

Uisce Éireann Revenue Control 4 (2025-2029)

Non-Network Capital Expenditure Look
Forward 2025-2029

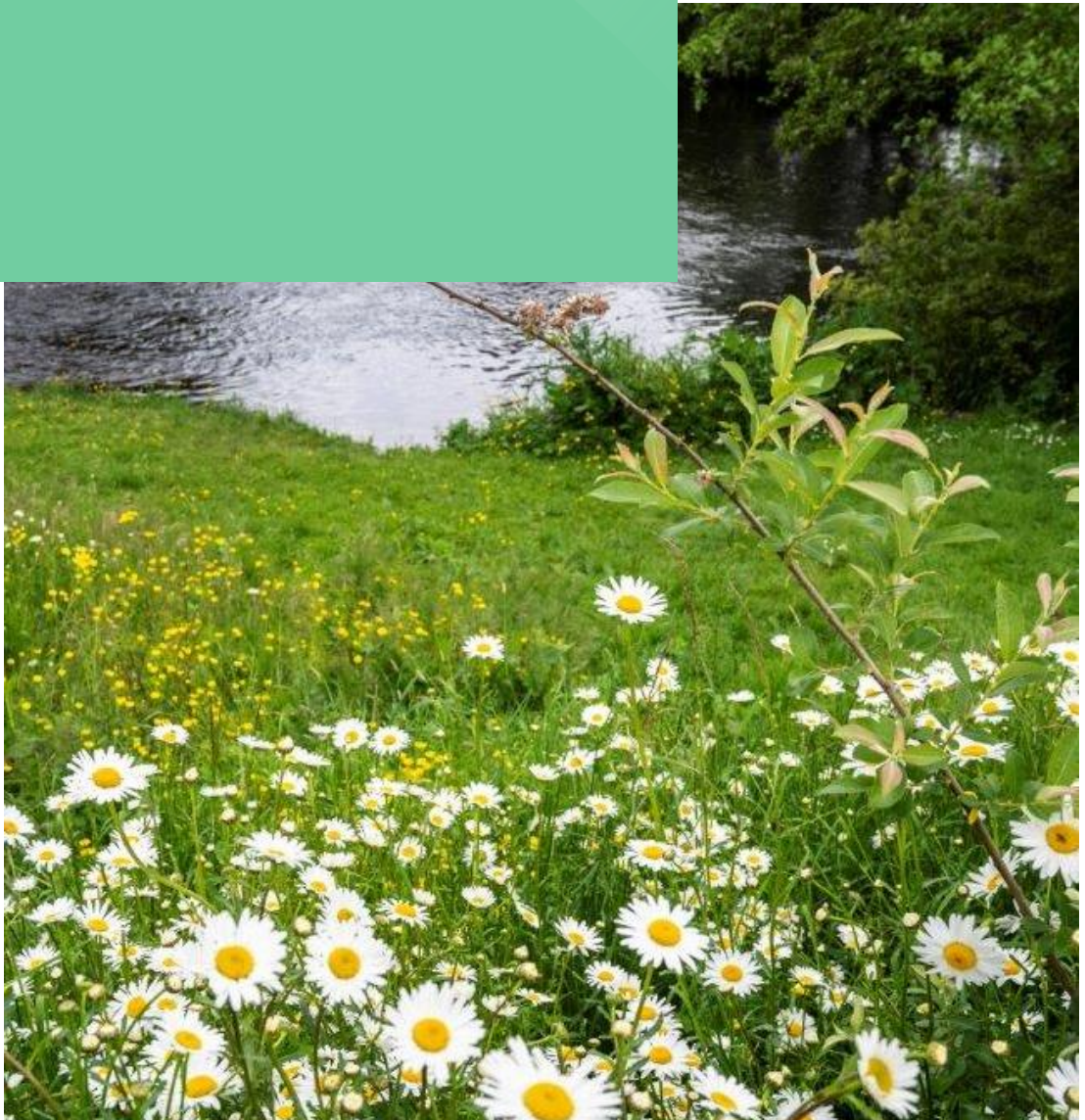


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1. Executive Summary

Uisce Éireann (UÉ) is a National Water Services Authority delivering water and wastewater services for Ireland. Its primary function is to provide clean drinking water to customers and to treat and return wastewater safely to the environment, thereby playing a central role in enabling social and economic growth, protecting the environment and the health and safety of customers and the public.

The Non-Network Capital (NNC) Investment paper forms part of UÉ's overall submission to the Commission for Regulation of Utilities (CRU) for the Revenue Control (RC) 4 2025 to 2029 period. NNC relates to the investment in UÉ's critical business assets in the areas of Information Technology (IT), Fleet & Facilities, Business Change, and the continued transformation of the water services sector into a Single Public Utility (SPU). This investment supports both UÉ's day-to-day operational activities and its significant capital investment programme.

During RC4, the UÉ Transformation (UÉT) programme will be a key driver of NNC activities and costs. It will implement the new and transformed service delivery model for water and wastewater services in Ireland, with all water services employees from UÉ and the Local Authorities (LAs) working together in a single, publicly owned national authority.

Table 1.1 below provides a summary of NNC spend for the period 2025 to 2029.

Non-Network Capex	2025	2026	2027	2028	2029	Total
IT	84.8	58.1	52.6	56.5	63.9	315.8
Fleet and Facilities	30.3	35.0	21.1	20.1	15.5	122.0
Business Change	7.2	6.7	6.1	5.7	5.5	31.2
UÉT	18.3	-	-	-	-	18.3
OBS	-	0.9	0.9	0.8	0.8	3.4
Grand Total	140.6	100.7	80.7	83.1	85.7	490.8

Table 1.1: Non-Network Capex requirement for the 2025-2029 period (2022 monies, rounded)

IT

During RC4, IT investment is focused on enhancing operational integrity and efficiency of IT applications, ensuring robust infrastructure, improving data competency, improving security standards and supporting the national telemetry systems.

This IT investment is necessary to address the ever-increasing demands of the business, meet regulatory requirements and to deliver water and wastewater transformation initiatives to meet both new and existing demand, and ultimately provide service delivery to customers.

UÉ will roll-out programmes to strengthen data quality, standardise data management processes and improve analytical capabilities for more seamless reporting, and invest in cybersecurity to protect data.

Investment will be made to develop and enhance the central capability of UÉ's 24/7 control centre, the National Operations Management Centre (NOMC), by expanding its service offering and scale of operational oversight.

Fleet and Facilities

The majority of the planned investment in Facilities and Fleet is driven by the implementation of the UÉT programme and associated business needs to transition services from the existing Support Services Agreements (SSA) between UÉ and the LAs. The Facilities investment required to support the establishment of a fully integrated UÉ by 2026 includes provision for Offices, Operations Centres (previously referred to as Depots) and Inventory Management Stores. The transformation of the remaining water services fleet that is provided by the LAs over to a fully managed UÉ fleet is also a key RC4 deliverable.

Business Change

The Business Change team supports UÉ to deliver complex change and transformation projects. It covers the key disciplines of portfolio and project management, change management, business analysis, process delivery, training and post go-live support.

UÉT programme

The UÉT programme was mobilised to carefully deliver the transfer of Water Services across 31 LAs to a single public utility, managing the careful transition of people and transforming core services and processes to ensure that consistent ways of working are in place. When fully achieved, the programme will enable UÉ to

become a single public utility, supported by a diverse and inclusive workforce and an efficient organisation structure. The UÉT programme will conclude early in RC4.

Each of these non-network investment categories is described in greater detail in sections 2 to 5. Section 6 describes Opening Balance Sheet (OBS) expenditure costs included within the NNC RC4 requirement.

2. IT (€315.8m)

Effective IT systems are crucial to enabling efficient work practices, delivering business benefits, and providing service delivery to customers and other stakeholders. Increased investment in IT is required during RC4 to meet an increasing capital investment plan, regulatory requirements and delivery of a single, publicly owned national authority.

Specifically, over the RC4 period, total IT spend of €315.8m is required to meet both new and existing demand, necessary for the following reasons:

- To meet regulatory requirements, to ensure compliance with Irish and EU regulations and Directives;
- Roll out important water/wastewater transformation initiatives, and support the increased user base resulting from the organisational transformation;
- Reduce operational risk through investment in cyber security;
- Align to external IT trends, namely cloud first and artificial intelligence, and;
- Deliver key infrastructure and applications to meet business strategic objectives.

Table 2.1 provides a summary of IT spend across four key categories of IT.

IT Activity	2025	2026	2027	2028	2029	Total
Business Growth and Development Projects	31.4	15.9	16.9	21.3	22.8	108.4
IT Water and Wastewater Projects	30.5	16.3	13.9	15.0	19.0	94.7
Run Maintain	13.1	13.0	12.7	13.2	13.9	66.0
Environment/Regulation/Customer	9.8	12.9	9.2	7.0	8.1	46.8
IT Total	84.8	58.0	52.7	56.5	63.8	315.8

Table 2.1: IT requirement for the 2025-2029 period (2022 monies, rounded)

The following sections (2.1 to 2.4) detail the programmes and associated forecast investment within each of the IT sub-categories listed in table 2.1 during RC4.

2.1 Business Growth and Development Projects (€108.4)

Projects under this category relate to new technologies and enhancements which are required to support business growth and development activities. This category of investment includes system requirements arising from new reporting and analytics demands, new processes for road licensing, inventory and supply chain as well as application and infrastructure improvements for customers, operations and IT.

An overview of some of the key business development and growth projects and programmes which will be delivered over the RC4 period are discussed below.

Invest to Outcome process (€20.1m)

This category includes further investment in the development of a suite of integrated IT systems, tools and approach to data to facilitate an end to end Invest to Outcome Digital (I2OD) process. This investment links to a key performance metric agreed with the CRU as part of UÉ's Scottish Water International Recommendations Implementation report and is significantly increasing capability and streamlining UÉ's asset management processes.

During RC3, UÉ commenced the I2OD programme. The programme involves upgrading existing systems and providing new solutions to systemise existing manual processes. During this period, UÉ has established a new risk management system, a new contract management system and an upgrade to the Primavera P6 scheduling solution. These systems provide key functionality to project management, such as managing risks and contingency as well as managing contracts and project budgets.

In RC4, the programme will complete the configuration and establishment of the asset investment planning system (Copperleaf). The Copperleaf system will assist UÉ with the portfolio planning of capital projects and provide financial modelling. A new project management solution, Unifier, will also be released during RC4. This solution will systemise project forecasting and, by integrating with the P6 scheduling solution, replace a lot of existing manual processes.

RC4 will also bring a centralised reporting solution and ‘a single source of truth’. This will ensure consistent reporting to stakeholders in relation to information on portfolios, programmes and projects.

This suite of systems in this investment category will assist UÉ with the management of projects valued at c.€1.2bn – €2bn annually. The solutions will support UÉ to better manage projects and budgets and mitigate the risk of overruns.

The I2OD programme will also deliver an initiative in relation to maintaining a prioritised portfolio of infrastructure projects for early entry into planning and timely realisation of the overall Capital Investment Plan (CIP), thereby ensuring that UÉ is getting the most from its CIP. The programme will ensure management have the most up to date information on infrastructure projects which, in turn, will support more informed decision making.

Business Growth and Development Projects continuing from RC3 (€19m).

A number of significant projects commenced towards the end of RC3 and will not complete during the 2020-2024 period. It was always expected that they would continue into 2025. An example of a key project continuing from RC3 is the Customer Applications upgrade project.

UÉ’s investment in the Customer Applications upgrade project relates to the essential upgrade to UÉ’s Oracle Customer Care and Billing (CC&B) and Meter Data Management (MDM) systems. During RC4, UÉ will complete the rationalisation of the CC&B and MDM systems into one new application, Customer to Meter or C2M. The underlying infrastructure will also be replaced by Oracle Cloud Infrastructure. This upgrade will allow for support on a modern platform which will enable business growth and development. It will allow insight into customer service and advice, as well as faster responses to customer queries and streamlining of the meter to cash process.

Aligning to the C2M upgrade, UÉ will also invest in Customer Relationship Management (CRM) and an Oracle Customer Experience for Utilities solution. This will further assist UÉ with more efficient responses to customer queries and overall customer services, providing an end-to-end solution. This solution will provide UÉ with a single customer view, which will give UÉ employees the tools to effectively assist customers with issues they may have.

Other examples of projects continuing from RC3 are:

- Investment in corporate cybersecurity;
- Upgrade to the ArcGIS application;
- Records & Information Management project;
- Completion of the Enterprise Data Historian project; and
- Implementation of the Drinking Water Directive

Building Information Management (BIM) (€13m)

All public organisations including UÉ are now mandated by Government to comply with BIM requirements as set out in the ISO 19650 series of standards.

Over the course of RC4, UÉ will establish an internal BIM application (Common Data Environment or CDE). The CDE application will employ digitally enhanced processes to collaborate and improve UÉ's:

- Efficient management and delivery of capital projects and asset information, and
- Their handover back to the business for asset management, operational maintenance and support and any future additional capital works or decommissioning.

This will be a key investment for UÉ during RC4 period as the CDE application will be able to integrate with other UÉ Asset Management systems (Maximo, GIS¹) for use over the lifecycle of our assets, ensuring their safe and efficient delivery and operation. This will provide a significant benefit by maintaining an as low as possible cost of asset utilisation, thereby enabling UÉ to extract the most value from its assets and all related information. The investment will allow for a digitally enabled and cost-effective water services infrastructure delivery by virtue of its insight into the most optimal periods of an asset's life.

Health and Safety Management System (€10m)

IT investment in the Health and Safety system will enable UÉ's transformation to standardised national health and safety practices with supporting systems and technology. This essential investment will improve UÉ's overall management of health and safety processes for its employees as the National Water Services Authority.

¹ Geographic Information System

Inventory Management and Stock Control (€8.1m)

Currently there is no national and consistent view of the materials and stock held across UÉ as each of the LAs manage their own inventory separately. Inventory is also held in treatment plants, vans or at other locations that are locally managed and not, currently, centrally managed.

UÉ recognises the importance of a single nationwide inventory management system and stock control system which will be capable of managing the inventory held by UÉ, as well as the inventory held by the LAs which will migrate to UÉ. A single system will provide UÉ with a full picture of the materials which are held at various stores and identify where supplies need restocking or are approaching obsolescence.

Additionally, this system will be capable of reducing the cost of holding stock as it will identify areas where stock can be moved or repurchased at slow rates due to the turnover of materials. This would not have been possible prior to the establishment of the National Water Services Authority.

Enhancement of business information (€7.1m)

Over the course of RC4, UÉ will invest in data analytical tools to assist in the establishment of a Data Competency Programme (see section 2.2). This programme will create insights for UÉ to allow for better reporting to external stakeholders.

In addition to investing in the data analytical tools required to support the Data Competency Programme, UÉ will also implement a data management programme that will look at the classification of data as well as implementing a data retention policy.

This category of investment also includes two additional projects:

- *Integrated Outage Management*: During 2024 an outage notification SMS solution was delivered and launched to the public through media campaigns. During RC4, UÉ will expand our outage management capabilities; and
- *Online Self-Service*: The existing solution is tightly integrated with UÉ's CC&B system. During RC4 we will look to replace the existing online self-service solution.

New Systems (e.g. Sludge Management) (€6.7m)

During RC4, UÉ IT expects to meet UÉ business requirements for new systems as required. An example is the Integrated Sludge Management system which will enable more effective sludge management and enhanced traceability of sludge. Any new systems implemented will need to be integrated with existing applications to allow for business processes that span multiple applications.

Maximo Upgrade (€5.1m)

The current version of Maximo, which is UÉ's Enterprise Asset management system and also used to schedule work to field crews, will be out of support during RC4 and it will require a major upgrade. UÉ intends upgrading to the latest version of the application called Maximo Application Suite.

Oracle eBusiness Suite Upgrade (€5m)

Oracle eBusiness Suite is UÉ's Enterprise Resource Planning (ERP) system and is used for all core procurement and financial applications. The ERP system is integrated with other enterprise applications such as Maximo to support end to end business processes. Because of the critical nature of this application to UÉ's business operations, an upgrade from the existing version of the application to a later version will be required during RC4.

Wayleaves (€3m)

UÉ's IT investment in RC4 will create a single database with all relevant Wayleave information captured in it. The database will integrate UÉ's GIS, CRM and Oracle eBusiness Suite systems for a more complete picture of the interactions with customers and refunds. The database will also provide UÉ with a single view of all Wayleave information, enabling:

- A faster response to queries;
- GDPR compliance, and;
- The release of resources for more value add tasks.

Payroll System Restructuring (€2.8m)

During the RC4 period, UÉ will be responsible for ensuring the payment of payroll to all new employees, including those who join from the LAs, following full delivery of the UÉT programme. In preparation, UÉ will need to structure its payroll system to ensure that the system can process the additional information required for new

employees as well as maintaining information for existing employees. This will ensure UÉ can meet its fiduciary duties to its employees.

Road Management Programme (€2.5m)

Further investment in RC4 is required to complete the Road Management Programme and enable road opening licenses (ROL) to be appropriately managed by UÉ. Full management of the end-to-end ROL process by UÉ will target reduced Insurance/Public Liability claims by enabling better control over the issuance and management of ROLs which is a crucial requirement for UÉ. Specifically, the Programme will support UÉ in ensuring that quality reinstatements are completed and will provide clarity on responsibility and timeframe for liability on all openings, and all road closing.

Digital Employee (€2.5m)

The Digital Employee project is enabling greater flexibility and improved collaboration for employees whether working in the office, at home or while travelling. This was achieved in RC3 through investment in key tools such as Microsoft Teams. Meeting rooms were also upgraded to allow for seamless collaboration between staff and contractors regardless of their location. During RC4, UÉ will continue to invest in digital technologies to increase staff productivity to deliver water and wastewater services.

Refresh of technology in the National Operations Management Centre (NOMC) (€2m)

The NOMC provides a monitoring service of UÉ's water and wastewater plants. The hardware supporting the centre will reach end of life towards the end of RC4. UÉ's forecast assumes the hardware will be upgraded and replaced in 2028 and 2029.

Stakeholder Engagement Tool (€1.5m)

During RC4, UÉ intends introducing a stakeholder engagement tool which will enable better communications with key stakeholders as well as tracking all stakeholder engagements. The stakeholder engagement tool will support UÉ in meeting the stakeholder engagement metric to be established by the CRU as part of the Performance Assessment Framework in RC4.

2.2 Water and Wastewater Projects (€94.7m)

Intelligent Control Centre Supporting Technology (€40.2m)

The purpose of this spend is to develop and enhance the central capability of UÉ's 24/7 control centre, the National Operations Management Centre (NOMC), by expanding its service offering and scale of operational oversight in support of establishing an industry-standard Intelligent Control Centre (ICC), previously OT Technology.

The UÉ ICC will have multiple benefits in terms of its service for our customers, environment and the economy. Service benefits will include

- the reduction of failures (resulting in enhanced customer service; compliant services; and the protection of reputation);
- building greater capability in intelligent operations (moving from reactive to preventative to predictive works);
- optimising response to risks and issues;
- incident & crisis management;
- efficiency – doing more with less people;
- safer operations (less out of hours working); and
- effective asset management (asset visibility, asset performance and prioritised investment).

Current NOMC oversight is across both water services and wastewater services, with daily operational reporting in place for circa 620 sites (as of November 2024), and this is a key operational risk mitigation tool. However, NOMC coverage relies on interim telemetry systems (including inband network telemetry, Dublin regional telemetry and County-wide systems² etc), and this presents significant operational risk for UÉ due to platform age, non-standardised ways of working, reducing knowledge/support for ageing systems, and increasing cyber security threats.

The ICC is key to realising value from previous multi-year investments in supporting technology, e.g. UÉ's enterprise National Telemetry System (NTS). This expenditure directly supports the operationalisation of the NTS to allow its effective and appropriate use by UÉ. This will include the capability to add new UÉ sites to our enterprise NTS, and to transition circa 2,500 sites from interim, non-UÉ-hosted telemetry systems to the NTS. This will, in turn, secure the management oversight of existing assets via NOMC and provide the capability to increase UÉ's oversight of

² A wide area hybrid telemetry/SCADA system installed at an Irish County level.

assets beyond the current NOMC scope, providing critical monitoring of assets and improved asset performance data to drive effective operational management.

Investment is also required for the ongoing management, maintenance, repair and replacement of the installed digital infrastructure in order to maintain visibility from the instrument to the control centre.

This programme of work directly drives an integrated UÉ by securely implementing leading, innovative technical solutions, including SCADA & telemetry, to realise best in class operations. This investment is a key requirement to realise the benefits of a UÉ ICC by optimising field force ways of working, reducing failures and effectively managing UÉ assets to provide an industry-leading service for our customers, environment and economy.

Cyber Security Operational Technology (€32.5m)

The purpose of the cyber security investment is to mature UÉ's Cyber Security defences, with a particular focus on the Water and Wastewater treatment facilities. This is follow on from RC3 investment which introduced more robust safeguards and defences for greater protection against cyber-attacks partly in response to the findings of the National Cyber Security Centre's audit of UÉ's Cyber Security preparedness. This deeper RC4 programme of work will ensure that UÉ continues to address Cyber Security risks and builds compliance with the NIS-D³ and new NIS-2⁴ Directives and the Critical Entities Resilience Directive. UÉ's need to enhance its ability to detect, respond and recover from cyber activity is becoming more and more critical due to the increasingly active threat environment, evident from the prevalence of attacks seen against utilities across the globe.

In RC4, UÉ will continue to strengthen its defences against cyber-attacks across its water and wastewater treatment plants consistent with the key NIS categories of Identify, Protect, Detect, Respond and Recover. The programme investment will enhance UÉ's Cyber Security capability by improving technology, processes and governance thereby maturing our ability to protect against, and respond to, cyber activity.

UÉT (IT) (€12.7m)

The UÉT will require additional offices, operations centres and stores to support the Target Operating Model's (TOM) planned growth from 1,400 to 4,300 staff by 2026.

³ The EU's Directive on security of network and information systems.

⁴ NIS-2 expands the scope of NIS-D by adding new sectors based on their degree of digitalisation and interconnectedness and how critical they are to society and economies.

As a result, there will be a requirement for IT investment to fit out these new assets. This will include investment in areas such as telecommunications, communications, access points, conference room technologies, floor screens, printers, plotters and networking/connectivity. This will provide additional business support and ensure that the UÉ workforce has the appropriate tools in place in offices to carry out their roles effectively and support the UÉ network.

This investment will align to UÉ's aim to realise an integrated Uisce Éireann by having the infrastructure in place for the new employees moving from the LAs into the UÉ TOM and ensure that all employees work with consistent processes and systems nationwide.

During RC4, there will be a large focus on Health and Safety Applications, to deliver a standardised "Safety Management System", enduring Lone Worker, Occupational Health solutions and deliver UÉ standardised Enterprise Applications.

Data Competency Programme (€5.0m)

As UÉ continues to grow, UÉ recognises that managing our asset data has become increasingly complex and critical. A lack of effective data governance and control can result in inaccurate reporting, data mishandling and poor insights into management decision making.

In RC4, UÉ will establish a Data Competency Programme to develop governance policies and determine the appropriate methodologies to manage, maintain and analyse the data from a singular data hub. The centralised data hub will facilitate insight and informed decision making as well as assisting UÉ in meeting its ever-growing reporting obligations. Effective data governance and control will ensure that data is accurate, complete, consistent and accessible.

The Data Competency Programme will create greater insight into UÉ's asset data by applying tools that allow the organisation to drill down into the available information to improve its ability to make informed decisions. As such, this information can provide significant insight in terms of the performance of our asset base, the performance of our sustainability measures and the quality of customer service provided.

Scientific Technical Services (IT) (€4.3m)

During RC4, the Scientific Technical Services (STS) strategic initiative will continue to be delivered including the full stand-up of the Limerick Laboratory which is designed

to undertake 1.2 million accredited tests in-house annually to ISO 17025 standards. The required IT system to run and operate the national laboratory will complete as part of final commissioning and validation in 2025.

2.3 IT Run Maintain (€66.0m)

The purpose of the 'Run Maintain' category is to maintain the current IT applications and infrastructure that has been developed since UÉ's establishment. Run Maintain investment provides IT systems with platform stability and security and is essential to supporting and optimising the execution of UÉ business processes.

Investment in Applications and Infrastructure (€61.6m)

During RC4, UÉ will continue to invest in the upgrading of applications and infrastructure to ensure that UÉ can effectively provide water and wastewater services to customers. Upgrades in the IT Run Maintain category are typically point (or smaller) releases, which do not require project management. These point releases are usually bundled with small enhancements into packages called releases. Where larger upgrades are required, these projects are delivered under the IT Business Growth and Development category.

UÉ will invest €38.6m in respect of its business-critical IT systems across asset management to business services. These essential applications include:

- Maximo;
- Oracle eBusiness Suite;
- Alfresco;
- SharePoint on-premises;
- ServiceNow, and;
- Safety Information Management Systems.

UÉ will invest €23m to service and maintain all other IT applications and infrastructure during RC4, through changes, upgrades and maintenance patches. These are essential to ensure:

- Improved security protection;
- Enhanced functionality for business use; and
- Increased productivity and efficiency.

Critical investment will be required to protect UÉ from obsolescence of IT infrastructure which would have a significant impact on the organisation. Maintaining this infrastructure will ensure that UÉ can continue to provide water and wastewater services without the risk of outdated infrastructure giving rise to issues in providing services, or increased risk of cyber-attacks on the organisation.

Move to cloud-based services (€4.4m⁵)

During RC4, there will be a number of IT projects delivered that will include Software as a Service (SaaS). This move to cloud-based services is aligned with UÉ's IT strategy as well as the direction being driven by the market. As existing enterprise applications such as Maximo and Oracle eBusiness Suite require upgrading we will consider upgrade options which will include the SaaS option. Many software vendors will only offer the SaaS version of their products in the future but where other options are available these will be considered in the context of the IT ICT strategy. For new applications (e.g. BIM) it is expected that SaaS will be the primary means of deploying these applications.

2.4 Environmental/Regulatory/Customer (c.€46.8m)

This category of IT investment supports the various requirements driven by UÉ's stakeholders and Irish/EU legislation, such as UÉ's Customer Strategy, the Water Framework Directive and CRU policy decisions.

Customer Strategy including Customer First Programme (€22.5m⁶)

A Customer driven IT investment (€16.3m) relates to investment in IT initiatives during RC4 to support delivery of UÉ's Customer Strategy. These initiatives include:

- Making better use of customer insights;
- Optimising self service solutions. Allowing customers to do more via digital channels will free up UÉ's contact centre for more complex queries;
- Trade Effluent Customer Support Programme;
- Support and enhance Revenue Assurance capabilities;
- Customer Experience Programme refresh; and

⁵ Treated as Opex under International financial reporting standards (IFRS) but classified as Regulatory Capex within the RC4 submission. Please see Revenue Paper for further details.

⁶ Treated as Opex under IFRS but classified as Regulatory Capex within the RC4 submission.

- Increased technical support for contact centre agents.

As part of its Customer Strategy, UÉ is also delivering a Customer First Programme which is a portfolio of projects and initiatives aimed at providing strategic support and enhanced service delivery to our customers. The IT projects and initiatives (€6.3m RC4 investment) includes improvements to existing customer journeys (such as the ongoing review of the outage journey), the next phase of the SMS text notification service (with phase one completed in 2024) and customer-centric training for all staff.

Non-domestic Tariff and Trade Effluent Charging Framework (€14.8m)

Regulatory driven IT investment relates to continued investment in developing the Non-Domestic Tariff Framework as approved by the CRU including the integration of harmonised trade effluent charging arrangements into an updated framework.

Following implementation of a national, harmonised Non-Domestic Tariff Framework on 1st October 2021 and a three-year transition period, new non-domestic tariffs were implemented from 1st October 2024. Tariffs are now expected to be updated annually which will require ongoing and annual updates to CC&B. This is a key on-going project for UÉ to ensure that customers are billed correctly in accordance with their usage. Forecast spend on the IT solution during RC4 is €5.2m.

From 1st October 2026, national and harmonised trade effluent charging arrangements will apply to trade effluent customers as approved by the CRU on 3rd July 2024. Implementing the Trade Effluent Charging Framework involves complex system upgrades and integration design. UÉ has established a project to ensure the successful delivery of these system upgrades and to develop new or to modify existing processes needed to harmonise charging arrangements. The project build for a national trade effluent charging regime, with expected transitional arrangements and ongoing annual tariff updates, will require significant IT investment in RC4. Forecast spend on the IT solution during RC4 is €9.6m.

Environmental Strategy (€8.5m)

The Environmental Information Management System (EIMS) is one of the key projects in the Environmental/Regulatory/Customer category. EIMS facilitates ease of reporting to the EPA and significantly improves efficiency in the Annual Environmental Return process.

In RC4, UÉ will invest to further develop EIMS in order to facilitate new environmental regulatory monitoring, reporting and risk assessment requirements, thus ensuring UÉ continues to have appropriate systems in place for regulatory oversight. This investment will enable EIMS to better communicate with the EPA's reporting systems resulting in improved regulatory reporting and more efficient ways of working.

During RC4, UÉ will also invest in a planned upgrade of its Quality Management System to assist with the documentation of policies, procedures, and controls.

Customer Contact Centre (€1m)

UÉ currently has an agreement in place with a third-party provider to assist with the operation of a contact centre. During the RC4 period, UÉ will be required to re-tender this contract. This is an important contract as the contact centre receives on average 270,000 calls per annum. Following this tender, UÉ will ensure that the system and infrastructure of the provider aligns (or continues to align) to UÉ's systems and that a customer's experience of dealing with the contact centre is not unduly impacted.

Successful interaction with the contact centre is a key UÉ customer satisfaction metric as a high-quality contact centre is key to high quality customer service.

3. Fleet and Facilities (€122m)

There are five main areas of Fleet and Facilities RC4 investment and they are set out in table 3.1. The majority of the planned investment in Fleet and Facilities is driven by the implementation of the UÉT Programme. This includes the expansion of the Offices, Operations Centres (previously referred to as Depots) and Inventory Management. The remainder of the spend will be on minor capital upgrades of existing UÉ Offices and equipment to meet changing business requirements, building standards and regulations, and also the continued progression of the National Laboratory Strategy (now referred to as the Scientific Technical Services).

Activity	2025	2026	2027	2028	2029	Total
UÉT - Establishment Operations Centres	11.4	19.0	7.2	6.2	3.9	47.7
UÉT - Establishment of UÉ Offices	5.5	2.6	2.4	3.3	2.1	15.9
Fleet (UÉT and BAU)	5.7	8.9	8.4	7.9	6.6	37.6
STS - Fleet & Facilities	5.4	1.4	1.2	0	0	8.0
BAU Facilities	2.3	3.0	2.0	2.7	2.8	12.8
F&F Total	30.3	35.0	21.1	20.1	15.5	122.0

Table 3.1: Fleet and Facilities requirement for the 2025-2029 period (2022 monies, rounded)

UÉ Property Strategy

UÉ has developed a Property Strategy which sets out its enduring accommodation needs. The strategy identifies the requirements for Offices, Operations Centres (previously referred to as Depots) and Stores to support UÉT's TOM planned growth from 1,400 to c. 4,300 staff by 2026. UÉ's additional properties need to be in place by 2026 to align with the ending of the Support Services Agreement (SSA). The strategy sets out the need for establishing 16 additional offices, 21 new Area

Operations Centres (large and medium sized facilities) and up to 46 local Operations Centres (satellite facilities). This is a key UÉ initiative that will enable the creation of an integrated National Water Services Authority.

3.1 UÉT - Establishment Operations Centres and Stores (€47.7m)

In RC4, the establishment of a network of Regional and Local Operations Centres is essential to provide accommodation for front line staff to support the delivery of water services. The Operations Centres will provide a base for the outdoor staff, spare parts, aggregates, tools and equipment, machinery and fleet required to operate and maintain the water and wastewater network. A centralised inventory capability centre will also be established to procure and manage materials for all parts of the country. The Property Strategy identified the enduring need for the following properties:

1. 21 Regional Operational Centres. Two of these locations will accommodate the Central Distribution Centres and remainder located within the Area Stores; and
2. 46 Local Operations Centres co-located with satellite Stores. These local Operations Centres will be predominately based on existing UÉ Operational sites such as treatments plants and reservoir sites.

Taking into account lead times, governance approvals, property acquisitions, statutory approvals and construction, and given its importance to the effective implementation of an Integrated UÉ, it is critical that provision of funding for the establishment of the Operations Centres is included in RC4.

3.2 UÉT – Establishment of Offices (€15.9m)

UÉ currently has a portfolio of nine offices nationally, designed for hybrid working (with approximately 1,100 workstations), established over ten years and, which, adequately supported the business needs prior to the UÉT programme.

When fully achieved, the Programme will enable UÉ to become a National Water Services Authority, supported by a diverse and inclusive workforce and an efficient TOM. The establishment of Offices to support the staff is a key enabler.

Based on the Property Strategy, it is forecast that the total office-based staff headcount will be in the region of 2,800 to 3,000 located throughout Ireland (and designed for hybrid working). Within our current portfolio of nine offices across Ireland there is capacity within these buildings to accommodate some of the LA staff that will transfer to UÉ, or new hires recruited by UÉ.

However, our current offices do not have sufficient capacity or an adequate local presence to support an integrated National Water Services Authority, therefore an expansion of the portfolio is required. Providing adequate capacity within the Regional Offices and appropriate local presence is the cornerstone of the Property Strategy. Looking to our enduring national office requirement beyond 2024, UÉ has identified the need for up to 16 additional offices to provide a balanced / local presence across Ireland.

3.3 Fleet (€37.6m)

The current national water services fleet (c. 2,200 across UÉ and the LAs) is made up of light commercial vehicles (LCVs), heavy goods vehicles (HGVs), including specialist jetting trucks and mobile equipment such as small plant, trailers and generators. As part of the UÉT programme, a fleet strategy was developed including an assessment of the LA legacy fleet which showed that a substantial portion is not fit-for-purpose, not standardised and poses health and safety risks to staff.

The fleet strategy also determined the UÉ TOM fleet requirements. It considered the provision of a fit for purpose fleet, that is right sized for an integrated UÉ with local and regional operational requirements. The strategy also ensures compliance with the Clean Vehicles Directive and Public Sector Climate Action Mandate (2022). The strategy estimates a requirement of 1,580 vehicles by the end of 2029, with a fleet rationalisation reduction of approximately 600 vehicles over the RC4 period. UÉ's final fleet is expected to consist of:

- LCVs – 1,225 including 450 electric vehicles;
- HGVs – 265, including 12 electric/alternative fuels vehicles, and;
- Mechanical Equipment (ME) – 90.

The investment will be key as part of UÉ's corporate strategy as it will assist in realising an integrated single public utility by consolidating the fleet that is available for providing water and wastewater services. Further, this investment will assist UÉ in achieving its environmental strategy to have a sustainable fleet of vehicles, as well

as addressing its obligations under the Clean Vehicles Directive and Climate Action Mandate.

3.4 Scientific Technical Services (STS) (€8.0m)

In RC4, UÉ will continue to deliver on the strategic initiative for STS which will consolidate water and wastewater testing into two national laboratories (Limerick and Eastern Region). In 2025, the final commissioning and validation for the Limerick Laboratory will take place in advance of becoming fully operational in 2026. The Limerick Laboratory is designed to undertake 1.2 million accredited tests in-house annually, and will be accredited to ISO 17025 standards.

The Limerick laboratory will be supported by a complementary outsourced service to provide additional testing requirement capacity prior to implementation of UÉ's longer-term strategy for the development of a second laboratory. During RC4, it is planned to start developing the feasibility study and preliminary business case for the second laboratory in the Eastern Region to enable UÉ to complete the balance of testing that is currently outsourced. The progression of this laboratory will be aligned with UÉ's Property Strategy to ensure the potential for co-location can be maximised wherever possible.

3.5 Existing Offices (€12.8m)

RC4 investment will be required for minor upgrades and capital works to existing UÉ offices in order to meet changing business requirements, building standards, and regulations. In particular, investment will be required to meet the obligations under the European Union (Energy Efficiency) Regulations 2014 (S.I. No. 426/2014). Investment will also be required to establish in-house technical competency centres to supplement / replace the facilities provided by the LAs through the Regional Training Centres.

4. Business Change (€31.2m)

The Business Change team supports UÉ's delivery of complex change and transformation projects. It covers the key disciplines of portfolio and project management, change management, business analysis, process delivery, training and post go-live support.

The Business Change team undertakes Annual Portfolio planning across UÉ which produces an agreed and signed off plan of change projects that are strategically aligned to the UÉ Business Plan, the annual budgeting process and agreed RC4 requirements.

In summary, UÉ's Business Change demand is based on the following:

- The continued delivery of our multiyear mandatory, operational, and regulatory projects to ensure UÉ continues to be compliant with obligations to its key stakeholders;
- The need to support the ongoing delivery of small Business-As-Usual enhancement changes / continuous improvement changes outside the delivery of the large projects and programmes; and
- Delivering on key corporate strategy objectives.

RC4 Business Change investment is required to provide key specialist project resources that will own and drive UÉ delivery outcomes. This investment is necessitated by:

- The significant transformation and change agenda required as LA and UÉ staff are integrated into the TOM; and
- To meet the ongoing requirement for change driven by UÉ's ambitions as set out in its overall corporate strategy.

The required investment for these categories is set out in Table 4.1 below.

Business Change Activity	2025	2026	2027	2028	2029	Total
Projects and Programmes continuing from RC3	5.0	1.2	0.4	-	-	6.6
Run Maintain	0.8	0.9	0.9	0.8	0.8	4.2

UE Corporate Strategy - New Demand	1.4	4.7	4.8	4.8	4.7	20.4
Total	7.2	6.8	6.1	5.6	5.5	31.2

Table 4.1: Business Change requirement for the 2025-2029 period (2022 monies)

A summary of the funding requirements by category is provided below.

4.1 Projects continuing from RC3 (€6.6m)

In RC4, UÉ will continue to deliver against a substantial number of inflight projects and programmes that carried forward from the RC3 period. A snapshot of those projects and programmes which crossed between the two revenue periods are outlined below:

- Implementation of a new CC&B Customer Applications Upgrade project.
 - This project will take our customer applications (primarily CC&B/MDM) and upgrade them to their latest versions.
- Updates to the non-domestic tariff framework including the integration of harmonised trade effluent charging arrangements (phase 2);
- Scientific Technical Services Strategy Implementation (formerly the National Laboratory Implementation).
 - This multi-year programme is establishing a national, accredited in-house sampling, testing and reporting service with capability to support the delivery of water and wastewater services across Ireland.
- GIS Strategy Implementation.
 - The UÉ Strategy for Spatial Information offers the opportunity to take a significant step forward in the utilisation of spatial data, spatial analyses techniques and GIS solutions. This is being achieved by the adoption of enterprise level, high performing GIS technologies, better data management practices and modern spatial data analysis. A key driver for this project is that the existing technology suite is out of support; and
- Design, Build, Operate (DBO) Direct Operations.
 - This project is defining and implementing a strategy for greater control, cost effectiveness & sustainability outcomes across the outsourced DBO estate. Amongst other benefits, this project will enable UÉ to directly manage operation of treatment plants and pumping stations on the expiry of DBO contracts.

4.2 Run Maintain (€4.2m)

This investment will be for the provision of resources to support small or tactical projects changes or improvements across enterprise applications, in addition to Business-As-Usual activity that will be required across the organisation from the Business Change team.

4.3 UÉ Corporate Strategy – New Demand (€20.4m)

The UÉ corporate strategy is the backbone to identify, select, prioritise, plan and deliver important project and programme changes across UÉ over RC4. UÉ's Business Change team is responsible for leading the end-to-end, overall project supported by the individual business unit(s), to assist UÉ in achieving the targeted outputs and outcomes.

Some of the projects and programmes emerging from the corporate strategy include:

- Building Information Management;
- Environmental Management Strategy and Implementation;
- Scientific Technical Services (Eastern Region or STS 2) Project;
- Safety Management System Enhancement and Implementation;
- BIM and Digital Construction deployment;
- Inventory and Stock Control system implementation;
- Enhanced Business Information Systems;
- Customer First Programme;
- Internal Comms, Media and Internal Affairs initiatives;
- Risk Management Strategy and Implementation;
- Water Strategic Services Plan and National Water Resource Plan;
- Business Services Strategy and Delivery;
- Facilities and Hybrid working change management practices; and
- Critical Asset Management and Operational Readiness.

5. UÉT programme (UÉT) (€18.3m⁷)

The UÉT is one of the most complex transformational programmes ever undertaken in the Irish public sector. As set out in the Future Delivery of Water Services Framework published in 2022, it will implement the new and transformed service delivery model for water and wastewater services in Ireland, with all water services employees from UÉ and the LAs working together in a single, publicly owned National Water Services Authority.

Since May 2023, a Master Cooperation Agreement (MCA) has been in place between UÉ and each LA which sets out how UÉ assumes management and direction of water services. It provides for UÉ to have full accountability for the delivery of water services, and the necessary management and direction of all water services staff, including those who choose to remain employed by their LA for the transitional period to the end of 2026, at which point all water services staff will work directly for UÉ.

The UÉT was mobilised to carefully deliver the transfer of Water Services across 31 LAs to a single public utility, managing the careful transition of people and transforming core services and processes to ensure consistent ways of working are in place. When fully achieved, the programme will enable UÉ to become a single public utility, supported by a diverse and inclusive workforce and an efficient TOM.

The delivery of the UÉT will continue into RC4 in line with the MCA with NNC investment covering the following categories:

- Implementation costs covering resources supporting transformation initiatives including senior programme managers, subject matter experts, project managers, business and process analysts and data experts;
- Internal staff costs for resources working directly on the transformation programme;
- IT Costs relating to licences and support and maintenance for cloud based software; and
- Other Costs associated with costs for staff transferring from LAs, as well as costs relating to roadshows and communications with LAs.

⁷ Treated as Opex under IFRS but classified as Regulatory Capex within the RC4 submission.

6. Opening Balance Sheet (€3.4m⁸)

Following the independent due diligence of each Local Authority Opening Balance Sheet (OBS) as at 31 December 2013, it was determined that UÉ would face a net outflow of relevant expenditure of €127m and agreed that, as this net liability was realised, it would be added to the water services regulated asset base⁹ (RAB). €10m out of the total (€127m) was added to the Opening RAB, while the rest was postponed in order to increase Regulatory Capex when the full schedule would have been completed and paid. This decision was directed to support a cash-based RAB addition which would have restricted value fluctuations deriving from a gradual recording of these items that, by nature, are subject to both cost uplift and cost decrease.

Based on relevant actual performance until 2023 and recent forecasts to the end of RC4, UÉ now expect to complete the schedule by the end of 2029, at a significantly reduced cost. The reduction is mainly due to re-assessment of the liabilities value and conditions, which indicate that final settlement will be materialising at a much lower level than initially envisaged.

The NNC element of the OBS is €3.4m¹⁰.

⁸ Treated as Opex under IFRS but classified as Regulatory Capex within the RC4 submission.

⁹ The RAB is an accumulation of the value of investments made in the water services network.

¹⁰ The remainder of UÉ's OBS liability settlement is included within UÉ's total proposed RC4 Network Capital Investment.

7. Conclusion

The RC4 period will be UÉ's second five-year revenue control. The Non-Network Capex submission reflects UÉ's view of required investment to 2029 and supports the delivery of the Capital Investment Plan and UÉT.

The investment anticipated will deliver substantial benefits, including but not limited to supporting:

- Delivery of the significant capital investment programme over this revenue control period;
- The establishment of a Single Public Utility, with the necessary investment in facilities and fleet to support business transformation;
- Delivery of key applications to meet business strategic objectives, including investment in systems to support national telemetry, the stand-up of a national testing laboratory, a Data Competency Centre in recognition that, as UÉ continues to grow, managing our data has become increasingly complex, and in other business critical strategic projects;
- Delivery of key customer focused projects including an upgrade to essential Customer Applications including the CC&B system, investment in Customer First and the re-tender of the customer Contact Centre, which will enhance customer experience;
- Compliance with EU and Irish Regulations and Directives, including investment in the Cyber Security Remediation Programme, the Scientific Technical Services project and development and implementation of new, national and harmonised trade effluent charging arrangements;
- Delivery of necessary investment to maintain core BAU applications, so that UÉ can continue to operate applications and systems that have been developed since UÉ's establishment; and
- Investment in Sustainable practices, including ensuring that UÉ is in compliance with EU Regulations and Directives, for example the EU Clean Vehicles Directive and the EU Energy Efficiencies Regulation.