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## Downgrade of Dŵr Cymru

I note with concern recent reports that Natural Resources Wales (NRW) has downgraded Dŵr Cymru to a two-star rating, indicating that it requires improvement. This downgrade has followed a decline in environmental performance, as NRW's annual review outlined. The report reveals that pollution incidents rose by 7% in 2022, with incidents having a high or significant impact increasing from three to five.

The previous year, Dŵr Cymru was downgraded from a four-star rating to a three-star rating following NRW's environmental performance report for 2021. This was after Dŵr Cymru was found to have caused 83 sewage-related pollution incidents, compared to 77 the previous year.

- What specific actions is Dŵr Cymru taking to address the issues that led to its downgrade for the second consecutive year?
- Can you explain why there was a rise in incidents classed as "having a high or significant impact" from three to five in 2022? How does Dŵr Cymru plan to reduce the number of sewage pollution incidents, particularly those with a high or significant impact?
- What lessons has the company learned from its performance in 2021, and how are these being applied to improve its performance?

## Environmental Impact

Dŵr Cymru released sewage into rivers, lakes, and the sea around Wales for nearly 600,000 hours last year, more than 25% of all the hours of discharges into waterways across Wales and England. This has understandably led to significant public concern.

- How is Dŵr Cymru addressing the significant environmental concerns raised by its operations, particularly the release of sewage into rivers, lakes, and the sea?

- What measures are being put in place to reduce the number of hours that sewage is released into rivers, lakes, and the sea?

## Self-Reporting of Incidents

Water companies are expected to self-report incidents to NRW before others do, as a rapid response can mitigate the impact of pollution. Dŵr Cymru also failed to improve the number of incidents self-reported to NRW, with the rate falling to 65%, a decrease of 7% from 2021.

- How does Dwr Cymru plan to improve its self-reporting of incidents to Natural Resources Wales, which fell to 65% in 2022?
- How does Dŵr Cymru compare its performance and pollution management strategies with other water companies, such as Hafren Dyfrdwy, which had zero serious pollution incidents in 2022?
- What lessons can Dŵr Cymru learn from the performance of other water companies, particularly in terms of self-reporting incidents?

## Increase in Prices and Future Plans

In April, Dŵr Cymru increased its prices to an average bill of £499 a year, the second highest in Wales and England. Dŵr Cymru has stated it is working to deliver the improvements required in challenging circumstances, especially as it experiences more severe weather events and extreme variations in the climate. I understand that Dŵr Cymru plans to invest an extra £100m to improve river quality by 2025 as part of an £840m improvement plan.

- Can you provide more information about the £100m investment plan to improve river quality by 2025? How will this specifically address the pollution issues?
- How does Dwr Cymru's investment in infrastructure and environmental protection compare to that of privately-owned water companies in the UK?
- Privately-owned water companies in the UK have reportedly paid shareholders significant dividends over many years. As a not-for-profit company, how does Dwr Cymru's financial management and reinvestment into the company and its services compare?

I look forward to your response and a detailed explanation of how Dŵr Cymru plans to address these concerns and improve its performance. The Committee may wish to return to this and other related matters in the autumn term.

Yours sincerely,



Llyr Gruffydd MS,  
Chair, Climate Change, Environment and Infrastructure Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.