

# PC21 Information Requirements

## Chapter 1 – Company Strategy

Issued 15 March 2019 – Version 02

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# Chapter 1 - Company Strategy

## 1.1. Introduction

1.1.1. This chapter sets out our requirement for NI Water to submit its long term strategy as part of its PC21 Business Plan, outlining its strategic vision for the development and delivery of water and sewerage services.

## 1.2. Background

1.2.1. In our Approach to PC15 we advocated the benefits of long term planning to deliver sustainable solutions and set in place price control processes which enabled that objective to be met. In our Approach to PC21 we highlighted the opportunity to build on this approach and embed a cycle of long term planning to address three themes of:

- **Valuing consumers**, a plan which:
  - is consumer centred;
  - provides clear performance commitments; and,
  - delivers efficiently.
- **Safeguarding the future**, a plan which:
  - promotes sustainable delivery;
  - maintains existing asset serviceability;
  - supports economic delivery;
  - improves resilience; and,
  - promotes innovation.
- **Owning delivery**

1.2.2. In supporting a longer term platform for investment, we require, as part of NI Water's Business Plan submission, a company strategy which addresses these broad themes and:-

- sets out its vision for the industry with the identification of outcomes for the environment and the consumer over the longer term;
- addresses the issues raised by a changing environment;
- demonstrates ownership of its strategy for delivering sustainable services for current and future consumers;
- identifies the key issues and risks which the company will face when delivering sustainable water and sewerage services and the steps it will take to pro-actively manage them; and,

- states any assumptions it has made in setting out its strategy and vision for the future.

### 1.3. The Company Strategy

1.3.1. The Company Strategy should address the broad objectives outlined above. In the following section we outline key issues which we expect the company to consider in the content and presentation of its Company Strategy.

1.3.2. The Company Strategy should be:

- directed at consumers, regulators and other stakeholders;
- presented in consumer friendly format and language; and,
- presented as a free-standing document which can be read independently of the detailed information contained in subsequent sections of the Business Plan.

1.3.3. The Company Strategy should consider a 24 year period consistent with the Long Term Water Strategy.

1.3.4. The Company Strategy should address environmental, social and economic development and consider how these factors can be balanced to provide sustainable water and sewerage services into the future.

1.3.5. The Company Strategy should set out how consumer preferences have been and will be addressed through the delivery of long term objectives, including:

- PC21 consumer engagement and previous consumer surveys; and,
- existing actionable consumer data (including new real-time customer feedback and new unannounced, quarterly survey evidence, including customer advocacy scores, to include Omnibus surveys).

1.3.6. The company should outline and schedule any further consumer engagement which it intends to carry out to inform the development and delivery of its plan.

1.3.7. The Company Strategy should consider the sustainability of current approaches to achieving environmental and drinking water quality outcomes and consider how alternative, more sustainable, approaches might be applied in the future. The company should seek to ascertain the scope for such alternative approaches in the context of Northern Ireland.

1.3.8. The Company Strategy should consider the sustainability of current approaches to water distribution and drainage and consider how alternative, more sustainable, approaches might be applied in the future.

1.3.9. The Company Strategy should consider the sustainable long term management and stewardship of its assets, identifying its objectives for delivering maximum value to

consumers, through robust assessment and targeting of investment needs over the longer term.

1.3.10. The Company Strategy should consider strategies to reduce consumption and waste and identify long terms aspirational targets and medium term economic targets for the reduction in consumption and waste. This should include consideration of issues such as water demand management, leakage, stormwater and infiltration management, and reduced energy and chemical consumption.

1.3.11. When addressing the sustainability of current approaches of service delivery and the long term stewardship and management of its assets, the company should address the impact of climate change and set out its strategy for climate change adaptation and mitigation. The company should identify risks and uncertainty associated with climate change and set out how the company plans to manage these risks.

1.3.12. The Company Strategy should address the prioritisation and programme of work to investigate and develop opportunities to deliver more sustainable outcomes, including:

- undertaking the strategic studies and pilot trials that provide confidence that innovative solutions can be delivered;
- addressing any regulatory barriers and amendments to legislation and regulations necessary to allow innovative and shared solutions to be implemented;
- identifying partnerships and the allocation of actions for delivering innovative solutions across different stakeholders while securing adequate funding to play its part in ensuring co-ordinated delivery and respecting the principle of polluters pays; and,
- identifying the timeframe required to allow the benefits of each stage of development to be assessed before confirming and proceeding with the next stage of implementation.

1.3.13. In the subsequent sections of its Business Plan, the company should demonstrate that the outputs and activities it proposes to deliver in PC21 offer the best way of delivering the outcomes of its long-term strategy.

## **1.4. Submission of the Company Strategy**

1.4.1. The Company Strategy should form part of the Business Plan submission.

1.4.2. We would encourage the company to publish its Company Strategy on its website in support of its public facing summary of its PC21 Business Plan.