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THIRD ANNUAL REPORT ON SUSTAINABLE WATER - A LONG-TERM WATER STRATEGY FOR NORTHERN IRELAND (2015-2040)

September 2019

Executive Summary

1. The Executive's Sustainable Water – A Long-Term Water Strategy sets out a common vision for a sustainable water sector. To ensure full compliance with the Strategy, an Implementation Action Plan was agreed by all the relevant stakeholders. The Department for Infrastructure (DfI) is responsible for managing the implementation of the Strategy and has undertaken to co-ordinate an Annual Report on its progress and furnish the NI Executive with a copy. This is the third Annual Report on the implementation of the Strategy.

2. The Implementation Action Plan contains 231 actions which have been drawn directly from the Strategy. The actions have been prioritised as short, medium and long-term actions and, as it is still early in the lifespan of the Strategy, progress is largely limited to the short-term actions. Some preparatory work or planning may be underway in respect of the others, but that may not be reflected in this Report. It should be noted that a large number of actions are considered 'business as usual' and as such will always be ongoing rather than having a specific end date.

3. Key achievements this period include:

   (i) DfI Rivers has progressed the £17.8m Belfast Tidal Flood Alleviation Scheme to procurement stage, which aims to provide a long term approach to tidal flood risk management for Belfast City Centre and the tidal River Lagan, from Belfast Lough to Stranmillis Weir;

   (ii) NI Water has completed catchment management plans for all drinking water catchments;

   (iii) NI Water is leading the delivery of a Source to Tap Interreg Project which aims to pilot catchment management initiatives in the cross border Derg and Erne catchments;

(iv) NI Water has engaged with the farming communities in Seagahan and Glenhordial catchments to implement weed wiping projects, which aim to replace the use of herbicides with more discriminate usage / application methodologies using glyphosate. These have been very successful and a third project at Ballinrees catchment began in April 2019;

(v) NI Water has invested in solar panels at 58 of its sites to help reduce energy costs;

(vi) NI Water has established partnerships with environmental stakeholders such as Environmental Health (in all the councils) to work collaboratively to raise awareness of appropriate disposal of fats, oils and greases;

(vii) NIEA and NI Water have established a new compliance group to drive the implementation of a new mature compliance assessment model focusing on waste water flow monitoring and sampling;

(viii) NIEA launched the Environment Fund in July 2018 and included a call for projects under Water Framework Directive (WFD) water themes. Successful schemes began implementation in April 2019;

(ix) New controls on agricultural pollution through the Nutrient Action Programme 2019-2022 published in April 2019; and

(x) NIEA hosted three catchment stakeholder events in November 2018 with the theme “Water Framework Directive - Aiming for Good Water Quality” to provide an update on delivering objectives of the Water Framework Directive.

4. The Strategy encourages further involvement by local councils, particularly in relation to their planning, environmental health and leisure activities, and this partnership will evolve as the actions are progressed.

5. To help local councils gain a better understanding of relevant strategy actions, DfI's Water and Drainage Policy Division, in conjunction with DfI Rivers, DfI Strategic Planning, NIEA and NI Water, held a series of workshops with local councils. These workshops proved very beneficial, providing further clarity on Strategy actions relating to the councils' planning functions, climate change, managing flood risk, reservoir safety, sustainable drainage systems, and capacity at wastewater treatment works and reservoirs. This engagement also helped to inform local development plans.

6. Strategy actions will assist in the delivery of a number of the Outcomes (detailed below) in the Executive's Outcomes Delivery Plan (ODP), and will ensure that water is respected as a valuable natural resource that is vital to life, enhances our environment and enables our economy to grow.

(i) outcome 1 - we prosper through a strong, competitive, regionally balanced economy;
(ii) outcome 2 - we live and work sustainably – protecting the environment;
(iii) outcome 4 - we enjoy, long, healthy, active lives; and
(iv) outcome 11 - we connect people and opportunities through our infrastructure.

Introduction

7. This is the third Annual Report on the Executive's Sustainable Water – A Long-Term Water Strategy. The Strategy sets out a common vision for a sustainable water sector and focuses on Economic Development & Growth, Affordability, Environmental Improvement & Compliance, Flood Risk Management and Sustainable Service Delivery.

8. The Strategy will support the delivery of specific commitments in the Northern Ireland Executive's Outcomes Delivery Plan, as well as its European commitments. It will also inform future Social and Environmental Guidance for water and sewerage services, which sets out key investment priorities for the water sector.

9. The Strategy focuses on four high-level aims to cover the key water needs within a catchment:

   i. to provide high quality sustainable supplies of drinking water to households, industry and agriculture;
   ii. to manage flood risk and drainage in a sustainable manner;
   iii. to achieve the environmental requirements of the Water Framework Directive in a sustainable manner; and
   iv. to provide sustainable water and sewerage services that meet customers' needs.

10. Full implementation of the Strategy may require significant financial investment over the 25-year period of the Strategy. The issue of costs and funding is particularly concerning in the current economic climate. It is recognised that reductions in funding will have an impact on key stakeholders' (government departments and NI Water) ability to deliver the objectives of the Strategy. In addition, the implications of the UK withdrawal from the EU, which are still to be clearly defined, will need to be carefully managed to minimise any potential impact on the delivery of the Strategy.

Drinking Water Supply and Demand

11. In order to *"Manage Drinking Water Quality Risks in a Sustainable Manner from Source to Tap (DW Aim 1)"*, NI Water has, in consultation with key stakeholders, put a number of plans and programmes in place:

i. it prepares, and annually reviews, its Drinking Water Safety Plans for submission to the Drinking Water Inspectorate (DWI), to identify and mitigate against risks in drinking water;

ii. it has agreed Designated Drinking Water Protected Areas which are reported on in the River Basin Management Plans, with ongoing monitoring, and steps taken, to protect these areas having been formalised;

iii. it has completed Catchment Management Plans for all drinking water catchments. NI Water is also progressing its Sustainable Catchment Management Planning programme (SCAMP). As part of this Programme, NI Water has engaged with the farming communities in Seagahan and Glenhordial catchments to implement weed wiping projects, which aim to remove pesticides from the untreated raw water and potentially avoid having to construct further expensive assets to remove the pesticides in the treatment processes at the Water Treatment Plant. These have been very successful and a third project at Ballinrees catchment began in April 2019; NI Water's commitment to providing wholesome water supplies to its customers is evidenced in the 2018 drinking water quality compliance figure of 99.90%; and

iv. it is the lead partner in the delivery of a Source to Tap Interreg Project involving Irish Water, Agri-Food and Biosciences Institute, East Border Region, Ulster University and the Rivers Trust, which aims to pilot catchment management initiatives in the cross border Derg and Erne catchment. This project is underway and will run until 2021. It has five strands: love your water, water for forests, water for peatland, water for farming and learning for water.

12. Over the PC15 period, NI Water has committed to proactive replacement of over 11,000 lead communication pipes (which are outside the curtilage of the property) at consumer properties in addition to lead pipe replacement under water main rehabilitation. In 2018/19, NI Water completed 2,070 lead communication pipe replacements under the proactive replacement programme against a target of 1,844.

13. The DWI is the drinking water quality regulator covering both public and private drinking water supplies. Within the Strategy, it leads on the monitoring and risk assessment of drinking water quality from private water supplies through administering the private water supply regulations. DWI undertakes an annual monitoring programme of private water supplies, and in 2018 there were 13,853 tests carried out, with 99.12% of these tests compliant with drinking water standards at these supplies. Following on from the signing of the SLA with councils in 2017, the first meeting of the Drinking Water Working Group with the local councils took place in April 2018. In addition, two sampling training sessions were delivering for council staff in June and October 2018. DWI has been actively engaged with stakeholders through the Groundwater Resources Working Group which was set up to advance the sustainable use of groundwater resources. DWI completed the development of a web based application for the risk assessment of private water supplies in April 2019. DWI has an ongoing role to provide advice and guidance on protecting groundwater sources from contamination and maintaining a wholesome water supply to safeguard public health.

14. The DWI supports NI Water on a number of actions relating to drinking water quality, where they are identified as the lead organisation within the Strategy. During the last year, it has updated its guidance to NI Water to assist the company on the further development of its Drinking Water Safety Plans to meet the new regulatory requirement in relation to the BS EN standard for risk assessments. It has also provided guidance and information requirements on the long term planning required for PC21.

15. The DWI also leads on a series of targets, within the Strategy, related to managing water quality risks within domestic distribution systems. These include promoting the use of the Water Safety Plan approach within buildings where water is made available to the public, by providing appropriate advice and guidance. DWI has continued, during 2018, to work with key stakeholders, and intends within the short to medium term to develop and promote such an approach.

16. NIEA has promoted awareness and understanding of the function and quality of groundwater to 90 primary school children and local children's clubs. Information on this topic was also provided to Causeway, Coast and Glens Heritage Trust.

17. The Strategy aims to ensure that we *"Meet the Water Demand Needs of Society, the Economy and the Environment (DW Aim 2)" and a* key means of achieving this is by effective forward planning. NI Water has published its first Draft Water Resource and Supply Resilience Plan for consultation, having developed the plan in collaboration with key stakeholders including the Utility Regulator for Northern Ireland (UREGNI), NIEA, DWI, the Consumer Council for Northern Ireland (CCNI) and DfI. The consultation concluded on 27 September 2019.

18. The impact of water abstraction and water usage on the environment is a key consideration and, in order to reduce water consumption, NI Water runs an extensive education campaign involving primary and secondary schools. This includes bringing the Waterbus to schools and giving class talks on how to save water in the home. In addition, NI Water has increased its attendance at exhibitions and local community events to promote water efficiency. Social media is also used to promote key messages.

19. To ensure that it can *"Resource Efficient Drinking Water Treatment and Supply Chains (DW Aim 3)"*, NI Water has made significant progress reviewing its water treatment and supply systems to identify how potential energy savings might be achieved.

i During the current PC15 Price Control period (2015-21), NI Water commenced implementation of its Instrumentation, Control, Automation and Telemetry (ICAT) Strategy. During 2018/19, new technology was installed at 45 service reservoir (potable water storage) sites. A prototype water pumping station iCAT solution has just recently been installed at Ballyhome water pumping station in advance of the Open golf tournament at Portrush. This will pave the way for future iCAT water pumping station installations planned for PC21; and

ii NI Water has also commenced a Source Optimisation Programme which will help to identify potential energy savings through a more detailed understanding of the water flow and energy usage across the network, utilising upload sources, where possible, without stressing these resources. The analysis will inform the PC15 & PC21 benefits.

Flood Risk Management and Drainage

20. Given the number of flood events in Northern Ireland in recent years and the widespread impact these events have caused, one of the key aims of the Strategy is to manage flood risk and drainage in a sustainable manner.

21. The Department for Infrastructure is the competent authority for implementing the Floods Directive in Northern Ireland in partnership with a number of other statutory bodies, including NI Water and local councils. The preparation of the 2nd cycle of Flood Risk Management Plans for the period 2021-27 has commenced and a Floods Directive Technical Stakeholder Group (FDTSG) led by Water and Drainage Policy Division has been established to progress this work.

22. A key requirement of the Floods Directive is that the Flood Risk Assessment must be reviewed and updated every 6 years to account for new and improved information. The Northern Ireland Flood Risk Assessment (NIFRA)

2018 has now been developed and published. It provides a high level analysis of the potential economic, social and environmental impacts which could result from potential flooding in Northern Ireland. It includes a review of the Preliminary Flood Risk Assessment (PFRA) 2011 and uses DfI's flood maps to identify what areas are potentially at risk of fluvial (river), coastal and pluvial (surface water) flooding. The NIFRA 2018 has assessed the areas to be at the greatest flood risk and these areas are identified as 'Areas of Potential Significant Flood Risk' (APSFR). Identifying the APSFR will inform the Flood Risk Management Plan and become the focus of future actions, helping DfI and other stakeholders to work with communities to prioritise investment and reduce the impacts from flooding.

23. To meet our obligations under the Floods Directive, WDPD also launched a six month public consultation in December 2018 on the Timetable and Work Programme for the preparation of the Northern Ireland Flood Risk Management Plan (2021-27).

24. In February 2019, DfI updated its Technical Flood Risk Guidance in relation to Allowances for Climate Change in Northern Ireland. The Guidance sets out, DfI Rivers' approach to Climate Change in Flood Risk Management and DfI Roads and NI Water's approaches in design of their respective road and storm drainage systems. It addresses the issue of a suitable future timeframe on which to base allowances for Climate Change for Development Planning and Flood Risk Management purposes by looking towards the end of this century (2080s epoch). The Guidance and associated documentation can be accessed via the Department's web page as follows:-

https://www.infrastructure-ni.gov.uk/publications/technical-flood-risk-guidance-relation-allowances-climate-change-northern-ireland

25. Land-use planning is key to managing flood risk and drainage issues and to *"Delivering Sustainable Flood Resilient Development (FRMD Aim 1)"*. DfI is responsible for planning policy and drainage matters and it is working closely with council planning departments to enable them to make informed decisions

in relation to flood risk policies that should be included in their new Local Development Plans and Development Management issues.

26. The Stormwater Management Group (SMG) is a multi-agency group jointly chaired by DfI's Water and Drainage Policy Division (WDPD) and NIEA, which has been set up to encourage the use of sustainable drainage systems (SuDS) as the preferred means of dealing with surface water. This group is exploring various issues, including planning for SuDS at an early stage in the development process, and has been recently undertaking presentations to local councils to encourage them to include SuDS within their Local Development Plans. The widespread use of SuDS will reduce flood risk and provide sustainable development. Following a workshop in January 2019, the SWMG agreed to focus on the potential to develop a pilot soft SuDS site at a social housing site. In addition to this, the group has also developed a guide to SuDS, which is currently being reviewed.

27. In *"Managing the Catchment to Reduce Flood Risk (FRMD Aim 2)"*, it is important to consider man-made structures as well as those that occur naturally. DfI Rivers, NI Water and DfI Roads continue to carry out routine proactive and reactive maintenance, as resources permit, to ensure that publically managed drainage systems are performing their function, particularly during periods of intensive or prolonged rainfall. Specifically, DfI Rivers has a rolling programme of annual watercourse and drainage asset maintenance.

28. Reservoirs are significant man-made structures. It is, therefore, important that these structures are routinely monitored to ensure that the structure is fit for purpose and that any identified weaknesses are addressed to mitigate against the risk of flooding caused by reservoir failure.

29. A proportionate framework for reservoir safety is provided for by the Reservoirs Act (Northern Ireland) 2015. Work is continuing to develop the necessary procedures, draft commencement orders, and the draft regulations, necessary to introduce the key elements of the regulatory framework.

However, the introduction of the regulatory framework is dependent on the legislation being made.

30. The Living with Water Programme (LWWP) is also developing a Strategic Drainage Infrastructure Plan (SDIP) for Belfast to protect against flooding, enhance the environment and enable economic growth. The plan will examine a range of sustainable drainage options e.g. SuDS, etc. as potential solutions. The Strategic Outline Case for the LWWP was approved by the Department of Finance in June 2018 with various aspects of modelling, survey, planning and appraisal work currently underway. Provisional estimates indicate that over £1billion will be needed to deliver the SDIP over the next 8 years, with most of the funding required during the last 5 years. This presents a significant challenge in the current financial climate. The first major milestone is development of the draft Belfast SDIP, which is to be completed by December 2019.

31. In an effort to *"Provide Sustainable Integrated Drainage in Rural and Urban Areas (FRMD Aim 3)"*, NI Water's innovative rainwater garden, in the grounds of Clandeboye Primary School, won an AECOM "Inspire" UK & Ireland Excellence award.

32. NI Water is also piloting stormwater separation projects and in 2018/19, it removed more than around 34,100m^2 of impermeable area which was putting stormwater into the combined sewers. This is in excess of its target of 30,000m^2 per annum which was set in PC15 and reduces the risk of flooding from combined sewers. Other corporate tools such a sewer risk model and capacity mapping are being introduced to complement work on the register of properties at risk of internal (DG5) and external flooding.

33. To *"Improve Flood Resistance and Resilience in High Flood Risk Areas (FRMD Aim 4)"*, DfI Rivers maintains registers of flood hot spots that are at risk from flooding. The Flood Investment and Planning Group (FIPG) was also established in October 2013 with the aim of alleviating flooding through improved partnership working between the departments and organisations

responsible, to address customer need. In the relatively short time that the FIPG has been operating, the partnership working that it has driven, has had a measurable impact, and has directly led to the development and delivery of a number of flood alleviation investigations and schemes. Some examples of where ongoing partnership working is being progressed include:

- Mourneview, Newcastle;
- Toome Road, Ballymena; and
- Foylesprings, Londonderry.

34. The Homeowner Flood Protection Grant Scheme pilot, launched in January 2016, remains open for applications. To the end of May 2019, 191 applications have been received and of those, 105 have been assessed as suitable and approved. Installation started in October 2017 and to the end of May 2019, 66 homes have been completed. The scheme will run until October 2019 and a subsequent review will inform any future possible scheme.

35. DfI Rivers spent £6.7m on drainage and flood alleviation schemes in 2018/19 which protected 245 properties.

36. In 2018/19, DfI Rivers repaired over 3.21km of designated culverts, 1.761km of sea defences and 5.32km of fluvial defences. In addition to this, DfI Rivers also maintained over 4654 designated rural open watercourses and 99.8% of all designated culvert inlet grilles and all designated urban open watercourses.

37. DfI Rivers continues to implement the recommendations from the comprehensive North West Flooding Review, published in March 2018. Good progress is being made to further improve the multi-agency response to, and recovery from, severe flooding events, with a number of recommendations already addressed.

38. DfI Rivers has progressed the £17.8m Belfast Tidal Flood Alleviation Scheme to procurement stage. The principal aim of this scheme is to provide a long term approach to tidal flood risk management for Belfast City Centre and the tidal River Lagan, from Belfast Lough to Stranmillis Weir. It is estimated that

the scheme will provide flood protection to approximately 1,020 properties. Climate change predictions estimate this could rise to approximately 3400 properties by 2065 and 7900 by 2115.

39. As well as the Belfast Tidal Scheme, DfI Rivers has continued to progress its capital works programme through the completion of a significant number of feasibility studies, economic appraisals, designs and construction of works. The capital works budget is generally in the region of £8m per annum and work has continued on the development of schemes in Significant Flood Risk Areas as identified in the NI Flood Risk Management Plans. Of note over the last year, DfI Rivers has been progressing flood alleviation schemes through different stages in Portadown, Newcastle, Lurgan, Fintona, East Belfast, Newry, Drumahoe, Eglinton and Londonderry.

40. In preparation for *"Extreme Weather Events (FRMD Aim 5)"*, the Regional Community Resilience Group (RCRG) continues to deliver community resilience work across Northern Ireland with DfI Rivers providing strategic leadership in this important area of work to manage flood risk here. Community resilience developed under the guidance DfI Rivers, is identified as one of the key measures in the EU Flood Risk Management Plans to assist in the management of flood risk. The group is now engaging with over 30 communities at risk of severe weather.

41. Climate Change is considered to be a real and unprecedented challenge for Northern Ireland as it is likely there will be more high intensity rainfall events which will overwhelm the urban drainage systems and overtop existing flood defences more regularly. According to the UK Climate Change Risk Assessment 2017: Evidence Report, average temperatures over land have warmed in recent decades. Climate projections indicate that NI will be subject to higher average temperatures, increasing winter precipitation, rising sea levels and more frequent weather extremes. DfI has been contributing actions and content relating to the water environment to the development of the 2nd NI Climate Change Action Plan which is being coordinated by DAERA Climate Change Unit. Following the example of other UK jurisdictions, DfI has recently

updated its Technical Flood Risk Guidance in relation to allowances for Climate Change in Northern Ireland. The Guidance provides information internally for DfI staff to allow for Climate Change in their design and management of water infrastructure assets. It also provides advice to DfI and Local Council planners to use DfI's 2080s Climate Change maps at development plan preparation stage and for development management purposes, taking account of the best available information where possible on flood risk in making planning decisions. However due to cyclical reviews by the Met Office of Climate scenarios through the UK Climate Impacts Programme (the latest scenarios being UKCP18), Climate Change allowances will continue to be reviewed and updated in future by DfI.

Environmental Protection and Improvement

42. DfI and DAERA work closely to help develop and implement *"Sustainable Environmental Policy and Regulation (EP Aim 1)".*

43. NIEA hosted three catchment stakeholder events in November 2018 with the theme "Water Framework Directive - Aiming for Good Water Quality" to provide an update on delivering objectives of the Water Framework Directive.

44. DAERA continues to take forward actions in the test recommendations made in the Sustainable Agricultural Land Management Strategy Implementation Plan in terms of research, land mobility and a knowledge and advisory framework. A soil sampling and analysis research initiative in two water catchments is currently underway.

45. To work towards *"Sustainably Managing the Catchment to Improve Water Quality (EP Aim 2)"*, DAERA has recently established a multi-agency Priority Catchment Working Group, involving marine colleagues, and focusing on the Dundrum catchment. This should provide a model for addressing other catchments with multiple problems.

46. DAERA's Environmental Farming Scheme (EFS) aims to deliver specific environmental measures in order to restore, preserve and enhance

biodiversity; improve water quality; and foster carbon conservation and sequestration in agriculture. The EFS contains a Higher Level, which is aimed at environmentally designated land and priority habitats, and a Wider Level which is aimed at the wider countryside. Water quality measures are largely being delivered through the Wider Level of EFS. This is because the Wider Level targets more intensively farmed land, where agricultural pressures on water quality are greatest. The first two tranches of EFS opened for applications in 2017 and 2018. Through these Tranches, 2,503 Wider Level agreements and 576 Higher Level agreements are currently in place. Tranche 3 Higher Level closed on 17 May 2019 and 932 applications were received. Agreements will be offered to prioritised applications and will commence in January 2020. Tranche 3 Wider Level is planned to open for applications in August 2019 and a fourth tranche for both levels is planned to open in 2020.

47. Uptake of water quality measures has been good, with 70% of Tranche 2 Wider Level agreements including at least one of the five specific water quality options. In total, through the tranches some 1,267km of watercourses have been protected by fencing and 57km of riparian zones created. The water quality measures implemented though EFS will help to reduce nutrient inputs and sedimentation arising from farming activities. Therefore, they will contribute to the Executive's Outcome Delivery Plan - Outcome 2, we live and work sustainably - protecting the environment.

48. Training and support for Nutrient Management and Land Management is being delivered to farmers on a sectorial basis by the Business Development Groups (BDG) and some 3,000 farmers are enrolled.

49. In 2018/19, DAERA's Forest Service opened two application windows for the Forest Expansion Scheme and supported the planting of 238 hectares of new woodland that will supply a wide range of ecosystem services including flood mitigation.

50. To provide *"Effective and Efficient Wastewater Collection and Treatment (EP Aim 3)"*, NIEA continues to regulate NI Water discharges and is moving towards a mature compliance assessment which will drive further

improvement in NI Water's assets to protect the environment. NIEA is working with NI Water on the exploration of appropriate sustainable wastewater treatment. Trials which are planned or underway to date include; Integrated Constructed Wetlands, aerated reed beds and natural aerated lagoons.

51. NI Water has established partnerships with environmental stakeholders such as Environmental Health (in all councils) to work collaboratively to raise awareness of how to dispose of fats, oils and greases appropriately.

52. To ensure that it can *"Maintain Sustainable Levels of Water in the Environment (EP Aim 4)"*. NIEA works with NI Water on the review of abstraction licences and these reviews are based on sound evidence and strong Habitat Regulation Assessments to protect the environment. An extensive monitoring programme has been put in place by NI Water, guided by NIEA to gather the appropriate level of evidence required to review abstraction licences.

53. To assist in *"Improving River and Coastal Water Morphology and Biodiversity (EP Aim 5)"*, DAERA is working, through the delivery of the second cycle of River Basin Management Plans. The goal set in 2015, was to achieve Good Ecological Status, in up to 70% of Northern Ireland's water bodies, by 2021, from a baseline of 37% at Good Ecological Status in 2015. The River Basin Management Plans outline 136 measures to be implemented between 2015 and 2021, in order to try to address and reduce the impacts of the key pressures affecting water quality in Northern Ireland.

54. DfI and DAERA have also produced a Baseline and Gap Analysis for Coastal Erosion Risk Management in Northern Ireland which will help inform departments on issues relevant to managing coastal change.

55. To help develop a programme of salmonid fish habitat improvement work, DAERA has met with fishery organisations and angling clubs to review habitat assessments. This has informed the development and delivery of a programme of work consistent with the North Atlantic Salmon Conservation

Organisation (NASCO) plan and also the Water Framework Directive Programme of Measures.

56. To develop a more integrated ecosystem approach to terrestrial, marine and freshwater conservation, to help safeguard ecosystem services, DAERA has developed a framework for licensing to cover marine and shellfish licensing, to ensure compliance with UK Marine Policy Statement, draft Marine Plan and all Directive requirements are considered within the licensing processes.

Water and Sewerage Services

57. NI Water strives to *"Provide Efficient and Affordable Water and Sewerage Services (WSS Aim 1)"* and this is overseen and monitored by the Northern Ireland Authority for Utility Regulation ("the Regulator") which sets challenging targets for year on year efficiency improvements. In order to fully assess how NI Water is performing, the Regulator uses the Overall Performance Assessment (OPA) framework. This monitors the overall level of service that NI Water provides to its customers, by combining 11 individual service measures and scoring them against a reasonable range. Scores are then weighted in order of importance and combined to give an overall picture of service level performance.

58. NI Water outperformed its PC15 OPA target (of 227) for 2018/19 by 17 points, with a score of 244. Over the 2018/19 year, NI Water met or exceeded planned delivery in all but two of the 16 Key Performance Indicators (KPIs), these being leakage and number of telephone contacts received.

59. The company has also driven through efficiency measures in the past few years, reducing its operating cost by £65 million, in real terms, since 2010, whilst at the same time maintaining its service levels. This improved efficiency has also benefited business customers, who are paying less, in real terms, for their water and sewerage services than they did at the start of the current Price Control 2015 (PC15 period).

60. In its aim to *"Provide High Quality Services to All Water and Sewerage Customers (WSS Aim 2)"*, NI Water has conducted consumer research and assessed the impact of its education campaigns to identify areas for improvement and to develop partnerships with new stakeholders to help deliver its key messages to achieve greatest effect.

61. NI Water places great importance on *"Providing High Quality Customer Service and Customer Information (WSS Aim 3)"* and continues to make efficiencies through its ambitious Achieving Customer Excellence programme, driving down its operating costs whilst maintaining exceptionally high standards of water quality and wastewater treatment. Through ongoing collaboration the Customer Measures and Satisfaction Working Group, which includes CCNI, NI Water, DfI and is chaired by the Utility Regulator, has identified the following new customer measures more relevant to NI Water and their customers: Unwanted contacts, First Point of Contact Resolution (FPOCR), a customer advocacy measure and an Omnibus survey. The group has concluded that as the measures are new, there is insufficient data available to allow realistic performance targets to be set for NI Water during PC15. It has therefore been agreed that performance against the new measures should be monitored over the remainder of the PC15 period in preparations for targets being set in PC21, NI Water's Strategic Business Plan sets out Key Performance Indicators (KPIs) across its business activities to demonstrate the improvement and quality of services to be achieved. Despite its budgetary constraints, NI Water met or exceeded planned delivery in all but two of the 16 KPIs for 2018/2019. In addition, NI Water continues to develop its ability to resolve issues at the first time of contact and proactively engages with representative organisations to help vulnerable customers in the community. NI Water is working in conjunction with the Regulator and NIE Networks to progress the actions arising from the Regulator's "Care Register Review Final Decisions Paper". The paper includes proposals for improvements in promotion and data sharing.

During 2018/19, NI Water failed to meet the following KPIs:-

(i) Target 2 (number of telephone contacts received) - NI Water failed to meet the target level of 209,994 telephone contacts received, with an actual volume of 215,011 telephone contacts received. The extra volumes of calls can be attributed to customers wishing to settle their accounts; and

(ii) Target 5a (leakage) - NI Water failed to meet the target level of 157 million litres per day, with an actual level of 160 million litres per day. The increase in leakage was primarily caused by Storm Emma at the start of the year followed by the hot weather experienced in the summer of 2018, which caused a higher level of bursts on the water network. Leakage reduction continues to be given a high priority in 2019/20, to achieve the PC15 target of 153 million litres per day by 2021.

62. In order to *"Provide Resilient and Secure Water and Sewerage Service (WSS Aim 4)"*, NI Water is currently consulting on its first Water Resource and Supply Resilience Plan and has taken steps to insulate key components, in its water and wastewater treatment works, against extreme cold.

63. NI Water not only provides us with valuable water and sewerage services, but it also *"Utilises its Estate to Promote Recreation, Biodiversity and Cultural Heritage (WSS Aim 5)"*. NI Water has put in place a Recreational and Access Policy, for its land, to facilitate and encourage recreational activities, where it is safe to do so. It is also working in conjunction with Newry, Mourne and Down District Council, the Mourne Heritage Trust and Tourism NI to promote recreation, biodiversity and cultural heritage.

EU Funding

64. WDPD has sought to progress LTWS objectives through utilising EU funding opportunities. Opportunities identified resulted in engagement between NI Water and Irish Water, who subsequently developed two cross border projects which were awarded funding under the INTERREG VA Programme (2014-

2020). Both projects are now ongoing and progressing well i.e. the ‘Source to Tap’ Project (awarded €4.9m) and the ‘SWELL’ Project (awarded €35m).

The UK’s Exit from the EU

65. Much of the legislation governing the management of water, in terms of both quality and quantity, has been developed under EU Frameworks and Directives. Relevant legislation has been amended to ensure that it is operable when the United Kingdom leaves the European Union. Work is also ongoing with Defra and the Ministry of Housing, Communities and Local Government to ensure that the Water and Drainage Policy Division is fully engaged with relevant Common Frameworks, which will be the means of policy development after the United Kingdom leaves the European Union.

Conclusion

66. This third Annual Report highlights further significant progress in a number of areas. However, the ongoing constraints on budgets across all areas involved in the Strategy is a cause for concern and may impact on the Executive’s ability to meet all its objectives in the medium to long term.

The impact of the UK’s withdrawal from the EU is not yet clearly defined, and this will need to be carefully managed to minimise any potential impact on the delivery of the Strategy. It is also important that local councils and government departments continue to build strong links and develop stronger partnership working to help achieve successful outcomes. Delivering the Strategy will also help to fulfil our commitments in the Executive’s Outcomes Delivery Plan.