

Title: Social and Environmental Guidance for Water and Sewerage Services for Price Control 28 (2028/29 – 2032/33)	Regulatory Impact Assessment (RIA)	
	Date: 04/08/2026	
	Type of measure: Policy Guidance	
Lead department or agency: Department for Infrastructure	Stage: Development	
	Source of intervention: Domestic (NI)	
Other departments or agencies: NI Water, Utility Regulator, DAERA, Northern Ireland Environment Agency, Consumer Council for Northern Ireland	Contact details: Michael Armstrong	
	Grade 7, Water Quality Policy Branch	
	Ex. 37904	

Summary Intervention and Options

What is the problem under consideration? Why is government intervention necessary? (7 lines maximum)	
Under Article 7 of the Water and Sewerage Services (Northern Ireland) Order 2006, as amended, the Department may from time-to-time issue guidance on its social or environmental policies. The Regulator shall, in exercising and performing its functions with respect to regulation of the water industry, have regard to any guidance issued under that Article. In line with the approach taken for the current Price Control period, PC21, the Department has developed updated draft Guidance ('the Guidance'), for the next Price Control period PC28 (2028/29 – 2032/33) to help inform the determination by the Utility Regulator for this next period.	
What are the policy objectives and the intended effects? (7 lines maximum)	
The Guidance summarises key strategic social and environmental policies for the Regulator to take account of when regulating NI Water during the next Price Control period. These policies are summarised under three key themes: • Environmental Improvement and Compliance; • Service Delivery, Improvement and Affordability; and, • Sustainability and Climate Change	
What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base) (10 lines maximum)	
The Guidance is not a regulation in itself but helps to inform and guide the Utility Regulator's approach to decision making for the next Price Control period, by summarising key social and environmental policies the Department expects the Utility Regulator to have regard to. As such the alternative option to the Guidance would be a 'do nothing' option where the updated Guidance is not issued to the Utility Regulator and the existing Guidance, issued for the current Price Control period PC21 (2021/22 – 2027/28) remains in effect. The draft Guidance for PC28 developed to date has been informed by informal consultation with key water stakeholders listed above under the 'Other Departments or agencies' heading. The draft Guidance will be subject to formal public consultation. Feedback received from this process will inform consideration and development of the finalised Guidance submitted to the Executive for approval for laying before the Assembly and issuing to the Utility Regulator.	
Will the policy be reviewed? It will be reviewed	If applicable, set review date: Q4 2026

Cost of Preferred (or more likely) Option				
Total outlay cost for business £m	Total net cost to business per year £m		Annual cost for implementation by Regulator £m	
N/A	N/A		N/A	
Does Implementation go beyond minimum EU requirements?		YES ☒		NO ☐
Is this measure likely to impact on trade and investment?		YES ☐		NO ☒
Are any of these organisations in scope?	Micro	Small	Medium	Large
	Yes ☒ No ☐	Yes ☒ No ☐	Yes ☒ No ☐	Yes ☒ No ☐

The final RIA supporting legislation must be attached to the Explanatory Memorandum and published with it. – Not Applicable, Guidance issued under existing legislation detailed above.

Approved by: Michael Armstrong Date: 04/08/2026

ECONOMIC ASSESSMENT (Option 1)

Economic Assessment (Option 1)				
Costs (£m)	Total Transitional (Policy) (constant price) Years		Average Annual (recurring) (excl. transitional) (constant price)	Total Cost (Present Value)
Low	N/A Optional	N/A	N/A Optional	N/A Optional
High	N/A Optional		N/A Optional	N/A Optional
Best Estimate	N/A		N/A	N/A
Description and scale of key monetised costs by ‘main affected groups’ Maximum 5 lines Not applicable – ‘Do Nothing’ option retains PC21 Guidance at no additional monetised cost.				
Other key non-monetised costs by ‘main affected groups’ Maximum 5 lines Non-monetised costs may be related to opportunity costs in not reflecting up to date relevant social and environmental policies in the Guidance issued to the Utility Regulator. The draft Guidance addresses key current issues, including but not limited to increasing wastewater capacity, maintaining environmental compliance in the context of DAERA’s wastewater regulatory reform agenda, and taking steps to mitigate and adapt to climate change in all aspects of investment planning and decision making.				
Benefits (£m)	Total Transitional (Policy) (constant price) Years		Average Annual (recurring) (excl. transitional) (constant price)	Total Benefit (Present Value)
Low	N/A Optional	N/A	N/A Optional	N/A Optional
High	N/A Optional		N/A Optional	N/A Optional
Best Estimate	N/A		N/A	N/A
Description and scale of key monetised benefits by ‘main affected groups’ Maximum 5 lines Not applicable – ‘Do Nothing’ option retains PC21 Guidance with no additional monetised benefits.				
Other key non-monetised benefits by ‘main affected groups’ Maximum 5 lines ‘Do Nothing’ option presents limited to no non-monetised benefits for the Department or other affected stakeholders compared with issuing more relevant and up to date Guidance for the next Price Control period.				
Key Assumptions, Sensitivities, Risks Maximum 5 lines Key assumption is that costs associated with development and consultation of the updated Guidance form part of ‘business as usual’ (BAU) activity by the relevant policy branch and so ‘do nothing’ option provides little in the way of monetised or non-monetised benefits.				

BUSINESS ASSESSMENT (Option 1)

Direct Impact on business (Equivalent Annual) £m				
Costs: N/A	Benefits: N/A	Net: N/A		

Cross Border Issues (Option 1)

How does this option compare to other UK regions and to other EU Member States (particularly Republic of Ireland) Maximum 3 lines Other jurisdictions have different governance and operational models for their water industries but the ‘do nothing’ option in the NI context sacrifices an opportunity to provide an up to date summary of relevant social and environmental policies in NI both for domestic and international water stakeholders.
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Summary: Analysis and Evidence

Policy Option 2

Description: Develop updated Social and Environmental Guidance for PC28

ECONOMIC ASSESSMENT (Option 2)

Costs (£m)	Total Transitional (Policy) (constant price)	Years	Average Annual (recurring) (excl. transitional) (constant price)	Total Cost (Present Value)
Low	N/A Optional	N/A	N/A Optional	N/A Optional
High	N/A Optional		N/A Optional	N/A Optional
Best Estimate	N/A		N/A	N/A

Description and scale of key monetised costs by 'main affected groups' Maximum 5 lines
Not applicable – no significant monetised costs identified for development of updated guidance for the Department or other stakeholders beyond costs that would be associated with BAU activity for the relevant policy branch.

Other key non-monetised costs by 'main affected groups' Maximum 5 lines
No non-monetised costs of developing updated Guidance identified.

Benefits (£m)	Total Transitional (Policy) (constant price)	Years	Average Annual (recurring) (excl. transitional) (constant price)	Total Benefit (Present Value)
Low	N/A Optional	N/A	N/A Optional	N/A Optional
High	N/A Optional		N/A Optional	N/A Optional
Best Estimate	N/A		N/A	N/A

Description and scale of key monetised benefits by 'main affected groups' Maximum 5 lines
Not applicable – while updated Guidance will inform the determination by the Utility Regulator and therefore the investment priorities for NI Water, any monetised benefits will be on a project-by-project basis and will be subject to the Utility Regulator's determination and available budgets.

Other key non-monetised benefits by 'main affected groups' Maximum 5 lines
Significant non-monetised benefits in issuing updated guidance versus the 'Do Nothing' alternative. Guidance highlights key current policy issues and emphasises the importance of maintaining a clean and safe drinking water supply, with the resultant health and wellbeing benefits for consumers. The focus placed on increasing wastewater capacity can help to encourage economic growth by supporting new development, with wider environmental and climate change benefits¹ supported by improved compliance performance of NI Water assets.

Key Assumptions, Sensitivities, Risks Maximum 5 lines
Key assumption is that costs associated with development and consultation of the updated Guidance form part of 'business as usual' (BAU) activity by the relevant policy branch and so this option provides little in the way of monetised or non-monetised costs.

BUSINESS ASSESSMENT (Option 2)

Direct Impact on business (Equivalent Annual) £m		
Costs: N/A	Benefits: N/A	Net: N/A

Cross Border Issues (Option 2)

How does this option compare to other UK regions and to other EU Member States (particularly Republic of Ireland) Maximum 3 lines
Other jurisdictions have different governance and operational models for their water industries but the updated Guidance provides an opportunity to summarise relevant social and environmental policies in NI both for domestic and international water stakeholders.

¹ Climate Change benefits may include improved adaptation of critical infrastructure, improved water use and water quality, improved air quality through reduced emissions (e.g. adoption of electric vehicle fleet) and additional green jobs.