

Northern Ireland Water

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Email: Denise.Dickson@causewaycoastandglens.gov.uk

Dear Ms. Dickson

Re: NI Water Economic Constraints

Thank you for your email of 6th August in response to my recent correspondence regarding NI Water Economic Constraints. Since the letter was issued NI Water has been working through the detail of the areas involved and continuing our discussions with the developers affected.

We are now able to provide you with more detailed information in relation to the specific areas affected within your Council area. The PDF document attached to this letter provides details of the developments/proposed developments within the Causeway Coast & Glens Borough Council area which will be impacted (within the 19,000 units province wide) that are outside of developer funded solutions. This may be for one or more of the following reasons:

1. An area within the wastewater network that is 'closed' to any further connections due to high polluting assets.
2. The Wastewater Treatment works within the catchment operating at or over its design capacity.
3. The availability of funding to undertake the required capital upgrades to existing assets.

We estimate that approximately 400 units within the Causeway Coast & Glens Borough Council area are impacted by these 'closed areas' where developer funded solutions are no longer possible, these areas are located within the following towns:

- Ballintoy
- Ballymoney
- Coleraine
- Dungiven
- Limavady
- Kilrea
- Stranocum



Please note that the closed areas will not cover all of these towns and NI Water will continue to consider each planning application on a case-by-case basis depending on the location within the catchment.

These units include homes in private and social ownership schemes, commercial and public buildings. The current budget allocation means that at present, NI Water will not be able to make the necessary investments to enable connections for these units. In the current funding scenario, the solutions required to address these capacity constraints will take several fully funded Price Control periods to resolve.

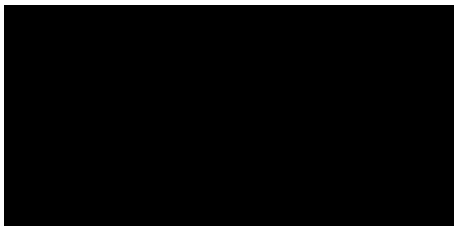
For all proposed sites in these areas, developers should in the first instance continue to apply through the pre-development enquiry process and we will advise next steps. We will also continue to support developments in these areas where it can be proven that:

- The site has extant planning with no conditions relating to capacity constraints or
- The site is a redevelopment and there is no intensification of foul sewage discharge post development compared to the sewage discharge from the site within the last 5 years.

In relation to a timeframe for moving forward with resolving capacity constraints. The Department for Infrastructure (Dfi) has provided NI Water with a total indicative budget allocation of almost £0.5 billion for 2024/25, representing just under 40% of the total non-ring-fenced budget for the Department. However, this current budget allocation is less than the levels the Utility Regulator determined were necessary for both RDEL (operating costs) and CDEL (capital investment). In terms of capital investment, the shortfall in investment ranges between £0.5bn - £0.9bn in the last three remaining years of this regulatory settlement (PC21). To ensure our delivery plans are aligned with the allocated budget from Dfi, NI Water are working through a process of prioritising the asset investment that may progress, seeking to protect the environment and maximising outcomes for customers. We are liaising with Dfi, the Utility Regulator, NI Environment Agency, Consumer Council NI & the Drinking Water Inspectorate as part of this process. Inevitably this means there is investment that has been planned that is now being deferred.

To accommodate such significant capital investment budget reductions from the level set by the Utility Regulator NI Water has maintained its base maintenance investment but is sacrificing many PC21 new asset builds and asset upgrade projects. This is so existing assets can remain operational and provide service level stability for the population of Northern Ireland.

Yours sincerely



Dr Gary Curran
Director Engineering & Sustainability

