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Wales

Annual Performance Report for Dŵr Cymru Welsh Water 2017

Prepared by Water Policy & Directives Implementation Team

Version 2

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Introduction

This external report summarises Dŵr Cymru Welsh Water's (Dŵr Cymru's) environmental performance for 2017. We evaluate good progress the company has made and identify improvements we'd like to see.

Natural Resources Wales' purpose is to pursue the sustainable management of natural resources in all of our work. This means looking after the air, land, water, wildlife, plants and soil to improve Wales' well-being, and provide a better future for everyone.

As a regulator, we look to ensure that those we regulate are equipped to do the right thing.

Every year, we assess the performance of water and sewerage companies that operate within Wales. This report focuses on Dŵr Cymru's performance for 2017. However, we also provide environmental performance data on Severn Trent Water to the Environment Agency for sites in Wales. For more information on Severn Trent Water and a full sector overview visit gov.uk.

Environmental Performance Assessment (EPA) Methodology

Since 2011, we have used the same Environmental Performance Assessment (EPA) indicators and methodology as the Environment Agency. This means we can consistently report and benchmark the performance of Dŵr Cymru against the rest of the water and sewerage companies in England and Wales.

The EPA indicators measure performance associated with:

- reducing pollution incidents and increasing company reporting of incidents
- complying with discharge permits for sewage treatment and water treatment plants
- managing the use and disposal of sewage sludge
- delivering environmental improvement schemes
- delivering secure supplies of water ('security of supply').

The EPA is set for the duration of the water companies' current asset management plan (AMP) period which runs from April 2015 to March 2020. The indicators are absolute rather than relative. All companies should therefore be able to achieve good performance against these by 2020 or before.

Dŵr Cymru's Environmental Performance for 2017

The table below shows how Dŵr Cymru performed against the seven EPA indicators in 2017. Each indicator has agreed thresholds (which change every five years to continually drive performance improvements) which are used to give a status – red, amber or green.

Environmental Performance Assessment (EPA) indicator		What this indicator means	DCWW's Performance in 2017	Indicator status in 2017	DCWW's company star rating
Pollution Incidents (sewerage)	Category 1-3 incidents per 10,000 km of sewer	How many sewerage pollution incidents occurred, of Category 1-3, normalised by sewer length	28.2	Amber	**
Serious Pollution incidents (sewerage)	Category 1-2 incidents per 10,000 km of sewer	How many serious sewerage pollution incidents occurred, of Category 1-2, normalised by sewer length	0.28	Green	
Discharge Permit Compliance (STWs & WTWs)	%	Percentage compliance of Sewage Treatment Works and Water Treatment Works with water quality limits on their discharge	96.7	Red	
Satisfactory Sludge Use/Disposal	%	How well sewage sludge was used and disposed of	100	Green	
Self Reporting of Pollution Incidents	%	Percentage of pollution incidents the company self reported	63	Amber	
AMP National Environment Programme Delivery	% of planned delivery	Whether the Asset Management Plan National Environment Programme is being delivered to plan	100	Green	
Security of Supply Index	SoSI	How well they would have met their provision on levels of service for restrictions on water supply, if 2017 had been dry	98	Amber	

Key: Company star rating

****	Industry leading company
***	Good company
**	Company requires improvement
*	Poor performing company

Key: Performance status

	Performance better than target
	Performance close to or slightly below the target
	Performance significantly below target

Key performance messages

- In 2017 Dŵr Cymru dropped from a 'good' 3* company rating to a 2* performing company 'requiring improvements' due to one indicator (permit compliance) turning red.
- The permit compliance indicator looks at how well sewage treatment works and water treatment works are complying with the water quality limits on their discharge to the environment. Compliance dropped from green status (99%) in 2016 to red (96.7%) in 2017. This is because 10 out of 559 numeric sewage treatment works and 10 out of 47 numeric water treatment works failed to meet the water quality limits on their discharges, as required by their Environmental Permits. **See Figures 1 & 2 in Annex 1.**
- Compliance with Environmental Permits is a statutory requirement. Therefore, we expect improvement in this indicator to achieve 100% so that impact on the environment is minimised.
- We found eleven sewage treatment works to be non-compliant with their Dry Weather Flow (DWF) permit requirements. Three works are also under investigation regarding the flow required to be passed forward for full treatment. Dŵr Cymru is continuing to investigate and resolve these issues. Re-certification of monitoring equipment via MCERTS has seen continued improvement and the company is currently fully compliant.
- Regarding enforcement we've taken against Dŵr Cymru during 2017, two formal cautions were accepted by Dŵr Cymru. In both cases, they relate to the company failing to comply with permit conditions. We cannot include any information on any ongoing cases.
- The Security of Supply Index (SoSI) indicator measures the extent to which the company can guarantee provision of its levels of service for restrictions of water supply (e.g. Temporary Use Bans) if the previous year had been dry. The SoSI score for 2017 is 98 which is below the target of 100. We are working with Dŵr Cymru to understand the actions it is taking to achieve a score of 100 as soon as feasibly possible.
- The total number of incidents overall has increased to 115 (**see Figure 3 in Annex 1**). However, the EPA only looks at sewage-related pollution incidents, so doesn't include potable water incidents. Therefore, the EPA indicator decreased as the number of sewage-related pollution incidents (category 1 –3) dropped from 107 in 2016 to 102 in 2017 (**see Figure 4 in Annex 1**). This is a record low and demonstrates that measures Dŵr Cymru are taking to identify the root cause and undertake proactive interventions of pollution incidents are having positive effects.
- There has only been one serious (Category 2) sewage pollution incident in 2017. And there have been no Category 1 sewage-related incidents since 2011.
- We are disappointed to see a further decrease in self reporting of pollution incidents, decreasing two years in a row from a peak in 2015 at 74% to 68% in

2016 then to 63% in 2017. This further increases the gap from the water industry average of 76% (*see Figure 5 and 6 in Annex 1*).

- Dŵr Cymru's leakage figure for 2016/17 was 175 Megalitres per day which is less than the Sustainable Economic Level of Leakage target of 177 Megalitres per day for 2016/17.
- The average water use per person was approximately 145 litres per person per day in 2016/17. The percentage of household customers whose bills are based on their meter readings reached 41% in 2016/17.
- Under the Flood and Water Management Act 2010, water and sewerage companies are defined as risk management authorities. They are required to act in a manner consistent with the National Strategy for Flood and Coastal Erosion Risk Management in Wales and have a duty to cooperate with other risk management authorities in Wales. Dŵr Cymru are seeking opportunities to work with us and other partners to reduce flood risk. They are also progressing their sustainable drainage programme and raising awareness around the problem of sewerage flooding through their 'stop the block' campaign.
- Dŵr Cymru manage 126 Large Raised Reservoirs (LRRs) greater than 10,000m³ which are we regulate under the Reservoirs Act 1975. The purpose of this law is to prevent an uncontrolled release of water and subsequent flooding of downstream communities. Every LRR must undergo statutory periodic inspection and implement the recommendations made by an independent Inspecting Engineer. These reservoirs must also always be supervised by a qualified civil engineer and records kept of principal information and monitoring activities. We meet regularly with Dŵr Cymru's Dam Safety Team to review progress on completion of safety measures and to provide evidence. Compliance levels are generally high. Where delays in completion of safety works have been experienced they have been justifiable and we have been informed at the earliest stages, along with advisory notes from independent reservoir engineers. Dŵr Cymru has stated that they wish to be an "exemplar organisation for reservoir safety".
- Regarding delivery of the Asset Management Plan (AMP) National Environment Programme, 100% of planned improvements to Dŵr Cymru assets, due for completion in 2016/17, were completed on time. These improvements will mean assets achieve higher standards and deliver water quality improvements.
- The satisfactory use and disposal of sewage sludge has remained at 100%.

Performance expectations for 2018 and beyond

By 2020, we would like Dŵr Cymru to strive to achieve green status across the EPA indicators by delivering the following:

- increase compliance with environmental permits to achieve 100%
- increase self reporting of pollution incidents to achieve 75% by 2020
- increase the SoSI index score to achieve 100
- continue to maintain 100% for sludge use and disposal
- continue to reduce pollution incident numbers, aiming to achieve zero serious pollution incidents
- continue to deliver Asset Management Plan (AMP) improvement schemes to deadline.

Annex 1 – Supplementary graphs

Figure 1

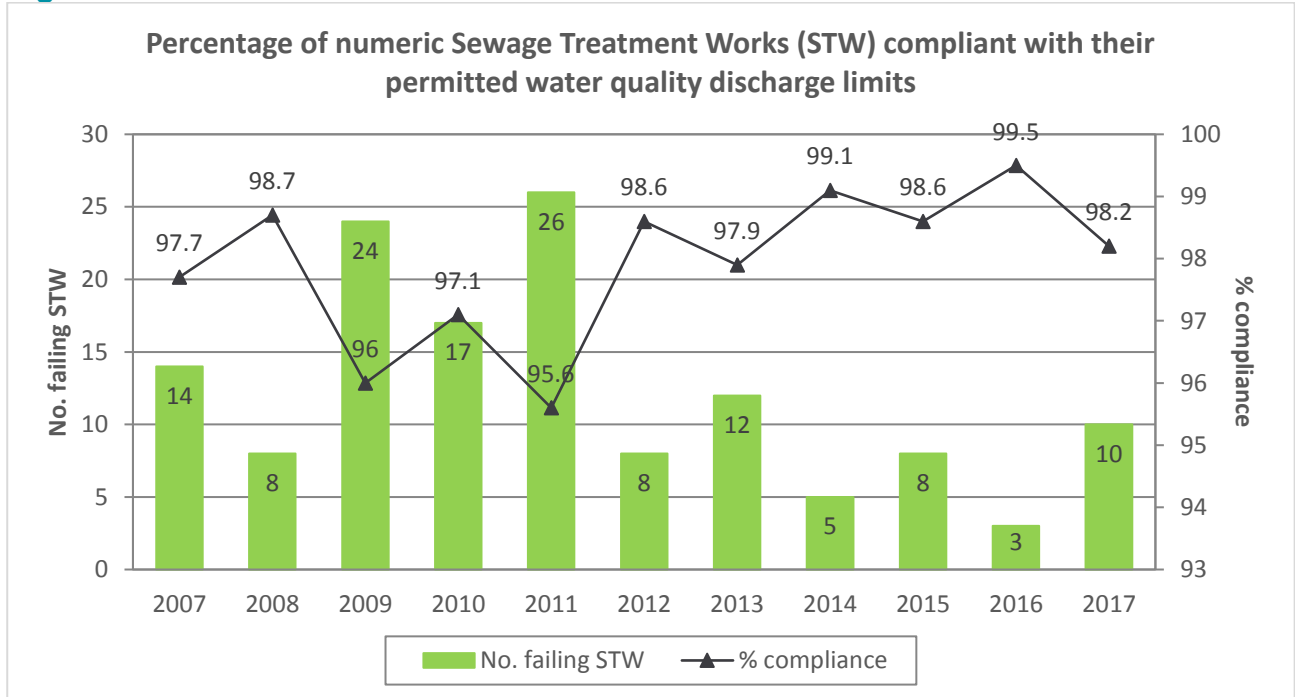


Figure 2

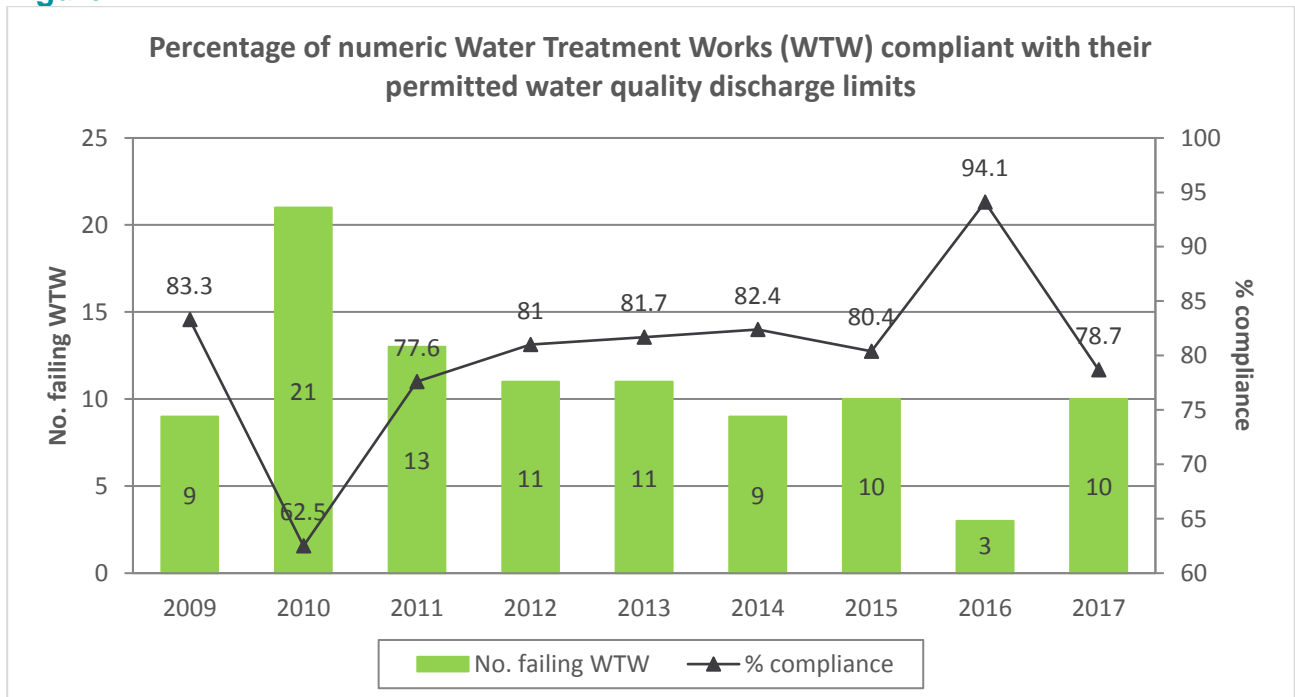


Figure 3

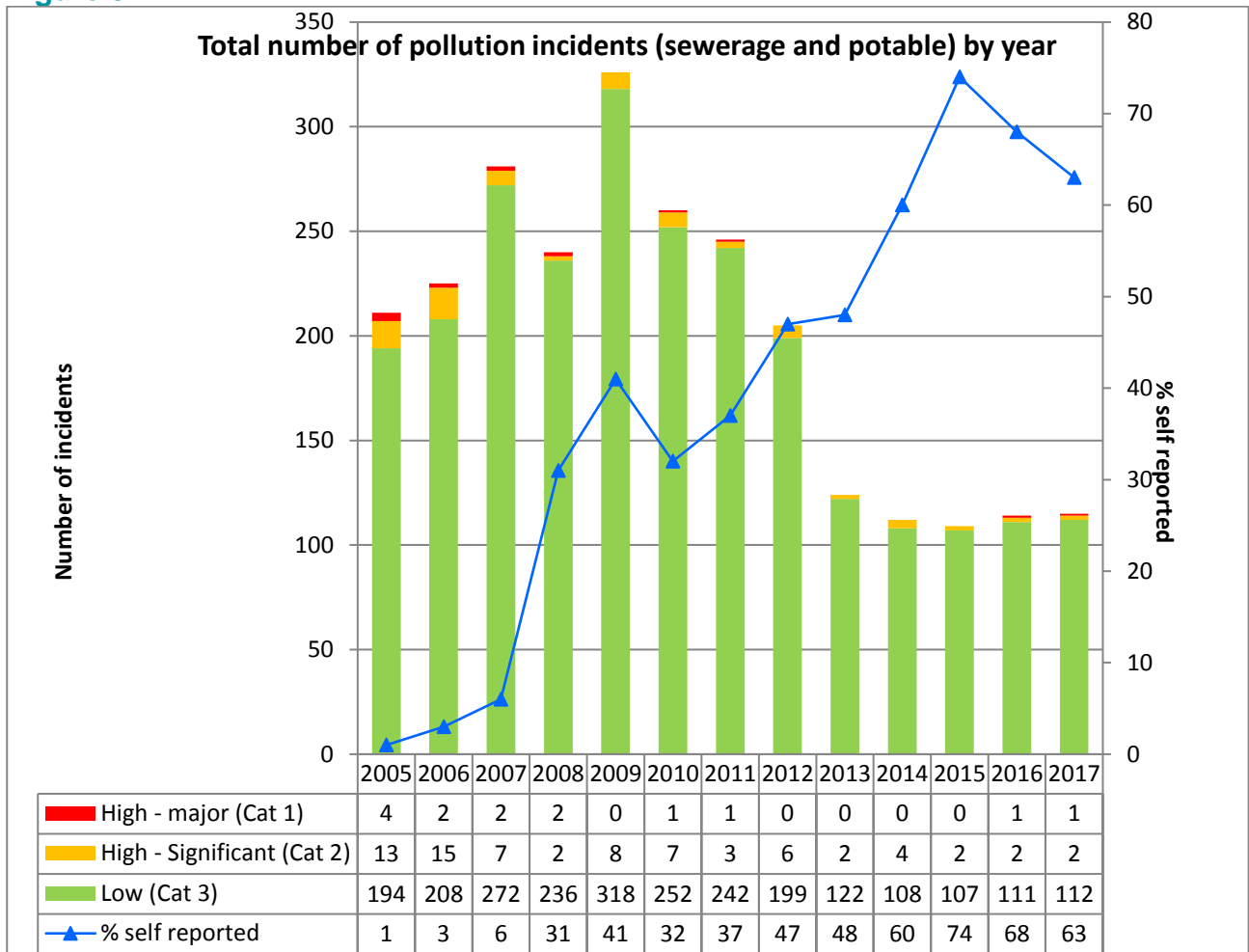


Figure 4

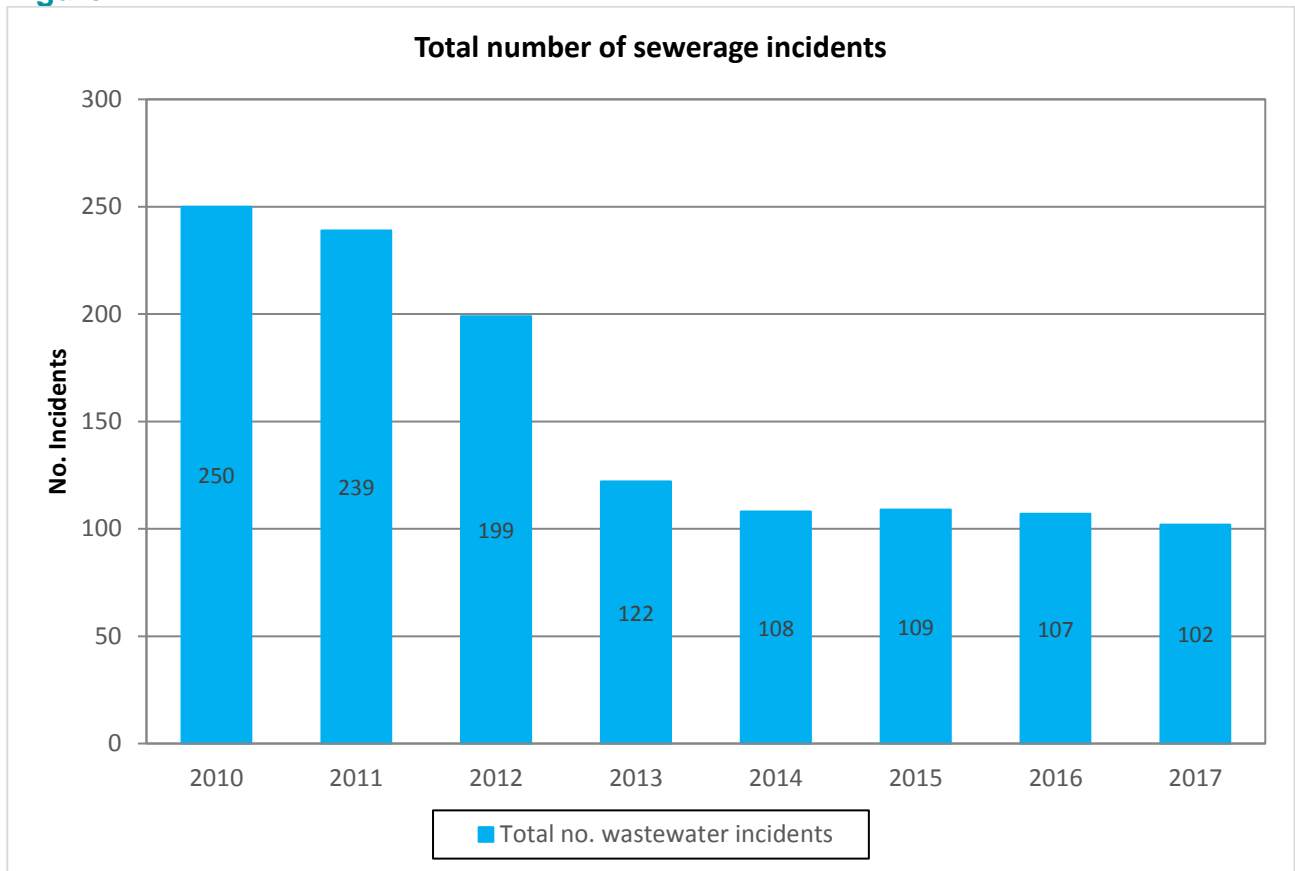


Figure 5

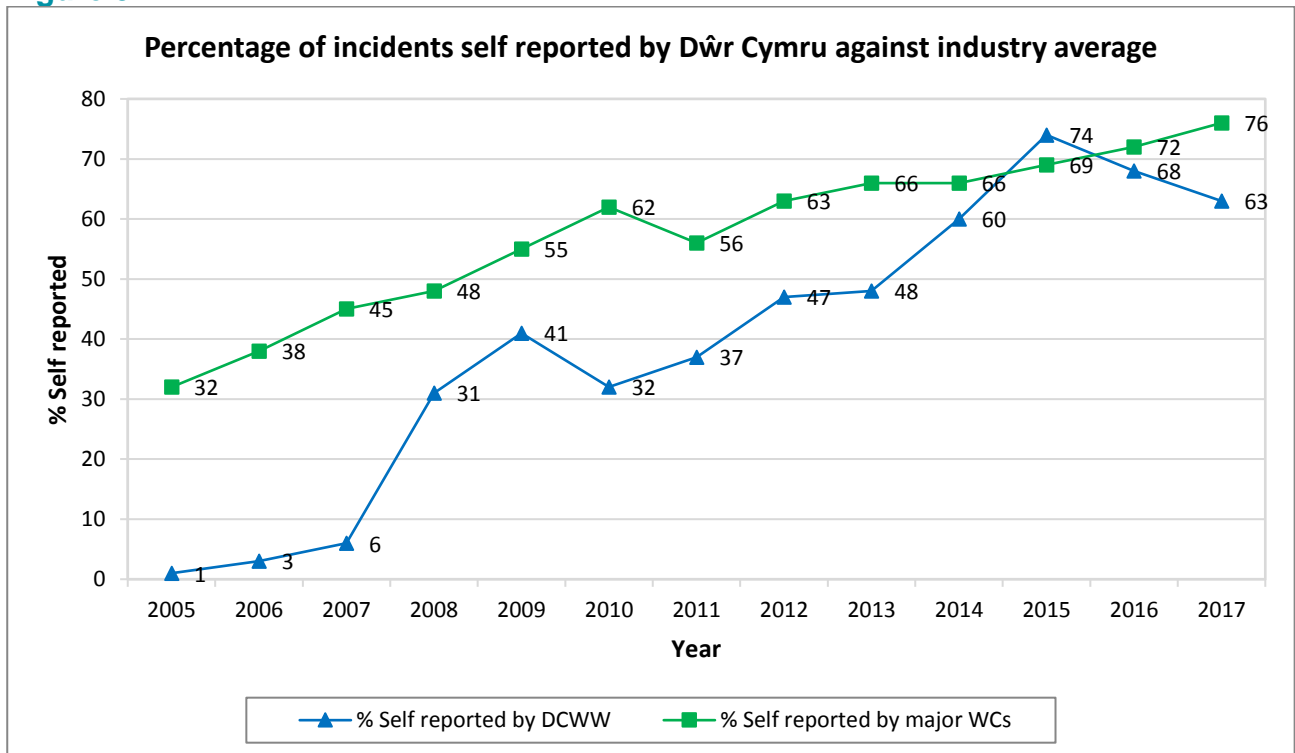
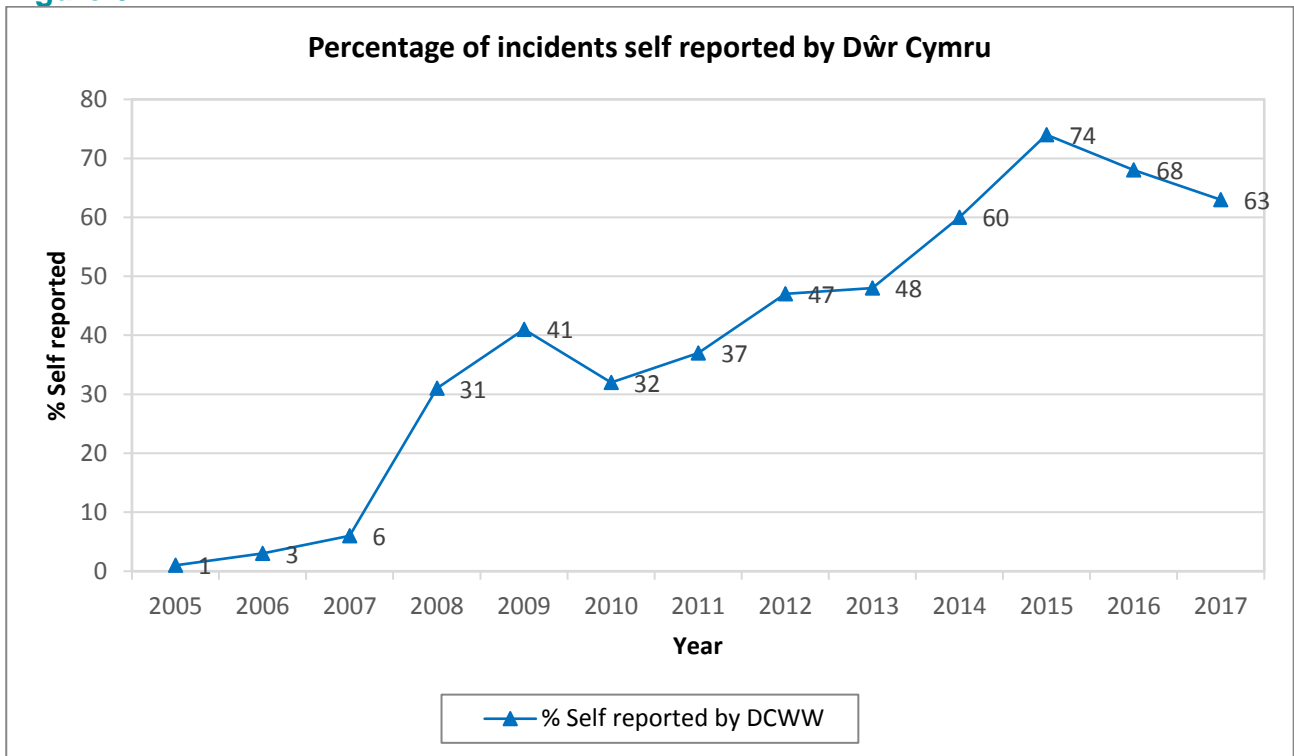


Figure 6



Annex 2 – Summary of Dŵr Cymru Welsh Water’s EPA performance 2011-17

	Original EPA					Revised EPA		
	2011	2012	2013	2014	2015	2015E	2016	2017
Pollution Incidents (sewerage) Category 1-3 incidents per 10,000 km of sewer	132	110	66	59	59	30.4	29.8	28.2
Serious Pollution Incidents (sewerage) Category 1-2 incidents per 10,000 km of sewer	2.2	3.3	1.1	2.2	1	0.6	0.6	0.28
Discharge Permit Compliance (STWs & WTWs) %	95.6	98.6	97.7	97.8	98.6	97.1	99.0	96.7
Satisfactory Sludge Use/Disposal %	100	100	100	100	100	100	100	100
Self Reporting of Pollution Incidents %	37	47	48	60	74	74	68	63
AMP National Environment Programme Delivery % of planned delivery	87	116	100	100	100	100	100	100
Security of Supply Index (SoSI)	N/A	N/A	N/A	N/A	N/A	100	100	98
Company star rating	*	***	***	***	***	***	***	**

Key: Company star rating

****	Industry leading company
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*	Poor performing company

Key: Performance status

	Performance better than target
	Performance close to or slightly below the target
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The column headed 2015E refers to the 2015 dataset which has been assessed using the new EPA criteria (2016-2020). This has been included for comparison purposes only. Every five years the Red/Amber/Green thresholds are reviewed.



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