

Recommendation 2. We must see demonstrable progress from NRW on its work to bring ‘unpermitted’ storm overflows within the regulatory regime. We expect NRW to report back to the Committee on progress no later than 6 months of the publication of this Report.

NRW wrote to Dŵr Cymru in July 2021 setting out our expectations for unpermitted assets to be brought within our regulatory regime. Discussions with Hafren Dyfrdwy have also been undertaken with the company agreeing to provide details on any unpermitted assets by the end of 2022, with the aim of working with NRW Permitting team in the new year to work up a programme for permit applications where required.

In line with our guidance, we have required water companies to undertake technical assessments and provide us with evidence confirming whether spills from these assets impact the environment, and whether they meet modern design standards. These technical assessments are required as part of the permit application process. The Permit’s conditions will then hold the operator to any required improvements.

Dŵr Cymru have commissioned a programme of investigation for all unpermitted assets. In October 2021, Dŵr Cymru provided NRW with an initial estimate that, of 174 unpermitted storm overflows identified, only 16 were estimated to be satisfactory (i.e. no environmental impact and meet modern design standards), and 40 were Emergency Overflows, operating as Storm Overflows.

In parallel, we have identified the need to review NRW’s existing Storm Overflow Classification guidance, commissioning consultants to undertake the review in February 2022, who aim to finalise this by the end of this year.

The updated guidance is a critical part of NRW’s commitment to improve our regulatory framework as identified in the Storm Overflow Roadmap developed by the Better River Quality Taskforce.

Within the guidance NRW will:

- clarify a definition of what constitutes a dry day spill
- introduce a framework for assessing spills against rainfall
- tighten the aesthetics standard by requiring all storm overflows to have 6mm screens fitted. The guidance is to be applied to both unpermitted and permitted storm overflows.

Once the revised guidance has been issued, NRW will require Dŵr Cymru and Hafren Dyfrdwy to assess and classify each asset and apply for a permit. Through

the Price review 2024 (PR24) process, NRW expects water companies in Wales to ensure all unpermitted storm overflows meet satisfactory standards over the course of the asset management plan period (2025-30). Discussions on how this will be accommodated into the National Environment Programme priorities for 2025-30 are ongoing.

Recommendation 3. NRW and water companies should publish annual data and/or information on the proportion of sewage spills that are not within permit conditions, which category of pollution incidents these resulted in, and whether enforcement action was taken.

In July 2022 we published our 2021 annual water company environmental performance reports for [Dŵr Cymru Welsh Water](#) and [Hafren Dyfrdwy](#). These demonstrate how the companies are performing in respect of environmental permit compliance and the delivery of capital improvement schemes. We publish these annually, and in the 2021 report we included a new section to share Event Duration Monitoring data from 2020. Pollution incidents and permit compliance activity for storm overflows are already included within the reports, but the granularity of the data does not currently meet the committee's recommendation in full.

In line with the Storm overflow roadmap actions, NRW will provide a Storm Overflow report by the end of March 2023 which will give greater detail on the approach and steps required. NRW will continue to enhance the storm overflow section of our annual water company environmental report (when published in the July 2023 performance report), and we will look to match the committee recommendation more closely, publishing this within or alongside our existing reports.

These Annual reports include performance against Environmental Performance Assessment (EPA) metrics. These are standardised metrics across England and Wales and allow the performance of the ten largest water and sewerage companies to be monitored, assessed and compared in a consistent way by the environmental regulators.

In addition, by introducing subsets of the EPA metrics, we propose to report three data sets to respond to recommendation 3:

1. Percentage of permitted storm overflows which are non-compliant with their permit
2. Number of incidents classified as Category 1-3 (i.e. High-Major, High-Significant and Low pollution incidents) caused by permitted storm overflows
3. Number of permitted storm overflows where we used our enforcement and sanctioning tools, broken down into the following categories:

- Issued advice and guidance,
- Issued a warning, enforcement action being considered (awaiting decision),
- Served notice,
- Formal caution,
- Prosecution.

NRW is continuously improving our assessment of compliance, guidance and training required by regulatory staff in assessing compliance with permit conditions. We are also working with Dŵr Cymru and Hafren Dyfrdwy in developing new metrics for inclusion within the Storm Overflow environmental performance reports. As we develop our guidance and tools as highlighted, we will develop our metrics further. This is likely to mean changes to the reporting in subsequent years with an emphasis on tighter standards and greater transparency.

Recommendation 4. NRW, water companies and other relevant stakeholders should develop enhanced monitoring arrangements with a view to better understanding the impact of sewage spills on receiving water. In taking this work forward, consideration should be given to the potential role of citizen science within enhanced arrangements.

As part of the Storm Overflow taskforce, and in line with the action plan published in July 2022, NRW committed to a review of the current evidence to enable a strategic monitoring programme of intermittent discharges to be established. Following the evidence review in early 2023, NRW will instigate a programme of monitoring alongside the monitoring of intermittent assets implemented by the water companies as part of the PR24 process.

Working with the water companies and Ofwat, we will ensure the funding is in place for water companies to monitor storm overflows at agreed locations to provide both greater evidence and understanding of the impact of storm overflows on the environment.

At present we do not intend to instruct water companies to monitor every asset across Wales, our monitoring and evidence programme will look at strategic locations, such as bathing waters, designated sites as well as high spilling assets. We will consider the findings before agreeing any additional requirements or expanded monitoring programme.

Recommendation 8. NRW should report back to the Committee on action taken as a result of the findings of Ofwat and the Environment Agency's investigations, as soon as practicable. This should include details of any review of NRW's compliance approach, and any work undertaken with, or enforcement action taken against, water companies as a result of those findings.

NRW is in close contact with both Ofwat, and Environment Agency on the current status of both investigations. No information or findings regarding Dŵr Cymru or Hafren Dyfrdwy have been shared at this stage by Ofwat given the sensitivity and legal standing investigations.

NRW will continue at pace to develop our approach to the regulation of intermittent discharges as outlined in the Storm Overflow action plan but will not hesitate to react to the findings of both investigations as information regarding Welsh companies are shared and reserves the right to take enforcement action whenever necessary.

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