of electricity, gas and water and sewerage licences as defined under statute. Electricity licence fees are calculated on the basis of a determination made in 2011 by UR. It was decided that one third of the cost of electricity regulation should be charged to the holders of generation licences, one third to the holders of transmission licences and one third to the holders of public electricity supply licences. All licence holders pay a minimum of £1.5k. Licence fees are ultimately recovered from electricity customers through an operating cost allowance in the price controls of regulated businesses.

The commencement date for the collection of gas fees was 5 September 1996. Prior to that date, costs were borne by central government. Gas licence fees are based on the annual identifiable costs of gas regulation.

Gas licence fees are calculated on the basis of a determination made by UR. Following a consultation process on how gas licence fees should be apportioned, it was decided that as from the 2012-13 financial year, all supply licence holders will pay a fixed fee of £1.5k, increased annually based on the Retail Price Index (RPI). From 2022-23, following public consultation, it was also decided that holders of gas storage licences should pay £2k, uplifted annually for RPI. The remaining gas regulatory costs, net of the fixed supply and storage licence charges, are apportioned between the conveyance licence holders who participate in transmission activities, on the basis of their share of the total forecast volumes transmitted in that year.

In the year following payment of licence fees, UR adjusts the new licence fees by the amount of over/under recovery of actual costs arising in the previous licence year. Since licence fees are based on estimated costs, any over-recovery is treated as Deferred Income within Payables and any under-recovery as Accrued Income within Receivables.

Under the terms of NIW's instrument of appointment, water and sewerage fees are payable on the 1 July in each year representing the estimated costs of UR in carrying out its functions under the Water and Sewerage Services (Northern Ireland) Order 2006. This can be supplemented, if required, by a determination coming into effect on 1 January in any year.

In addition, the cost of the Consumer Council for Northern Ireland (CCNI) in dealing with electricity consumer issues was recovered from electricity supply licence holders, on the basis of volumes supplied. The cost of gas consumer issues was recovered from conveyance licence holders who participate in distribution activities, on the basis of their share of the total forecast gas volumes to be distributed in the year. The water and sewerage consumer cost was recovered from the water and sewerage licence holder. For 2024-25, UR collected and passed on to CCNI an amount of £1,119,100, of which £455,273 was in respect of its electricity functions, £303,516 in respect of its gas functions and £360,313 in respect of its water functions. These licence fees are accounted for in the accounts of CCNI.

1.5 Administration and programme expenditure

A reclassification exercise was carried out via the Budget and Monitoring Rounds during 2005-06 to ensure that the classification of expenditure was consistent with the Licence Fee income. As licence fee income is classified as DEL Other Resource, UR gained DoF approval to reclassify all its expenditure as DEL Other Resource. This reclassification continues to be reflected in the Estimates. All UR expenditure is classified as Programme Expenditure.

1.6 Net liabilities

The negative value of total net assets arises because the funds owed to, gas licences are correctly shown as a liability. However, under Managing Public Money Northern Ireland rules, UR is required to surrender surpluses to the Consolidated Fund, and these are reflected in the cash requirement for the following financial year. This is required because the respective licences make provision for a reduction in the licence fee collected to reflect any underspend in the previous year.

The Statement of Financial Position as at 31 March 2025 shows net liabilities of £2,220k, reflecting liabilities due in future years. It is considered appropriate to adopt a going concern basis for the preparation of the financial statements as the department is supply financed and draws its funding from the Consolidated Fund. Therefore, there is no liquidity risk in respect of the liabilities due in future years.

1.7 Notional Charges

Notional charges are non-cash transactions. Notional charges, in respect of services received from other Government departments and agencies and audit costs, are included in the Statement of Comprehensive Net Expenditure to reflect the full economic cost of services.

1.8 Pensions and employee benefits

Past and present employees, including directly recruited UR employees (who take up this facility), are covered by the provisions of the PCSPS (NI) which is a defined benefit scheme and is unfunded. UR recognises the expected cost of providing pensions on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS (NI) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS (NI). From 1 April 2015, civil servants may choose between membership of the PCSPS (NI) Alpha scheme or joining a good quality "money purchase" stakeholder-based arrangement with a significant employer contribution (partnership pension account). Further details of these pension arrangements are given in the Remuneration and Staff Report.

Employees may opt out of the PCSPS (NI) and receive an uplift in lieu of employer contributions of 18.5% of base salary. No employer pension contributions are payable by UR in respect of those employees that opt out of the pension scheme. Following auto-enrolment, any new employees will be automatically enrolled in PCSPS (NI) however if those employees opt out of the pension scheme, they will not receive an uplift in lieu of pension.

Under the requirements of IAS 19 Employee Benefits, staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any annual leave entitlements that have been earned at the year-end but not yet taken.

1.9 Contingent liabilities

In addition to contingent liabilities disclosed in accordance with IAS 37, UR discloses, for Northern Ireland Assembly reporting and accountability purposes, certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to the Assembly in accordance with the requirements of Managing Public Money Northern Ireland.

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to the Northern Ireland Assembly separately noted, where relevant. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to the Northern Ireland Assembly.

1.10 Financial instruments

UR has financial instruments in the form of trade receivables, cash and cash equivalents and trade payables. These are classified as 'loans and receivables' and 'financial liabilities at fair value through profit and loss on initial recognition' in accordance with IFRS 7.

1.11 Impending application of newly issued accounting standards not yet effective

Management has reviewed the below new accounting standards that have been issued but are not yet effective, nor adopted early for these accounts.

IFRS 17 Insurance Contracts
IFRS 17: Insurance Contracts replaces IFRS 4: Insurance Contracts and is to be included in the FReM for mandatory implementation from 2025-26. It establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of this Standard.

UR does not have any insurance contracts, therefore there will be no financial impact of applying IFRS 17.

Non-investment asset valuations

In December 2023 Treasury released an exposure draft on potential changes to make to valuing and accounting for non-investment assets (e.g. PPE, intangible assets). The following changes to the valuation and accounting of non-investment assets is to be included in the 2025-26 FReM for mandatory implementation:

References to assets being held for their 'service potential' and the terms 'specialised/ non-specialised' assets are being removed from the FReM. Non-investment assets are instead described as assets held for their 'operational capacity'. This change has no impact on the valuation basis of non-investment assets, which remains Existing Use Value (EUV).

An adaptation to IAS 16 will be introduced to withdraw the requirement to revalue an asset where its fair value materially differs from its carrying value. Assets are now valued using the one of the following processes:

- A quinquennial revaluation supplemented by annual indexation.
- A rolling programme of valuations over a five-year cycle, with annual indexation applied to assets during the four intervening years.
- For non-property assets only, appropriate indices.
- In rare circumstances where an index is not available, a quinquennial revaluation supplemented by a desktop revaluation in year three.

The option to measure intangible assets using the revaluation model is withdrawn. The carrying values of intangible assets at 31 March 2025 will be considered the historical cost at 1 April 2025.

IFRS 18

IFRS 18 Presentation and Disclosure in Financial Statements will replace IAS 1 Presentation of Financial Statements and is effective for annual reporting periods beginning on or after the 1 January 2027 in the private sector. The Public Sector implementation date is not yet confirmed. The impact of IFRS 18 on the Public Sector is still being assessed.

Management considers that the above standards that have been issued but are not yet effective are unlikely to have a significant impact on the accounts of UR.

1.12 IFRS 16 leases

UR adopted IFRS 16 'leases' with effect from 1 April 2022. The adoption of this standard has resulted in the recognition of a right-of-use asset, and a related lease liability, representing an obligation to make lease payments.

2. Statement of Operating Expenditure by Operating Segment

The reportable segments are the principal activities of the organisation, with overhead costs split on the basis of an agreed methodology. This split is in line with previous reporting under the Statement of Operating Costs by Departmental Strategic Objectives. The principal activities and performance of the organisation are reported monthly to SMT and Board.

	2024-25			
	Reportable Segment 1 £000	Reportable Segment 2 £000	Reportable Segment 3 £000	Total £000
Gross Expenditure	12,998	4,282	1,109	18,389
Income	12,773	4,161	1,079	18,013
Net Expenditure	**225**	**121**	**30**	**376**

	2023-24			
	Reportable Segment 1 £000	Reportable Segment 2 £000	Reportable Segment 3 £000	Total £000
Gross Expenditure	9,309	3,507	489	13,305
Income	9,111	3,442	479	13,032
Net Expenditure	**198**	**65**	**10**	**273**

Description of Segments

Segment 1
To protect the interests of consumers of electricity supplied by authorised suppliers, wherever appropriate, by promoting effective competition between persons engaged in, or in commercial activities connected with, the generation, transmission or supply of electricity.

Segment 2
To promote the development and maintenance of an efficient, economic and co-ordinated gas industry in Northern Ireland.

Segment 3
To protect the interests of consumers of water and sewerage services, where appropriate, by the promotion of effective competition.

2.1 Reconciliation between Operating Segments and SoCNE

	2024-25 £000	2023-24 £000
Total net expenditure reported for operating segments	376	273
Reconciling items:		
Income	-	-
Expenditure	-	-
Total net expenditure per Statement of Comprehensive Net Expenditure	376	273
Notional costs	266	199
Total net expenditure including notionals per the Statement of Comprehensive Net Expenditure	642	472

3. Expenditure

3a Programme expenditure

	2024-25		2023-24	
	£000	£000	£000	£000
Staff Costs[20]:				
Wages and salaries	8,598		6,513	
Social Security costs	955		718	
Other pension costs	2,602		1,830	
Total staff costs		12,155		9,061
Rentals under operating leases:				
Property rentals	8		26	
Hire of office equipment	2		2	
Total rentals under operating leases		10		28
Non-cash items				
Depreciation of property, plant and equipment	16		12	
Depreciation on right-of-use asset	190		190	
Provision provided in year	400		-	
Provisions not required written back	-		(21)	
Total non-cash items		606		181
Other expenditure:				
Management of Renewable Outputs Certificate Scheme	2,288		1,725	
Managed services	2,283		1,406	
Miscellaneous expenditure	315		313	
Training	170		38	
Communication and advertising	127		36	

20 Further analysis of staff costs is located in the Staff Report on page 104

Rates	95		90	
Property service charges	79		79	
Procurement charges	53		38	
Travel and subsistence	49		25	
IT costs	45		56	
Utilities	43		41	
Regulatory costs	37		33	
Consultancy	29		57	
Hospitality	3		1	
Finance interest	2		4	
Recruitment	-		93	
Exchange losses	-		-	
Total other expenditure:		**5,618**		**4,035**
Total		**18,389**		**13,305**

3b Notional costs

	2024-25 £000	2023-24 £000
Auditors' remuneration and expenses	39	37
Other notional costs	227	162
Total	**266**	**199**

During 2024-25, there was £1.4k paid to the NIAO for non-audit work associated with the NFI 2024-25 exercise. There were no non-audit work services purchased from NIAO during 2023-24.

4. Income

4.1 Revenue from contracts with customers

	2024-25 £000	2023-24 £000
Electricity licence fees	10,515	7,287
Gas licence fees	4,161	3,442
Water licence fees	1,079	479
Total	**15,755**	**11,208**

Licence fee income included in note 4.1 above is considered to meet the definition of a contract under IFRS 15. As a condition of holding the licence, electricity, gas and water licence holders must pay an annual fee, which is a portion of UR costs of regulation, split between licence holders on the basis of agreed and published methodologies. That fee is payable within 30 days of issue. Licences are not reviewed annually but are held until such times as UR revokes the licence through a breach of a licence condition, or the licence holder makes an application to revoke the licence. Non-payment of an annual fee would result in UR taking action to revoke the licence. No adjustments are required in respect of the recognition of licence fee income under IFRS 15. Income is recognised in line with UR costs and any under/over recovery of income is shown as accrued/deferred income respectively.

4.2 Other operating income

	2024-25 £000	2023-24 £000
Miscellaneous income	2,258	1,824
Total	**2,258**	**1,824**

Miscellaneous income includes £2,258k in relation to the recovery of costs associated with administering the NIRO scheme from the buy-out fund. This is funded by electricity suppliers that elect to meet their NIRO obligations by presenting ROCs, paying a buy-out fee or a combination of both.

5. Property, Plant and Equipment

2024-25	Buildings and right of use asset £000	Information Technology equipment £000	Office equipment £000	Furniture and fittings £000	Total £000
Cost or valuation					
At 31 March 2024	81	63	58	98	300
IFRS 16 Leases Opening Adjustment	650	-	-	-	650
At 1 April 2024	731	63	58	98	950
Additions	-	-	62	8	70
Dilapidations provision (IFRS 16)	500	-	-	-	500
Revaluations	-	-	-	2	2
At 31 March 2025	**1,231**	**63**	**120**	**108**	**1,522**
Depreciation					
At 31 March 2024	81	28	54	83	246
IFRS 16 Leases Opening Adjustment	380	-	-	-	380
At 1 April 2024	461	28	54	83	626
Charged in year	190	9	4	3	206
Revaluations	-	-	-	1	1
At 31 March 2025	**651**	**37**	**58**	**87**	**833**
Carrying amount at 31 March 2024	**270**	**35**	**4**	**15**	**324**
Carrying amount at 31 March 2025	**580**	**26**	**62**	**21**	**689**
Asset financing:					
Owned	-	26	62	21	109
Leased	580	-	-	-	580
Carrying amount at 31 March 2025	**580**	**26**	**62**	**21**	**689**

5. Property, Plant and Equipment (continued)

2023-24 (restated)[21]	Buildings and right of use asset £000	Information Technology equipment £000	Office equipment £000	Furniture and fittings £000	Total £000
Cost or valuation					
At 31 March 2023	81	48	58	92	279
IFRS 16 Adjustment	650	-	-	-	650
At 1 April 2023	731	48	58	92	929
Additions	-	15	-	5	20
Revaluations	-	-	-	1	1
At 31 March 2024	**731**	**63**	**58**	**98**	**950**
Depreciation					
At 31 March 2023	81	20	52	79	232
IFRS 16 Adjustment	190	-	-	-	190
At 1 April 2023	271	20	52	79	422
Charged in year	190	8	2	2	202
Revaluations	-	-	-	2	2
At 31 March 2024	**461**	**28**	**54**	**83**	**626**
Carrying amount at 31 March 2023	**-**	**28**	**6**	**13**	**47**
Carrying amount at 31 March 2024	**270**	**35**	**4**	**15**	**324**
Asset financing:					
Owned	-	35	4	15	54
Leased	270	-	-	-	270
Carrying amount at 31 March 2024	**270**	**35**	**4**	**15**	**324**

21. Restated to include the Queens House lease - right of use asset

6. Financial instruments

As the cash requirements of UR are met through the Estimates process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts for non-financial items in line with UR's expected purchase and usage requirements and UR is therefore exposed to little credit, liquidity or market risk.

7. Cash and cash equivalents

	2024-25 £000	2023-24 £000
Balance at 1 April	17	943
Net change in cash and cash equivalent balances	1,671	(926)
Balance at 31 March	**1,688**	**17**
The following balances at 31 March were held at: Commercial banks and cash in hand	1,688	17
Balance at 31 March	**1,688**	**17**

8. Trade receivables, financial and other assets

	2024-25 £000	2023-24 £000
Amounts falling due within one year:		
Trade receivables	7	303
VAT receivable	63	120
Prepayments	158	122
Accrued Income	354	-
Amounts due from the Consolidated Fund in respect of supply	-	4
Total	**582**	**549**

There are no receivables falling due after more than one year.

9. Trade payables, financial and other liabilities

	2024-25	2023-24
Amounts falling due within one year	**£000**	**£000**
Other taxation and social security	531	426
Trade payables	20	226
Accruals	1.541	650
Deferred income	435	417
Other payables	-	117
Amounts issued from the Consolidated Fund for supply but not spent at year end	1,062	-
Consolidated Fund extra receipts due to be paid to the Consolidated Fund - received	626	481
Total	**4,215**	**2,317**

There are no payables falling due after more than one year.

10. Provisions for liabilities and charges

	2024-25 Dilapidations £000	2024-25 Legal £000	2024-25 Total £000	2023-24 Total £000
Balance at 1 April	-	-	-	175
Provided in the year	500	400	900	-
Provisions not required written back	-	-	-	(21)
Provisions utilised in the year	-	-	-	(154)
Balance at 31 March	**500**	**400**	**900**	**-**

10.1 Analysis of expected timing of discounted flows

	2024-25		
	Dilapidations £000	Legal £000	Total £000
Not later than one year	500	400	900
Later than one year and not later than five years	-	-	-
Later than five years	-	-	-
Balance at 31 March	**500**	**400**	**900**

2024-25 provisions consist of £400k in respect of legal and other costs for which a reasonable estimate can be made at year end and £500k IFRS 16 (AME capital) dilapidations provision in respect of estimated dilapidation costs for Queens House, which is based on an independent survey carried out by a third party.

11. Contingent liabilities

The financial statements make provision for costs (£400k) in relation to the defence of litigation matters. In addition to this, UR is involved in several other litigation matters. All of these are at various stages and in various judicial forums. Due to the complexity and timings of the matters a reliable estimate of the potential costs cannot be quantified at this stage. On the basis of probability and establishing an estimate of costs, it has not been considered appropriate to make a provision for any such costs under the criteria set out in IAS 37.

Public Sector Pensions – 'Injury to Feelings' Claims
DoF is a named Respondent in a class action affecting employers across the public sector and is managing claims on behalf of the NICS Departments. This is an extremely complex case with potential implications for the NICS and wider public sector. However, given the complexities, the cases are still at an early stage of proceedings and until there is further clarity on potential scope and impact, a reliable estimate of liability cannot be provided.

12. Leases

12.1 Quantitative disclosures around right-of-use assets

2024-25	**Buildings £000**	**Total £000**
Cost or valuation		
At 1 April 2024	**650**	**650**
Dilapidations provision	500	500
At 31 March 2025	**1,150**	**1,150**
Depreciation		
At 1 April 2024	**380**	**380**
Depreciation charged in year	190	190
At 31 March 2025	**570**	**570**
NBV at 31 March 2024	**270**	**270**
NBV at 31 March 2025	**580**	**580**

12.2 Quantitative disclosures around lease liabilities

Maturity analysis

	2024-25 £000	**2023-24 £000**
Buildings		
Not later than one year	65	194
Later than one year and not later than five years	-	65
Later than five years	-	-
Less interest element	(1)	(2)
Present value of obligations	**64**	**257**
Current portion	64	192
Non-current portion	-	**65**

12.3 Quantitative disclosures around cash outflow for leases

	2024-25 £000	2023-24 £000
Total cash outflow for lease	**193**	**194**

13. Related-party transactions

During the year, UR has had a number of transactions with DfI, another government department which is regarded as a related party.

No UR Board Member, ARC member, key manager or other related parties have undertaken any material transactions with UR during the year.

14. Events after the reporting period

The increase in the rate of employer National Insurance Contributions (NICs) from 13.8% to 15% on 6 April 2025 is a relevant event after the end of the reporting period for 2024-25, and therefore the accounting treatment should be considered in line with IAS 10 (Events after the reporting period).

Paragraph 3 of IAS 10 states that two types of events after the reporting period can be identified:

(a) those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and
(b) those that are indicative of conditions that arose after the reporting period (nonadjusting events after the reporting period).

Since the increase in the rate of NICs is not reflective of a condition that existed as at 31 March 2025, but simply a post year-end tax increase, it should be regarded as a non-adjusting event after the reporting period. Consequently, UR has not adjusted the leave accrual in the 2024-25 accounts for the increase. The impact of the post-year-end increase in employer NICs is not material.

There were no other reportable events between the end of the reporting period and the date the accounts were signed.

Date of authorisation for issue

The Accounting Officer authorised the issue of these financial statements on 30 June 2025.

ABBREVIATIONS

ABBREVIATION	MEANING
UR	Utility Regulator
NIW	Northern Ireland Water
DfE	Department for the Economy
DfI	Department for Infrastructure
GB	Great Britain
SEM	Single Electricity Market
MW	Mega Watt
SLT	Senior Leadership Team
PC21	NIW price control from 2021
DoF	Department of Finance
CRU	Commission for Regulation of Utilities
OREAP	Offshore Renewable Energy Action Plan
SONI	System Operator for Northern Ireland
MTR	Mid-Term Review
GD23	Gas Distribution price controls from 2023
GT23	Gas Transmission price controls from 2023
NIRO	Northern Ireland Renewables Obligation
ROCs	Renewables Obligation Certificates
NISEP	Northern Ireland Sustainable Energy Programme
TSO	Transmission System Operator
NRAA	National Resource Adequacy Assessment
GNI (UK)	Gas Networks Ireland (UK)

PC28	NIW price control from 2028
RP7	Regulatory Period 7 (in relation to NIEN's price control)
NIEN	Northern Ireland Electricity (NIE) Networks
MMU	Market Monitoring Unit
AR	Alternative Resolution
Co	Code of Practice
REMM	Retail Energy Market Monitoring
CfE	Call for Evidence
FWP	Forward Work Programme
IiP	Investors in People
REGO	Renewable Energy Guarantee of Origin
ARC	Audit and Risk Committee
EV	Electric Vehicle
LDES	Long Duration Energy Storage
EU	European Union
ENTSO-E	European Network of Transmission System Operators for Electricity
SNSP	System Non-Synchronous Penetration
LCIS	Low Carbon Inertia Services
SEMC	Single Electricity Market Committee
MVA	Mega Voltage Amperes
LTWS	Long Term Water Strategy
FASS	Future Arrangements for System Services
DASSA	Day Ahead System Services Auction
NRAA	National Resource Adequacy Assessment
CRM	Capacity Renumeration Mechanism

GMO(NI)	Gas Market Operator Northern Ireland
CCGT	Combined Cycle Gas Turbines
WR and SR	Water Resource and Supply Resilience
GT27	Gas Transmission price controls starting in 2027
GD29	Gas Distribution price controls starting in 2029
NIGCS	Northern Ireland Gas Capacity Statement
OSS	Overall Standards of Service
CPP	Customer Protection Programme
AME	Annually Managed Expenditure
DEL	Departmental Expenditure Limit
SAOS	Statement of Assembly Supply
IFRS	International Financial Reporting Standards
TWh	TeraWatt-hour
NICS	Northern Ireland Civil Service
JNCC	Joint Negotiating and Consultative Committee
SMT	Senior Management Team
DAO	Dear Accounting Officer (letters)
C and AG	Comptroller and Auditor General (for Northern Ireland)
NIAO	Northern Ireland Audit Office
NFI	National Fraud Initiative
NIPSO	Northern Ireland Public Sector Ombudsman
PSIAS	Public Sector Internal Audit Standards
TCA	Trade and Cooperation Agreement
ACER	Agency for the Co-operation of Energy Regulators
CETV	Cash Equivalent Transfer Value

PCSPS(NI)	Principal Civil Service Pension Scheme (Northern Ireland)
CSP	Civil Service Pensions
RSS	Remediable Service Statement
CARE	Career Average Revalued Earnings
CPI	Consumer Prices Index
SCAPE	Superannuation Contributions Adjusted for Past Experience
GAD	Government Actuary's Department
D and I	Diversity and Inclusion
IFRS	International Financial Reporting Standards
FReM	Financial Reporting Manual
SOAS	Statement of Outturn against Assembly Supply
SoCNE	Statement of Comprehensive Net Expenditure
DEL	Departmental Limits
IAS	Internal Audit Standards
RPI	Retail Price Index
VAT	Value Added Tax
CCNI	Consumer Council for Northern Ireland
PPE	Property, Plant and Equipment
NIC	National Insurance Contributions

Utility Regulator

CONTACT US

028 9031 1575
info@uregni.gov.uk

www.uregni.gov.uk