



26 September 2024

# Committee of Public Accounts

## Briefing Document





**This briefing note has been prepared by Uisce Éireann at the request of the Committee of Public Accounts.**

## About Uisce Éireann

Incorporated in July 2013 as a company under the Water Services Act 2013, Irish Water, now known as Uisce Éireann, is responsible for bringing public water and wastewater services of the 31 local authorities together under one single national utility.

We are responsible for the delivery of secure, safe and sustainable public water services enabling the Irish economy to grow and communities across Ireland to thrive. This includes:

- Management of our national water and wastewater assets
- Operation and maintenance of the water and wastewater assets
- Strategic planning and investment in water and wastewater services
- Managing delivery of capital investment projects and programmes
- Customer care and billing

In 2018 the Government announced that Irish Water would become a standalone, publicly owned, regulated utility. The Water Services (Amendment) Act 2022, enacted in December 2022, amended the Water Services Act 2013 to facilitate the legal separation of Uisce Éireann from the Ervia Group and to change the name of the Company from Irish Water to Uisce Éireann.

With effect from 1st January 2023 Uisce Éireann is solely owned by two shareholders - the Minister for Public Expenditure, National Development Plan Delivery and Reform (99 shares) and the Minister for Housing, Local Government and Heritage (one share).

Uisce Éireann is responsible for providing water services in compliance with the requirements of prevailing national and European legislation.

## Our Purpose

To rise to the challenge of delivering transformative water services that enable communities to thrive.

## Our Vision

A sustainable Ireland where water is respected and protected, for the planet and all the lives it supports.



## We have a truly nationwide remit with clear responsibilities

Uisce Éireann is Ireland's national public water services utility, treating 1.72 billion litres of drinking water and 1.26 billion litres of wastewater daily. Water and wastewater services are provided to 1.61 million households and over 174,000 businesses across Ireland. Treated drinking water is distributed across 64,600km of water mains and pipes and wastewater is collected via a network of 26,000kms of public sewers.









We are investing €5.26 billion in water services assets across the country as part of our strategic plans for 2020-2024.

With this investment, we are managing, maintaining, upgrading and building over 8,000 public water services assets, including 715 water treatment plants and over 1,100 wastewater treatments plants, pumping stations and water sources.

Uisce Éireann is also the largest public user of electricity, accounting for 20% of total electricity usage in the public sector.

We are also a national employer, with our average number of employees in 2023 at 1,478.

**Table 1. Uisce Éireann Size and Scale at a glance**

Customers	Water source	Litres treated per day	Length of network	
 <p>DOMESTIC <b>1.61m</b></p>	 <p>ABSTRACTIONS <b>1,112</b></p>	 <p>WATER <b>1.7bn</b></p>	 <p>WATER <b>64,686km</b></p>	<p><b>20%</b></p> <p>Uisce Éireann uses 20% of electricity in the public sector.</p> <p><b>€1.289bn</b></p> <p>Capital expenditure for full-year 2023</p> <p><b>€1bn</b></p> <p>Operational expenditure for full-year 2023</p>
 <p>NON-DOMESTIC <b>174,184</b></p>	 <p>RESERVOIRS <b>1,522</b></p>	 <p>WASTEWATER <b>1.26bn</b></p>	 <p>SEWER <b>26,000km</b></p>	

We play a strategic role in supporting the delivery of national policy and programmes across climate and environment, housing, economic growth and development and public services.

Uisce Éireann is committed to playing its part in supporting housing and housing delivery. With the help of our delivery partners, we are driving improvements in water service infrastructure and facilitating connections so homes across Ireland have a safe and secure supply of water and wastewater treatment for decades to come.



We have established a dedicated Housing team focussed on five key areas under the Housing for All action plan in line with the CRU approved Connections Charging Policy:

- Investment in Water Services;
- Timely Delivery of Connections;
- Experience Based Accreditation Scheme (supporting Self Lay in the Public Road);
- First Mover – reducing the disadvantage for developers that are first movers and to fund network extensions;
- Capacity registers – supporting Local Authorities in developing their County and City Development Plans and to developers planning for the future.

Through these actions and with continued engagement with developers and their representative bodies via our Connections & Developer Services team, in 2023 we delivered:

- Pre-Connection Enquiries:
  - Positive responses to 3,008 enquiries associated with 98,369 housing units.
  - 1,291 enquiries associated with 4,092 housing units didn't meet criteria for approval.
  - Positively responded to 78% of enquiries within 16 weeks.
- Connection Offers:
  - Issued 4,597 offers associated with 42,970 housing units.
  - 1,441 offers associated with 4,892 housing units didn't meet criteria for approval.
  - Issued 83% of offers within 16 weeks.

## **We prioritise robust governance and risk management across the organisation with multiple layers of accountability and oversight**

### **Government Departments/Shareholders**

**Department of Housing Local Government and Heritage (DHLGH)** – is the budgetary oversight department for Uisce Éireann. We maintain close contact with the DHLGH on a range of strategic and tactical issues through regular structured meetings and formal reporting.

**Department of Expenditure National Development Plan Delivery and Reform (DENDPDR)** – the Public Service Delivery Division has responsibility at Principal level for management of the Housing, Local Government and Heritage Vote, including advising on



policy and the monitoring of public expenditure in relation to Water Services. Engagement with the Department and the Minister is through the relevant divisions and advisory bodies such as the Major Projects Advisory Group.

**New ERA** – the New Economy and Recovery Authority (NewERA) provides financial and commercial advice to the DHLGH and DENDPR and the associated Ministers in relation to their shareholdings in Uisce Éireann.

This oversight and engagement not only ensures we reflect national policy and objectives in our planning and investment, but also supports the continued embedding of the Infrastructure Guidelines requirements within Uisce Éireann's delivery. This was most recently reflected in the Government's approval of the Preliminary Business Case for the Water Supply Project Eastern & Midlands Region giving UÉ "Approval in Principle" to proceed to the statutory planning process – a welcome decision and important first step towards ensuring a sustainable water supply for our country both now and into the future.

### Uisce Éireann Board

The Board's structure is prescribed by statute, provided for in Section 6A of the Water Services Act 2013. Board vacancies are filled in accordance with Guidelines on Appointments to State Boards. The Chairperson engages with the Minister in advance of the Board appointment process about the specific skills and diversity that are required on the Board. Section 6A of the Water Services Act 2013 provides that: the number of Board Members shall be more than 5 but not more than 10; and Board Members are appointed by the Minister for Housing, Local Government and Heritage with the consent of the Minister of Public Expenditure, National Development Plan Delivery and Reform.

A non-executive Board of Uisce Éireann was appointed with effect from 1st January 2023 following the legal separation from Ervia. Four of the appointments included Board Members who were members of the Ervia Board including the Chairperson, Mr Tony Keohane. Mr Keohane resigned from the Board in June 2024 and the Minister appointed Mr Jerry Grant as the new Chairperson with effect from July 2024.

The Board's role is to provide leadership and direction to the Company and ensure good governance across Uisce Éireann. The Board performs this task by constructively challenging performance and supporting the development of proposals on strategy. The Governance Framework outlines the formal schedule of matters reserved for the Uisce Éireann Board (some of which are subject to Ministerial approval). Uisce Éireann's Governance Framework is set out in the Annual Report 2023.

### Uisce Éireann Executive Team

The day-to-day administration of the company is conducted by the Executive, under the management of the CEO, in accordance with the strategic goals and policy documents approved by the Board and within a prudent and effective control environment. Operational and financial decisions are made in consideration of achieving the goals that the Board has



determined, having regard to Uisce Éireann's statutory obligations and shareholders' expectations.

## Regulators

In discharging our role as the national water services utility, responsible for water services operations and investment, Uisce Éireann is primarily regulated by:

- The economic regulator, the [Commission for Regulation of Utilities \(CRU\)](#) which is charged with protecting the interests of the customer, while approving an appropriate funding requirement sufficient to enable the utility to deliver the required services to specified standards in an efficient manner; and
- The environmental regulator, the [Environmental Protection Agency \(EPA\)](#), which sets standards and enforces compliance with EU and National Regulations for drinking water supply and wastewater discharge to water bodies. The EPA liaises with the Health Services Executive in matters of public health.

Uisce Éireann is also regulated, in the normal course of its business, by other statutory and regulatory bodies such as Inland Fisheries Ireland, the Data Protection Commission (DPC), An Coimisinéir Teanga, and the Health and Safety Authority (HSA), to cite just some examples.

## An Fóram Uisce – National Water Forum

An Fóram Uisce/National Water Forum was established in June 2018 in accordance with the provisions of Part 5 of the Water Services Act 2017. It is a statutory stakeholder body established to advise the Minister on water policy and management in Ireland. It is comprised of 25 members representing sectors such as agriculture, angling, business, community and voluntary, domestic water consumers, education, environment, forestry, recreation, rivers trusts, rural water, social housing, tourism, trade unions and youth.

## Houses of the Oireachtas

In line with our direct reporting to the Department of Housing, Local Government and Heritage, our primary channel of engagement, reporting and consultation with the Houses of the Oireachtas is through the Committee on Housing, Local Government and Heritage.

With effect from 1st January 2023 the Comptroller and Auditor General is required to audit the financial statements of Uisce Éireann and to report thereon to the Houses of the Oireachtas and to appear before the Committee on Public Accounts to discuss our Financial Statements. Prior to this, Uisce Éireann has been subject to annual financial audit by commercial auditors since its incorporation in 2013.



In addition, Uisce Éireann has also had the opportunity to attend wider Committee meetings to provide updates and progress reports on our activities, as well as our expertise on issues of interest.

Some recent committee meetings include:

- Committee of Public Accounts – October 2023
- Joint Oireachtas Committee on Social Protection, Community and Rural Development and the Islands – December 2023
- Joint Oireachtas Committee on Agriculture, Food and the Marine – March 2024
- Joint Oireachtas Committee on Public Petitions and the Ombudsman – April 2024
- Joint Oireachtas Committee on Housing Local Government and Heritage – June 2024

We also engage on a daily basis with all national elected representatives at Local Authority and Oireachtas levels on issues of concern for constituents, via our unique dedicated phone line and email service desk. We receive and respond to more than 13,000 queries annually via this high-volume service, managed by a dedicated, experienced team.

We are pleased to offer this service in addition to our 24/7 Customer Contact Centre and our newly launched SMS Text Alerts service – available to all domestic and non-domestic customers across the country.

## Codes of Practice

### Code of Practice for Public Bodies

Uisce Éireann complies with the provisions of the Code of Practice for the Governance of State Bodies, as it applies to a commercial semi-state entity. In accordance with provision 1.9 of the Business and Financial Reporting Requirements outlined in the Code, Uisce Éireann reports to the Minister for Housing, Local Government and Heritage on its compliance with the Code.

### Infrastructure Guidelines

In line with the Infrastructure Guidelines (superseding the Public Spending Code), and the DHLGH's Water Services Sector Specific Guidance, Uisce Éireann adheres to the value for money guidelines for the evaluation, planning and management of public investment projects, including purchase or acquisitions of assets or shareholdings. We apply these guidelines and principles to all our capital projects and programmes, following the required project lifecycle and major projects approval stages as appropriate.



## Framework for Future Delivery of Water Services

Until 2023, assets were operated by c.3,100 water services staff across 31 Local Authorities under 31 Service Level Agreements. On 1st January 2023, Irish Water transitioned to Uisce Éireann and became Ireland's new standalone water utility.

With effect from 31st December 2023 the operational transfer of Water Services to UÉ is complete. To date, we have assumed direct responsibility for water services in all 31 Local Authority areas. The transfer of operational responsibility for these 31 counties means Uisce Éireann is fully accountable for the delivery of water services in these Local Authority areas along with the necessary management and direction of all Water Services staff, including those who remain employed by their Local Authority, whilst also directly responsible for regulatory and legislative compliance.

A key focus in transitioning the services was establishing the supports and processes to enable the smooth transfer of Local Authority Water Services staff and enabling the successful integration of all employees in the new shared organisation.

Ongoing engagement continues with Local Authority staff to encourage as many as possible to join our new shared organisation while there is progress in recruitment for critical vacancies. This is vital to fully deliver the benefits of a national utility model with strong local teams delivering in and for communities throughout the country.

Water Services staff have between now and the end of 2026 to decide on joining Uisce Éireann.

## Strategies, Plans and Policies

In line with the Government's Water Services Policy Statement, Uisce Éireann's Strategic Funding Plan sets out our ambition for public water services in Ireland and our Capital Investment Plans set out our capital investment priorities over 5-year revenue cycles.

We do not work or plan in isolation. Our approach to planning and providing water services for growth is set out in legislation, is based on national, regional and local data, policies and development plans and is informed by comprehensive consultation and engagement with stakeholders and communities.

Investment in, and delivery of, critical infrastructure is a key interdependency for the delivery of new homes and jobs. Key to this comprehensive approach is related national strategies, plans and policies, including, but not limited to:

- Project Ireland 2040 – National Development Plan and National Planning Framework
- County & City Development Plans of the 31 Local Authorities



- Regional Spatial and Economic Strategies (RSES)
- National housing policy, Housing for All
- Climate Action and Adaptation Plans

The comprehensive approach, coupled with the level of investment we are making, has enabled us to make essential multi-generational improvements targeted at providing resilient water services, benefiting communities and supporting growth and development across Ireland.

## Our Funding and Regulatory Framework

### Our funding model

Uisce Éireann's funding model is as determined in the Report of the Joint Oireachtas Committee on the Future Funding of Domestic Water Services and the Water Services Act 2017 and is composed of:

- Domestic subvention (c.80%) funded via the Department of Housing, Local Government and Heritage under Vote 24.
- Non-domestic services (c.20%) funded through tariffs and government sourced debt.
- New connections are self-funding – connection fees are used to cover connection costs.

Under the Water Services (No. 2) Act 2013 as amended, the Minister for Housing, Local Government and Heritage prepares a Water Services Policy Statement, which sets out the policy objectives and priorities of Government in the provision of water services, including meeting the obligations to protect and enhance the environment. This publication sets in train the development and agreement of:

- Uisce Éireann's Strategic Funding Plan - outlining the arrangements we propose to make and the measures we propose to take to meet the policy objectives of the Water Services Policy Statement, incorporating estimated overall funding requirements for investment and operating costs, together with an outline of funding sources.
- Uisce Éireann's Capital Investment Plan - a clearly defined set of priority activities to deliver improvements to public water and wastewater services where most urgently needed, to meet our EU obligations and support other Government policies such as Housing for All.

### Our regulatory framework

The Capital Investment Plan is prepared within the regulatory framework which is set out in legislation. Under this framework, Uisce Éireann submits its plans in advance to our financial



regulator, the Commission for Regulation of Utilities (CRU), for our proposed operational and investment spending in revenue funding "cycles". The current investment plan relates to the funding cycle referred to as "Revenue Control 3" (RC3) and covers the period from 2020-2024. It follows an extensive CRU led stakeholder consultation process during 2018-2019.

We are currently preparing our submission to the CRU for Revenue Control Period 4 for 2025-2029.

This 5-year allowance should enable Uisce Éireann and its key stakeholders to have the certainty, flexibility and time to be able to plan and deliver high-value, multi-annual projects and operations. However, the actual subvention income and equity are currently subject to the Government's annual budgetary process which can impact on long-term certainty around capital and operational delivery.

The current Water Services Policy Statement 2024-2030 was published by the Government in February 2024. Uisce Éireann submitted a revised Strategic Funding Plan to the Minister in early September for consideration and approval.

### Financial Highlights from the 2023 Accounts

- **Revenue** of €1,560m for the year to 31 December 2023, was €252m higher compared to 2022. Government subvention income of €1,068m in respect of domestic water services was €107m higher than prior year. The total of Non-Domestic and New Connection revenues was €492m, which is €145m higher than 2022, due to higher non-domestic revenue in 2023 of €245m and higher customer connection revenues in 2023 of €247m.
- The **surplus/profit after tax (PAT)** increased to €329m in 2023 (€221m in 2022). The PAT generated by Uisce Éireann reflects the regulatory model which provides for a return on capital for investment. Uisce Éireann's surplus of €329m arises from its regulatory model and is to be reinvested in water and wastewater infrastructure.
- **Operating costs** of €984m (exclusive of bad debts) increased by €117m when compared to 2022. We have delivered significant operational growth and change in the year across our direct operations, coupled with the continuing impact of inflation and increased headcount. This was offset by lower costs to operate our treatment plants following the unprecedented increases in global energy prices in 2022.
- **Capital expenditure (Capex)** (on an accruals basis) amounted to €1,289m (€1,061m in 2022) representing an increase of €228m. Capex on a cash payment basis was €1,309m in 2023 (€1,002m in 2022). Of this, 41.2% (€531m) was spent on enhancing the quality of water and wastewater services; 17.8% (€229m) on conservation; and 41% (€528m) on future-proofing water and wastewater treatment plants and networks.



- **Net Assets** increased by €901m in 2023 (from €4,678m in 2022 to €5,579m in 2023) mainly driven by the increase in infrastructure assets and slightly offset by increase in borrowings.
- **Net debt** increased to €534m in 2023 (€331m in 2022). Uisce Éireann's drawn borrowings (excluding lease liabilities of €16m) at end 2023 were €814m (€613m in 2022) Total available liquidity at end 2023 (excluding Cash and cash equivalents - third party balances) was €649m (€670m in 2022) which consisted of an undrawn NTMA working capital facility of €350m, €289m in cash and cash equivalents available for Uisce Éireann use (€310m in 2022) and Uisce Éireann's €10m bank overdraft facility (undrawn). Uisce Éireann utilised for the first time the €350m NTMA working capital facility during 2023, borrowing €30m in March 2023 and repaying it in April 2023.
- **Cash balance** at end 2023 was €289m compared to €310m in 2022 (excludes Cash and cash equivalents - third party balances).

## Progress against Strategic Objectives

A standout success in 2023 was the completion of the infrastructure upgrades at Ireland's largest wastewater treatment plant in Ringsend to achieve compliance with the Urban Wastewater Treatment Directive for a population equivalent of 2.1 million. By the end of 2025, the Ringsend Wastewater Treatment Plant will be able to treat wastewater for a population of 2.4 million while meeting the required standards and with all remaining ancillary works completed in 2026.

Works to eliminate raw sewage discharges were completed across 10 sites including Kilmore Quay, Spiddal, Castletownshend, Inchigeelagh, Clarecastle, Liscannor, Kilcar, Kerrykeel, Ahascragh and Burtonport

The quality of drinking water in public supplies remained very high in 2023. Uisce Éireann has invested significant resources towards reducing leakage, particularly in the Greater Dublin Area (GDA) as a priority, in an environment where there is significant population growth driving increasing demand for water. We are moving in the right direction – the national rate of leakage reduced from 46% in 2018 to 36.9% in 2022 and a renewed focus on leakage has continued overtime and into 2024, working to achieve a national leakage rate of 25% by the end of 2030 (20% by 2034). We are also working to achieve a leakage rate in the GDA of 20% by the end of 2030.

Uisce Éireann continues to prioritise supplies where treatment is still not as robust as it needs to be to ensure all supplies are resilient and safe into the future. In 2023, the utility recognised nine new or upgraded water treatment plants.

Uisce Éireann's capital investment activities continued to be a significant source of economic stimulus during 2023. In addition, our operating and maintenance programmes continued to



provide both direct and indirect employment and other economic benefits across the Irish economy.

Some additional achievements are detailed below under the three themes of the Water Services Policy Statement.

### Water Quality

- 10 schemes were removed from the EPA's Remedial Action List in 2023, however the EPA added a further 9 schemes to the list during the year with a total of 57 supplies remaining on the list at year end.
- Trihalomethanes (THMs) are formed when organic material in treated water reacts with chlorine. We have prioritised investment in the schemes identified in the Court of Justice of the European Union infringement case as at risk from THM exceedances. To date works at 69 of the original 74 public water supplies have been complete, with 5 supplies remaining.
- 55,072 people were removed from Boil Water Notices (BWN) that had been in place for more than 30 days. At the end of 2023 there were 19,109 people impacted by 10 boil water notices which had been in place for more than 30 days.
- 29 sites upgraded under the National Disinfection Programme.
- 9 sites upgraded under the Coagulation, Filtration and Clarification (CFC), Filtration and Sludge Programme.
- 13 water treatment plants were rationalised.
- 9,588 lead services were replaced.
- The level of compliance of Public Water Supplies with the drinking water microbiological and chemical standards in 2022 was in excess of 99% (EPA-published percentage based on 2022 data).

### Wastewater Quality

- Works were completed at 3 sites listed on the European Court of Justice wastewater infringement case - Ringsend, Roscommon and Mallow - during the year. As at the end of 2023, works had been completed on 22 of the 28 named agglomerations.
- 10 agglomerations with no wastewater treatment were connected to a newly constructed or upgraded treatment plant in Kilmore Quay, Spiddal, Castletownshend, Inchigeelagh, Clarecastle, Liscannor, Kilcar, Kerrykeel, Ahascragh and Burtonport resulting in safer and cleaner water for these populations to enjoy. The number of agglomerations with no wastewater treatment or preliminary treatment only at the end of 2023 is 19.
- 17 agglomerations were removed from the EPA's priority list of areas for wastewater improvement.
- Works were completed on 8 agglomerations listed in the 2018-2021 River Basin Management Plan (RBMP).



## Future Proofing

- Realised 42 new and upgraded wastewater treatment plants. 9 new Wastewater Treatment Plants (WWTP) were completed (Ahascragh WWTP, Burtonport WWTP, Castletownshend WWTP, Inchigeelagh WWTP, Kerrykeel WWTP, Kilcar WWTP, Kilmore Quay Village and Environs WW, Liscannor WWTP, Spiddal WWTP) and 33 Wastewater Treatments plants upgraded.
- 122km sewer were laid (new and rehabilitated).
- Realised 9 new and upgraded water treatment plants. 1 new Water Treatment Plant (WTP) was completed (Gorey) and 8 were upgraded (Achill, Crolly, Wherrew (Ballina), Ballyboden, Lough Forbes, Kinsale, Smear, Skibbereen Regional Phase 4).
- 512km of water mains were laid (new and rehabilitated).

## Priority areas for focus in 2024

Uisce Éireann's primary functions remain providing clean drinking water to customers and to treat and return wastewater safely to the environment. In providing these services and through our investment plans we also play a central role in enabling economic and housing growth, protecting both the environment and the health and safety of our customers and the public.

We continue to develop and deliver on our strategies and plans in 2024, with some of the key priority areas of focus being (and already in progress):

- Water Supply Project East and Midland Region – approval of the Preliminary Business Case
- Funding certainty through the approval of the Strategic Funding Plan
- Revenue Control 2025-2029 submissions
- Consultation and drafting of the Water Services Strategic Plan 2050
- Continued focus on the transition of LA water services staff to Uisce Éireann
- Enhanced customer engagement with households and businesses such as SMS texting service.

## Supporting documents (links provided)

[Uisce Éireann Annual Report & Financial Statements 2023](#)  
[Water Services Strategic Plan 2015](#)  
[Uisce Éireann Strategic Funding Plan 2019-2024](#)  
[Uisce Éireann Capital Investment Plan 2020-2024](#)  
[Draft Water Services Strategic Plan 2050](#)  
[Water Services Policy Statement 2024-2030](#)