

Sean Laffey – Head of Asset Management

Prioritising Capital Investment Achieving a Balance



**An Roinn Tithíochta, Pleanála
agus Rialtais Áitiúil**
Department of Housing, Planning
and Local Government

What I will cover today

- **Achievements to date**
- **From Policy to Priority**
- **Demonstrate IW Risk Assessment approach**
- **Evidence Based Decision Making**
- **Plan Balancing**
- **Dealing with Emerging Needs**

Asset Management achievements to date

- **Two Investment Plans prepared and approved by CER (CIP 1 and IRC2)**
- **Working to improve processes, systems and data capture (GIS, Maximo, Handhelds)**
- **Connections Developer Service process rolled out for development enquiries**
- **Asset Management Framework developed to support next investment plan (RC3)**



Our strategic plan for water and wastewater clearly maps to government policy direction

S26 2013 WS Act

Sets the Policy Direction



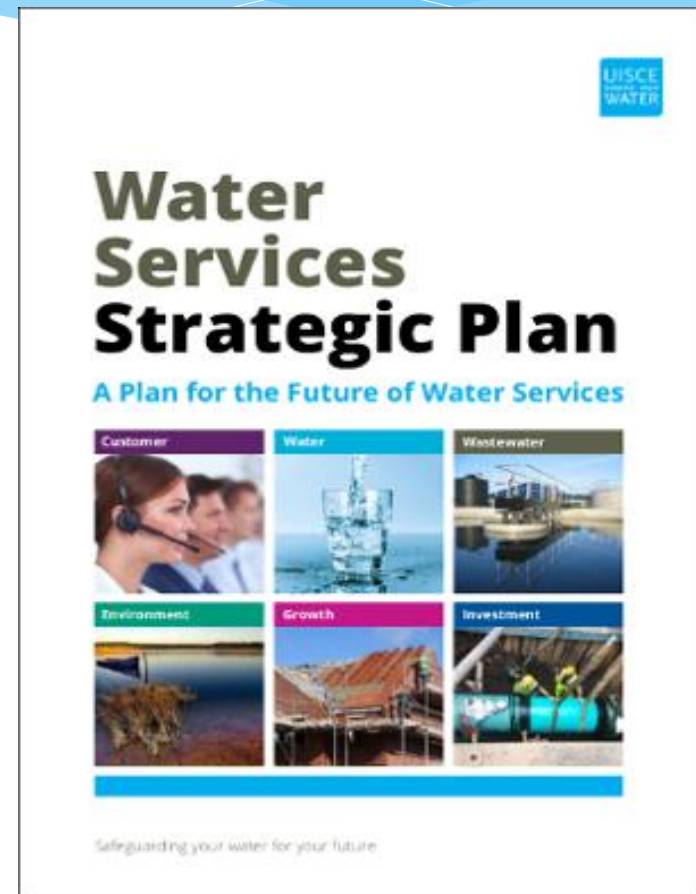
**Water Services
Strategic Plan**

Sets the Strategic Objectives



**Capital Investment
Plan**

Defines plans to achieve strategic objectives



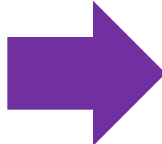
Government policy sets out two clear strategic priorities

1. Ensure a Safe and Reliable Water Supply

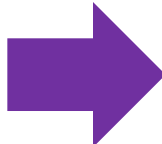
2. Return Wastewater Safely to the Environment

We are focused on the effective management of drinking water quality

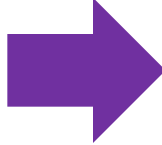
- 1) Drinking Water Quality
- 2) Availability, Sustainability & Reliability
- 3) Manage Water Supplies



Drinking Water Quality	Drinking Water Quality	Drinking Water Quality	Drinking Water Event
Micro Chemical	Lead	THM's	BWN RAL



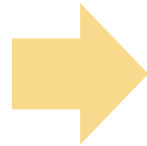
Supply Interruptions	Water Pressure
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Leakage	NWRP
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We are focused on the effective management of Wastewater

1) Protect Environmental Quality



UWWTD
Compliance

WWDA
Compliance

No
Treatment

Pollution
Incidents

2) Availability and Resilience



Internal Property and External Sewer
Flooding

3) Manage Wastewater Services in an efficient and effective manner



Licence Trade Effluent Discharges to
Sewers

Other Key Strategic Priorities

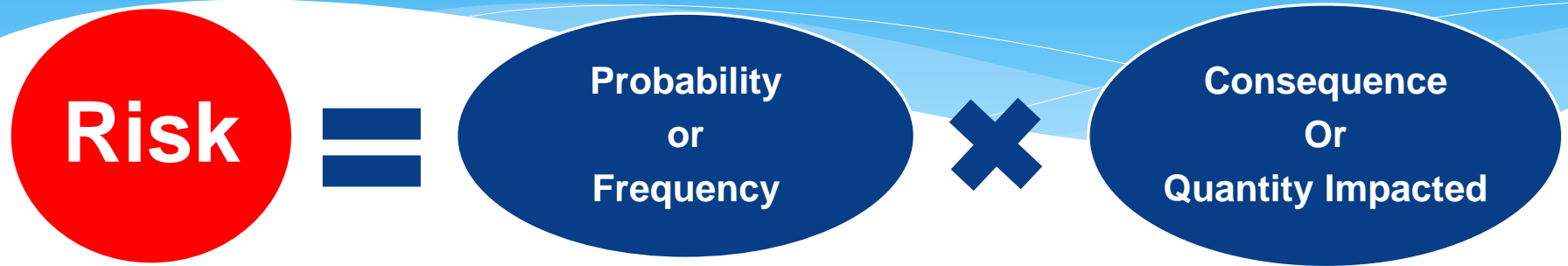
1) Protect and Enhance the Environment		2) Health and Safety	3) Support Social & Economic Growth	
Sustainable Delivery	Achievement of WFD objectives	Protecting Employees and the Public	Facilitate Growth in line with National and Regional Policies	
Water and WW Sludge Treatment and Disposal	Appropriate and effective WW Treatment	Health and Safety	Availability of Headroom	Capacity in Strategic Networks
Energy Efficiency	Sustainable Water Supply			

**Given the size and scale of the required
Capital Investment, how do we prioritise?**



**Risk Reduction per €M Spent
(Opex and Capex)**

We have a strategic approach to assess risk



Step 1

- Asset risk expressed using Service Measures

Step 2

- Services Measures mapped to Risk Criteria Bands

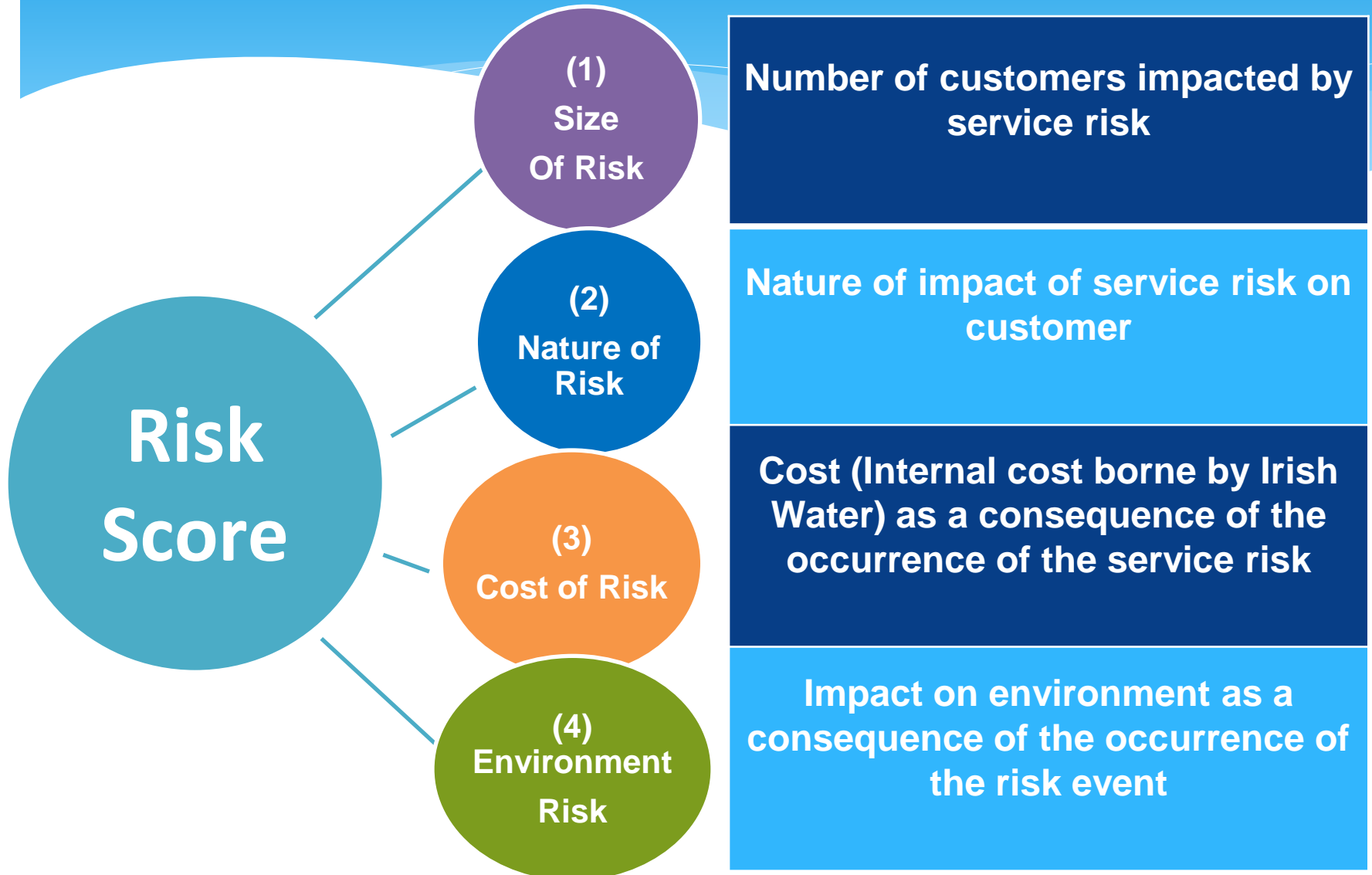
Step 3

- Weighting assigned to each Risk Criteria Band

Step 4

- Weighting for each band sums to overall Risk Score

Criteria for Scoring Risk



We have an evidence based approach to decision making

Fair and transparent decision making requires:

- 1. Accurate data, in the right format**
- 2. Evidence of risk needs to be quantified**
- 3. Standard methodology to enable comparison with other needs**

Process for Investment Plan Balancing

- **Top down prioritisation to determine how much spend on each programme**
- **Bottom up prioritisation to determine which assets are included in each programme**
- **Validation with Stakeholders to ensure right balance**
- **Refine and react to stakeholder feedback**

Issues do arise which require urgent action and cannot wait for the next investment cycle



Source: Irish Water, Staleen Outage, July 2017

Client: Ervia
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You can't but empathise with those without water this week, yet it does pose a dilemma for anti-water charge hard left and populists, says Political Editor **Daniel McConnell**



Provision and cost of water is in sharp focus

- Re-prioritising investments (periodically) to include emerging needs
- Re-balancing Capital Investment Plan to optimise risk reduction

We must achieve a balance

- **Asset Management Framework links investment decisions to strategic objectives**
- **Ensures a consistent national approach to decision making**
- **Risk based decision making is robust, transparent and fair**



THANK YOU