



Department for

Infrastructure

An Roinn

Bonneagair

Department für

Infrastructure

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Draft PC28 Social & Environmental Guidance for Water and Sewerage Services (2028/29 - 2032/33)

Consultation on the Guidance setting key social and environmental priorities that the Department will expect the Utility Regulator to have regard to when carrying out its role of regulating NI Water during this Price Control Period PC28 (2028/29 - 2032/33)



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Ministerial Foreword

The provision of clean, safe drinking water and the effective treatment of wastewater remain fundamental public services. They are essential to public health and wellbeing, to the protection of our environment, and to the continued growth and resilience of our economy. These services must meet the needs of households, agriculture, business and industry, while safeguarding our natural environment and responding to the accelerating impacts of climate change.

I am pleased to publish this Social and Environmental Guidance for Water and Sewerage Services for the Price Control (PC) 28 period, covering 2028/29-2032/33, for public consultation. This Guidance sets the strategic direction for how water and sewerage services should be delivered in the North over the period 2028/29 - 2032/33. It emphasises the importance of NI Water meeting its environmental obligations, including drinking water quality, wastewater treatment standards and pollution reduction, while continuing to improve service delivery and operate sustainably.

The PC28 period will be critical. The North faces increasing pressures on water and wastewater infrastructure due to population growth, economic development, climate change and the need for greater environmental protection. This Guidance therefore places a strong focus on long term resilience, sustainable investment and the modernisation of our water and sewerage networks.

Enhancing wastewater capacity is essential to supporting economic growth, enabling the delivery of new homes and protecting our rivers, lakes and coastal waters. Addressing historic underinvestment must continue, alongside a renewed commitment to managing stormwater more sustainably. Wider use of sustainable drainage systems will reduce flood risk, divert rainwater from the wastewater network, increase treatment capacity and support both housing development and economic activity.

Sustainability and climate action are core themes throughout this Guidance. NI Water has a vital role in mitigating and adapting to climate change through its investment planning, operational decision making and energy use. Reducing emissions, improving energy efficiency and strengthening resilience to extreme weather events will be essential to safeguarding services for future generations.

As Minister for Infrastructure, I am committed to working closely with NI Water, the Utility Regulator and all stakeholders to deliver the priorities set out in this Guidance and would welcome your views on this consultation.

Liz Kimmins MLA

Minister for Infrastructure

1. Consultation Arrangements

Timetable

This consultation document will be available for response, and comment for a period of 8 weeks from 1 September to 5pm on 27th October 2026.

How to respond

We would welcome your views on the draft PC28 Social & Environmental Guidance for Water and Sewerage Services (2028/29 – 2032/33).

Responses should be submitted using the online survey. However, we will also accept responses emailed to:

PC28Guidance@infrastructure-ni.gov.uk or

Water Quality Policy Team

Water and Drainage Policy Division
Department for Infrastructure

1st Floor James House,
2-4 Cromac Avenue, Belfast.
BT7 2JA.

We will acknowledge receipt of your submission.

If you choose to email/post your response, please use the list of questions at Section 4.

When you respond, tell us whether you are doing this for yourself or for an organisation.

If you are responding on behalf of an organisation, please tell us,

- Who the organisation represents.
- How the information was gathered.

Please note that responses to the consultation must be received by 5pm on 27th October 2026.

Alternative Formats

The consultation document can also be made available in alternative formats.

Requests should be made to PC28Guidance@infrastructure-ni.gov.uk

Impact Assessments

The following impact assessments have been completed:

Equality Impact Assessment

A Section 75 screening has been carried out.

No impacts were identified for any specific group. The Department recognises that equality screening is a live process that will be considered alongside the consultation process as it evolves. The screening will be reviewed following completion of the public consultation to factor in any relevant equality issues that need to be considered.

Further Section 75 screening (and, if deemed appropriate) Equality Impact Assessments will be carried out as decisions are made and policies developed in response to this consultation.

Human Rights Impact Assessment

The Department has carried out a draft Human Rights Impact Assessment (HRIA) and considers the Guidance does not interfere with or limit any relevant human rights. As with other Assessments this HRIA can be updated following completion of the public consultation to factor in any issues identified regarding human rights that need to be considered.

Rural Needs Impact Assessment

The Department has carried out a draft Rural Needs Impact Assessment (RNIA) to assess any impacts on those in rural areas. The draft RNIA will be reviewed following the conclusion of the public consultation to factor in any issues identified regarding rural needs that need to be considered.

Regulatory Impact Assessment

A screening exercise has been undertaken which concludes that a full Regulatory Impact Assessment is not required and outlines the non-monetised benefits of the Guidance versus a 'do nothing' alternative option. As with other Assessments this screening exercise can be updated following completion of the public consultation to factor in any relevant issues that need to be considered.

Child Rights Impact Assessment

The Department has carried out a Child Rights Impact Assessment (CRIA) and considers the Guidance does not negatively impact child rights. The CRIA will be subject to review and will be updated following the conclusion of the public consultation process to factor in any issues identified regarding children's rights that need to be considered.

Data Protection Impact Assessment

The Department has carried out a draft Data Protection Impact Assessment (DPIA) and considers the Guidance is fully compliant with the General Data Protection Regulation (GDPR) and the Data Protection Act 2018. The DPIA will be updated following completion of the public consultation to factor in any data protection issues that need to be considered.

Strategic Environmental Assessment

The need to conduct a Strategic Environmental Assessment (SEA) was considered and ruled out as the guidance does not fall within the definition of a 'plan or programme' for which an SEA is required.

Freedom of Information Act 2000 – Confidentiality of Responses

UK General Data Protection Regulation

The Department may publish a summary of responses following the closing date for receipt of comments. Your response, and all other responses to this publication, may be disclosed on request and/or made available on the DfI website (redacted).

The Department can only refuse to disclose information in exceptional circumstances. Before you submit your response, please read the paragraphs below on the confidentiality of responses as this will give you guidance on the legal position about any information given by you in response to this publication.

The Freedom of Information Act 2000 and Environmental Regulations 2004 give the public a right of access to any information held by a public authority, namely, the Department in this case. This right of access to information includes information provided in response to a consultation.

The Department cannot automatically consider as confidential information supplied to it in response to a consultation. However, it does have the responsibility to decide whether any information provided by you in response to this publication should be made public or treated as confidential.

The information you provide in your response, excluding personal information, may be published, or disclosed in accordance with the Freedom of Information Act 2000 (FOIA) or the Environmental Information Regulations 2004 (EIR). **Any personal information you provide will be handled in accordance with the UK-GDPR and will not be published.**

If you want the non-personal information that you provide to be treated as confidential, please tell us why, but be aware that, under the FOIA or EIR, we cannot guarantee confidentiality.

For information regarding your personal data, please refer to the DfI Privacy Notice at www.infrastructure-ni.gov.uk/dfi-privacy. For further details on confidentiality, the FOIA and the EIR please refer to www.ico.org.uk.

Next Steps

After consideration of all the responses received by the deadline, a Consultation Responses Report will be prepared and published.

2. Background

The draft Social and Environmental Guidance for Water and Sewerage Services ('the Guidance') outlines the Department for Infrastructure's ('the Department') key social and environmental policies that the Minister for Infrastructure expects the Northern Ireland Authority for Utility Regulation ('the Regulator') to have regard to in carrying out its role of regulating the water industry during the 2028/29 – 2032/33 Price Control period ('PC28'). The draft Guidance groups relevant policies under three key themes:

- 1. Environmental Improvement and Compliance;**
- 2. Service Delivery, Improvement and Affordability; and,**
- 3. Sustainability and Climate Change.**

The Department is carrying out a public consultation on the draft Guidance to provide the opportunity for the public to submit its views on the key social and environmental policies outlined in the guidance for PC28. The Department has sought views from key stakeholders involved in the delivery and oversight of water and wastewater services in Northern Ireland in developing the draft Guidance. Following the completion of the public consultation process, the Department will review and consider all responses received in order to inform next steps in finalising the Guidance for issue to the Regulator.

The public consultation will run for a period of 8 weeks from 1st September 2026 to 27th October 2026. The Utility Regulator and NI Water will consider the Guidance, once finalised, as part of the next stages of the Price Control determination process.

A copy of the draft Guidance is provided in chapter 3. A list of the consultation questions is provided in chapter 4. The closing date for responses is 5pm on 27th October 2026. All responses received by this date will be considered by the Department.

3. Draft Social and Environmental Guidance for Water and Sewerage Services for Price Control 28 (2028/29 – 2032/33)

1. This Guidance sets out the Department for Infrastructure's ('the Department') key social and environmental policies that the Minister for Infrastructure expects the Northern Ireland Authority for Utility Regulation shall have regard to in carrying out its role of regulating the water industry during the 2028/29-2032/33 period.
2. The Northern Ireland Authority for Utility Regulation ('the Regulator') is the independent economic regulator for the water industry in Northern Ireland. NI Water is a government-owned company and is the sole water and sewerage undertaker in Northern Ireland.
3. The Northern Ireland Environment Agency (NIEA), an executive agency with the Department of Agriculture, Environment and Rural Affairs (DAERA), is the environmental regulator in Northern Ireland. NIEA's primary purpose is to protect and enhance Northern Ireland's environment, and in doing so, deliver health and well-being benefits and support economic growth.
4. The water industry contributes to Executive priorities by providing high quality drinking water and managing wastewater services safely to protect public health and the environment, and to contribute to economic growth. The Department would expect the Regulator, in its role of regulating NI Water, to facilitate and support action to enhance water quality, deliver a resilient and sustainable water supply, contribute to effective flood risk management and increase the provision of wastewater capacity to facilitate housing and development to contribute to economic growth without adversely impacting the environment. In particular, the Department wants to see progress being made to reduce the adverse impacts of discharges from storm overflows.
5. The Department also expects the Regulator to emphasise the importance to NI Water of operating efficiently whilst also being cognisant of the budget outlook in its approach to business planning for Price Control 28 (PC28). The Utility Regulator must ensure that NI Water equally reflects the regulatory affordability (the impact on customer bills / tariffs) against the deliverability of the required investments within the budget affordability envelope advised by the Department.
6. The Regulator shall, in performing its functions, have regard to this guidance and the Department's key social and environmental policies within it.

7. The Department's key policies are as set out in Sustainable Water – A Long-Term Water Strategy for Northern Ireland 2015-2040 (the Strategy) and the Regulator should challenge NI Water to work towards the achievement of those policies. The Regulator should drive NI Water to ensure that wastewater capacity issues are addressed and that a sufficient supply of high-quality drinking water is maintained to facilitate economic development, whilst simultaneously ensuring environmental compliance and maintaining a resilient asset base. This will require ensuring that NI Water prioritises appropriately to operate within its budget.

Governance and Funding Arrangements

8. The Water and Sewerage Services Act (NI) 2016 and, subsequently, the Grants to Water and Sewerage Undertakers Order (NI) 2022, extended the period during which NI Water will continue to receive funding from government subsidy, in lieu of domestic water charges to 31 March 2027. The NI Assembly will, therefore, need to consider a new statutory rule to extend the period that NI Water will continue to receive this subsidy and for how long.
9. All investment in water and sewerage services must be affordable and aligned to budget plans, when agreed. In this sense, the Department considers affordable means the level of actual investment that can be recovered from consumers within the period, at an affordable level. The Department expects that the Regulator shall have regard to the public expenditure outlook and the Department's capital budget allocation for NI Water, when agreed.
10. It is recognised that NI Water's Outline Capital Submission states that significantly more funding is needed than is likely to be provided through public expenditure. NI Water's PC28 Business Plan Submission should clearly articulate the implications of a constrained budget, outlining what could be delivered within budget plans, when agreed by the Department, and provide analysis of how projects which may not be currently deliverable within the funding available could be delivered in phases should additional funding become available. NI Water's PC28 Business Plan should also articulate the implications of not funding the assessed capital requirements in the PC28 Outline Capital submission, including how this will impact on the service delivery for current and future customers.
11. It is acknowledged that the Regulator is obliged to determine the Price Control at a revenue limit to ensure that NI Water will be able to meet its statutory obligations and considers affordability in terms of the level of efficient investment that can be recovered through tariffs. In the context

of constrained budgets for public expenditure, however, revenue from customers for planned investments which are not affordable in budget terms would represent an inefficient use of resources and may result in consumers being overcharged for investment that does not materialise.

12. The Regulator should therefore take steps to monitor the level of efficient investment that can be recovered from consumers within the PC28 period to ensure affordability is aligned with actual investment made which in itself is determined by budget availability. This should be reflected in tariffs that are set out in the scheme of charges and in the level of subsidy recovered in lieu of direct domestic charging, ensuring that the actual investment does not result in any overcharging to consumers. Given that the Department is responsible for providing subsidy, the level of subsidy required, must be aligned to budget plans, when agreed.
13. The Regulator's final determination along with the affordability within the budget expenditure process will determine actual budget.

The legislative framework

14. The independent economic regulation of the water industry is essential to protect customers, facilitate efficient investment and enable growth. To support this, the Department will set out clear strategic guidance and public expenditure forecasts to assist the Regulator and NI Water to make informed decisions.
15. 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, have regard to any guidance issued under that article.
16. When formulating guidance, the Department is required, where practicable, to have regard to the costs and benefits which may be expected to result from the guidance. This is of particular importance where the costs of delivering the guidance is dependent on decisions in relation to public expenditure funding allocations.
17. The Department is required to consult the Regulator, the Consumer Council for Northern Ireland, relevant undertakers, the Department of Agriculture, Environment and Rural Affairs and anyone else that the Department thinks appropriate, on a draft of the guidance. Prior to final publication, a draft of the guidance must be laid before the Assembly for a period of 30 days.

Key Social and Environmental Policies

18. The strategic social and environmental policies for the Regulator to take account of when regulating NI Water, during the 2028/29-2032/33 period, are outlined below under three key themes:

Environmental Improvement and Compliance

19. The Regulator should challenge NI Water to improve its water and sewerage infrastructure to meet its legal obligations in relation to drinking water and wastewater quality; and pollution prevention and control. The Regulator should also drive NI Water to be more innovative in taking action to protect and enhance the environment, in particular by taking appropriate action to improve water quality and to safeguard high quality drinking water.

Service Delivery, Improvement and Affordability

20. The Regulator should challenge NI Water to plan and operate its water and wastewater services to secure the needs of current and future customers including increasing the provision of wastewater capacity to facilitate housing and development, to contribute to economic growth and to provide an efficient and affordable service to customers. The Regulator should encourage NI Water to provide a better service to its customers by improving its performance against customer service standards by targeting key areas such as out-of-sewer flooding, interruptions to water supply, low water pressure and leakage.

Increasing Wastewater Capacity

21. A key element of service improvement is increasing wastewater capacity, which can support the Executive's priorities of economic growth. Therefore, the role of NI Water in increasing wastewater capacity to facilitate additional wastewater connections while simultaneously ensuring regulatory compliance is crucial. Specifically, the Department expects NI Water to have regard to the impact of its operations on the Executive's ambitions to increase wastewater capacity for the supply of new properties and to ensure effective sustainable flood risk management.

Sustainability and Climate Change

22. The Regulator should challenge NI Water to continue with its catchment-based approach to investment to reduce leakage, pollution incidents and energy consumption, whilst facilitating future development and growth. The Regulator should also drive NI Water to mitigate and

adapt to climate change in all aspects of investment planning and decision making as well as deliver increasingly energy efficient water and wastewater services.

Environmental Improvement and Compliance

23. Climate change and biodiversity loss, invasive species, as well as population growth and emerging chemical contaminants are intensifying pressure on the water environment, which can impact drinking water sources, challenging water treatment processes and posing a risk to drinking water quality / public health.
24. The Executive's Sustainable Water - A Long-Term Water Strategy for Northern Ireland (2015-2040) encourages a sustainable and integrated approach to managing all our different water needs in a way which promotes regional development, without compromising the environment or increasing flood risk.
25. NI Water plays a key role in protecting and enhancing the environment. To improve the quality of our water environment, NI Water must reduce pollution from sewage and wastewater, ensuring compliance with evolving regulatory requirements, and effectively contribute to sustainable flood risk management.
26. The Regulator should drive NI Water to include actions to reduce pollution and improve its environmental performance, while delivering long-term value for money in the delivery of core water and wastewater services.
27. There is a need to have less reliance on storm overflows which discharge sewage into our watercourses. The Regulator should continue to challenge NI Water to progressively reduce the adverse impacts of discharges from storm overflows and improve its transparency of reporting when discharges occur.
28. The Department therefore expects the Regulator to encourage NI Water to reduce the frequency and volume of sewage discharges from storm overflows, so that they operate infrequently, and mainly during unusually heavy rainfall. The Regulator should require NI Water to set out how it will improve the performance of its drainage system, including reducing discharges, through drainage area plans. The Regulator should require NI Water to demonstrate that proposed improvements to its drainage system do not result in the displacement of water which causes an increase in flood risk from other sources. NI Water should be open and transparent with the public and provide information relating to

discharges to the environment and their environmental impact as soon as reasonably practicable. The Department expects the Regulator to:

- a. challenge NI Water to demonstrate how it will maintain wastewater regulatory compliance and improve environmental performance to meet environmental standards agreed with the Northern Ireland Environment Agency;
- b. challenge NI Water to demonstrate how it aims to reduce pollution incidents including those caused by intermittent and continuous discharges of wastewater; and
- c. challenge NI Water to provide effective and efficient wastewater collection and treatment in line with evolving wastewater regulatory requirements and to improve environmental performance to meet environmental standards agreed with the Northern Ireland Environment Agency.

Environmental ambition

29. The Regulator should drive NI Water to help protect and enhance the environment, in particular by improving environmental compliance performance and water quality.
30. The Department expects NI Water to meet the requirements of all environmental legislation.
31. The Regulator should challenge NI Water to be outcome focused, innovative, integrate actions across the catchment and work in partnership with other organisations. The Department expects NI Water to support environmental protection and the enhancement of priority habitats.
32. Environmental pressures, particularly from nutrients (phosphates and nitrates) are significant contributing factors to the decline of some of our protected sites ('protected sites' is used here to refer to Areas of Special Scientific Interest (ASSI), Special Areas of Conservation (SAC), Special Protection Areas (SPA) and other locations designated as protected due to the presence of valuable natural features). In addition, these environmental pressures can severely impact rare and significant habitats of national importance. The Regulator should take steps to ensure that NI Water continues to consider these environmental pressures in line with their regulatory environmental duties and where appropriate, work with wider stakeholders to support mitigating actions, when needed, to avoid adverse effects.

33. NI Water should continue to make use of nature and catchment-based solutions to achieve multiple benefits for the environment and the public. The Regulator should challenge NI Water to work towards delivering these solutions, so long as risks are understood, controlled, and proportionate to the potential benefits. The Regulator should also challenge NI Water to proactively engage with wider stakeholders to promote collaboration and align objectives to ensure effective surface water management and wider sustainable flood risk management.
34. The Department welcomes the commitment by NI Water to delivering net zero and a climate resilient future for all its customers. It must do this in a manner consistent with the achievement of the targets of the Climate Change Act (Northern Ireland) 2022, as so far as it is affordable within the public expenditure available. The Department expects the Regulator to continue to:
- a. challenge NI Water to deliver compliance against all relevant environmental legislation;
 - b. encourage NI Water, when supported by their customers, to deliver wider environmental benefits in the course of carrying out their functions;
 - c. challenge NI Water to continue to work with water stakeholders to utilise evidence from its Integrated Environmental Modelling, Drainage Area Plans and significant water management tools, to identify and implement stormwater separation and infiltration reduction schemes to address unsatisfactory intermittent discharge, pollution incidents, out-of-sewer flooding, surface water flooding and provide wastewater capacity for housing and development, whilst ensuring and demonstrating that proposals do not increase flood risk elsewhere or from alternative sources;
 - d. encourage NI Water to work with the Department to help deliver the Urban Drainage Transformation Project, which aims to pilot a range of nature-based drainage and flood-management interventions to demonstrate their effectiveness in managing urban water flows, reducing flood risk and pollution, and supporting climate adaptation;
 - e. encourage NI Water to work with the Department on the development of Sustainable Drainage System (SuDS) policy for new housing developments;
 - f. challenge NI Water to deliver improvements to protected sites and recognise the importance of priority habitats, including the need to address nutrient pollution;

- g. challenge NI Water to contribute to meeting the objectives in the River Basin Management Plan (2028 – 2033), ensuring that programmes of measures include specific, granular actions for individual water bodies, where required to ensure legal compliance; and
- h. challenge NI Water to sustainably manage catchments to improve water quality and manage sustainable levels of water in the environment.

Service Delivery, Improvement and Affordability

- 35. Customers expect a resilient, sustainable and wholesome water supply and resilient wastewater services. The resilience of the provision of water and sewerage services is becoming ever more important with increasing pressure from climate change and population growth.
- 36. The Regulator should take steps to help ensure that NI Water plans, invests and operates to meet the needs of current and future customers including increasing the provision of wastewater capacity to facilitate housing and development to contribute to economic growth. This should be done in compliance with public expenditure budget limits, and in a way which delivers value to customers, the environment and wider society over the long-term.
- 37. Safe, clean drinking water, acceptable to the consumer, is vital for public health and the wellbeing of our society. The Regulator should challenge NI Water to ensure that the drinking water it provides is safe and acceptable for consumers.
- 38. The Regulator should encourage NI Water to provide a better and fairer water service for all, by improving customer services and complaints handling and also challenge NI Water to meet the needs of vulnerable customers.
- 39. The Regulator should encourage NI Water to actively promote and review its Customer Care Register, to support consumers in vulnerable and changing circumstances.
- 40. The Regulator should encourage NI Water to continue trialling smart meter and Automatic Meter Reading (AMR) technology and undertake further pilots to inform a review of metering technology for business customers.
- 41. NI Water must understand the needs of its customers and how improving drinking water quality benefits society through better

engagement and the use of data when developing its longer-term outcomes and priorities.

42. The sharing of data, information and ideas is critical for ensuring that NI Water and wider stakeholders work together to improve the resilience of the water and sewerage infrastructure. The Department expects NI Water to keep pace with the wider digital economy, and to demonstrate measurable progress in improving transparency and data sharing with relevant stakeholders.

Improving wastewater capacity

43. To meet our wastewater needs over the longer-term, and in a sustainable way, efforts should be made to increase wastewater capacity to facilitate housing and development to contribute to economic growth. The Department expects the Regulator to:
 - a. improve fairness and transparency in NI Water's charging arrangements and further promote sustainability and environmental protections; and
 - b. consider how its regulatory framework can enable water and wastewater services to support ambitions to increase housing supply and development, in line with its duty to contribute to the achievement of sustainable development.

Improving water supply

44. To meet our water resource needs over the long-term, and in a sustainable way, efforts should be made to increase water supplies and reduce the demand for water.
45. The Department expects the Regulator to:
 - a. support and challenge NI Water to effectively plan and deliver solutions to meet the long-term requirements for water supply;
 - b. challenge NI Water to manage drinking water quality risk in a sustainable manner from source to tap;
 - c. challenge NI Water to continue to implement its strategic lead pipe replacement programme, subject to budget availability; and,
 - d. challenge NI Water to meet the water demand needs of society, the economy and the environment.

Serving and protecting customers

46. NI Water must provide excellent services, including customer service and complaints handling. The Department expects the Regulator to:
- a. encourage NI Water to continually improve its customer service and improve the timeliness and quality of responses to customer complaints;
 - b. challenge NI Water to treat all customers fairly and to continue to strengthen focus on protecting vulnerable customers;
 - c. challenge NI Water to continue to reduce the number of complaints received year on year, increase the number of contacts resolved at first point of contact and continue to work with stakeholders through the Consumer Measures and Satisfaction Working Group to implement agreed customer experience measures to continue to develop these measures;
 - d. challenge NI Water to implement strategies to promote responsible sewerage consumer behaviour including raising public awareness of the correct way to dispose of wet wipes, fats, oils and greases and increase public awareness of water efficiency measures;
 - e. challenge NI Water to provide high quality, efficient, resilient and affordable water and sewerage services; and
 - f. challenge NI Water to utilise its assets to provide wider benefits for the environment and the community.

Asset health

47. Good asset management is a key factor in delivering long-term resilience. The Department expects the Regulator to challenge NI Water to demonstrate a clear understanding of the health of its assets over the long-term and how this impacts the resilience of its services. Effective management of assets will support future resilience of service and provide benefits to the environment and society through, for example, reduced environmental harm and fewer flooding and pollution incidents. The Department expects the Regulator to:
- a. promote good asset management and challenge NI Water to better understand the health of its assets and adopt a strategic and long-term approach. This approach should provide for resilient services taking account of growing pressures, including climate change and population growth, and the needs of a healthy environment, and provide value to customers and wider society in the longer-term.

Security and emergency measures

48. The Regulator should challenge NI Water to be prepared for emergencies such as floods and droughts as well as the need to ensure it is protected against a wide range of security threats. This includes theft, cyber-attacks or terrorism. The Preservation of Services and Civil Emergency Measures (Relevant Undertaker) (NI) Direction 2010 requires NI Water to develop and maintain plans to ensure a water supply at all times, including during a civil emergency or event threatening national security.
49. Under the Network and Information Systems (NIS) Regulations 2018, NI Water must take appropriate measures to manage risks to their network and information systems and prevent and/or minimise the impact of incidents to those systems.

Sustainability and Climate Change

50. Reducing leakage, pollution incidents and energy consumption are issues that NI Water needs to deliver, whilst facilitating future development and growth. NI Water should adapt to climate change in its investment planning and decision making, as well as improving resilience in the face of more extreme weather. The Department expects the Regulator to:
 - a. challenge NI Water to invest to reduce leakage, pollution incidents and energy consumption, whilst facilitating future development and growth; and
 - b. challenge NI Water to mitigate and adapt to climate change in all aspects of investment planning and decision making as well as deliver increasingly energy efficient water and wastewater services.

Delivering resilient water and wastewater services

51. It is crucial that NI Water has a detailed understanding of its network capacities, potential challenges and risks, and ensures that its systems are fit for purpose and more resilient - both now and into the future. Through its Investment Plans, NI Water will be expected to improve resilience, reduce pollution incidents, reduce the risk of flooding in people's homes and improve the local environment. The Department expects the Regulator to:
 - a. encourage and support NI Water to collaborate with others in the implementation and future development of its investment plans and encourage the use of catchment-wide, nature-based

solutions and sustainable drainage schemes, where appropriate, so long as risks are understood, controlled, and proportionate to the potential benefits; and

- b. challenge NI Water to deliver its investment in a way that represents best value for money over the long-term for customers, the environment and wider society.

Improve resilience to flooding

- 52. All sources of flooding impact NI Water's customers and local communities, disrupting services and damaging property and the environment. Climate change and population growth are increasing this risk and associated impacts, and NI Water has a role to play in boosting long-term flood resilience.
- 53. The Department expects NI Water to deliver this need in a way that achieves value for money over the long-term, considering wider costs and benefits to customers, the environment and wider society. The Department expects the Regulator to continue to:
 - a. challenge NI Water to deliver greater flood resilience for its own infrastructure and services and, where appropriate, provide wider benefits to its customers and the wider community;
 - b. challenge and encourage NI Water to work in partnership with others to support and, where appropriate, invest in flood resilience measures that secure wider benefits for them, their customers and the wider community;
 - c. challenge NI Water to regularly review and fully understand the current and long-term flood risk to and from its infrastructure and systems and identify opportunities to increase resilience;
 - d. challenge NI Water to be prepared for extreme weather events; and
 - e. require NI Water to work collaboratively on integrated catchment management approaches and the Flood Risk Management Plans to help deliver flood risk reduction, water quality improvements and resilience.

4. Consultation Questions

1. Under the theme of ‘Environmental Improvement and Compliance’, the draft Guidance outlines that the Department expects the Regulator to challenge NI Water to ensure compliance with evolving regulatory requirements, reduce pollution and improve environmental performance.

Actions outlined under this theme include reducing reliance on storm overflows, reducing serious pollution incidents and to further make use of nature and catchment-based solutions to achieve multiple benefits for the environment and the public.

What are your views on the issues outlined under the ‘Environmental Improvement and Compliance’ theme of the draft Guidance?

- 2. Under the theme of ‘Service Delivery, Improvement and Affordability’, the draft Guidance outlines that the Department expects the Regulator to challenge NI Water to plan, invest and operate to meet the needs of current and future customers.**

Actions outlined under this theme include increasing wastewater capacity to facilitate housing and development to contribute to economic growth, ensuring safe, clean drinking water is available to all service users, and continuous improvement of services to customers, with a particular focus on protecting vulnerable customers.

What are your views on the issues outlined under the ‘Service Delivery, Improvement and Affordability’ theme of the draft Guidance?

- 3. Under the theme of ‘Sustainability and Climate Change’ the draft Guidance outlines that the Department expects the Regulator to challenge NI Water to adapt to climate change in its investment planning and decision making and to improve resilience to more extreme weather.**

Actions outlined under this theme include delivering increasingly energy efficient water and wastewater services, adopting and supporting catchment-wide nature-based solutions and improving flood resilience of NI Water’s infrastructure and services.

What are your views on the issues outlined under the ‘Sustainability and Climate Change’ theme of the draft Guidance?

4. Do you have any comments or feedback on the draft Guidance that is not specific to the issues outlined under the three themes explored in Questions 1-3?

☐ Yes – Please use the comments box below

☐ No

5. A range of assessments and screening exercises regarding the draft Guidance have been prepared and published as part of this consultation process. Do you have any comments or feedback on these assessments or screening exercises?

☐ Yes – Please use the comments box below

☐ No