



DRAINAGE & WASTEWATER MANAGEMENT PLAN

Dŵr Cymru Welsh Water

Drainage and Wastewater Management Plan 2024

Statement of Response

November 2023



IN PARTNERSHIP WITH



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EXECUTIVE SUMMARY

Introduction

This Statement of Response provides an overview of responses from consultation activity and customer research carried out to support the development of the Welsh Water Drainage and Wastewater Management Plan (DWMP).

Consultation activity took place from July to October 2022. Independent customer research complemented the main consultation activity and was carried out over a four-week period from June to September 2022.

This document provides a summary of responses from the consultation and customer research, and an overview of how comments have been addressed in our final Plan, Strategic Environmental Assessment (SEA) and Habitats Regulations Assessment (HRA). The document also summarises how consultation and customer research has influenced our current Plan, and our approach to planning in the future.

Some comments have been identified as recommendations to be implemented during the next iteration of the planning process due for publication by 2029; these are identified within the document.

Consultation Summary

Consultation activity sought feedback and input on the draft DWMP, and the SEA and HRA. Consultation materials were available online in English and Welsh. There were three methods of responding:

1. An online 'virtual room';
2. The DWMP webpage; and
3. Directly through email.

A range of consultation and promotional materials were developed. These included the draft DWMP document and materials, stakeholder emails, an online virtual room, website content and the draft SEA and HRA documents.

A total of 15 individuals took part in the main consultation questionnaire generating 248 unique comments and valuable insight. This was complemented by additional customer research activity involving 500 customers and 100 commercial customers.

We have engaged with regulators, stakeholders, and customers during the development of our first DWMP to achieve a better understanding of their aspirations. We have engaged openly and honestly to communicate that affordability is a barrier to achieving these aspirations. This has helped us to maintain trust and gain their support.

Consultation responses

The points below include a selection of key feedback from the main consultation activity and our response. Full detail can be found within the main body of this document:

- Most responses related to specific proposals or the Plan itself. Comments received were overwhelmingly constructive and confirmed a positive interest level towards the DWMP:
 - Our final DWMP takes on board comments received from the consultation and the regulatory review.
- Many respondents commented that they would like to engage and work with us even more:
 - We welcome this approach and will continue to work closely with our stakeholders and the industry, at a pace they can accommodate, to develop best practices and set up Strategic Management Forums and Programme Boards to help co-create long term solutions.
- Stakeholder feedback revealed some regulatory barriers to long term planning and behaviour change:
 - We hope that, by trialling new approaches, the Government will have the evidence it needs to consider new legislation to enable everyone to work with a 'Team Wales's approach to achieve our ambitions.
- Some stakeholders raised the subject of the Wales Better River Quality Taskforce:
 - We are committed to reducing sewer overflow spills and the DWMP can support this. Once the Taskforce has issued guidance on the definition of 'ecological harm', we will include details of our commitment in the next Plan, however we have taken feedback from this consultation to continue to measure our progress against the environmental destination.
- Customers expressed a preference to solve internal flooding before storm overflow spills:
 - However, they still expect to see zero spills as the end goal: our customer destination. Customers understand that this has cost implications and, as such, have a willingness to compromise to ensure costs are manageable.
- Most respondents stated that they supported the principle of managing rainfall separately to sewage:
 - We will continue to work with stakeholders and customers to explore the benefits and methods of managing rainfall separately to sewage, as these can be classed as different route causes to be resolved. As a society, we have already chosen to ensure that where it is technically feasible, we will separate rainfall from our sewers. However, we note that this may require many years to reverse engineer decisions from the past and at significant investment.

SEA and HRA consultation

We have undertaken a SEA and HRA to inform the DWMP. These were issued for consultation along with the draft DWMP the findings are included within this statement. The responses have been worked into the final versions with recommendations for DWMP29.

Respondents welcomed the use of the SEA and HRA to identify potential effects of the DWMP impacts, particularly in terms of measures to address adverse effects, or enhance benefits through the options selection for proposed development.

Consultees have acknowledged the SEA and HRA findings. They have also highlighted the need for further consideration of assessment results when options are selected for proposed development, particularly regarding measures to address any adverse effects, and opportunities to enhance beneficial effects or assets.

Customer research

Alongside the main consultation, a market research agency carried out independent customer research to help us get a better understanding of customer views. This included 500 household customers and 100 non-household customers. The research looked at overall thoughts on the DWMP, the detail of the DWMP and importance placed on different areas and customer preferences around Plan updates.

Customers were clear that customer flooding and ‘flood prevention’ is most important to them, and most stakeholders supported the principle of managing rainfall separately to sewage and treating the source of problems. We will continue to work with our regulators, stakeholders, and customers to explore how this can be achieved.

Household customers have also indicated their preference for a hybrid approach of making incremental improvements, with an element of targeted small zones. They felt that this would benefit a wide number of communities more quickly and preferred this approach as it appeared more proactive and longer term, rather than a standard approach which they thought was reactive and more expensive.

Awareness levels of the DWMP among household and non-household customers is low. Despite this, household customers had strong feelings towards the DWMP, with most claiming they would be likely to read the Plan.

Key themes

Following a thorough analysis process of data from the consultation and customer research, a range of categories and themes have been identified:

- Collaboration and engagement;
- Regulatory matters and those relating to environment and habitats;
- Customer queries and issues;
- Nature-based solutions;
- Legislation and national policy gaps;
- Wording and language of DWMP;
- Strategic environmental and habitats regulation assessments; and
- The need for integration with other plans and programmes.

**Note that carbon was not noted as a topic of interest by our stakeholders in this cycle.*

All responses to the consultation have been recorded, analysed, and summarised into categories and themes. These categories and themes are made up of input from customers, stakeholders, and regulators. These categories are detailed in the report, and individual responses have been formulated from these.

Key customer values

An overall analysis of the insights gathered led to the recognition of four key customer values. These values provide DWMP cycle one with a useful conclusion and will act as the foundation for our future consultation efforts in cycle two and beyond. The customer values are:



Sustainability

Implement our approach to prioritise the most beneficial and sustainable options



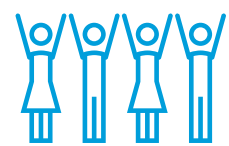
Clarity

Continue to work with stakeholders to explore how to communicate our intent clearly and implement the approach transparently



Value for money

Create affordable incremental plans with agreed increases based on the DWMP24 choices



Co-creation

Investigate areas for joint working for the benefit of local communities

While acknowledging these values are important for the decision-making process going forward, we must also recognise that these values are not compatible in every situation, particularly where there is a need to deliver against deadlines. For example, a new requirement or sudden change to regulations with a delivery timeframe of 2-5 years would not allow sufficient time for planning to ensure a focus on sustainability and value for money these values then become competing values. We will carry out 'what if' scenario planning to ensure we can become better prepared for such situations and reduce their adverse impact on society and bills.

Regulation

We received feedback from OFWAT our financial regulator and a joint response from our environmental regulators Natural Resources Wales and The Environment Agency. During the delivery of the first plan the roles of our regulators and at what time to engage directly with each has been emerging. The pre consultation phase of planning with our regulators has been concluded from the responses received to be added to the overall programme steps and will need to be reflected in future guidance.

The feedback received has been reviewed to understand the additional questions being asked and why. The key points are summarised in the bullets below.

- There are different audiences within the regulator organisations and engagement is required with each:
 - Head office versus local representatives or topic specific lead.

- The way in which the documents are summarised and presented need to include a regulator version:
 - This is because information relating to detailed demonstration of evidence which is required for a regulator would be too detailed to meet another audience's needs.
- There is also a difference between Plan develop and the development of a programme of solutions. The comments received from our regulators have been provided because our plan discusses both these areas throughout.

Conclusion

Following the consultation activity, analysis and identification of key themes and customer values, We have addressed the majority in the production of the Final Plan and we have outlined a series of recommendations to be considered in the next planning cycle. We have also detailed next steps explaining how the customer values will influence the planning process, and how we intend to mitigate against any compatibility challenges.

The Plan has recommended strategies and policies to be put in place to drive change via the DWMP. The consultation responses have confirmed that the recommendations and programmes of work within the plan are the right approach to drive long term performance and drive change to meet customer expectations.

Our customers have outlined where we need to go and indicated that the pace of change is linked to:

- Customer affordability now and in the future;
- Delivering as many smaller, affordable interventions covering as many locations as possible to provide a fair and just improvement programme;
- Improving the deliverability of interventions so that the same customers do not experience repeated visits to their area; and
- Financing change and identification of routes to funding which bring added efficiency from cocreation.

We have made considerable progress during this cycle gaining strategic clarity from our customers and stakeholders, and better understanding the key focus areas for programmes of work.

There is still work to be done to clarify the role of a DWMP in the wastewater industry. We will work with English and Welsh Government to bring management planning to life, ensuring that we deliver greater detail at each iteration to refine programmes of work, not only showing the first 5 years, but also the local programmes of work to follow.

It is essential that we bring our customers with us on this journey; not only because they must be able to afford any bill impact from the highlighted infrastructure changes, but also to help set the pace for the implementation of changes. This will ensure that changes are affordable, achievable, and financeable.

1 INTRODUCTION

We produced our first draft Drainage and Wastewater Management Plan (DWMP) in July 2022. To aid the development of the Plan, we carried out independent customer research for four weeks between June and September 2022 and the public consultation was held between July and October 2022. This document sets out how we have responded to stakeholder comments, regulatory advice, and customer research.

Alongside the Plan, we undertook a Strategic Environmental Assessment (SEA) and Habitats Regulations Assessment (HRA) of the options developed so far. These documents were published for consultation alongside the DWMP.

This Statement provides a summary of responses from customer research, and both consultations, and show how comments have been addressed in our final Plan, SEA and HRA. Some comments have been identified as recommendations for the next iteration of the planning process which will be due for publication by 2029; these are identified within this Statement.

This statement also summarises how the process of consultation and research has influenced our current plan, and our approach to planning in future.

1.1 Background and Context

The Drainage and Wastewater Management Plan (DWMP) or the 'Plan' was commissioned by Water UK in 2018 as a basis for more collaborative and integrated long-term planning and management for drainage, wastewater and protecting the environment.

The approach taken to produce the Plan has considered objectives, risk, and options as a long-term planning study considering drainage and sewerage needs over the next 25 years as a minimum, looking at future trends and embedding an approach of working together with other stakeholders to investigate and identify options for the sustainable management of our drainage and wastewater services.

The current Plan, also known as the 'Cycle 1 Plan' or 'DWMP24', demonstrates how we have developed methodologies and approaches, and produced solutions to the more pressing priorities and challenges between 2025 to 2050.

We have been working with customers, stakeholders, and regulators since 2019 to produce the first DWMP, preparing methodologies and trialling new ways of planning to produce long term plans that are sustainable and affordable for customers, and support business planning processes.

1.2 How to Read This Document

We have divided all responses from the consultation and customer research, and those from regulators and Government, into various sections within this document. This is to ensure that the actions resulting from questions or specific comments from stakeholders and regulators can be discussed in terms of changes to the final DWMP documents, or recommendations for change to the future methodology. The sections are listed below:

Section of Report	Section of Report
Executive summary	
Introduction	Section 1
The consultation process	Section 2
The overview and summary of responses, feedback received and how this has been handled.	Section 3
The analysis of responses received via the questionnaire. This details how respondents answered each question and how we have considered and actioned changes.	Section 4
The analysis of the written responses received from statutory or technical stakeholders, as well as any written responses received through channels other than the questionnaire. These responses have been categorised and themed with a response to each theme.	Section 5
An analysis of our independent customer research, which details responses from our customers.	Section 6
An overview of the Strategic Environmental Assessment (SEA) and Habitats Regulation Assessment (HRA) consultation, which ran alongside the DWMP consultation.	Section 7
Regulatory Recommendations, detailing how we have addressed comments from regulators requesting alterations to our approach.	Section 8
Our recommendations based on consultation responses to be put forward in the next cycle	Section 9
Next Steps	Section 10

2 CONSULTATION SUMMARY

Consultation took place on the draft DWMP, and the Strategic Environmental Assessment (SEA) and Habitats Regulations Assessment (HRA).

2.1 DWMP and SEA/HRA Consultation Overview

Consultation on the draft DWMP ran for 10 weeks from Wednesday 27th July 2022 to Friday 7th October 2022. The consultation materials and questionnaire were available online in both English and Welsh. There were three ways to respond to this consultation:

1. A virtual room;
2. The website; and
3. Directly via email.

Consultation materials were designed to enable both stakeholders and customers to provide an informed response, with supporting information being available in an e-learning module. This allowed us to explain the sometimes-complex concept of wastewater management in a simpler way to those that needed it.

The consultation sought to ensure that stakeholders and the public had sufficient knowledge and time to provide their feedback to inform the development of the DWMP.

As this is the first DWMP, it was expected that there would be a low response from the public to the formal consultation, this was expected because as with the topic of wastewater, customers rely on their company to do the right thing and tend to disengage. Customers opinion is very important and when engaged have detailed opinions on what they would like and don't like and how fast they want change to happen. As such, an independent customer research exercise was carried out alongside the formal consultation to provide the additional insight. The missing information brings the added balance to ensure that stakeholders aspirations and customer funds are spent where both support direction. This independent customer research is summarised in Section 6.




2.2 DWMP Consultation Materials and Promotion

A range of materials were developed and made available for the duration of the consultation period through the website and portal.

Draft documents and materials




- *Foreword;*
- *Non-technical summary;*
- *Technical summary;*
- *The Plan;*
- *Level 2 area summaries, including Level 3 summaries;*
- *DWMP Brochure and Questionnaire; and*
- *E-Learning.*

<p>Email to stakeholders</p> 	<p>An email was issued to 467 stakeholders on 27 July 2022 informing them of the consultation launch. This list was based on the regulatory consultee list and originated via the Water Resources Management Plan process.</p> <p>The email was sent out in English and Welsh.</p> <p>These stakeholders have been collated over the duration of the DWMP development and have all been involved in at least one phase and have asked to remain involved in the process.</p>
<p>Virtual Room</p> 	<p>An interactive virtual room was created to display the consultation materials and provide access to the questionnaire.</p> <p>The virtual room can be found online at https://dwmp.consultation.ai/</p> <p>This room will continue to be available for viewing until December 2024</p>
<p>Website</p> 	<p>The DWMP web page was updated for the consultation, providing:</p> <ul style="list-style-type: none"> • <i>An overview of the DWMP;</i> • <i>Links to the questionnaire;</i> • <i>Links to the virtual room;</i> • <i>Links to the e-learning site; and</i> • <i>Links to all consultation documents.</i> <p>The web page is available in both English and Welsh.</p> <p>The web page can be accessed at: https://www.dwrcymru.com/en/our-services/wastewater/drainage-and-wastewater-management-plan</p>

2.3 SEA and HRA Consultation Materials and Promotion

The SEA and HRA consultation were promoted together with the DWMP consultation and included the following materials:

<p>Draft documents</p> 	<ul style="list-style-type: none"> • <i>Strategic Environmental Assessment; and</i> • <i>Habitats Regulations Assessment</i> <p>These documents are available on the Welsh Water DWMP website.</p>
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2.4 Board Assurance

All consultation materials were approved via the DWMP's internal governance and assurance process shown in Figure 1. This process follows a series of review and sign-off steps through the following:

- DWMP technical team;
- Welsh Water's Wastewater Service teams;
- Two independent challenge groups;
- Drainage Policy Group (DPG);

- Dŵr Cymru Executive (DCE); and
- Welsh Water’s Quality and Environment Committee (QEC) and Glas Cymru Board.

Welsh Water’s challenge groups are made up of experts from within Welsh Water and external organisations. This allows us to obtain views from customers and those who plan and manage infrastructure, flood risk and the water environment. These groups are existing advisory and decision-making forums that form part of the Company’s wider governance.

All documents were approved at each stage, with final sign-off by the Glas Cymru Board.



Figure 1 – Board assurance process

3 OVERVIEW OF DWMP CONSULTATION RESPONSES

3.1 Summary of Feedback Received

An online questionnaire was hosted on SmartSurvey.™ Online responses were processed directly through the online portal along with response data from paper copies. The additional comments to open questions were separated and analysed along with written letters received from some stakeholders and regulators. Table 1 shows the source of stakeholder responses.

Table 1 – Breakdown of responses to formal DWMP consultation

Type	Respondents	Total Number of Responses
Regulators	Natural Resources Wales (Environment Agency jointly), Consumer Council for Water, OFWAT	3
Stakeholders	Afonydd Cymru 4 Local Authorities Coal Authority Water Resources West	7
Customers		3
Focus on the SEA/HRA within the DWMP consultation	Historic England Welsh Government Historic Environment Branch (CADW)	2

A total of 248 separate comments were received, generating a wealth of valuable insight, with most stakeholders commenting on the Plan and its proposals, and our regulators commenting on the application of the framework.

Customer research was gathered formally to sit alongside the consultation. This ensured that customers had a voice in this process. We carried out this approach to ensure that customers’ preferences and choices were put into context with those of our stakeholders. Table 2 illustrates a breakdown of responses during the customer research.

Table 2 – Breakdown of responses during customer research

Type	Respondents	Total Number of Participants
Customer research	Domestic customers	500
	Business customers	100
	Intensive immersion in detail of the Plan	30

4 ANALYSIS OF QUESTIONNAIRE RESPONSES

There were eight responses analysed in this section. Full questions have been included for context.

4.1 Knowledge of Welsh Water DWMP

Q1. Under GDPR legislation, we cannot accept consultation responses from people under the age of 13. Please tick this box to confirm you are aged 13 or older.

All respondents ticked the box to confirm they were aged 13 or older.

Q2. Are you responding as a stakeholder, local representative group, customer or regulator?

A total of eight respondents provided an answer to this question, with three responding as a customer and five as a stakeholder on behalf of an organisation.

Q3 If you are responding on behalf of an organisation or interest group, please write the name below.

Five stakeholders confirmed the name of their organisations.

Q4. Have you heard of Welsh Water's DWMP before?

Most respondents (seven of eight) stated they were aware of the DWMP.

Response

The analysis shows the DWMP reached a cross section of stakeholders. We will continue to develop closer relationships with our stakeholders as plans progress. We will address the gap of those who were not aware of the DWMP by working with customers in targeted locations during DWMP29 (2023-2028). This action can be seen in our engagement strategy in Chapter 3 of the Plan, Chapter 3 of the Technical Summary, and Chapter 9 of the Non-Technical Summary.

Q5. If so, how did you hear about it?

The following options were given:

- *Attended presentation;*
- *Received an email;*
- *Visited the website;*
- *Completed the e-learning course; and*
- *Other (please specify).*

As shown in Figure 2, all eight of the respondents selected at least one of the options and the distribution of their multiple choices showed little variation between presentations, emails, and website. 'Other' was chosen five times and the answers included 'accessing legislation', 'direct correspondence with Welsh Water', 'via local councillors', 'social media' or 'via OFWAT'.

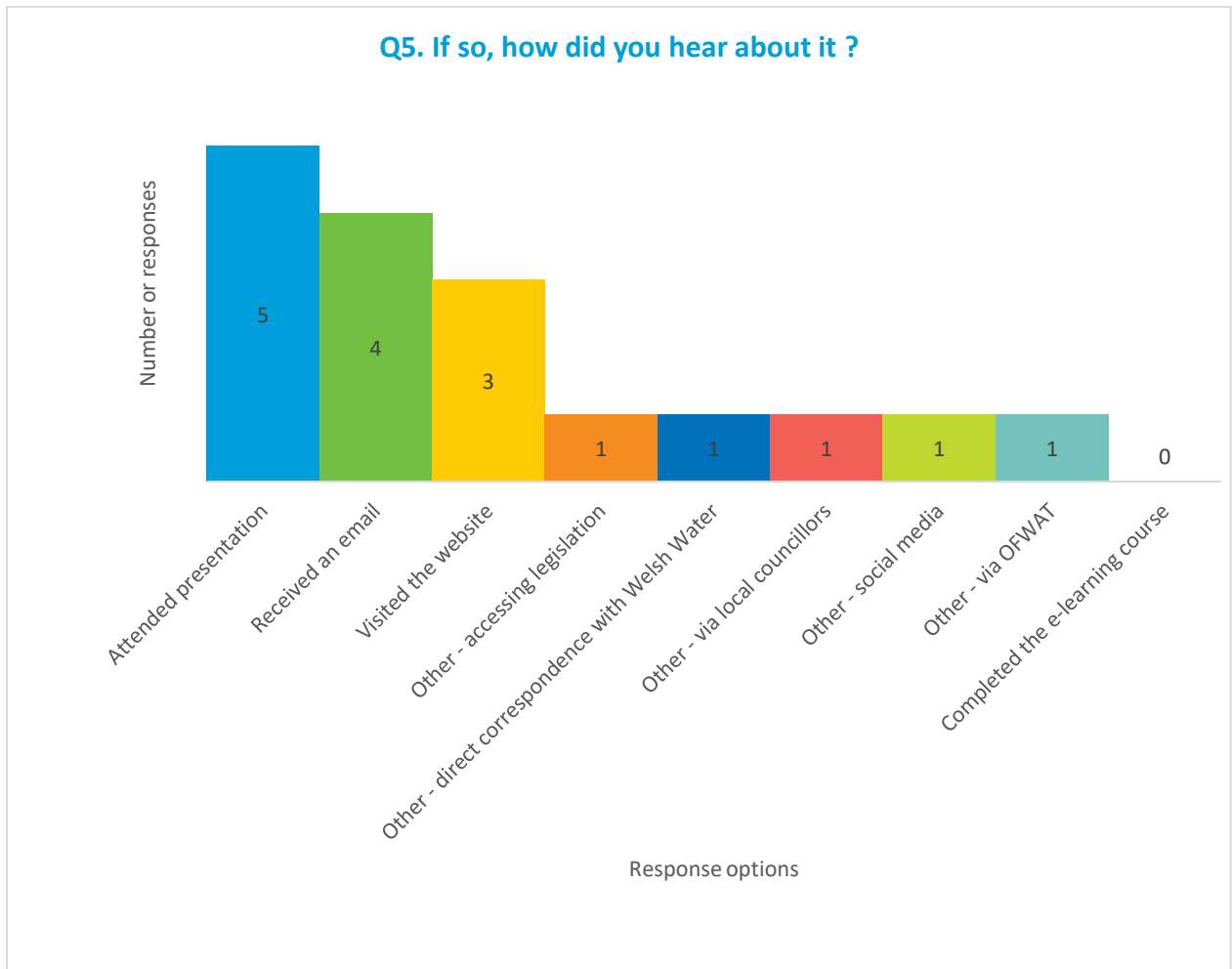


Figure 2 – Sources of awareness

Base: all responses received (n:17)

Response

Respondents heard about the DWMP through 'social media' and 'local councillors'. As such, we will invest more in social media as an effective channel for reaching stakeholders and continue to liaise with councils to explore opportunities to work together. We will also continue our engagement with stakeholders through the existing channels of emails, presentations, and workshops, which is set out in our engagement strategy.

As no respondents reported completing the e-learning course, we will investigate additional methods to promote our e-learning site and will continue to ensure it is accessible and easy to use. We will also continue to keep the DWMP website up to date with relevant information at all stages of the DWMP development as part of our engagement strategy, which can be found in Chapter 3 of the Plan, Chapter 3 of the Technical Summary, and Chapter 9 of the Non-technical Summary.

4.2 Communication of Welsh Water DWMP

Q6. How often would you like us to engage with you about the DWMP in future cycles?

A total of eight respondents provided an answer to this question, with most (six) advising they would like to get involved at key milestones of the Plan. One respondent chose 'annually (five updates every five years)' and one chose 'once a cycle (every five years)'.

Response

We will keep stakeholders updated and engaged through involvement at key milestones throughout each Plan. We will encourage stakeholders to be active participants in developing community-specific aspects of the Plan.

One stakeholder stressed that engagement at key milestones would ensure alignment of strategies and plans. We agree and encourage co-creation to enable us to produce plans which are complementary, with consistent messaging, and that are endorsed by the communities which we serve. This is already captured in our engagement strategy.

We have amended the Plan in Chapter 3.19, the Technical Summary at Chapter 2.2 and the Non-Technical Summary in Chapter 9.4.

Q7. If you read these documents, did you find them useful?

A total of eight respondents provided an answer to this question. Most respondents (six) selected 'Yes' demonstrating they found the documents useful. One respondent selected 'No' indicating they did not find the documents useful, and one respondent selected 'Don't know'.

Response

Most people who responded found the documents to be useful. We will continue to produce documents throughout each plan, and at the end of each cycle. We will continue to develop the style and content of future materials to ensure it is clear and concise, and refined further to meet the needs of target audiences.

Q8. Would you like us to continue using these documents, which are published on our website, as a way of updating you about our DWMP?

A total of eight respondents provided an answer to this question, with most respondents (seven) advising they would like the documents to continue to be used, with only one respondent stating no.

Response

Most respondents supported our approach to maintain a flow of documents throughout the process. This is similar to feedback from the independent customer research. Most people would like us to continue using DWMP specific documents as a means of keeping them informed on progress. We have included these documents into our engagement strategy which is found in Chapter 3 of the Plan, Chapter 3 of the Technical Summary and Chapter 9 of the Non-Technical summary.

Q9. When we make updates to our documents or website, how would you like to be informed?

The following options were given, and respondents could select multiple responses:

- *Twitter;*
- *Facebook;*
- *Water bill;*
- *Posters in libraries or supermarkets;*
- *Roadshows in supermarket car parks or town halls; and*
- *Other.*

All eight respondents provided at least one response, and the total number of responses was 11. As shown in Figure 3, the single highest proportion of respondents (three) suggested they would like to be informed through the water bill. ‘Posters’, ‘roadshows’ and ‘Facebook’ each received two responses, while ‘Twitter’ and ‘other’ (email) each received one response.

This illustrates that respondents would prefer us to communicate with them through a variety of channels. Although some respondents were answering this questionnaire on behalf of an organisation, this question challenged them to think as a customer, and the responses reflect the thought process of the individual rather than the wider organisation they represent.

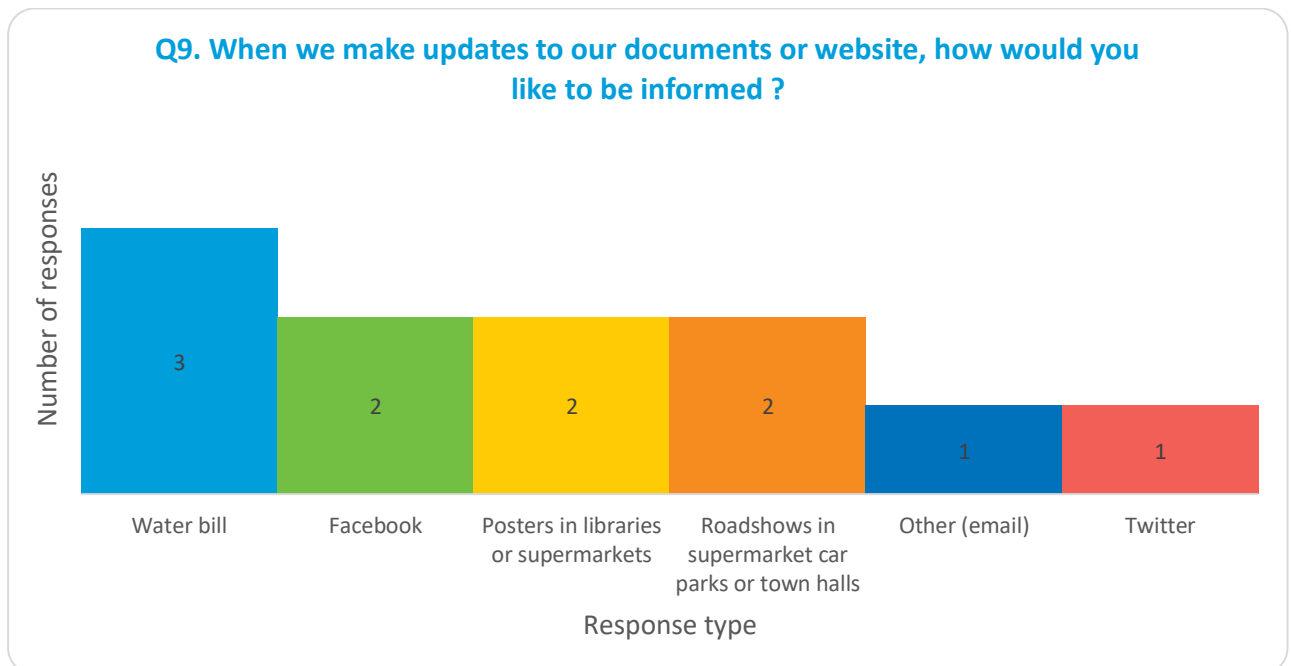


Figure 3 – Means of information.

Base: all responses received (n:11)

Response

There is an even split across the channels in which stakeholders and customers would like us to keep them informed.

Whilst we will continue to email stakeholders who have indicated they would prefer us to engage with them in this way, we will invest more in social media as an effective channel to keep stakeholders and customers updated and informed. We will also work more directly with stakeholders and customers in targeted locations via posters, events, exhibitions, and roadshows, and this can be found in our engagement strategy in Chapter 3 of the Plan, in Chapter 3 of the Technical Summary and in Chapter 9 of the Non-Technical Summary.

We will investigate how best to communicate with customers via DCWW-produced materials (such as water bills). We will use the end-of-topic summaries to support communication with Stakeholders.

Q10. In terms of the stages of the DWMP when would be the most meaningful time for your organisation to contribute?

A total of four responses were received to this question. All respondents said they would like to contribute at all stages.

Response

We need to ensure that as we develop our stakeholder engagement plan, we provide forums for engagement at each stage. This approach is laid out in our engagement strategy in Chapter 3 of the Plan.

4.3 Customer Action

Q11. Would you be willing to help us reduce the amount of rainfall that enters our sewers by introducing the following measures in your home, which will also help the local community?

The following options were given:

- *Permeable surfaces for driveways;*
- *Installing water butts to collect and reuse rainwater; and*
- *Installing sustainable drainage systems around your home to manage rainwater and natural drainage locally.*

Seven respondents provided answers to this question, with a total of 10 answers. Four responses confirmed a willingness to help reduce the amount of rainfall that enters sewers; two responses confirmed a willingness to consider permeable surfaces for driveway; four responses confirmed a willingness to install SUDS around their home and four responses confirmed a willingness for installing water butts.

One stakeholder sent a response by email explaining their organisation looks to install SuDS wherever they have regulatory powers to do so, and subject to ground conditions being suitable.

Response

We will work with our communications team to investigate how best to signpost customers to guidance on how to install and use solutions which reduce the amount of rainfall in the sewer system, and how best to inform customers of the benefits.

This has been added to our engagement strategy in the Plan, Chapter 3, the Technical Summary Chapter 3 and the Non-Technical summary Chapter 9.

The original intention of this question was to set objectives for customer-level choices at their properties. The question has been answered by both customers and stakeholders. Our regulator has asked us to re-design this question and add in green infrastructure and nature-based solutions. We will explore these options and incorporate the principles into the DWMP strategies and journey plans within the development of DWMP29.

Q12. Do you agree that we should deliver customer education campaigns to give advice in local areas prone to blockages caused by items from the list?

A total of eight respondents provided an answer to this question, with all respondents (eight) agreeing that customer education campaigns should be delivered.

Response

We will work with our communications team to undertake initiatives to prevent blockages at a company level, and then to drive more targeted prevention messages at a more localised level. We will also update our e-learning package to highlight how to prevent blockages.

As part of our engagement strategy, we have included initiatives such as ‘preventing blockages’ campaigns in the engagement chapter of the Plan, Chapter 3.19, in the Technical Summary Chapter 3.6 and the Non-Technical summary Chapter 9.4. Additionally, more targeted prevention can also be considered as a direct solution to solve a local risk, so we have included this within the options development section of the Plan, Chapter 5.2.8.

4.4 Response to Wastewater Management

Q13. Do you support the principle of managing rainfall separately to sewage?

A total of eight respondents provided an answer to this question. Most respondents (six) selected ‘Yes’ highlighting their support for the principle of managing rainfall separately to sewage. One respondent who answered ‘Yes’ went on to state that they were very aware that, with many combined systems in operation in the country, to achieve this would require substantial investment over many years. One respondent selected ‘No’, and one selected ‘Don’t know’.

Response

We will continue to work with stakeholders and customers to explore benefits and methods of managing rainfall separately to sewage. As a society, we have already chosen to ensure that where it is technically feasible, we will separate rainfall from our sewers. The principle of separation of rainwater from sewers is supported and we will continue to look at retrospective separation. However, we recognise that this may take many years and substantial investment from society as well as from the water company. To be more efficient with the limited money we have, together we need to bring about the regulatory change required that supports the Wellbeing of Future Generations Act and the Flood and Water Management Act and delivers integrated planning that meets the needs of future generations as soon as possible.

We have included the difference between new developments and retrospective separation in our discussions in the Plan, Chapter 1.1, in the Technical Summary Chapter 1.3 and in the Non-Technical Plan Chapter 1.4.

Q.14 Do you agree with setting targets for managing sewage and rainfall?

A total of eight respondents provided an answer to this question, with all respondents (eight) agreeing with setting targets for managing sewage and rainfall.

Response

We propose continuing to work with stakeholders to set separate targets for sewage and rainfall management.

Discussion on this can be found in the Plan Chapter 4.10.1 and in Chapter 4.7.3, in the Technical Summary Chapter 2.9 and in the Non-Technical Summary Chapter 3.4.

Q15. If you would like to add any further comments, please add them in the box below.

Four respondents provided additional comments.

Response

Each response (four) has been catalogued under the following categories and addressed in Section 5:

- 'Legislation and National Policies' (under the themes 'Granting funding to water companies'; 'Requirements of revised national policy' and 'Growth');
- 'Collaboration and Engagement' (under the theme 'Collaboration'); and
- 'Options Development' (under the theme 'Nature Based Solutions').

4.5 Handling Flooding

Q16. Should we be investing in additional capacity to provide time to react when something goes wrong?

A total of eight respondents provided an answer to this question. Most respondents (seven) selected 'Yes' highlighting their support for the principle of investing in additional capacity to provide time to react when something goes wrong. One respondent selected 'Don't know'.

Response

We propose continuing to work with stakeholders to explore means of investing in additional capacity to maintain service when something goes wrong. Information on this can be found in Chapter 5.2 of the Plan, in Chapter 9.3.5 of the Technical Summary and in Chapter 3.3 in the Non-Technical Summary.

We will include an approach in our next plan DWMP29 to investigate beneficial options to improve our response times when something goes wrong - starting with 'responses to customer flooding during dry weather' followed by 'rainfall considered similar to light drizzle'.

The respondent who answered 'don't know' went on to say they would support investing in additional capacity but recognised that there would be an associated cost. We have interpreted this as support for the approach, subject to considering costs and benefits to both customers and the environment.

Q.17 Do you agree that we should prioritise customers who experience the most frequent sewer flooding?

A total of eight respondents provided an answer to this question, with all respondents (eight) agreeing with prioritising customers who experience the most frequent sewer flooding. One respondent went on to say they would like us to look at reducing the incidences of highway sewer flooding.

Response

Stakeholders would like us to ensure our options to prioritise customers who experience the most frequent sewer flooding, but not to exclude other types of sewer flooding, such as highways. We will continue to work with our regulators to explore this in the most efficient and cost-effective way whilst ensuring that all types of flooding are included in our planning approach, as set out in the Plan Chapter 1.1.3 in the Technical Summary Chapter 1.3 and in the Non-Technical Summary Chapter 3.4.

Q18. Do you agree that we should prioritise the most environmentally sensitive areas?

A total of eight respondents provided an answer to this question, with all respondents (eight) agreeing with prioritising the most environmentally sensitive areas. Two respondents used the free space to provide additional comments about the topic, these comments were separated by theme into four comments. Two of these comments are addressed in the response below, and two comments have been summarised in Section 5 under the categories of:

- *‘Collaboration and Engagement’ (under the theme ‘Collaboration’); and*
- *‘Prioritisation’ (under the theme ‘Risk’).*

Additionally, one respondent used the free space in Q20 to provide further comment on Q18 and recommend links to their research.

More information on customer priority can be found in the Plan, Chapter 1.16 and in the Technical Summary, Chapter 2.8 and in the Non-Technical Summary Chapter 5.2

Response

Stakeholders would like us to consider options to prioritise the most environmentally sensitive areas as a priority, we will continue working with stakeholders to explore this. Our approach to planning via environmental sensitivity is laid out in Chapter 1.16 of the Plan, Chapter 2.8 of the Technical Summary and in Chapter 5.2 in the Non-Technical Summary.

Q19. In your opinion, which should we prioritise?

- *Protecting a wide area against the impact of storms in an average year; and*
- *Protecting a smaller number of areas against the impact of a less frequent, but more severe storm.*

A total of eight respondents provided an answer to this question, with most respondents (seven) stating that protecting a wide area against the impact of storms in an average year should be prioritised. Only one respondent stated that protecting a smaller number of areas against the impact of a less frequent, but more severe storms, was preferred.

Response

Stakeholders would like us to consider our option to protect a wide area against the impact of storms in an average year. We will continue to work with stakeholders to explore this approach in our next plan DWMP29. This is presented in the Plan, Chapter 5.2.2.3, Table 47. This is also presented in the Technical Summary in Chapter 8.1.1 and in the Non-Technical Summary Chapter 8.2.1.

4.6 Prioritisation

Q20. Do you agree with our approach to prioritise the most beneficial and sustainable options unless the costs are excessive?

A total of eight respondents provided an answer to this question, with most respondents (five) agreeing with the approach to prioritise the most beneficial and sustainable options unless the costs are excessive. Three respondents chose 'Other', of which two agreed with the approach and provided additional information, and one used the space to add additional text to answer Question 18, which is addressed in Question 18, above.

Response

Stakeholders would like us to implement our approach to prioritise the most beneficial and sustainable options, unless costs are prohibitive, we will continue to work with stakeholders to explore how to implement this approach transparently. We will look at other water and sewerage companies approaches and work with the industry to develop best practice in this area for the next plan DWMP29.

However, NRW commented on this question in their regulatory letter and responded with: *'No. Consideration should also be given to the long-term savings and wider benefits derived from options, and how effectively measures can be adapted to address future uncertainties'*.

We produced solutions in the Options Development stage that delivered the cost and benefit for both today and the longer term. When deciding which priority to apply, the following logic was applied; 'choose the most beneficial and sustainable options, or least cost'.

We chose to ask this question to gain support in the approach to choose solutions that were beneficial whether they were a current or a long-term solution. We realised that through the current regulatory set up it is difficult to address events that have not yet occurred as funding via various routes are skewed to address events that have occurred in the past rather than predicted. A solution to this is not unsurmountable just more difficult to obtain agreement in principle. NRW commented by asking: *'how effectively measures can be adapted to address future uncertainties?'* what we know is that without the added government measure, future uncertainties are difficult to address. We recommend the introduction of a national drainage programme alongside the national environment programme so that both quantity and quality can be endorsed equally and measure for predicted events can be supported more transparently. See Chapter 5.4 in the Plan, Chapter 13.5 in the Technical Summary and Chapter 3.3 in the Non-Technical Summary.

Q21. We have chosen our best value schemes and have ranked these schemes by environmental benefit. Do you agree with this approach?

A total of eight respondents provided an answer to this question. Most respondents (six) agreed with ranking the schemes by environmental benefit. One respondent selected 'disagree', and another selected 'don't know'.

Response

Responses indicated that stakeholders would like us to continue to implement our approach to rank best value schemes by environmental benefit. We will continue to develop the environmental benefit approach with our regulators. We will look at other water and sewerage companies approaches and work with the industry to develop best practice in this area for the next plan DWMP29. In this plan we have carried out our final rank using the environmental benefit, and this is shown in our programme appraisal, Chapter 7.5 of the Plan, Chapter 8 of the Technical Summary and Chapter 6.3.1 of the Non-Technical Summary.

Q22. If you disagree, how would you prefer us to create the programme, e.g., least cost?

There were no responses to this question. However, one respondent used this space to ask a question unrelated to the programme creation. As such, this question has been addressed in Section 5, under Category 'Environmental Impact' (see 'Wales Better River Quality Taskforce' theme).

4.7 Community Engagement

Q23. We are interested in talking to the community about flooding and pollution. If you are interested in one of our team coming to speak at your community group, please put the name and contact details of the group in the space below.

Five respondents supplied details and expressed an interest in speaking with the team. We have met each of the organisations to discuss how best to include them. We will include their organisations in our engagement plans and update our Plan to include similar opportunities in the future. We have updated our Plan in Chapter 3.25 to include the groups that best represent the individuals that responded. This is also presented in the Technical Summary Chapter 3.6 and in the Non-Technical summary Chapter 9.4.

Q24. Which of the following initiatives would you like us to trial in Cycle 2?

The following options were given, and respondents could select multiple responses:

- *A community project;*
- *Talks to community groups;*
- *Community Project Management Group;*
- *Citizen Science Project;*
- *None of the above; and*
- *Other (please specify).*

All respondents provided an answer to this question, a total of 22 responses were put forward with the highest number of responses going to: talks to community groups (eight); community project management groups (five), community projects (five), Citizen Science projects (three). We also had one response for 'other', stating School Engagement.

Response

We will continue to work closely with stakeholders to investigate areas for joint working for the benefit of local communities and explore the best means of supporting them to manage community projects.

We will work with customers and stakeholders in target areas including local community groups, schools, businesses, and local authorities. We will start with community groups that are already in place to learn from their implementation. This is shown in our engagement strategy in Chapter 3 of the Plan, in Chapter 3 of the Technical Summary and in Chapter 9 of the Non-Technical Summary.

Q25. Do you agree with our recommendation to set up a community Board in each river catchment area?

A total of eight respondents provided an answer to this question, with all respondents agreeing with setting up a community board in each river catchment area.

Response

Whilst all respondents agreed with setting up community boards in each river catchment area, one respondent commented that expectations may be raised in those areas where communities are hosting the boards, and that these areas may be prioritised for future projects. We will work with stakeholders to identify opportunities throughout our catchment areas and explore the best means of involving communities and keeping them informed, whilst still providing a realistic expectation on delivery. Progress so far is discussed in Chapter 3 of the Plan, in Chapter 3 of the Technical Summary and in Chapter 9 of the Non-Technical Summary.

Q26. If you disagree, how do you think community Boards should be set up?

One respondent commented that they agreed with the use of community boards, and they also used the space to make an additional comment unrelated to community boards which has been acknowledged and addressed in Section 5, under the Environmental Impact Category (under the theme of 'Wales Better River Quality Taskforce').

4.8 Proposal for Cycle 2

Q27. Do you agree with this incremental approach to improvements?

A total of eight respondents provided an answer to this question, with all respondents (eight) agreeing with the incremental approach to improvements.

Response

All respondents agreed with the approach. We will continue to work with customers and stakeholders to explore how to create affordable plans with agreed increments based on the DWMP24. The approach for DWMP29 is set out in Chapter 11 of the Plan, Chapter 13 of the Technical Summary and Chapter 11 of the Non-Technical Summary.

We will provide more detailed examples using joint trials to provide real life examples to aid understanding.

Q28. Which of the two choices listed above do you prefer?

The choices for this question were:

- *Incremental (preferred approach); and*
- *Standard Approach.*

A total of eight respondents provided an answer to this question, with all respondents (eight) preferring an incremental approach.

Response

Based on the response, stakeholders preferred gradually improving all areas slowly over time. We will continue to work with stakeholders to explore this option in DWMP 29. The recommendation is set out in Chapter 11 of the Plan, in Chapter 13 in the Technical Summary and Chapter 11 in the Non-Technical Summary.

Q29. Do you have any further comments about our proposals that you wish to provide?

Five respondents made 18 comments within this section. All comments have been summarised in Section 5 under the categories of:

- *‘Collaboration and Engagement’ (under the theme ‘Collaboration’);*
- *‘Praise’ (under the theme ‘Praising Engagement’);*
- *‘Environmental Impact’ (under the theme ‘Wales Better River Quality Taskforce’);*
- *‘Integration’ (under the themes ‘Company Strategy Targets’; ‘Odour’ and ‘PR24 and other investment programmes’);*
- *‘Legislation and National Policies’ (under the themes ‘requirement of revised national policy’;*
- *‘Options Development (under the themes ‘Adaptive Planning – changing future targets’ and ‘Adaptive Planning – uncertain future flows’); and*
- *‘Terminology and Wording (under theme ‘Catchment Naming Convention’).*

Q30. If you are responding from an organisation, please let us know which organisation you are representing.

A total of five organisations responded to the survey. The other three respondents were customers.

5 ANALYSIS OF NON-QUESTIONNAIRE RESPONSES

We have analysed qualitative responses and allocated a category to each comment. The comments in each category have then been sub-divided into themes.

We have addressed each comment, written a response, and set out any follow-up actions for each theme, and made amendments to draft documents as part of this process.

The responses and actions for each category and theme are set out below.

5.1 Strategic Context

5.1.1 Theme: Updates to text or wording

Three respondents made four comments on updates to wording within the Strategic Context.

Our response: We have reviewed relevant legislation and plans as part of our Strategic Context review, which covers this and other relevant legislation and planning processes.

Action: We have updated the Plan to reflect comments relating to legislation and planning processes, and the Wellbeing of Future Generations Act. These are in the Plan Chapter 2.7.2, The Technical Summary Chapter 2.5, and the Non-Technical Summary Chapter 1.2.

5.1.2 Theme: Collaboration - direct

One respondent commented on collaboration in relation to the Strategic Context.

Our response: We have looked at the benefit of taking infiltration out of the sewers, and we will reflect on how it is presented in the DWMP29.

Action: See the Plan, Chapter 5.2.5, the Technical Summary, Chapter, 8.2.5 and the Non-technical Summary Chapter 5.5 for details on infiltration removal.

5.1.3 Theme: Historic Environments

One respondent made two comments on the issue of historic environments.

Our response: We take note of the recommendation that heritage impact assessments (HIAs) are undertaken for schemes at project level at early stages to inform their design, and in some cases can also inform any associated environmental impact assessment where this is needed.

Action: The DWMP, and subsequent cycles, will consider the use of appropriate assessment tools to ensure effects on heritage are avoided, reduced, minimised, mitigated and/or compensated. Such tools need to be proportionate to the level of information that is available, and able to accommodate qualitative and quantitative judgement and uncertainty. They also need to anticipate future scheme specific assessments necessary to support planning consent, where required.

We have also updated our documents to ensure reference to all guidance. See the Plan, Chapter 8.3, the Technical Summary, Chapter 10.3, and the Non-technical Summary Chapter 7.

5.2 Prioritisation

5.2.1 Theme: Risk

Two respondents made comments on the prioritisation matrix.

Our response: The prioritisation matrix was produced as a risk tool to ensure that we had a process to address the worst environmental and customer issues first. Our approach has been tested with customers and has been presented at forums over the past two years. In terms of specific bathing water locations, our National Environment Programme (NEP) will also identify and provide solutions where necessary.

We recognise the matrix is not easily understood. However, it should be noted that this is a planning tool and does not indicate the time it will take to reach full coverage of the operating area.

Action: We have added an explanation in the Plan on the prioritisation matrix and will continue to review the categories within the matrix in our development forums. See The Plan, Chapter 2.5, the Technical Summary, Chapter 2.8, and the Non-technical Summary, Chapter 5.2.

5.3 Options Development

5.3.1 Theme: Nature based solutions

Five respondents made six comments relating to nature based solutions.

Our response: We can confirm our process includes both a top-down and bottom-up approach to option development that compares both the traditional grey schemes with more sustainable green schemes. However, the core assumption is to address affordability and deliverability constraints at the time of options creation.

Action: We will be producing more examples from the catchments already prioritised to demonstrate how our solutions solve the root cause, meet the affordability challenge, and ensure schemes are deliverable and promote green solutions where there is time available to deliver them. These examples are in the Plan, Chapter 11.3.2 the Technical Summary, Chapter 8.1.2, and the Non-Technical Summary, Chapter 6.6.

5.3.2 Theme: Adaptive Planning – Monitoring change

One respondent commented on the need to monitor change.

Our response: The cyclical nature of the DWMP allows us to monitor change and assess if the current pathway is correct. During each five-year DWMP planning cycle, we will update our risk assessments (BRAVA stage) to determine if the current pathway needs to change.

Action: We have added an explanation to the Plan in Chapter 4.9.3, the Technical Summary, Chapter 6.1, and Non-technical Summary Chapter 1.1 on the process followed for monitoring change.

5.3.3 Theme: Adaptive Planning - Changing future targets

Two respondents made two comments on likely changes to environmental water quality requirements.

Our response: As a company, we work very closely and collaboratively with our Regulators to ensure that we remain compliant with current legislative requirements. As part of this dialogue, which takes the shape of Strategic Liaison Groups and Technical Working Groups that focus on areas such as river water quality, our Regulators will advise and explain any future policy changes that may impact and shape our own future investment programmes. We spend time collating these future risks in the strategic context area of the Plan.

Alongside our Regulators, we also focus on engagement with Local Authorities and other key local stakeholders. This ensures that we are in the best possible position to support our customers and protect the environment.

Our 'reference option' allowed us to explore the impact of different future environmental standards for overflows, including the investment required for a 'no spills' future, inland bathing waters, and maintaining current performance irrespective of the impacts of growth, urban creep and climate change.

The reference option also allowed us to approximate how different future flooding targets might impact on levels of investment required. It also allowed us to test acceptability of different future targets with our customers and stakeholders. This consultation process will be repeated during each DWMP cycle, to ensure that our long-term objectives continue to be appropriate, and that any legislative or policy changes are taken into account and included in our scenario planning.

Action: We collate information regarding future policy and guidance during the strategic context exercise, information on this is found in the Plan Chapter 2, the Technical Summary Chapter 2, and the Non-technical Summary Chapter 1. An overview of the reference option can be found in the Plan, Chapter 5.2.2, in the Technical Summary, Chapter 8.1.1, and the Non-technical Summary, Chapter 8.2.1.

5.3.4 Theme: Adaptive Planning - Uncertain future flows

One respondent noted that there is uncertainty around future flows in their area.

Our response: This comment is valid to our whole region. It is difficult to accurately predict when and where growth and urban creep will happen, and to what extent climate change will impact our network.

We have tested +/-30% growth and urban creep scenarios, and high emissions scenarios for climate change, as part of converting the first DWMP from draft to final. This range of future scenarios is in line with the DWMP Framework. The scenarios will allow us to define trigger points, if appropriate, and to confirm that our proposed options will lead to 'low regrets'. It is important to note that the DWMP Framework only suggests adaptive planning for extended and complex catchments of which there were only 44.

Our supply-demand balance approach provides an indication of how different levels of growth will impact on catchment performance.

Action: We will undertake adaptive planning trials to assess the impact of more growth in future. This detail is in the Plan, Chapter 10, Technical Summary, Chapter 11, and Non-technical summary, Chapter 8.

5.3.5 Theme: Developing local opportunities and solutions

One respondent made a comment on developing local opportunities and solutions.

Our response: Our Plan has been created by summarising strategic needs across the company. Our next aim is to take this summarised information, and then create localised plans.

Action: We are continuing to develop the summaries and we will be adding additional detail as it becomes available to the L2 and L3 area summaries.

5.3.6 Theme: Surface water separation

Two respondents provided three comments relating to surface water separation.

Our response: We are pleased to note that you agree that surface water separation can deliver multiple benefits in reducing storm overflow discharges and sewer flooding. We agree that customers decide the pace of change and the number of solutions are limited by how much customers can pay.

We note that you support our approach that surface water separation will manage climate change and provide the added benefit of a reduction in pollution incidents and greater consistent performance at our treatment sites.

There is greater benefit to customers by delivering joint schemes with other organisations. We understand there are barriers, such as joint policies, legislation and drivers all to be overcome to create efficient partnership programmes of work on surface water separation.

The mixed responsibility framework that is currently in place produced ambiguity and barriers to cocreation. A change to the regulatory framework regarding simplification of ownership and responsibility will improve the efficiency of changes that we can make with the joint funds we have available.

Action: We will continue to undertake customer research regarding opinions on types of solutions and the required pace. We will continue to develop opportunities ahead of a partnership scheme being delivered, and we will work closely with local communities, as noted in the Plan, Chapter 3.25, Technical Summary, Chapter 3.6 and Non-technical Summary Chapter 9.4.

5.4 Collaboration/Engagement

5.4.1 Theme: Support

Four stakeholders provided six comments offering support in developing the Plan and working with us going forward.

Our response: We recognise the need for continued engagement and collaboration. We will be working in partnership with stakeholders who have offered their support in developing the Plan as a whole, as well as engaging with them and other stakeholders on the creation of specific opportunities related to topics including the environment, water efficiency and managing water use.

Action: We will continue to work with these stakeholders on the topics where their expertise offers the best support. Engagement with stakeholders will continue to be a key part of our engagement and consultation strategies throughout the life of the Plan, as noted in the Plan, Chapter 3.25, Technical Summary, Chapter 3.6 and Non-technical Summary Chapter 9.4.

5.4.2 Theme: Collaboration

Eight respondents made 25 comments about collaboration.

Our response: In response to comments from many of our stakeholders that they would like to engage with us more directly and cooperatively, we can confirm that we will be carrying out engagement after every stage of the Plan. We are engaging directly with regulators (NRW and EA) and risk management authorities (local authorities, national parks) to identify areas where we can work together to efficiently co-create solutions to address drainage and water quality issues.

We have altered our approach to ensure we will have more direct conversations with those stakeholders who have requested more direct engagement regarding specific opportunities. We have taken this action to reach a collaborative stage earlier, while we are still aiming to move to a community-led approach over time. Our plan is now to work at a more localised level, then to summarise this work in our Plan. It is important that we target the right stakeholders, to ensure we are engaging with those people who are involved at a community level.

We will be developing the Project Boards gradually over time. There will be a requirement for each organisation to commit a resource, which means some funding for skilled representatives will be required to enable the best outcome. From our research with a small group of stakeholders, we have recognised that there are a number of barriers to overcome before this type of work can become business-as-usual and self-supporting. One of the major barriers was found to be the funding mechanism set by Government and Regulators. One stakeholder highlighted an example where they were unable to get funding for a 'future risk' scenario, as the funding criteria rewards proposals had already taken place. This appears to be a barrier for more than a single organisation. There will need to be a clear line from Government to ensure that Project Boards work and are able to take a 'Team Wales' approach.

Restrictions around council elections and parliamentary direction were also noted as barriers to long-term planning and behaviour change. The requirement to be able to work together more effectively was also noted, with a need for representatives to consider the wider environment beyond their own organisations. This feedback reinforces the importance of collaborative and cooperative working, as we need people with a mixed group of skills working together for the best outcome for Team Wales.

We took a 'behavioural change' approach in our trial with Anglesey County Council, where we took the decision to undertake investigations in areas which were not currently a high priority for Welsh Water, but were a priority for local communities. We continued to support and develop plans and options to address risks, with the knowledge that when we have a combined programme, we will be able to submit joint funding plans into OFWAT, and the Government will be able to commence changes as indicated in the DWMP, FCERM and NEP.

We will work with stakeholders in the roll-out of community campaigns. This collaboration with our stakeholders will enable us to deliver efficiencies and value for money across our operating area.

Action: We have updated the Engagement section of the Plan to include detail that we will continue to work in consultation with our stakeholders regarding the Plan as a whole, carrying out engagement after every stage of the Plan, and additionally to work more directly with stakeholders and communities to create specific opportunities to turn them into options for delivery. This detail can be found in the Plan, Chapter 3.25, Technical Summary, Chapter 3.6, and Non-Technical Summary Chapter 9.4.

We will continue to formalise our plans and gain support for Project Boards and Community Projects.

5.4.3 Theme: Customer Priority

Three respondents made four comments regarding customer priorities, including what they believe customer priorities to be, and the importance of assessing these priorities.

Our response: We have been developing our approach to ensure affordability and continuous improvement in our plan. We have tested this approach with customer and stakeholder focus groups and have general agreement from both to prioritise worst served customers, and areas where there could be environmental harm. We have also discussed the customer and environmental destination with our customers and stakeholders.

Our ambition is to do the right thing for customers and the environment whilst delivering incremental improvements to reach the end destination. We recognise that there needs to be a compromise. Our customers have been clear that customer flooding is most important to them. The environmental destination is still something that customers want, but they are willing for it to take longer to achieve when set against internal sewer flooding to homes and businesses.

Action: We have taken on board your comments and have added information to the Plan explaining how stakeholder feedback informed our planning objectives, and how research is focusing our priorities. This is in the Plan Chapter 2.4.4, Technical Summary, Chapter 3.3, and Non-technical Summary, Chapter 1.8. We have also added a section relating to affordability where we discuss the outcome of our customer research regarding priorities and bill increases. This is in the Plan Chapter 1.19.2, Technical Summary, Chapter 1.6 and Non-technical Summary, Chapter 9.4.

5.4.4 Theme: Integrated approach to water management

One respondent made two comments on an integrated approach to water management.

Our response: We recognise the need for an integrated approach between wastewater and water management.

Action: We will look to investigate implementation of this integrated approach at the earliest opportunity. Rainwater management is an area recommended in the consultation. This is noted in the Plan, Chapter 3.25, Technical Summary, Chapter 3.6 and Non-technical Summary Chapter 9.4.

5.4.5 Theme: Influence

Two respondents made two comments relating to how our engagement with stakeholders has influenced the Plan.

Our response: Engagement with our customers and stakeholders is a planned, continuous process and is a key part of the development of our Plan. Most stakeholders support a flexible joint working approach and strongly agree that a summarised joint plan is required to coordinate actions. A number of actions have been taken forward in the development of the Plan as a result of our engagement to date and we will continue to work in consultation with our key stakeholders, interest groups and customers to ensure the DWMP complements and integrates with other existing plans and strategies that manage drainage and environmental quality.

Action: We have demonstrated how our engagement with stakeholders and customers has influenced the Plan within the Engagement section of the Plan, Chapter 3.24, Technical Summary, Chapter 1.6, and Non-Technical Summary Chapter 1.8.

5.5 Environment Impact (inc. Overflows)

5.5.1 Theme: Wales Better River Quality Taskforce

Three respondents made five comments on the Wales Better River Quality Taskforce.

Our response: The DWMP can support the development of reduced sewer overflow spills to our rivers. Once the Taskforce has issued guidance on the definition of ecological harm, we will include a revision.

Action: We will work with the Wales Better River Quality Taskforce to develop the approach. The Plan has been updated in Chapter 9.2.2, the Technical Summary, Chapter 12.3.1, and the Non-Technical Summary, Chapter 6.5.

5.6 Biodiversity

5.6.1 Theme: Guiding Principles

One respondent made reference to Biodiversity guiding principles.

Our response: DCWW's biodiversity strategy, published in 2022, sets out our high-level mission, aims and objectives for biodiversity. As part of the strategy we have a detailed action plan, which incorporates our 2050 vision and journey plans, including research and horizon mapping.

DCWW has published two biodiversity plans since 2017, which contain 30 commitments to how the business will work towards the Section 6 duty of the Environment Act (Wales) 2016. In 2023, we will publish our latest biodiversity plan, ensuring that we meet the Welsh Government's requirement to share a plan once every three years. As part of our Section 6 duty, we also produce a report on what we have achieved against the commitments set out as part of the biodiversity plan, which was last published in December 2022.

In order to understand priority species and habitats within our assets and land holdings, we have started undertaking studies, which will provide an essential baseline to measure all enhancement work against. We continue to work closely with our regulator, NRW, to build databases and to further understand how we can protect and enhance opportunities for designated sites, protected species and habitats. Some of this work is driven through our business planning in Asset Management Plan Cycle 7 National Environment Programme (AMP 7 NEP), with plans to include further work into AMP 8 and beyond.

Action: A Biodiversity Action Plan is being developed by DCWW's Ecology & Biodiversity Advisor and will be integrated into the DWMP once it has been published.

5.7 Legislation and National Policies

5.7.1 Theme: Requirement of revised national policy

Three respondents provided five comments on the requirement for a revised national policy.

Our response: In the DWMP, we have chosen to set out our ambitions; demonstrating that the right solution should be driven by climate change and the efficient use of funds. However, we recognise that there are barriers to delivery and to achieving our goals. By trialing new approaches, we hope that the Government will have the evidence it needs to consider new legislation that enables us to achieve our ambitions.

The Water company isn't alone in managing drainage, for instance one respondent mentioned that the delivery of surface removal where highway drains are connected to a sewer would require legislative change to allow a water company to undertake the separation work on their own. However the need for the collaboration work upfront and negotiating where to spend limited funds where there are no overlapping priorities cause barriers to efficient delivery of a worthy scheme. As recommended in the Plan, in the meantime we will develop and nurture relationships to supply a stream of opportunities for the Team Wales approach, but this approach needs to be inserted into legislation and policy to ensure all stakeholders have the same ethos, with the end result being project boards that work together for the good of society as a whole but are funded by the organisations jointly to make integrated planning a reality as early as possible.

Action: We have added a new section in the Plan titled 'Policy'. See Chapter 1.17 of the Plan, the Technical Summary, Chapter 1.7, and the Non-technical Summary Chapter 1.7.

5.7.2 Theme: Grant funding to water companies

One respondent made a comment on alternative funding routes.

Our response: We agree that the scale of surface water removal across the operating area is a significant challenge and will require many years of investment. However, it is not possible in the current legislative landscape for Welsh Government to directly fund water companies.

The opportunity to develop solutions with other risk management authorities who are directly funded by Welsh government is an additional route to funding that will increase the pace of delivery where other RMA are responsible for managing assets that interact with the sewer.

Action: We will continue open dialogue to develop partnership opportunities with those who can directly fund water companies, as detailed in the Plan, Chapter 3.19, Technical Summary, Chapter 3.6, and Non-technical Summary, Chapter 9.4.

5.7.3 Theme: Growth

One respondent made a comment on growth.

Our response: We are a statutory consultee in the planning process in Wales and England, providing Local Planning Authorities with comments on the ability of our assets to accommodate proposed developments. These comments are provided on an impartial basis and are informed by an assessment of capacity of our assets that would serve the development proposed including WwTW. Whilst we seek to support new development wherever possible, our priority is protecting our customers and the environment. Therefore, we would not support the communication of additional flows to our sewerage system through the planning process unless we were satisfied that hydraulic capacity existed. We assess each development proposal when consulted by the LPA and, in the event insufficient hydraulic capacity is available, we advise that reinforcement works would need to be controlled through any planning consent and delivered in advance of the development communicating flows.

Under planning and building regulation legislation, developers are required to consider the principles of sustainable surface water management. This includes that surface water disposal should be made through the hierarchical approach as set in Part H of the 'Building Regulations 2000', preferring infiltration and, where infiltration is not possible, disposal to watercourses in liaison with the Land Drainage Authority and/or Natural Resources Wales. Discharge of surface water to the public sewer is only to be made as a last resort and we make this clear through our planning consultation responses.

In January 2019, the Welsh Government also implemented Schedule 3 of the Flood & Water Management Act 2010 which requires developers to incorporate Sustainable Drainage Systems into all new developments. The purpose of the legislation is to ensure that communities and the environment are protected from flooding and pollution (particularly given the challenges of climate change); this assists us in managing our sewerage infrastructure so that it is utilised for the maximum benefit. We are a consultee in this process and resist connection to our sewerage system, only considering it as a last resort on brownfield development when all other means of disposal have been exhausted.

Action: We will continue to take a proactive role in both the Local Development Plan process and Development Management (Planning Applications) process to ensure our assets are protected from the impact of new development and growth, and utilise the information on future growth to inform our investment programme(s).

We will also continue to take a proactive role in engaging with the relevant consenting processes and with the broader development industry to ensure that the principles of sustainable drainage are implemented at every opportunity.

Growth is mentioned throughout the DWMP documents and is treated as speculative event. The risk and opportunities from Growth and a main assessment in DWMP Growth is commented in Chapter 4 and 5 of the Plan, Chapter 6 to 9 of the Technical Summary, and Chapter 6 of the Non-technical Summary, however it does not state the linkages to development as the plan itself continually assesses varying growth forecasts at a plan level. We will still undertake a detailed review of development risk when the development becomes a known and committed development site.

5.7.4 Theme: Our approach to developing solutions

One respondent made two comments about our approach to developing solutions.

Our response: We can confirm our process includes both a top down and bottom up approach to options development, which compares both the traditional grey schemes with more sustainable green schemes. Our Plan has introduced scenarios to manage sewage separately from drainage which means we can assess where we need to prioritise building pipe schemes compared to where we should prioritise sustainable drainage. Our approach as laid out in our Journey Plan shows that we deliver an educational programme alongside. Our customers and stakeholders have endorsed this approach via the consultation for delivery in DWMP29. Some specific interventions have not been supported by our customers and have not been progressed in this plan, for example financial incentives.

Action: To demonstrate how we have created options in the bottom up approach we have provided examples to show how the top down principles show schemes that are to be delivered over time.

The examples are in the Plan Chapter 5.7, Technical Summary Chapter 8.2.5, and the Non-Technical Summary, Chapter 5.5.1.

5.8 Integration

5.8.1 Theme: PR24 and other investment programmes

Five respondents made ten comments, noting that we need to integrate the DWMP with our PR24 business plan and other proposed DCWW investment, including (WI)NEP.

Our response: This feedback aligns with our business goals and we will be working with the wider business to integrate plans as we move our DWMP from draft to final. Timing and methodologies of the first DWMP and draft PR24 plans, including (WI)NEP, meant that it was not possible to fully integrate our short-term investment plans into the draft DWMP. This was not explicitly expressed in the summarised versions, which highlights the need for careful summarisation.

We recognise the importance of ensuring our DWMP and PR24 plans are aligned. Our first DWMP has informed PR24, especially on the areas of internal flooding to customers and CSO spills. We estimated the likelihood of when schemes would be required to be implemented and have forecast this into the DWMP. The actual dates for any scheme delivery will be dependent on the price review process and other work streams competing for the same funds.

Looking ahead, we will continue to integrate DWMP and price review methodologies.

Action: In our revised draft, we will make it clear that the Plan is a proportion of the overall company investment and is limited by the DWMP methodology. We will work with our regulators through a lessons learnt process to integrate methodologies covering price reviews, management planning, the NEP, and the CSO roadmap to ensure greater connectivity between regulator methodologies. This detail is in the Plan, Chapter 7.2.7, Technical Summary, Chapter 9.3, and Non-Technical Summary, Chapter 6.4.1.

5.8.2 Theme: Aligning our plans

Two respondents made eight comments on aligning the DWMP with stakeholder plans.

Our response: Our draft DWMP has been aligned to DCWW's Water Resources Management Plan (WRMP) 2019, which can be located on our website, and includes a target of 100l/hd/d by 2050.

Action: The cyclical nature of the DWMP will allow us to revisit the 100 l/hd/day target and assess if it is still applicable, as we are aware that water efficiency targets will change. Reviewing water efficiency measures is noted in the Plan, Chapter 5.2.8, and in the Technical Summary, Chapter 8.1.4 and Non-Technical Summary, Chapter 5.5 and within the Journey Plan as it is assumed to be within the educational programme.

5.8.3 Theme: Odour

One respondent raised the issue of odour relating to Welsh Water assets.

Our response: We have noted the respondent's comment with reference to odour and wastewater treatment works discharge.

Action: We have addressed odour in the L2 Dee area summary, section 3, and have noted in the Plan, Chapter 4.9.3, Technical Summary, Chapter 6.1, and the Non-technical Summary Chapter 11 that we will look to expand the scope of risks we look to address in future cycles.

5.8.4 Theme: Maintenance and resilience

Two respondents made four comments on the need to further consider maintenance and asset resilience as part of our DWMP.

Our response: The DWMP has generated new data on the likely impacts of blockages and asset failure across our entire wastewater network. We have assessed:

- *The likely impacts of sea level rise;*
- *The likely consequence of pumping stations failing;*
- *How much time it would take us to respond in the event of asset failure; and*
- *The amount of headroom needed for sediment or debris build-up.*

We have worked with DCWW's Asset Planning team on these projects, providing them with information for ongoing deterioration modelling projects, and subsequent inclusion in PR24. DCWW's Resilience team is also assessing the risk of flooding from other sources.

Action: We have added additional information about maintenance and resilience in the Plan in Chapter 5.2.7, Technical Summary, Chapter 12.2.1, and Non-Technical Summary, Chapter 3.5.

5.8.5 Theme: Board engagement

One respondent made four comments relating to Board engagement.

Our response: The DCWW Board, known as Glas Cymru, has been, and will continue to be, fully engaged in the development of our first DWMP. The Board has provided strategic direction on its content and will be reviewing and approving our Final DWMP in preparation for its publication. The Board members have continued to support the development of innovative approaches along with more traditional wastewater methodologies, highlighting their support to create plans that deliver more than previously achieved.

Action: This is noted in the Plan Chapter 1.3, in the Technical Summary in Chapter 2.3, and Non-technical Summary Chapter 1.4.

5.8.6 Theme: Company strategy/ targets

Three respondents made three comments on company strategy and targets.

Our response: Our 'zone by zone' approach developed solutions to address 'current' (2025-2030) risks, and changes in risk, from 2030 to 2050. Where a solution for 2025-2030, followed by an 'add-on' solution to address risk for 2030-2050, is more cost beneficial, this has been included in our plan. Where a single solution, built now to address all risk for 2025-2050, is more cost beneficial, this solution has been chosen instead. We will clarify this in our final Plan.

One respondent questioned whether our incremental approach was sufficiently ambitious. Our challenge is balancing affordability with more stretching targets. Our customers support an end destination for both customers and the environment.

We will continue to develop interim targets that address issues such as customer expectation, environmental challenges and future economic and housing growth.

Action: We will discuss interim targets to reach the end destination as part of the strategic context stage of the Plan, building on our approach of prioritising sensitive areas and customer service. We are discussing opportunities to work with councils to reduce flood risk and pollution at stakeholder workshops as we move from draft to final DWMP.

In our draft Plan, we have carried out assessments for least cost, as well as social and environmental benefits. We have also considered the appropriate time to deliver a greater benefit for a similar cost. We have clarified this in our final Plan, Chapter 7.5, Technical Summary, Chapter 8.5, and Non-Technical Summary, Chapter 6.3.1.

5.9 Terminology/Wording/Language

5.9.1 Theme: Updates to text or wording

Four respondents made 25 comments regarding updates to wording or clarity of text.

Our response: We received a number of responses that asked for further detail to be added to the Plan and its related documents, or that suggested alternative terminology should be used to improve clarity.

The areas where further detail was requested were:

- *Solutions and Options sections of the Plan, particularly in the description of solutions (the Plan Chapter 6);*
- *Climate Change (the Plan Chapter 4);*
- *Stakeholder engagement (the Plan Chapter 3);*
- *Key wastewater risks and how they have been determined (the Plan Chapter 4);*
- *Water Quality section and ecosystem resilience (the Plan Chapter 8 and the SEA); and*
- *Area summaries: supply and demand balances, assessments for growth, risk assessments, Level 3 tactical catchments (Area Summary documents).*

Action: We have taken on board your comments, reviewed the final DWMP documentation and made updates where appropriate to ensure key information is correctly displayed to provide clarity for the reader.

5.9.2 Theme: Aligning our plans

One respondent commented on the need to align our plans with stakeholder figures.

Our response: Our DWMP has been aligned with our Water Resources Management Plan (WRMP 2019), as noted in the Plan, Chapter 1.11, Technical Summary, Chapter 1.4 and Non-technical Summary, Chapter 3.1. A copy of the WRMP can be found on our website.

5.9.3 Theme: Collaboration with experts and regulators

One respondent commented on the importance of collaborating with experts and regulators.

Our response: We take note of your comments that Welsh Water should work in collaboration with other organisations and stakeholders to ensure that it can benefit from advice and guidance from relevant experts and regulators, as well as working with consumers and local communities to understand their priorities and maintain trust..

Action: We have updated our DWMP to reflect our collaboration with relevant experts and regulators, and our work with local communities. See the Plan, Chapter 3, Technical Summary, Chapter 3, and Non-technical Summary, Chapter 9.

5.9.4 Theme: Catchment Naming Convention

Two respondents made three comments on the boundaries of various planning boundaries and the catchment naming convention.

Our response: In drafting the DWMP, we have attempted to create clear, transparent and logical planning unit names and boundaries.

We appreciate that there are many different drainage and environmental management regions across Wales, and that the boundaries of these regions do not always align. We have planned at river basin level so that we can better assess our impact on the water environment as a whole.

Action: We will continually look to improve how we name our planning boundaries. We will make a proposal and engage with stakeholders as part of the second cycle, as noted in the Plan, Chapter 3.25, Technical Summary, Chapter 3.6, and Non-technical Summary, Chapter 9.4.

5.10 Praise

5.10.1 Theme: Praising Engagement

Five respondents made ten comments of praise regarding collaboration and engagement.

Our response: We thank those consultees who commended the Plan in terms of the extent and format of detail provided, as well as our willingness to engage with stakeholders and to raise awareness of the DWMP.

Action: We will continue to work with our customers, stakeholders and regulators in the development and improvement of future plans. Detail on our approach to collaborative working is set out in the Engagement section of our Plan, Chapter 3, Technical Summary, Chapter 3, and Non-Technical Summary Chapter 9.

6 ANALYSIS OF CUSTOMER RESEARCH

We identified a requirement to consult with customers on the Drainage and Wastewater Management Plan (DWMP) ahead of its publication.

Market research agency, Relish, was commissioned to conduct independent customer research to help us to understand customer views. The sample size used for household customers was 500, and for non-household customers, 100.

The questions were asked to provide support for a recommendation in DWMP29. In general, customers agreed with the recommendations and their responses have influenced the final Plan by including the recognition that the end destination should be achieved by 2075, with some supporting its achievement by 2100. Customers also would like us to deliver internal customer sewer flooding earlier, if possible, when compared to reaching storm overflow destination.

6.1 What customer research took place?

6.1.1 A two-week online community¹, followed by two online focus groups (90 minutes each)

30 Welsh Water customers took part in a two-week online community. Half completed an online e-learning task designed to inform them about the DWMP. Participants were a mix of genders, ages, life stages and proximity to SAC rivers.

Two 90-minute online focus groups were then carried out with 16 customers after they had completed the online community.

6.1.2 An online survey involving household and non-household customers

A sample of 500 household customers, representative of the Welsh Water customer base, completed an online survey including:

A conjoint (trade off) exercise to establish the importance of priorities included within the DWMP; and

Questions on customers' interest in the Plan and level of engagement with updates.

A sample of 100 business customers supplied by Welsh Water completed the same survey.

6.2 Research objectives

Overall thoughts on the DWMP - How do customers feel about what is being proposed in the DWMP consultation? What approach would they like Welsh Water to take to future planning?

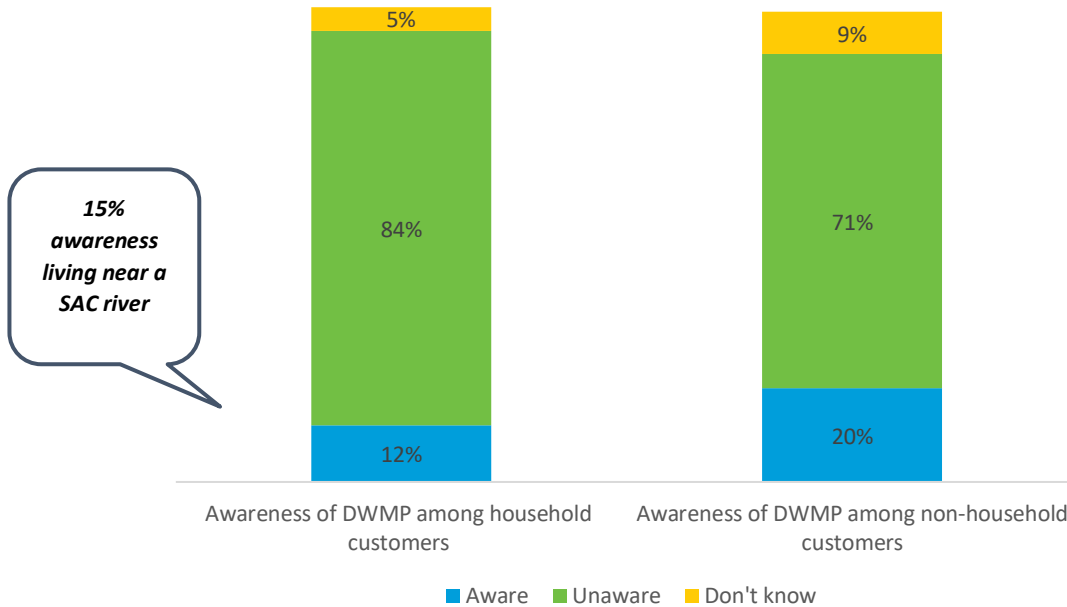
Detail of the DWMP; importance of areas - Do customers agree with proposals in the consultation? Are there certain areas that should be focused on more than others?

Updates to the DWMP - How do customers want to be engaged with updates as the DWMP evolves over the next 5 years?

¹ An online community, also called an internet community or web community, is a community whose members interact with each other primarily via the Internet.

6.3 Introducing customers to the DWMP

6.3.1 Awareness of DWMP



Of the household customers, 195 were living near a SAC river

Figure 4 – Awareness of the DWMP among household and non-household customers

As shown in Figure 4, awareness of the DWMP among household customers was low. However, it was slightly higher among customers living near a Special Area of Conservation (SAC) river. Among business customers, awareness was also slightly higher.

Response:

The analysis shows we have not yet reached a high proportion of household or non-household customers. Much of our engagement with customers to date has been through research forums, with materials also available on the Welsh Water website and the virtual room and via our e-learning platform.

Our focus during the first cycle of the DWMP was to engage with stakeholders to ensure the DWMP was aligned to their plans for their communities.

Our aim during the next cycle of the DWMP is to work more closely and directly with customers through both information and educational campaigns and via community projects. This is shown in the engagement strategy in Chapter 3 of the Plan.

6.3.2 Interest in the DWMP

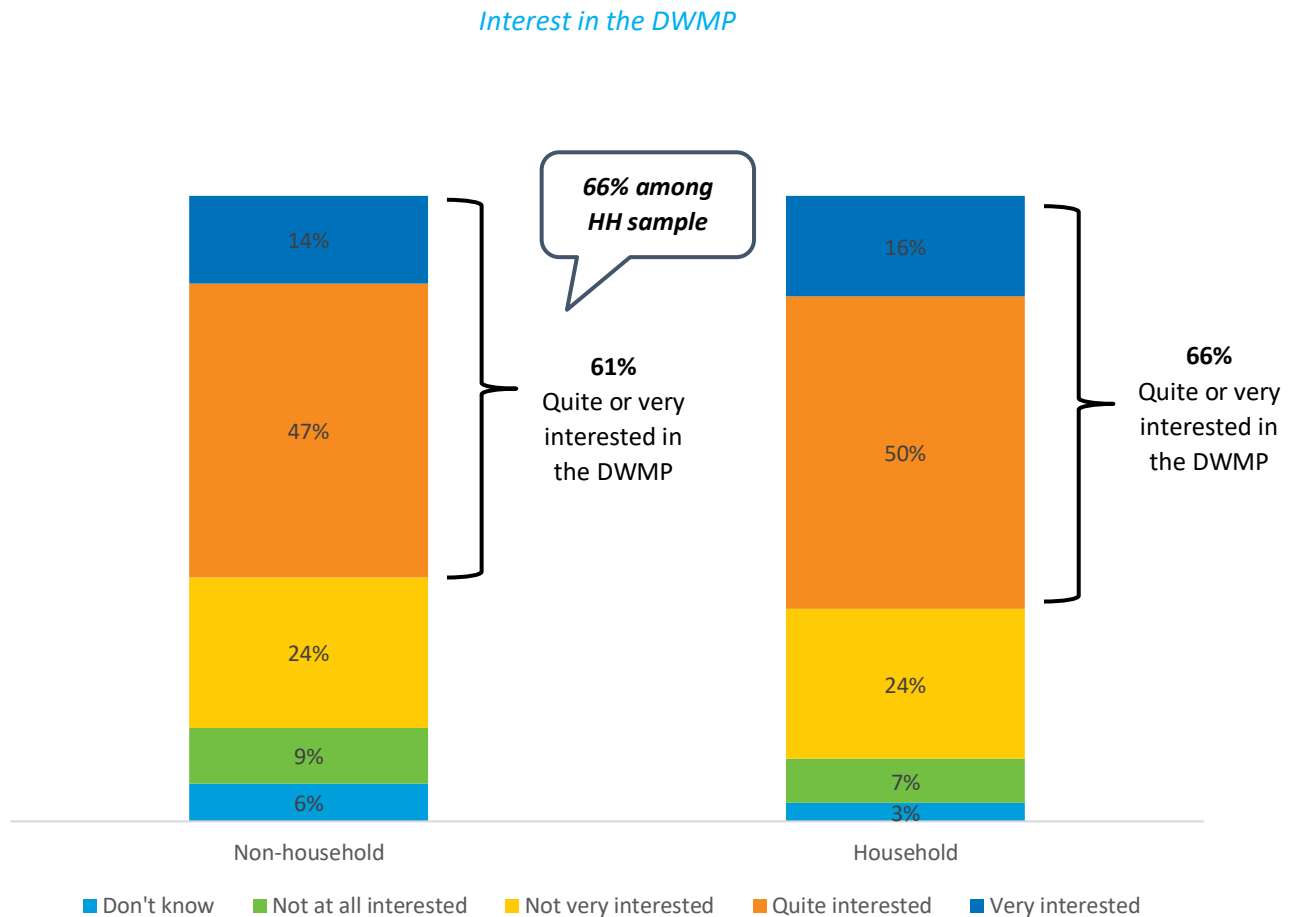


Figure 5 – Interest in the DWMP among household and non-household customers

Of household customers, 273 recorded an income more than £30k and 217 recorded an income less than £30k

The chart depicted in Figure 5 displays the level of interest in the DWMP among both household and non-household customers.

Upon reading context around the Plan, there are strong feelings towards its importance:

- *Climate change and population growth are seen as causing clear and understandable threats to an ageing sewer and drainage system;*
- *Some see first-hand the effect of storm drains not coping, and all respondents believe it will get worse without imminent action;*
- *Government pushing for new housing is felt to be exacerbating the problem; and*
- *Language used reflects genuine concern for the outcome if we don't act soon – 'calamitous', 'catastrophic', 'devastating', 'fearful'.*

Response:

We take note that customers who have read details of the Plan have strong feelings towards the importance of what it sets out to address. We will focus on working with our customers during the next cycle of the DWMP to address concerns.

Likelihood of Reading The Plan

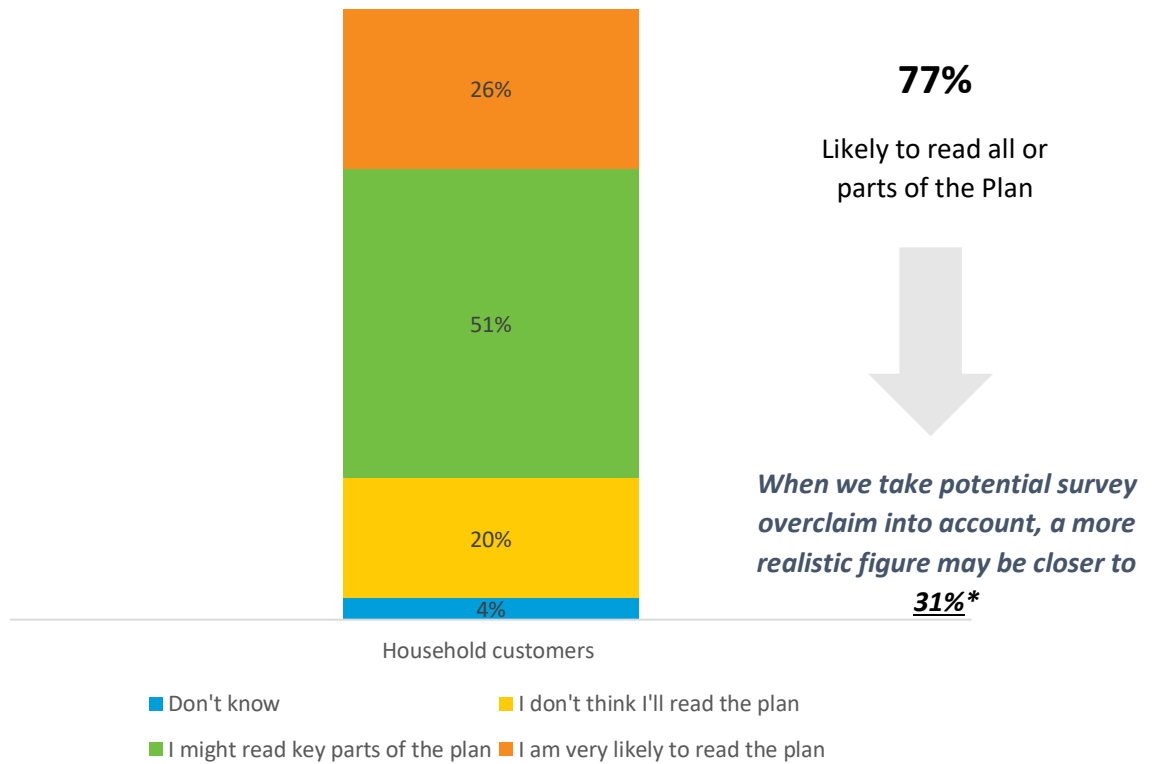


Figure 6 – Likelihood of reading the Plan

Figure 6 shows the Likelihood of reading the plan and Figure 7 indicates the areas of most interest.

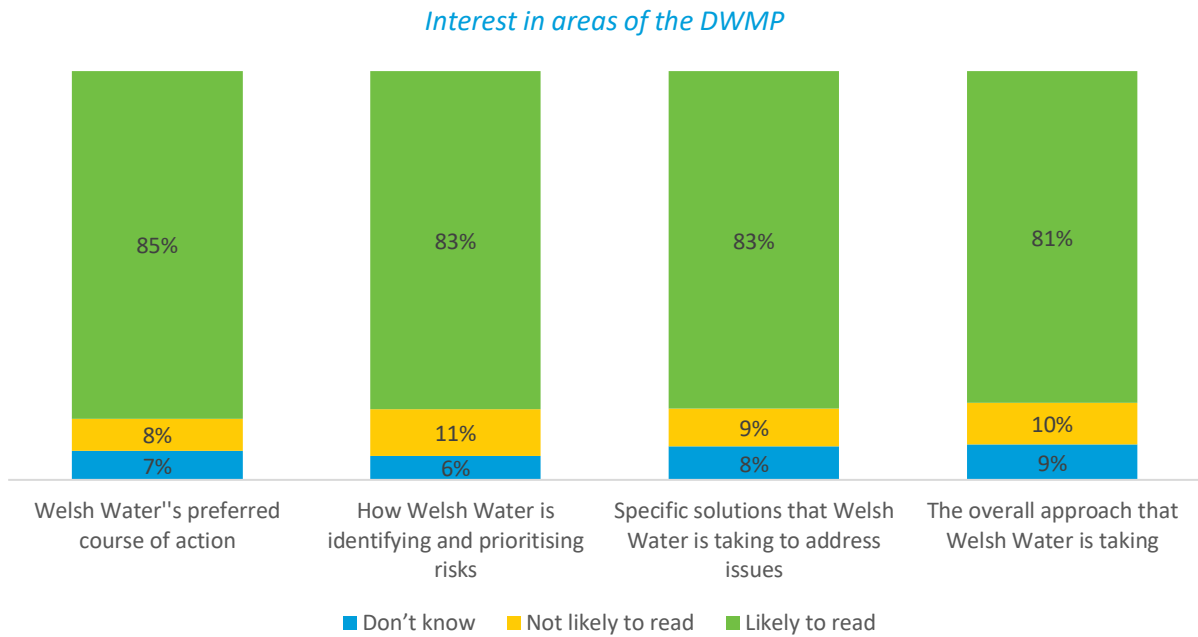


Figure 7 – Interest in areas of the DWMP

The strong feelings towards the importance of the DWMP are reflected in the fact that most household customers claim to be likely to read the Plan. Among those, each section holds equal interest.

Response:

We note that customers have a high level of interest in all areas covered by the DWMP. We will ensure we keep customers updated on these areas, and work with them to ensure their views are considered as the DWMP further develops. We will look to ensure that customers and stakeholders have an equal voice when plans are being developed.

Likelihood of reading by area covered

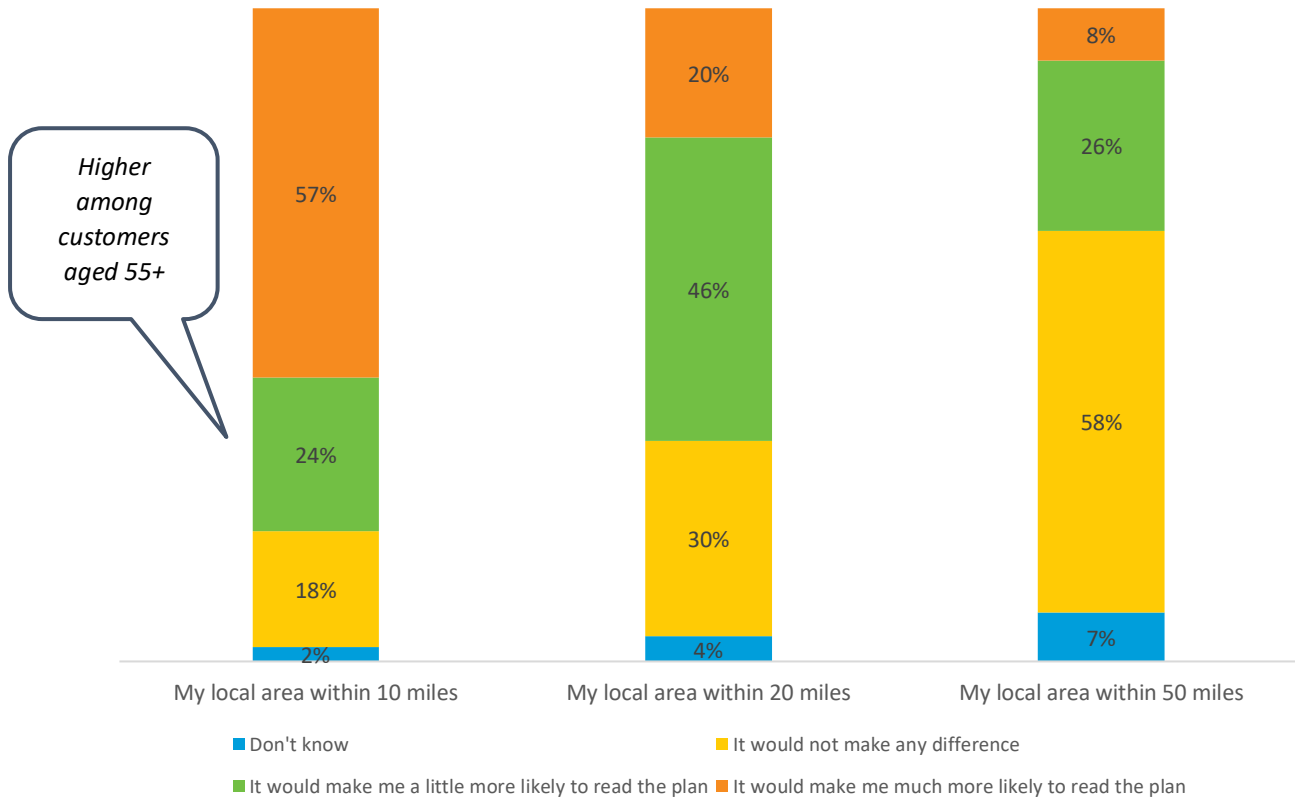


Figure 8 – Likelihood of reading the Plan by area covered

Of household customers (500), 132 were aged 55+, 202 were aged 35-54 and 166 aged 18-34

The likelihood of individuals reading the Plan based on the area covered is illustrated in Figure 8.

The DWMP does resonate, though some elements could be made more specific – and interest increases when local areas are covered. This is demonstrative of many respondents feeling a close connection to water within the context of their local environment.

Customers welcome our commitment to deliver a Plan to protect the environment and reduce flooding in a way that is affordable for all. There were several positive comments on customers being at the heart of this vision.

Taking a collaborative approach is also well received, although some want to see more detail on who the other organisations and agencies involved in this collaboration are – ‘stakeholders’ as a word means little to customers and may not be specific enough.

There is a perception of a lack of time-based information reflected in the vision which may come across as being vague and non-specific in terms of when it will be achieved. There is also some confusion over references to water quality, with some confusing quality of drinking water with bathing/river water; there is scope to simplify this language and make the distinction clearer.

The creation of a regional Plan which covers areas local to customers increases the likelihood of the Plan being read.

Response:

We note that customers generally take more of an interest in environmental and flooding issues in their local area. Customers would like to see more specific detail with regards to the progress of activities in the Plan. The area-specific summaries offer a more localised overview, and these will be updated with more specific detail as our work with area-specific stakeholders and communities progresses. We will make these summaries available to customers.

We note comments regarding the term ‘stakeholders’ being too broad and the confusion over references to water quality. We will address these in future customer-facing material. We will continue to work with our independent Customer Challenge Group (CCG) to ensure all customer-facing material is clear and concise.

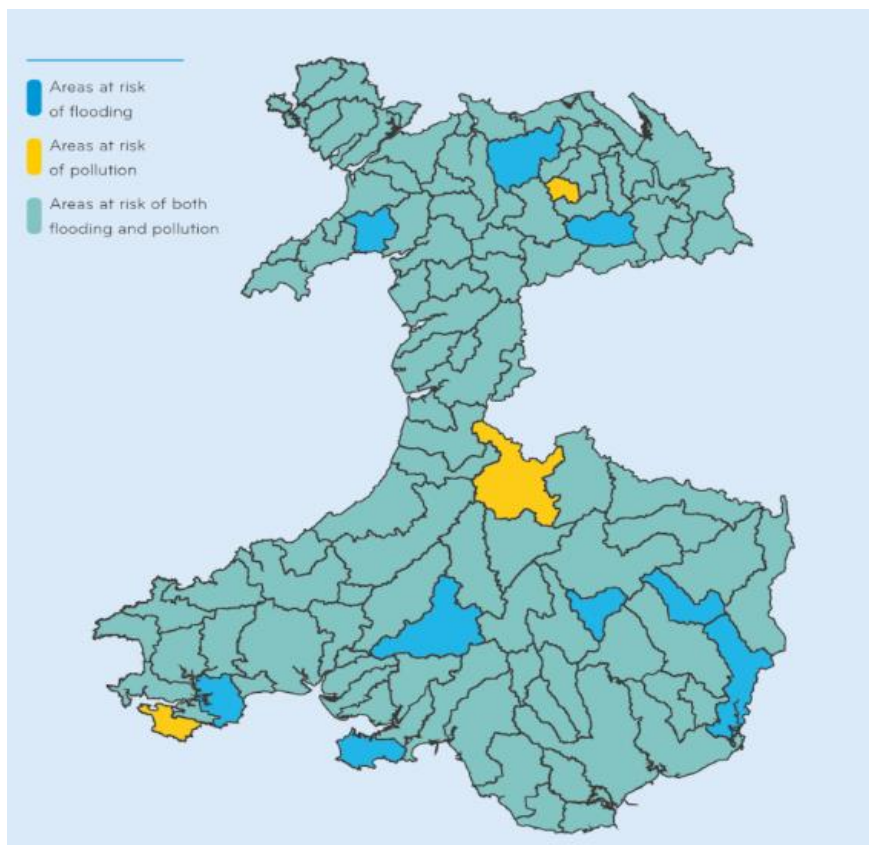


Figure 9 – A map of risks across the Welsh Water service area

A map in Figure 9 identifying risks provided a ‘wake-up’ moment for customers and provides justification for having a comprehensive and long-term plan.

The following is a list of comments made by customers while undertaking the in-depth homework exercise.

“The areas at risk of both flooding and pollution being the near entirety of Wales is staggering”

“It is a real eye opener”

"I'm extremely surprised that predominantly the whole of Wales is at risk of flooding. It's also very surprising that only a small area isn't susceptible to flooding but is to pollution"

"So, the whole country is at risk?"

This paints a picture of despair really and I for one am looking at this thinking what's the point? What can we do?"

"The map is very frightening. It shows a massive area of Wales as at risk of flooding and pollution including where I live"

"I am unpleasantly surprised at the number of areas assessed with a risk of both pollution and flooding; this concerns me massively. I didn't expect that"

"It is quite concerning when you realise how extensive the risks are. When I first read the page, I thought a small area would have been highlighted"

"It seems to solidify the need for Welsh Water and other governing bodies to produce a clear and concise plan to tackle these issues quickly"

"Looking at that map there has to be improvement everywhere. I was shocked to see that almost the whole area is at threat and needs work to be done straight away"

Response:

The customer responses highlight the need for a long-term plan to address wastewater and drainage in Wales. We note customers prefer work to be done quickly to address these issues.

We are working with local authorities to identify areas we can work together to improve drainage issues locally. Once these areas have been identified, we plan to use Programme Boards to work with stakeholders and community boards to work with communities to develop and implement solutions to local pollution and flooding issues.

As set out in the DWMP, the pace at which we deliver improvements will be influenced by our five-yearly price review submission, with the need to balance aspirations set out in the DWMP with bills, customer affordability and OFWAT expectations. The only way to ensure customers experience an improvement locally as soon as possible is to introduce 'level of service' milestones to achieve widespread improvements that are affordable. We can do this within the management plan by creating risk assessment and options to design storms. What this means is that we ensure solutions to manage dry weather flow to meet a minimum level of service of 1 in 10 summer storms of average duration are designed first for those customers who face risks due to dry weather flow (both today and in the future). And so on, until we have plans that take our customers level of service to a minimum level of service of 1 in 30 worst case storms of long duration. Once we have the plans mapped out, we can use the information to turn these into affordable evidenced transparent milestones. The delivered pace of change relates to the price which customers pay, and currently customers wish us to make small increases due to the rising cost of living. This pace allows us to develop the approach ready for further pace discussion in DWMP29.

6.4 Detailed evaluation of the DWMP

Preparation of areas against storms among household customers

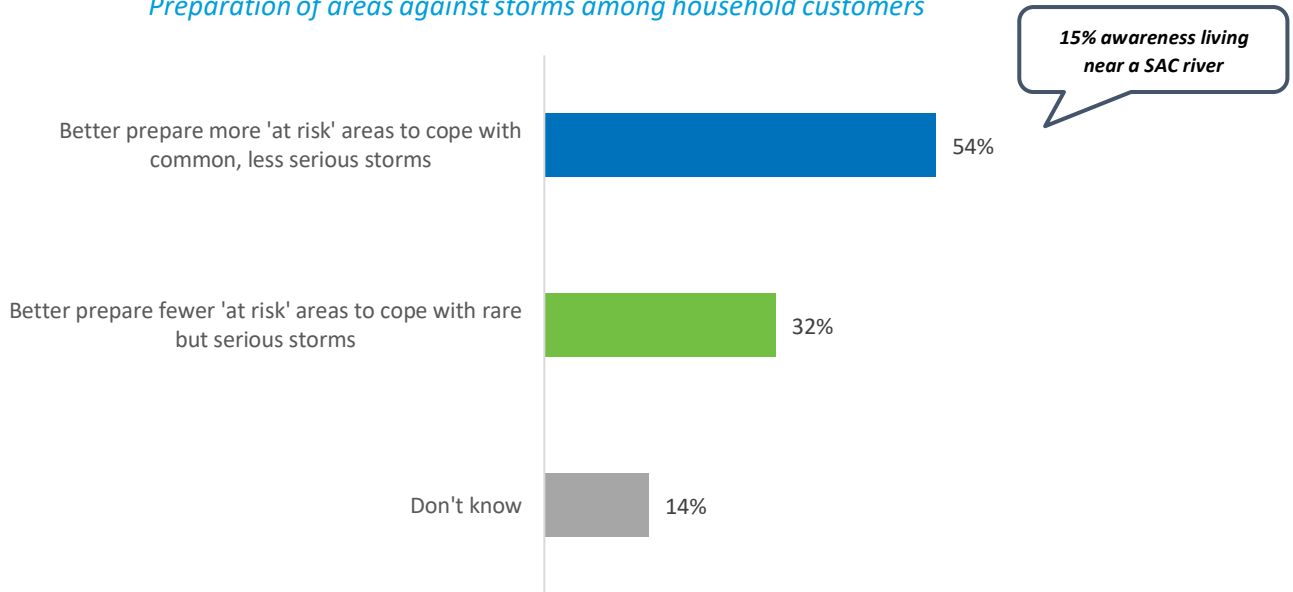


Figure 10 – Preferred preparation against storms among household customers

Of household customers (500), 273 recorded an income more than £30k and 217 recorded an income less than £30k

As shown in Figure 10, most customers favour an approach that benefits the largest number of people and communities, when considering storm risk.

Response:

We note a customer preference for making incremental improvements to better prepare more 'at risk' areas to cope with common, less serious storms.

Preferred approach' among household customers

We think that the DCWW 'preferred approach' of incremental improvement, with an element of targeted small zones, is a sensible hybrid.

- Strong consensus that preferred incremental approach with targeted small zone approach where appropriate is a positive direction of travel;
- Benefit to wider number of communities more quickly, supplying value; and
- Acknowledges that there cannot be a universal approach and shows flexibility by applying small zone approach in some (assumed higher risk) areas.

The preferred approach feels like a proactive, long-term approach that addresses issues at source – meeting many of the core expectations and principles outlined in earlier research. By contrast, the standard approach feels reactive and more expensive in the long run.

Response:

We note that customers would like us to consider their preferred option of making incremental improvements, incorporating individual solutions for some ‘small zones’ where an incremental approach would not be sensible.

We acknowledge that customers prefer an approach which would benefit a wider number of communities more quickly, and that they see this as being more proactive and providing value.

Spill target among customers

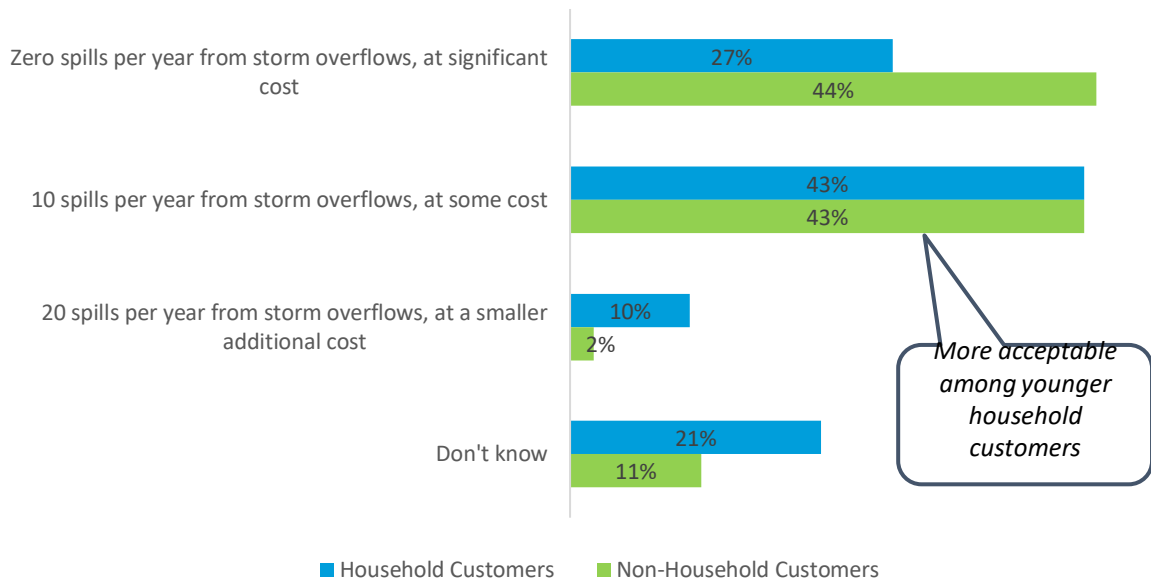


Figure 11 – Acceptable spills for customers

Of household customers (500), 166 were aged 18-34

In terms of possible spills from storm overflows, zero spills appear to be an appropriate end goal. However, as shown in Figure 11, many customers are willing to compromise due to cost implications. As shown in Figure 11, business customers are less willing to compromise than household customers in all types of weather.

Response:

We note that most household customers, and specifically younger customers, are willing to accept a level of 10 spills per year from storm overflows. This compromise is due to cost implications of reaching a zero-spill target.

Acceptable sewage escapes among household customers

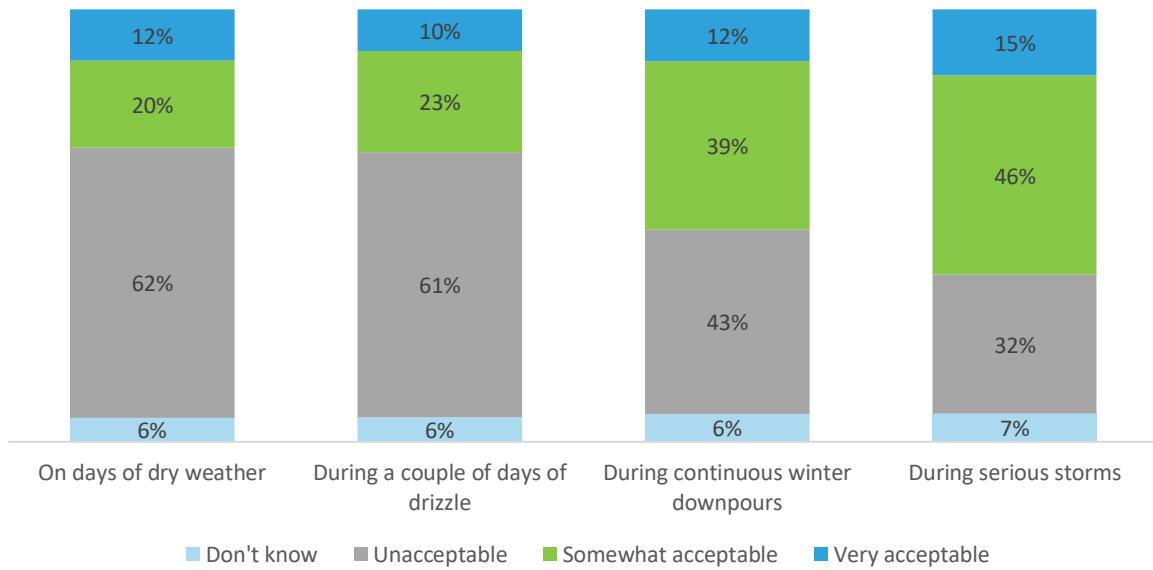


Figure 12 – Acceptable sewage escapes among household customers

of household customers (500), Welsh Water non-household customers (100), aged 55+ (132), aged 18-34 (166)

The chart presented in Figure 12, demonstrates the allowable sewage discharges in various weather conditions among household customers.

Response:

We note that business customers would prefer zero spills from storm overflows, despite the cost implications.

Acceptable sewage escapes among non-household customers

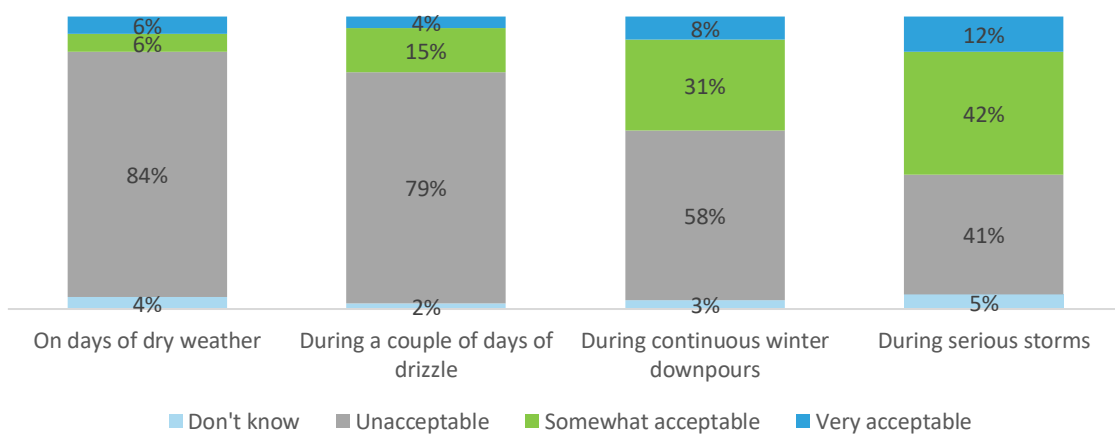


Figure 13 – Acceptable sewage escapes among non-household customers

Figure 13 illustrates the acceptable sewage spills during different weather conditions, among customers who are classified as non-household.

Among household customers, there is only room for compromise on spills affecting homes and businesses during continuous downpours, or serious storms. Business customers are less accepting of spills than household customers in all types of weather.

Response: We note that both household and non-household customers will compromise on spills during serious storms only. There is a smaller level of acceptance for spills during continuous downpours. There is very little tolerance of spills during days of drizzle and dry weather. This indicates customers are in favour of our approach to remove surface water from our sewers. We will continue to work with local authorities, Natural Resources Wales (NRW) and the Environment Agency (EA) to agree the ways in which they can provide support in this initiative.

Figure 14 shows that Informed customers want to reach zero spills within around 50 years on average.

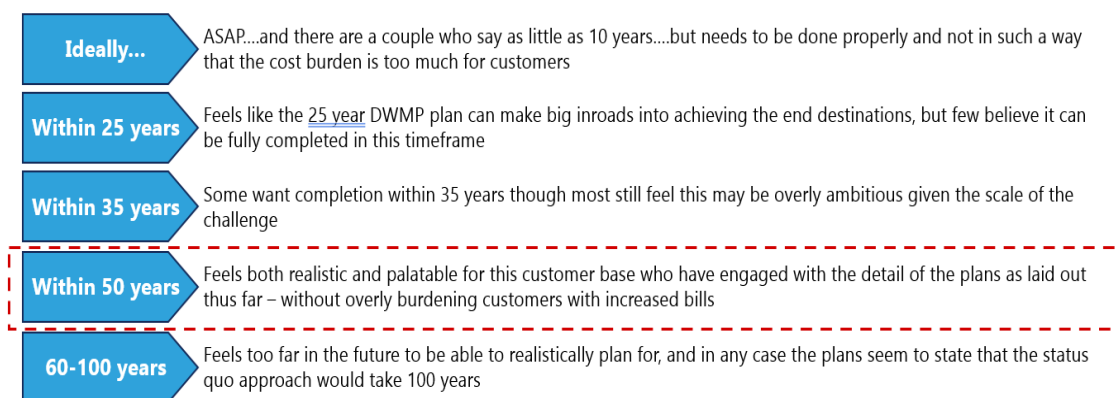


Figure 14 – Table showing customers views on Timeframe for planning

However, they also want to see evidence of improvements sooner than this. Informed customers accept bills will increase to keep the timescales acceptable but are cautious about advocating any sizeable increases during a cost-of-living crisis.

Response:

We acknowledge that informed customers would expect to see zero spills within an average of 50 years, and that improvements must be evidenced sooner than that. Consideration of affordability was one of the ‘willingness to support’ objectives from the outset and the ability for bills to remain stable has influenced the development of methodology to provide differing scenarios of affordability in our Plan. We will continue to work with stakeholders to make improvements for the longer term. Customers and their ability to fund investment will dictate the pace of change and we must ensure that everyone understands that we are currently being asked to change the level of service that has been supported in the past, to a new standard. We embrace the need for change but the pace of change is limited to affordability, which is why the DWMP is recommending an incremental improvement plan, with greater evidence on small improvements so that customers can decide where their money is spent and when to reach their aspiration.

6.5 Relative importance of areas for DWMP investment

A conjoint exercise was used due to the amount of information. This allowed information to be presented on multiple screens and ensured customers were not asked to take in too much complex information at once.

Customers were asked about eight areas of the DWMP, with each having three 'levels' as set out below.

Our eight areas were:

- *Increasing pipe sizes;*
- *Preventing water leaking into pipes;*
- *Preventing diluted sewage escaping into rivers and seas;*
- *Preventing sewage flooding;*
- *Educating customers about blockages;*
- *Managing rainwater;*
- *Re-directing rainwater; and*
- *Developing sustainable treatment works.*

The levels shown for each area reflected:

- *High investment – i.e., the most expensive / high effort (and often most time consuming) option;*
- *Medium investment in this area; and*
- *Low investment – i.e., the least expensive / least effort (and often least time consuming) option.*

From the responses collected, the importance of each area, and customer preference for each level by area, can be established.

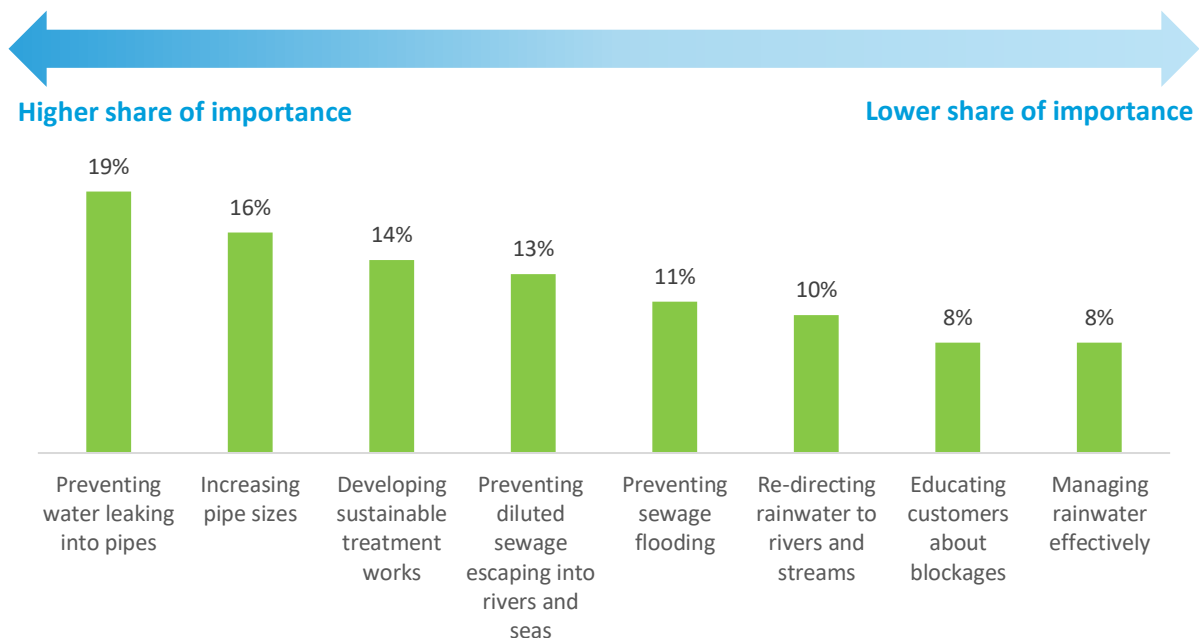


Figure 15 – Relative importance of each area for customers

Welsh Water household customers (509)

Figure 15 illustrates that of the eight areas covered, preventing water leaking into pipes was the most important, whereas managing rainwater and educating customers was the least important.

Across the (perceived) more important areas of the Plan, household customers favour higher levels of investment. A Plan that would contain mostly high investment options, along with a few medium / low options, would align with this preference.

All these areas are included in the company journey plan. These journey plans are always needed but the amount of progress in each can be increased or slowed adjusting to affordability.

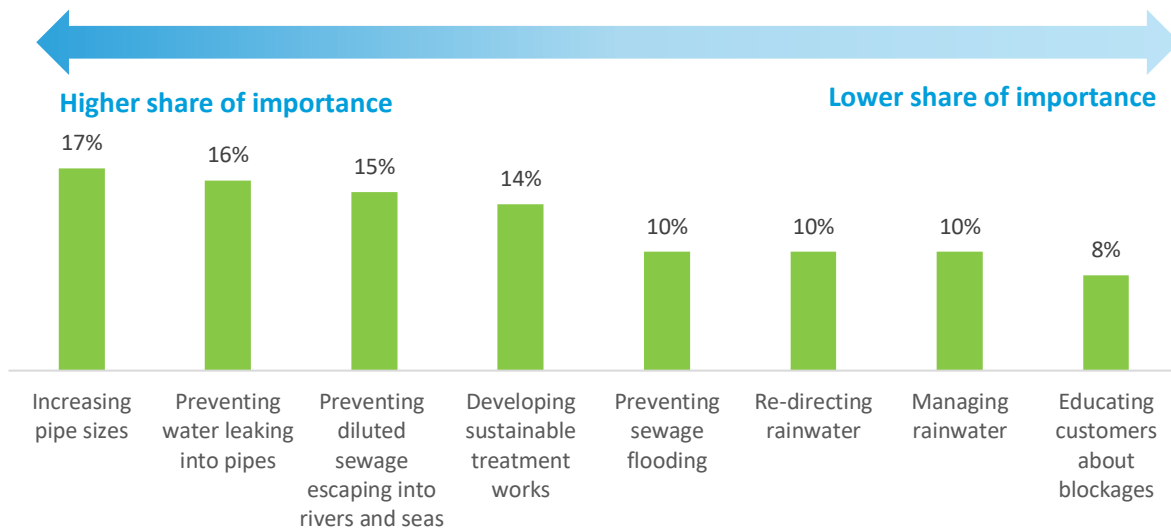


Figure 16 – Relative importance of each area for non-household customers

Welsh Water non-household customers (100)

Figure 16 demonstrates that for non-household customers, increasing pipe size is most important and educating customers is deemed least important.

Qualitative research found that treating the source of the problem was very important, as this reflects a long-term perspective. The ‘flood prevention’ focus was also a strong theme.

6.6 Future engagement with the DWMP

Amongst our informed customers, there has been a high level of willingness to engage further in the DWMP as the plans are further developed and implemented. The rationale from these informed customers for future involvement is focused on transparency and having a say in what directly affects them:

- To see how their money from bill increases is being spent;
- To understand how the programme has evolved over time;
- To hold DCWW to account via customer input and scrutiny;
- To feel involved throughout the process on something that affects where they live; and
- To understand any potential disruption to customers.

Even among less informed customers, annual updates to the DWMP are favoured, and many claim they will read at least key parts. However, those customers who do not or cannot connect digitally seem more removed from the DWMP and may find five yearly updates acceptable.

6.7 Importance of continued customer research

The introduction of willingness to support at the outset of this Plan allowed us to inform the overall direction of planning. We then followed up with research asking customers how they wanted to engage with us and whether they supported our policies and strategies. The level of desire to engage with the Plan and keep engaged was high. There was considerable support for the continued application of the strategies set out in the Plan. The customer driven direction supports the need for greater customer interaction in future cycles, with citizen science maybe playing a role rather than the formal research which was used this time. The willingness to pay approach during the management plan seems to be counter-intuitive when discussing aspirations and direction and more appropriate to business planning and price reviews. We recognise that there is still regulatory decision on where the DWMP should fit in the planning process but feedback from our customers indicates that it is important to keep the directional customer led approach regarding policies and strategies, as this approach ensures that customers achieve the level of service they want to pay for at the pace they can afford.

7 SEA (STRATEGIC ENVIRONMENTAL ASSESSMENT) AND HRA (HABITATS REGULATION ASSESSMENT)

7.1 Introduction

DWMPs are not currently a statutory requirement². As such, they do not necessarily fall within the scope of SEA regulations³ or the Habitats Regulations⁴. However, completing such assessments is recommended and is considered best practice. Reflecting this, and the specific performance requirements to complete a plan, we have undertaken SEA and HRA to inform the development of the DWMP. The findings of the SEA Environmental Report and the HRA were both issued for consultation and comment alongside the draft DWMP.

The Environmental Report produced as part of the SEA of the draft DWMP was carried out to assess the likely significant economic, social, and environmental effects of the draft DWMP. It also identified ways in which adverse effects can be avoided, minimised, or mitigated and how any positive effects can be enhanced.

A HRA was undertaken as there is a possibility that proposals in the draft DWMP could affect European sites designated for biodiversity (through scheme siting, land take and construction), which has enabled potential effects to be identified, avoided, or minimised in a manner consistent with the expectations of Natural Resources Wales (NRW). This has helped Welsh Water to show that the Plan delivers the best most sustainable outcomes for customers, stakeholders, and the environment.

The approaches to the assessment have been developed in consultation with the statutory bodies, to be compliant, proportionate, and appropriate to the range of effects identified, described, and evaluated.

Both the SEA and HRA have been updated to include comments from the consultation and a post adoption statement has been prepared.

There is still one comment to address, which is to bring back the excluded solutions into this plan. We are going to reconsider our approach to how we handle schemes that could have a negative impact. These schemes will be brought back into the process for DWMP29 and lessons learnt from their exclusion. We have done this because we already know that the programme from AMP9 to AMP12 will be revisited and broken into smaller milestones, and we hope that this re-evaluation will address more of the negative reflected assessments.

7.2 Summary of SEA and HRA consultation

In summary, a review of the responses received to the consultation indicates that the use of SEA and HRA to identify potential effects of the DWMP proposals is welcomed and there is support for the approach taken. Consultees have acknowledged the SEA and HRA findings, and highlighted the need for further consideration of the assessment results when decisions are made regarding the selection of options for proposed development. This is particularly important regarding measures to address any adverse effects and opportunities to enhance beneficial effects or assets.

² However, Welsh Water also has a performance requirement to undertake a DWMP from Welsh Government and NRW.

³ Statutory Instrument 2004 No.1633 - The Environmental Assessment of Plans and Programmes Regulations 2004 (if effects more than one country in the UK) or Statutory Instrument 2004 No.1656 - The Environmental Assessment of Plans and Programmes (Wales) Regulations 2004 (if effects only in Wales)

⁴ Statutory Instrument 2017 No 1012 - The Conservation of Habitats and Species Regulations (2017)

A specific concern expressed by a stakeholder centred around the identification of negative outcomes for schemes in the draft DWMP, and how this may cause schemes which would have significant benefit to be excluded. Concerns were also raised around there being insufficient detail to clearly understand what has driven the identification of negative impacts. In response, it is noted that the role of SEA (and HRA) is to provide an evidence-based approach to identify and assess the likely significant environmental effects from plans and strategies prior to implementation.

It is important to recognise that SEA and HRA is a new approach to the DWMP. We have worked through the application of the methodologies in a logical and considered approach, whilst ensuring that any negative impact is controlled.

Despite the solutions deemed negative being excluded from Plan delivery, we will continue to apply the methodology and work through decisions made to develop the solution. Furthermore, we will investigate assumptions used in decisions to establish if we can address negatives within the methodology or assume that negative will again be considered during the next stage of solution development when more site information is available.

7.3 Analysis of Responses

7.3.1 Theme: Approach and Methodology

One respondent made one comment on the approach and methodology of the SEA and HRA.

The role of SEA (and HRA) is to provide an evidence-based approach to identifying the likely significant environmental effects from plans and strategies prior to implementation. SEA Regulation (schedule 2) requires that the assessment includes information on the "likely significant effects on the environment, including on issues such as: biodiversity; population; human health; fauna; flora; soil; water; air; climatic factors; material assets; cultural heritage, including architectural and archaeological heritage; landscape; and the inter-relationship between the issues referred to". The HRA regulation requires the identification of likely significant effects on European sites of proposals (alone or in combination).

Both SEA and HRA are Plan-level assessments are proportionate to the information and evidence available for each option at this stage. This is reflected in the commentary for the assessment of potential environmental effects for each option, including where appropriate, any uncertainty regarding the level of detail available.

Justification as to the basis of the assessment has been included within both reports. For example, as summarised in the non-technical summary within the SEA Environmental Report, and Chapter 8.1.3 of the Plan "Construction activity, unless, of significant scale and concentrated in specific localities, and occurring concurrently, is unlikely to lead to cumulative significant effects on receptors, as it is anticipated that the effects of the options can be managed through the application of the mitigation hierarchy and a range of construction mitigation practices. However, for some of the schemes, as they represent significant engineering works and capital investment, there will be individual and cumulatively significant positive and negative effects in terms of SEA Objectives 6 'Greenhouse Gas Emissions', 8 'Economic and Social Wellbeing' and 11 'Waste and resources'."

Identification of adverse environmental effects for options in the SEA (and HRA) does not necessarily mean that options in the DWMP will be excluded. However, it does allow for an informed and balanced view, and consideration in the planning stage of measures that could be implemented to minimise or prevent potential adverse effects and enhance the benefits of the scheme.

Action: The negatively assessed options have been reviewed to understand what drove some negative results in the assessment, and the conclusion has been included in the methodology. During the non statutory phase of the Plan development, we chose not to put forward negatively impacting solutions to the Price Review until we understood with more clarity whether our methodology had produced a negative outcome or whether the solution itself caused the negative outcome. This decision was made as a cautionary approach. We therefore halted their progression onto the final preferred list whilst additional information was being gathered and assessments carried out again. This is an iterative approach, we recognise that a decision had to be made in this cycle and some solutions may still have negative affects but we considered it wiser to investigate further and bring the solution in at the next cycle DWMP29. The process for over-riding public interest in favour of environmental interest is still valid within the wastewater application and will need to be applied as we introduce the assessment to the DWMP we will ensure that investigation takes place before moving on to over-riding public interest. Our approach to carry out environmental assessments ensures the decisions behind the solutions are transparent to enable customers and stakeholders to understand the reasoning and provide comment.

7.3.2 Theme: World Heritage Sites

One respondent made a comment on World Heritage Sites (WHS).

There are four WHS in Wales, only three were included in the environmental assessment.

Action: We will ensure that we have assessed the potential impacts on all four WHS. This has been captured in the recommendations chapter of the SoR.

7.3.3 Theme: Mitigation

One respondent commented on the importance of including mitigations as part of the SEA and HRA.

This comment has been noted. The SEA has identified a range of potential mitigation measures, including those related to cultural heritage. Further opportunities for potential enhancement to heritage assets and their settings will be taken into account as appropriate within the further development of the DWMP.

Action: There will be further opportunities through the planning process to work through possible adverse impacts on cultural heritage or landscape if a scheme is chosen to go forward for delivery.

7.3.4 Theme: Praise – SEA & HRA

Two respondents made two comments praising the provision and outcomes of the SEA and HRA.

We note the support for the SEA approach and acknowledge that this has informed the preferred solutions presented in the DWMP. We also note the need to consider the outputs with respect to implementation of the DWMP.

Action: We will continue to work with Welsh Government and develop the methodology going forward.

7.4 SEA HRA Conclusion

The SEA and HRA process is an important part of long-term planning. When applied, the process provides evidence for proposed solutions and establishes whether solutions could have a negative impact. Our added iterative approach ensures that, where there are negatives, these are reconsidered and, where possible, alterations to the solution are made to improve the overall negative scores.

After following the process, we recognise that there is support from our regulators and stakeholders to continue to carry out these assessments, and to make them an integral part of the process.

We also recognise that some solutions are still needed and may have to be taken forward with their known negatives. The SEA and HRA process accounts for this situation and allows for an additional environmental assessment at the design stage. This is known as assessing down the line of planning.

There is also a situation addressed in the regulation that allows the planning process to proceed with negative impacting solutions where there is an overriding public interest to do so, however this is the last resort, and all technically possible alternatives need to be considered before this situation is allowed to take place.

As the DWMP is new, we have tried to consider how to build in a loop at the draft Plan stage (or even earlier) so that any outcomes from the SEA and HRA are reviewed and, where possible, amendments can be made to the preferred solution so that delays can be shortened in the planning process. We will continue to work on this approach while we develop our next plan.

8 ANALYSIS OF REGULATORS' RECOMMENDATIONS

We have analysed all written responses from our regulators, and where responses could be categorised and summarised along with those from our stakeholders, we have addressed those regulator comments in section 5.

Where regulators have provided comments which assess the Plan against criteria that matches their direction, we have addressed those comments within themes in this section.

Our regulators comments have been quoted in this section without alteration.

8.1 Stakeholders and Engagement

OFWAT provided three comments and Natural Resources Wales provided two comments relating to stakeholders and engagement.

8.1.1 Natural Resources Wales

We welcome a focus on engaging other sectors in the development of drainage and sewerage infrastructure, examples such as Greener Grangetown and Llanelli Rainscapes have shown how a collaborative approach can deliver significant wider benefits to the environment and communities. Working more closely with other organisations will bring a more consistent and transparent approach to work around drainage and wastewater and help develop a common understanding of the challenges and opportunities in our catchments. We want to see you set stretching goals for leading the development of collaborative projects, including working local engagement with local authorities, land managers and community organisations, along with national and UK collaboration on research and innovation with the water industry, academia and public authorities. We encourage engagement with NRW leads on Area Statements and Opportunity Catchments to develop local proposals. We expect you to put forward ambitious proposals for partnership projects in PR24, including delivery of outcomes identified on the National Environment Programme (NEP).

Our response:

While working with our stakeholders, we will be developing further examples, such as Greener Grangetown and Llanelli. We are continuing to develop a common understanding of the challenges and opportunities in our catchments, as set out in our Engagement Milestones in Chapter 3 of the Plan.

We are working with the industry to develop best practices and engage with all stakeholders at a pace that they can accommodate. The PR24 plan sets out our approach to the 13 Programme Boards which link councils and NRW Area Statements together.

In addition, we are setting up Strategic Management Forums to review proposals jointly proposed by the Programme Boards. This approach may appear slow to produce outcomes but, in the long term, this formal setup will be more fruitful. This ensures each stakeholder can understand their role, responsibility, and commitment within the Programme Boards enabling them to contribute to solutions to benefit their communities.

We have many examples where we work collaboratively and deliver multi benefit solutions including the first credit nature based solution i.e. wetland, where our effluent is provided to a council owned wetland. There are many other examples of best practice within our own company. The DWMP however is demonstrating that the new approach needs to evolve into a consistent approach for Team Wales.

In the meantime, we continue to support ad-hoc opportunities and learn from their delivery while also delivering the two programmes of work SUDs for Schools and surface water removal on public land.

8.1.2 Natural Resources Wales

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Therefore with the limited information on what the actual plan means on the ground, it is difficult to really comment on how 'good' the plan is. Without seeing this detail, it will be difficult to measure you against this in the future.

Our response:

We recognise collaborative engagement will be crucial in supporting our objectives for this DWMP, and future iterations of the Plan. As part of the local engagement with NRW, we can explain the purpose of the DWMP and our local initiatives to assist in improving river water quality. These discussions are already taking place via our Operational and Asset Management teams.

We will continue to engage at a local level with NRW to ensure a collaborative approach to local investment and protection of the watercourse

8.1.3 Ofwat

We value ongoing dialogue with you to discuss this consultation response and the development of your final DWMP. We would be happy to meet with you in the coming weeks to discuss our feedback. To arrange this, and any further conversations between now and when final DWMPs are submitted, please contact us via dwmp@ofwat.gov.uk.

Our response:

We welcome the opportunity to meet with OFWAT to discuss their response to our consultation and the development of the DWMP.

8.1.4 Ofwat

The DWMP technical guidance¹⁴ and the DWMP Guiding Principles¹⁵ state that companies cannot develop plans which deliver their full potential without the input of other stakeholders. Some risks and solutions identified in the DWMP planning process, such as surface water removal or separation, rely heavily on joint working with local authorities and other risk management authorities (RMAs). You recognise the importance of greater partnership working in order to realise the full potential of your DWMP. However, you indicate that you have only progressed one out of 13 areas from the initial "informing stage" and into the "collaboration stage", and that you need to build relationships to gain trust before being able to collaborate. In your trial catchment (Anglesey) it is also noted that no agreement has been reached on what scheme should be promoted. We consider that you are at a very early stage in your attempt to develop joint-working opportunities. While opportunities for engagement and progressing co-created schemes may have been limited in 2020, we expected that the industry would adopt innovative ways to engage with partners so that some co-creation could

take place. We consider that there is insufficient evidence in your plan on the types of partnership schemes you have explored, how mature the development of those opportunities is, and what they will deliver by when. In your final DWMP you should provide further detail on the likelihood of your partnership schemes going ahead, including timelines for delivery and the split in funding contributions, and be clear on the rationale for not progressing such schemes, where applicable.

Our response:

Our assessment of collaborative working in a consistent approach across our operating area does suggest that there is scope to improve. However to put this in context our assessment is focused on the company strategy and not the sterling work that is being carried out spontaneously by operation or on an ad hoc nature depending on the opportunity that had arisen. We are only able to progress as fast as the stakeholders we are engaging with, and only with those stakeholders who respond to our requests to engage. Where stakeholders have responded, we have incorporated their feedback into the Strategic Direction statement. Our assessment highlights that to make planning truly collaborative there is still a considerable amount of behaviours and cultural change to occur along with financial support from government and customers to drive teams of integrated planning.

Wales does not have an established catchment-based approach, so the position from which we started has a direct relation to how far we can progress.

Our original 'top-down' approach did not meet the requirements of some stakeholders. In addition, our initial assessment did not overlap with the priorities of some stakeholders. As such, we have adapted our approach in line with this.

The business has brought in Sustainable Management of Natural Resources (SMNR) working and there are numerous joint working relationships being built. These trials are contained within our milestone approach to engagement. However, SMNR is not always managed by us we often attend other working groups managed and led by others.

We will continue to review and refresh our engagement strategy to encourage all stakeholders to continue to participate in the DWMP process and shape our future investment strategies. We will continue to promote and sustain collaborative working.

8.1.5 Ofwat

You should provide further detail in your final plan setting out the ways in which your engagement has influenced your plan and what measures you will take to improve your engagement going forward to make it more meaningful.

Our response:

Early discussions demonstrated the value of collaborative working, whilst also identifying the need to review longer-term partnership opportunities across the local authority area. The DWMP provided the enabler for those discussions and a structure for regional meetings was formed. These meetings discussed future pressures on our wastewater systems and local authority priorities and aspirations.

The work set a benchmark of how, in the absence of the English Catchment-Based Approach (CaBA), governance in Wales could be developed to underpin and facilitate the development of a longer-term integrated work programme with local authorities and other key stakeholders. It also considered how that approach could be best integrated with existing governance arrangements in place for flooding and the environment.

We will continue to review and refresh our engagement strategy to encourage all stakeholders to continue to participate in the DWMP process and shape our future investment strategies. We will continue to promote and sustain collaborative working.

8.2 Nature based solutions

OFWAT provided one comment and Natural Resources Wales provided three comments relating to nature based solutions

8.2.1 Natural Resources Wales

‘Q 11. If you were willing to help us reduce the amount of rainfall that enters our sewers, would you consider introducing any of the following three measures? (tick all that apply)’ – this should also reference green infrastructure and other nature based solutions.

Our response:

Question 11 asked customers what interventions they would like to see around their home or business. We will take this comment on board at the next consultation and ensure that we clearly define customer-related vs stakeholder-related questions.

We will re-design this question in future consultations to include both customer and stakeholder objectives.

8.2.2 Natural Resources Wales

‘Q 17. Do you agree that we should prioritise customers who experience the most frequent sewer flooding over highway sewer flooding?’, along with ‘Q 18. Do you agree that we should prioritise the most environmentally sensitive areas over bathing waters?’ These questions have merit, but it should also include an additional question that acknowledges resilience means tackling root cause and delivering preventative measures including nature-based solutions at source.

Our response:

We thank you for your support towards our approach to consider customer priority and environmental priority jointly. We will continue with this approach. We have interpreted your comment on preventative measures as being related to risks that have not yet happened, i.e predicted or future risks.

Our approach to preventative measures is undertaken at the options stage, where we cost up current and future risks. These are then prioritised at the programme appraisal stage. We will deliver a preventative scheme at this stage, rather than a reactive one, if it is cost beneficial.

We have amended the wording in our Plan to address how we have presented current risk vs predicted risk and how we incorporate these risks into one programme. See the Plan Chapter 11.3.1, Technical Summary, Chapter 12.2.7, and Non-Technical Summary, Chapter 3.5.

8.2.3 Natural Resources Wales

In the USK area summary, Figure 8 'Journey Plan' (Pg. 8) – the horizon plan to 2050 of the most beneficial measures to be taken in response to urban creep, pollution and climate change. However, none of which include any nature based solutions (a Natural Resource Policy priority) including green infrastructure and SUDs that will be significant measures benefiting nature and communities, enhancing socio-economic and environmental wellbeing resilient to future change including climate risk.

Our response:

We have assumed that surface water removal includes all interventions that would deliver that outcome. The detailed interventions that can be considered includes SUDs green infrastructure and nature based solutions. The high summarisation in the area summaries relates to strategic direction and ensuring that all stakeholders recognise policies and strategies for delivery. However, we recognise the request to be more specific and expand on the sustainability approaches.

We have incorporated into the overall journey plan the connection with river water quality which will then drive interventions also in the area of nature based solutions. See the Plan, Chapter 11.5, the Technical Summary, Chapter 12.5, and the Non-Technical Summary, Chapter 5.5.

We have updated the Plan, Technical Summary, and Non-technical Summary throughout to define terms including references to all green infrastructure and surface water removal techniques, and added additional commentary regarding nature-based solutions in the Plan Chapter 11.3.2.

8.2.4 Ofwat

We also note that there is insufficient cost-benefit evidence comparing grey and green solutions. It is unclear at this stage how you will prioritise nature-based solutions or whether grey options will dominate your plan. In your final plan you should provide clarity on how your nature-based ambition will be realised and, where applicable, why green options are not being pursued.

Our response:

We recognise the importance of providing more information on comparing the costs of different types of solutions, and delivery challenges.

We will seek to provide further information on costs and technical challenges as part of the final DWMP. See the Plan Chapter 7.3.1, Technical Summary, Chapter 9.3.1, and Non-Technical Summary, Chapter 6.

8.3 Network capacity

Natural Resources Wales provided two comments relating to network capacity.

8.3.1 Natural Resources Wales

'Q 16. Should we be investing in additional capacity in our sewers to provide time to react when something goes wrong?' – this additional capacity IS the prevention and the resilience (one of your core objectives and theme) to future change. This should not be a question of whether you should, but one of how you should, along with the what, where and when.

Our response:

We agree that the question regarding additional capacity in our sewers would produce an obvious response of 'yes' for some stakeholders. However, we had not previously asked the opinion of our customers and those stakeholders with less knowledge of the wastewater system. The purpose of this question was to ensure that all stakeholders and customers agreed on the position and direction of the Plan. However, we do understand that OFWAT would not like us to use this as a generic principle.

We will look to work closely with OFWAT to better understand their concerns before moving on to the next question of 'how' we should, along with the 'what, where and when'.

8.3.2 Natural Resources Wales

Tawe to Cadoxton / SE Valleys

In assessments for growth traditionally you have assessed treatment capacity at wastewater treatment works, it is not clear whether capacity of the network in totality is now being considered under the DWMPs – in the overview this is mentioned but this is not reflected in the catchment summaries.

Our response:

The supply demand balance is an assessment of overall capacity of the network versus the current consented capacity of treatment works. Current quality parameters are fundamental to the discharge consent.

The presentation of the supply demand balance is showing that, in dry weather, the components of a network added together are within the current discharge consent today and in future. In a dry weather scenario, CSO's do not have an allowance and the balance is showing that all effluent is contained and within the current discharge consent. In areas where this assessment shows a risk that the capacity of the network is greater than the capacity of the current discharge permit, an assessment into the route cause is required. The resulting solution could include an alteration to the discharge permit, and upgrading the treatment works and stretches of the network.

8.4 Solutions

OFWAT provided three comments and Natural Resources Wales provided one comment relating to solutions.

8.4.1 Natural Resources Wales

Pg. 13 'We need to choose if we should make more small interventions in a wider area, or fewer interventions with greater benefit in a smaller number of areas.' – as above, you should be identifying that decisions will be focused on taking preventative action, delivering sustainable solutions and tackling root cause pressures and drivers at source.

Our response:

We have developed solutions that tackle both current and preventative risks. The question is not asking how to develop solutions, but rather asking for direction and support in our approach to coverage (our risk map shows there are risks across our operating area). In addition to assessing the highest risks, we also plan to bring forward preventative planning for our operating area. The consultation response supports our recommendation.

8.4.2 Ofwat

As DWMPs look holistically at a range of risks and mitigations at catchment levels, we expect you to provide more evidence in respect of costs and benefits of solutions, particularly schemes that deliver multiple benefits. We consider that there is insufficient convincing evidence in your DWMP on costs and benefits of options to determine why alternative options were discounted. We welcome clarity in your final DWMP on how you have quantified the multiple environmental benefits of solutions. We also expect your final plan to present sufficient and convincing evidence in support of your best value approach.

Our response:

We can confirm our process includes both a top-down and bottom-up approach to options development, which compares the traditional grey schemes with more sustainable green schemes. However, the core assumption is that affordability and deliverability constraints will be addressed at the time of options creation.

With regards to demonstration of alternative options see the Plan Chapter 6.2, Technical Summary, Chapter 8.5, and Non-Technical Summary, Chapter 6. With regards to best value see the Plan Chapter 6.3, Technical Summary, Chapter 9.1, and Non-Technical Summary, Chapter 6 .

We will continue to develop and support a range of nature-based/green solutions in the Plan, and via the options development for solutions during the programme for DWMP29.

8.4.3 Ofwat

You have considered the main future pressures that may impact your wastewater services and have concentrated on three key planning themes (water quality, water quantity, and resilience and maintenance). However, your DWMP presents a preferred approach that does not clearly link solutions to how these will deliver against your planning objectives. We are unclear and concerned with your preferred approach proposed for small zones ('zone by zone approach') which 'calculates the risk in each zone and then produces solutions to achieve the whole zone environmental and customer destination within 1 plan cycle,' but then you allow that zone to deteriorate slowly (with storm overflow spills increasing), before further investment is carried out. We do not understand this rationale. We expect DWMPs to identify the right solutions now that are designed to address future risks and maintain or improve performance and to not plan to allow performance to decline. You should provide further clarity on this proposal to explain how this aligns with the DWMP technical guidance, Guiding Principles or other wastewater planning best practice, and how this will deliver best value to customers and the environment.

Our response:

We have taken on board your comment and have altered our approach to small zones. In planning terms, these zones will now develop solutions to a defined level of service which will be maintained, and will not be allowed to deteriorate.

We have updated the Plan to alter the approach to small zones. See the 'Our Plan' section of the Plan, Chapter 11, Technical Summary, Chapter 9, and Non-Technical Summary, Chapter 6.

8.4.4 Ofwat

You state that your DWMP has identified solutions that will achieve the best suite of options to meet the recommended 'customer destination and environmental destination' for a given area, but that it does not identify the specific solutions required to meet each performance commitment.

Our response:

At present, we have not calculated the impact on company level performance for identified catchments. We can confirm that, once delivered, the solutions will reduce performance at a company level, but the benefit will be felt at the catchment level.

We have calculated the volumetric benefit to manage the capacity of our systems as requested in the Environment Act 2021.

8.5 Plan approach

OFWAT provided two comments and Natural Resources Wales provided three comments relating to the approach of the Plan

8.5.1 Natural Resources Wales

Q. 19. In your opinion, which should we prioritise? Protecting a wide area against the impact of storms in an average year, or protecting a smaller number of areas against the impact of a less frequent, but more severe storm?' Answer: As above, we need to invest in longer term action using evidence and consistent established modelling (CCRA & UKCP18 High Emissions) and work together to enhance resilience to future change, rather basing decisions and actions on short term costs.

Our response:

This question has been asked to allow us to consider solutions to varying return periods. The evidence in DWMP24 has demonstrated that solutions to mitigate the 'now' situation along with the future situation, and incorporating climate change, is disproportionate to those solutions which consider only the 'now', which is generally delivered in a business plan.

This question has been included to highlight the need for transparent and consistent investment decisions that will drive change on the ground. The DWMP includes solutions highlighted in your comment, but these have been deemed as too costly to deliver in one step in the current cost of living crisis.

Our recommendation identifies the process of developing incremental solutions in catchments that will drive adaptive plans at a pace that customers can afford. The process will allow decisions to be communicated in a transparent way and will enable us to deliver more improvements across our operating area, as our customers and consultation have indicated.

We will continue to produce solutions as you have indicated, but we will also produce incremental steps to the end destination.

8.5.2 Natural Resources Wales

Q. 20 'Do you agree with our approach to prioritise the most beneficial and sustainable options unless the costs are excessive?' Answer: No. Consideration should also be given to the long term savings and wider benefits derived from options, and how effectively measures can be adapted to address future uncertainties.

Our response:

Most of this question has been addressed in Section 4.6 'Prioritisation'.

In our approach to optimisation we combine the cost of today's solutions to address today's solutions with solutions to address tomorrow's risks. We then calculate the benefit derived against differing delivery dates. The optimiser can conclude that a greater benefit is obtained by solving today and tomorrow's risks with an earlier delivery. The Optimiser can also provide a programme that states the least cost alternative or environmentally ranked programme. We combine this information together to obtain the preferred programme for an area. Our stakeholders voiced that they would prefer an environmentally beneficial ranking over a least cost ranking generally.

Our approach to adaptive planning is being considered along with new guidance from OFWAT 'Long Term Delivery Strategy'. The influence of this new guidance will influence our approach. See the Plan Chapter 10, and noted in Technical Summary Chapter 11, and Non-technical Summary, Chapter 8.2.3.

8.5.3 Natural Resources Wales

Pg. 14 'By choosing a lower resilience we can make an improvement in more areas.' – this is the financial case based on the scale needed, but the decision needs to be absolute resilience and making the case that this can only be achieved by working in collaboration together. Resilience by definition isn't scalable, the environment and people can only be resilient or not to future change – we shouldn't be basing decisions on how resilient we are due to short term cost, but instead consider the long-term benefits including economic savings by not having to tackle future risks and pressures reactively.

Our response:

In this question, we are focusing on how to create incremental and wide-spread improvements to flooding. We recognise that there is a cost implication to achieving resilience when considering storms of different return periods. Estimates to achieve the end destinations are in the region of billions of pounds and would increase customer bills. To ensure we create plans that still deliver improvements and meet Welsh Government's guidance regarding affordability, this question was created to gain support to present graded evidence to policymakers. The consultation response supports our recommendation.

8.5.4 Ofwat

We note that you have taken a similar supply-demand approach as the water resources management plan process whilst acknowledging that it is not directly compatible with a far more complex wastewater system. You appear to have focused on providing a consistent, high level of service across all areas, and have not tailored your plan to address the specific risks identified to an acceptable level. For example, it is not clear why you would recommend a long-term plan (beyond the 25-year planning horizon) to increase sewer capacity everywhere to six times dry weather flow (6 x DWF) if in some areas this level of investment is not needed while in other areas this may not be the right solution.

Our response:

In the area of supply and demand, we have been exploring the aspirations of customers and stakeholders to enable us to set a maximum standard that is to be maintained during an average year. The limit of 6xDWF has been put forward so we can ensure we do not over-develop solutions using a traditional grey approach where the need for containment driven by the CSO programme would require containment of a much greater value such as 12xDWF, which could lead to redundant assets in future once surface water removal from combined sewers is delivering greater benefits.

We still consider that, in the interim, a value of containment throughout the whole water treatment works catchment should be set as a standard. However, we will not deliver solutions to ensure that networks meet that standard unless the cost benefit supports it.

8.5.5 Ofwat

We would like to reiterate that we will not endorse any parts of your DWMP in advance of the PR24 process. Where we have previously set out expectations, for example in our pre-consultation / early engagement feedback to companies ('pre-consultation feedback'), but these have not yet been addressed, you should address our comments for your final DWMP. All our comments in this letter and our industry overview letter (to follow) regarding DWMPs 2022 are without prejudice to any subsequent decisions that we make during PR24 in connection with your business plan and Ofwat's ongoing enforcement cases and wider investigations into companies' operation of their wastewater treatment works.

Our response:

We acknowledge that you will not endorse our DWMP in advance of the PR24 process. Furthermore, we acknowledge that comments are without prejudice to any subsequent decision during PR24 in connection with the business plan, Ofwat's ongoing enforcement cases and wider investigations into companies' operation of wastewater treatment works.

In terms of our DWMP development and continuous improvement plan, we have accelerated the process to deliver more changes between the draft and the final plan. However, we appreciate that there will still be some areas where further development is required in DWMP29.

8.6 Affordability and best value

OFWAT provided seven comments relating to affordability and best value.

8.6.1 Ofwat

In the interests of demonstrating sound planning rationale and consideration of affordability for customers, you should provide clarity in your final DWMP on how these approaches will help to deliver a best value plan.

Our response:

Our current rationale has been to provide information at a policy level to enable customers and Government to understand the extent of change required to meet growing expectations. From a localised perspective, we have looked to produce multiple choice solutions incorporating time, cost, scope and benefits from reducing flooding and pollution, and wider benefits to people, nature and the environment.

We consider both the cheapest options and those that deliver the most benefits to society. If there are solutions that deliver both, the solution with the least cost and the biggest benefit is taken forward as the best value. If there is a significant difference between cost and benefit, then the least-cost alternative will be taken forward.

8.6.2 Ofwat

As part of our assessment, we have considered the level of ambition around prioritising improvements from base expenditure allowances and prioritising nature-based or partnership solutions. We also assessed whether companies have provided sufficient and convincing evidence that the right best value options for customers and the environment are put forward.

In determining options to manage current or future uncertainties, our pre-consultation feedback to companies recommended that evidence for their preferred best value solutions should be presented alongside alternative options, such as least cost. This was to demonstrate the incremental benefits and associated costs that a range of solutions could deliver and to understand the basis for pursuing certain solutions while rejecting others.

Our response:

The DWMP has generated new data on the likely impacts of blockages and asset failure across our entire wastewater network. We have assessed likely impacts of sea level rise on every wastewater asset, the consequence of all our pumping stations failing, the time to respond in the event of asset failure, and headroom for sediment and debris build-up. We have worked with our Asset Planning team on these projects, providing them with information for ongoing deterioration modelling projects and subsequent inclusion in PR24. Our Resilience team is assessing the risk of flooding from other sources. The final outputs from these projects will be integrated into DWMP29.

See the Plan Chapter 5.2.7, Technical Summary, Chapter 8.5.2, and Non-Technical Summary, Chapter 3.5.

8.6.3 Ofwat

You also state that your preferred plan is a best value plan, but we note that much of your cycle 1 approach is to be improved in subsequent planning cycles and so it is unclear how your plan can be truly best value. It is also unclear how your preferred plan options compare with other alternative options, such as a least cost plan, in order to demonstrate that they are best value. You should be clear in your final plan how your preferred best value plan has been determined, how it compares with alternatives, and how this has changed since dDWMP.

Our response:

You have commented that we recognise that the methodologies within the cycle 1 application will be improved at the next cycle. What we mean by that comment is that as an industry we will review the best practice applied by each company and learn from that application and improve our approach. However, this does not mean that we cannot produce a best value plan at this stage. Every company is in the same position.

An example of an alteration into cycle 2 would be the handover of feasible options to the price review which were then not taken forward because the investment required was greater than funds available highlighting affordability impacting the pace of change, no scheme being put forward. As such, we need to reconsider how we develop solutions into smaller incremental timeframes to gain improvements everywhere, at the pace our customers can afford making sure a smaller scheme goes forward. The overall solution created is still the best value at that location but too expensive to be delivered in a single AMP.

The preferred plan is to invest to maintain the service level we provide and to continue to meet our performance commitments, while also delivering a multi-AMP NEP. In terms of translating the strategic plan into a tactical detailed plan we have created solutions using the DWMP methodology to address risk obtained from the BRAVA assessment in the highest indicative areas. Each locations solutions were then assessed for their cost and benefit, environmental impact, and time horizon. Our approach ensured that there was always a hard engineering traditional solution for comparison. The most beneficial solution was derived from this assessment. In addition the same solutions were reassessed by developing a 2030 solution that included risk up to 2050, and we reassessed their benefit and again calculated the cost and benefit. Our optimisation process provided the choice between these alternatives. Affordability still limiting the final choice regarding the delivery programme in our business plan.

In our final Main plan we have included a comparison table of the least cost programme versus the best value plan to demonstrate the stages we undertook while developing this programme.

8.6.4 Ofwat

As part of our assessment, we have considered the maturity of companies' costs and benefits and how well they have been evidenced. We also considered whether affordability and bill impacts have been included for consultation, what the likely split is between base and enhancement expenditure, and whether opportunities for partnership funding have been fully explored. In line with the DWMP Guiding Principles, and the Welsh Government's strategic priorities and objectives statement for Ofwat,¹⁸ we expect your plan to be affordable and take account of customers' priorities. Costs should indicate the impact on affordability of bills. We note that you have presented your preferred approach in your Customer Summary document.

Our response:

We asked our stakeholders to tell us which approach they preferred and presented the test preference to customers. We then considered feedback and have confirmed which approach is supported by customers and stakeholders.

Customers supported a small rise now, as long as there is not a large and sudden increase. The proposals in the Plan were to endorse our incremental approach to planning (ie. By Level of Service improvements for 1:10, 1:20, 1:30). Customers and stakeholders generally supported us on this by nearly 2 to 1.

8.6.5 Ofwat

We are also unclear how your worst-risks and worst-served customers approaches have led to the identification of the right best value options compared with the options you would have identified if following the approach set out in the DWMP technical guidance. You should provide clarification and a more detailed comparison on this in your final plan.

Our response:

We have explored the delivery of a Level of Service Improvement Plan, which mirrors the approach taken by the Water Resources Management Plan. The prioritisation matrix reflects how to address the level of service, both within a catchment, and across the whole company. The DWMP's problem characterisation approach identifies the same locations based on demand and risk. However, our stakeholders and customer have not been receptive to the prioritisation matrix.

We have added an explanation in the Plan on the prioritisation matrix and will continue to review the categories within the matrix in our development forums. See the Plan, Chapters 1.16 and 2.5, the Technical Summary, Chapter 2.8, and the Non-technical Summary Chapter 5.2.

8.6.6 Ofwat

However, it is not clear from your DWMP what the potential future bill impacts could be for your region. We did not see sufficient and convincing evidence that transparently sets out the costs required to address customers' priorities and other necessary elements of your plan. We expect you to set out a range of scenarios and the likely impact on affordability and bills for customers and stakeholders so that they understand how you are considering their best interests when proposing your DWMP options. For your final plan you should consider explaining the range of costs and bill impacts associated with addressing customers' priorities for your overall preferred best value plan.

Our response:

The results of the consultation have given us direction as to which approach our customers and stakeholders would prefer when considering bill impacts. Our final DWMP will present how pace is impacted due to affordability, and how benefits are then altered due to that constraint. See the Plan Chapter 7.3, Technical Summary, Chapter 9.3.5, and Non-Technical Summary, Chapter 6.4.1.

8.6.7 Ofwat

We expected by this stage in the planning process that companies would have set out information on affordability and bill impacts so that we have a clearer understanding of how future risks would be addressed through base expenditure allowances and what would require enhancement funding. It was not clear in your plan what role you consider base maintenance activities will play in reducing risks or providing additional capacity in the network over the 25-year planning horizon. You should provide further evidence in your final plan that provides the rationale for enhancement expenditure requirements for PR24.

Our response:

We use our base allowance (the proportion of bill/investment allocated from our regulators assessment to maintain our system) to *maintain* levels of service to our customers and *maintain* existing risk control measures. As we become more efficient in completing these activities over time, the improvement is typically seen in the reduction of our costs to perform base activities ("do the same for less") rather than us deliberately growing the scope of what base activities should cover ("do more with the same"). As such, we do not foresee base maintenance activities playing any role in providing additional capacity in the network over the 25-year planning horizon. Additional capacity would be delivered via enhancement, not base allowance. How each element will be present in future planning documents is described below.

We have discussed with our stakeholders and customers the use of scenarios, e.g. Sewage plan, Drainage plan and Flood plan. We have also now included an additional scenario named Review of Consent plan. These 4 scenarios clearly separate work to maintain our operation with the current permits and with addition allowance to manage growth and creep, IE the Sewage plan, versus the other 3 scenarios which relate to work to manage future permitting, the national environment programme along with the recommended national drainage programme and National infrastructure programme to manage national flood defences. These separate scenarios clearly separate work into maintaining the current standards versus improving our standards to meet our new requirement. The plan has provided insight into the scale of investment required for both customer flooding and for

reduction of escapes to the environment. In terms of affordability and a policy for inclusion into a management plan that can be applied equally to every customer and equally to every community so driving an overall improvement to minimum level of service, the introduction of the 4 scenarios has been developed to ensure the company can deliver as many solutions as possible to meet the pace customers can afford. What this means is that the solutions that have been created need to be separated into the 4 scenarios rather than including all the solutions into a single suite of solutions. By breaking down the suite of solutions into separate interventions in an order of consequence the company will always then drive the sewage plan scheme first i.e., maintain service solution plus then addressing the enhancement driver along with it or at the next epoch.

8.7 Bathing waters

Natural Resources Wales provided two comments relating to bathing waters

8.7.1 Natural Resources Wales

In the Wales Update for Government, the further designation of inland recreational waters has been identified as a priority. Therefore, it would be useful for the inland bathing water project to have sight of any progression or plan of areas/sites that are being looked into – especially with the demand on water quality for river swimming and recreation. Rivers currently of interest are the Dee, Usk & Wye.

Our response:

We welcome the opportunity to look at the specific locations of any lengths of rivers that are being considered for designation in future. Once we have an agreed candidate location, we will include the additional step within our plans to achieve bathing water designation while on the journey to the end destination.

8.7.2 Natural Resources Wales

We continue to implement the Bathing Water Regulations in Wales. The minimum requirement is that bathing waters achieve sufficient status. The DWMP should consider future scenarios where the ambition that is 'greater' than this, given the scale of impact your discharges have on some bathing waters.

Our response:

We welcome the opportunity to work with NRW to improve the hierarchy of bathing waters in planning terms. Our ambition is to meet the minimum requirement consistently and reliably and then to make plans, along with other drivers, to achieve higher resilience in designated areas. When we have established the minimum standard, we will incrementally plan to move the designated areas from sufficient to good and then excellent. Cost and benefit will sit alongside other solutions in the same locality to achieve the end destination for both customers and the environment.

8.8 Private water supplies

Affonyd Cymru provided one comment relating to private water supplies

8.8.1 Afonydd Cymru

We do not believe Welsh Water has considered the proportion of properties on private water supplies as part of the modelling undertaken. This would significantly impact the proposed outputs at Area level.

Our response:

The Collection Network modelling undertaken for the DWMP includes Welsh Water foul and combined sewer assets to Type II level of detail and some, but not all, surface water sewers. The models include all return-to-sewer loadings represented as either a per capita consumption rate against a diurnal profile, trade flow profiles based on industry type, or return-to-sewer consents where available.

The return-to-sewer rate modelled is not dependant on the source of the water supply.

Where private soakaway drainage of storm flows is present, this is accounted for in the modelling through the verification of storm flows, supported by site investigations where appropriate. The runoff from area draining to soakaway is not included in the network model.

8.9 Risk

Natural Resources Wales provided four comments relating to risk.

8.9.1 Natural Resources Wales

Wye

The plan includes consideration of the required planning objectives. It does assess risks against suitable metrics such as DWF compliance and capability of accepting wet weather flows.

Our response:

Thank you for your acknowledgement. We have interpreted this to mean the material has been written in a clear way for the reader to understand.

8.9.2 Natural Resources Wales

Tawe to Cadoxton / SE Valleys

Relating to the conclusions in the catchment summary reports, it would be beneficial to find out what the Risk Based Catchment Screening was based on, what data or information goes into it and from what period of time.

Our response:

In accordance with the Water UK DWMP Guidance, the risk-based approach to catchment screening is "designed to focus effort where there is evidence of system vulnerability". The scoring details the number of catchments deemed as failing.

8.9.3 Natural Resources Wales

USK

Table 3 'Risk Mitigation Table' – all options state reduction and should therefore also include prevention

Our response:

Table 3 in each Area Summary shows the cost required to deliver a choice of policy. The information shows not only the current risk, but also the amount required to deliver a preventative policy, i.e. the volume between 2030 and 2050.

We have updated the terminology in Chapter 8 of the Plan, Chapter 10 of the Technical Summary and Chapter 7 of the Non Technical Summary to refer to 'preventative measures'.

8.9.4 Natural Resources Wales

USK

Pg. 8 'We have undertaken analysis to determine the likely costs to mitigate future predicted pollution and flooding'. 'Mitigation' is referenced throughout the document which, although is needed, only addresses measures that reduce risks and impacts. It would be good to see reference to the preventative measures to tackle future risk, along with the other 4 ways of working under the WFG Act.

Our response:

We have assessed solutions to tackle risks up to 2030 and determined solutions that will tackle future risks up to 2050. We have also assessed whether there would be an additional benefit if we delivered the preventative measure at the same time as delivering the solution to tackle the current risk.

Our approach shows when a preventative solution would be cost, environmentally and socially beneficial, rather than only delivering a solution to tackle the current risk. The Plan as a whole is complex and, where applicable, we have applied the principles and ways of working of the Wellbeing of Future Generations Act 2015, as noted in the Plan Chapter 2.7, Technical Summary Chapter 2.5, and the Non-Technical Summary Chapter 1.

8.10 Risk Based Catchment Screening

Natural Resources Wales Provided five comments related to Risk Based Catchment Screening which are collated together below.

USK

3.1 Risk Based Catchment Screening – that predicts future flooding, which model has been used? It would be good to see this align with the Climate Change Risk Assessment 2022 and also using the UKCP18 'High Emissions' Scenario so that prevention and resilience is embedded in decision making, planning and delivery.

Figure 3 'RBCS Results' – the risk based screening – this is not clear regarding CSOs, which, if included, would be more reflective of actual (increased) risk. Doing so ensures a more holistic approach is taken with regards to the preventative collaborative decision making and delivery needed to embed future resilience

TAWE TO CADOXTON / SE VALLEYS

The Risk Based Catchment Screening (RBCS) for South East Valleys and relevant catchments in the Tawe to Cadoxton River Basin Catchment Summary don't seem to account for the designated Bathing Waters in the Vale of Glamorgan in particular coastal discharges from storm overflows which won't be included in the Storm Overflow Assessment Framework which currently only covers inland or fresh water discharges.

In your risk assessments it is not clear that you are accounting for risks and impact from network CSOs as well as storm at treatment works.

The same applies for discharges into the Severn Estuary SAC – these haven't been accounted for from the River Basin Catchment Summaries.

Our response:

The DWMP commenced in 2019 and, as such, has been based on guidance applicable at the time analysis was carried out. The parameters used can be found in the Technical Report and its appendices, and in the Water UK DWMP Guidance.

We have interpreted these responses as a recommendation to alter the methodology to include an assessment specifically designed to assess storm overflows that discharge to designated bathing waters and to estuaries.

As you state Figure 3 does not clearly specify which heading relates to CSOs. The Risk Based Catchment Screening (RBCS) is part of a defined methodology within the DWMP Framework and the columns relate to the specific assessments it contains. The RBCS does not carry out the suggested assessment.

We will take this to the DWMP implementations group for discussion, however there is already discussion that the RBCS will be discontinued in the next cycle.

8.11 Options

Natural Resources Wales provided one comment relating to options.

8.11.1 Natural Resources Wales

Dee

The options highlighted seem limited, compared with United Utilities – mainly water separation. They all seem to be to do with quantity rather than quality.

Our response:

In our plan for cycle 1 we have used a high-level risk assessment in the supply demand section of the area summaries. This has been used to identify where there are discharge consent risks at wastewater treatment works. We have carried out this assessment under the assumption that quality risks to the environment will be covered within the National Environment programme (NEP).

We will be incorporating the NEP into the plan after it has been finalised.

8.12 Environmental Impact

Natural Resources Wales provided two comments relating to environmental impact.

8.12.1 Natural Resources Wales

USK

Likewise, the 'BRAVA' assessment references 'pollution due to storms' – does this include CSO's?

Our response:

The BRAVA assessment 'Pollution due to storms' includes CSOs, as noted in the Plan, Chapter 4.7.8, Technical Summary, Chapter 6.2.2, and Non-technical Summary, Chapter 6.5.

8.12.2 Natural Resources Wales

USK

Lack of entries against Discharges to sensitive waters could be due to lack of knowledge around impact due to a paucity of information concerning the quality of effluent coming from these discharges and subsequent environmental impact.

Our response:

In accordance with the Water UK DWMP Guidance, the risk-based approach to catchment screening is "designed to focus effort where there is evidence of system vulnerability". The scoring details the number of catchments deemed as failing.

8.13 Licence and legal obligations and Guiding Principles

OFWAT provided five comments and Natural Resources Wales provided two comments relating to our licence and legal obligations and Guiding Principles.

8.13.1 Natural Resources Wales

Groundwater

The emphasis of the plans, regarding groundwater, is to focus on reducing groundwater infiltration into the sewer network to reduce flows. NRW's priority, as an environmental regulator, is around how you manage your discharges of treated sewage effluent to ground.

Reference is made to use of groundwater for recharge, and to take surface water drainage out of the sewer network, in developing solutions. This is reasonable provided your discharges comply with existing legislative requirements. There should not be any storm overflow discharges to groundwater.

Our response:

Our approach is to support groundwater by allowing more natural routes to enable rainwater to support the water table. Our environmental destination, which is supported by our customers, is to achieve zero spills, including all discharges. In our approach, we will be working to remove environmental harm first. We recognise that any newly identified groundwater at risk will be included in the NEP.

8.13.2 Natural Resources Wales

USK

Page 7 4.0 Supply Demand - Supply-demand is an assessment of the capacity of our treatment works. It approximately assesses whether all the treatment works in a region can collectively cope with current and future flows in dry weather. There appears to be nowhere that covers quality impacts from continuous discharges and the action that is required to address.

Our response:

The supply demand balance is an assessment of overall capacity of the network versus the current consented capacity of treatment works. Current quality parameters are fundamental to the discharge consent.

The presentation of the supply demand balance is showing that, in dry weather, the components of a network added together are within the current discharge consent today and in future. In a dry weather scenario, CSO's do not have an allowance and the balance is showing that all effluent is contained and within the current discharge consent. In areas where this assessment shows a risk that the capacity of the network is greater than the capacity of the current discharge permit, an assessment into the route cause is required. The resulting solution could include an alteration to the discharge permit, and upgrading the treatment works and stretches of the network.

8.13.3 Ofwat

As part of our assessment, we have considered how well companies understand the root causes and risks associated with storm overflow spills, and how clearly they have set out plans to address the actions in the 'Capacity of network (DWMP) action plan.¹⁶ This also takes into account the Natural Resource Wales Better River Quality Taskforce.¹⁷

We expect all companies to make rapid progress in addressing storm overflow spills.

Companies must ensure that they are complying with their obligations under section 94 of the Water Industry Act 1991 as supplemented by the Urban Waste Water (England and Wales) Regulations 1994. Your plan has provided some indication of the ambition and cost to reduce storm overflow spills by 2050, such as the unconstrained plan involving 53 solutions and your constrained plan delivering 14 storm overflow solutions. However, although high-level costs for addressing storm overflows (and flooding) have been provided, your DWMP does not appear to use them as you consider the costs to be uncertain. Instead, you focus on addressing a large number of projects that appear to have minimal linkage to your overall planning objectives. In line with our expectations for English companies, we expect to see a detailed and robust timeline (showing milestones and prioritisation) and evidence on the costs for the storm overflow schemes in your final DWMP.

Our response:

The current approach for storm discharges is prioritisation based on "Harm" as directed by the Better River Quality Taskforce, and accounts for waterbody sensitivity. For investment in AMP8, the outcome of our SOAF stage 2 programme will be utilised and aligned to ecological harm.

We have developed our PR24 investment plan for storm discharges from a sample set of 200 complete SOAF stage 2 investigations. Following completion of the programme (600+ assessments) and findings of the AMP8 'INV' obligation, the NEP in AMP change control process will be utilised to amend commitments set for PR24 in agreement with NRW. The outcomes of our AMP8 "INV" obligation will be used to populate the PR29 NEP with the programme of improvements to 2050.

Our final DWMP has been updated to include details of our approach to storm overflow spill management and investment in the next AMP period. It will set out our compliance and alignment with the relevant legislation. See the Plan Chapter 9.2.2, the Technical Summary, Chapter 12.3.1 and the Non-technical Summary, Chapter 6.

8.13.4 Ofwat

While DWMPs themselves are still relatively new, understanding wastewater network risks and investment planning are not. This is core to you fulfilling your general duty to provide and maintain a sewerage system and relevant licence obligations. As such, you should be able to build on the data, models and suite of options that are available to you as a result of this previous planning activity.

Our response:

We recognise that, as a company, we need to provide and maintain a sewerage system and observe relevant licence obligations. We also know that to carry out that task we must ensure that we maintain and enhance our system in line with external pressures using a variety of planning methods. As part of the creation of our first DWMP, we have looked at both traditional and non-traditional approaches to planning to challenge the core understanding that is currently inherent in wastewater management. We have gone back to first principles to re-examine what we know and have also borrowed methodologies used within water resources management planning. This is not typical of wastewater planning, but it has brought about a simplified approach which mirrored more traditional management approaches, such as hydraulic modelling. This allowed us to make strategic decisions before embarking on in-depth detailed assessments.

The marrying of the traditional approach with the WRMP approach and simplified modelling approach, along with hydraulic modelling, is now allowing us to create a hierarchy of assessments to meet strategic planning and tactical planning in a cohesive, logical manner. This, along with a prioritisation approach, will move our company's minimum level of service to one that our customers want us to aspire to and maintain. See the Plan Chapter 1.16, Technical Summary, Chapter 2.8.2, and Non-technical Summary, Chapter 3.

8.13.5 Ofwat

Thank you for the opportunity to comment on your draft drainage and wastewater management plan (dDWMP) published for consultation in July 2022.

The purpose of your plan is to cover how you will manage and develop your drainage and sewerage system so you are able, and continue to be able, to meet your relevant obligations under the Water Industry Act 1991. Welsh Government also asks that Welsh companies demonstrate how they have developed their DWMPs in line with the behaviours set out in the Wellbeing of Future Generations Act 2015, and how they will contribute towards the wellbeing outcomes, and their obligations under the Environment (Wales) Act 2016.3 We expect you to challenge yourself to produce high-quality, long-term plans covering all the aspects necessary for your wastewater business to be effective in line with your legal obligations.

Our response:

We have included the stated legal requirements within our Plan. We have prepared a plan and embedded continuous improvements that will develop alongside the Government's direction of management planning. It will also integrate best practice drawn from the cycle 1 into the cycle 2 process. We have challenged ourselves through our significant level of ambition, but also in our

methods. In some cases, we have gone back to first principles to challenge our underlying assumptions and to ensure we have a robust understanding and confidence in our planning.

Dwr Cymru Welsh Water recognises the importance of ensuring that the DWMP reflects the principles and objectives of the Wellbeing of Future Generations Act 2015. We have looked to embed these principles within our long-term strategy for managing the future of drainage and wastewater systems, as noted in the Plan Chapter 2.7, The Technical Summary Chapter 2.5, and the Non-Technical Summary Chapter 1.2.

8.13.6 Ofwat

This first DWMP is a critical planning tool to inform PR24. We expect companies to demonstrate how they have utilised the last c.3 years of DWMP planning, and the guidance provided by the technical framework and Guiding Principles, to identify risks and propose a timeline of best value wastewater improvements that will support resilience and system improvements over a long-term (25-year) planning horizon.

Our response:

We achieved a considerable amount during the production of our first DWMP. We have used our three years to engage with customers and stakeholders, understanding their aspirations and directing plans towards their aspired destination.

As we have worked through the Plan, we have concluded that, due to affordability, we are not able to achieve their aspirations. We have had to communicate this to customers and stakeholders in an honest and transparent way, to maintain trust and gain their endorsement to deliver the strategy that we have presented.

Our Final DWMP takes on board customer and stakeholder comments via the consultation and the regulatory review and concludes the strategy to be incorporated into future iterations of Management Planning. It discusses how affordability, deliverability and financing dictate the pace of change.

Our PR24 plan reflects a widespread investment programme to take account of our national environmental commitments, and the investment required to maintain service provision. The transition between the first five years, to the ultimate destination, is limited by affordability and shows that the pace of change makes up approximately 12% of the AMP8 investment.

Once the final determination has been clarified, we will produce a final customer leaflet to reflect how the process has impacted the management plan.

8.13.7 Ofwat

We note your statement that you have not had time to incorporate all of the Guiding Principles in your dDWMP and that they will be extensively used in the development of your cycle 2 DWMP plan. We are concerned that your dDWMP does not meet the Guiding Principles, and that you are not proposing to address this for your cycle 1 final DWMP.

Our response:

We have incorporated the Guiding Principles within the final DWMP. See the Plan Chapter 2.2, Technical Summary Chapter 1.4.2, and Non-technical Summary Chapter 1.2.

8.14 Quality of the Plan

OFWAT provided three comments relating to the quality of the Plan

8.14.1 Ofwat

We strongly encourage you to take on board the comments that we make and that you work to improve your DWMP ahead of the final submission. We will continue to work closely with companies, governments and other regulators in England and Wales to maintain and improve the wastewater services through PR24 and beyond to future planning cycles.

Our response:

We will incorporate as many actions as possible within the timeframe and commit to working more closely with Government and regulators whilst producing our final Plan to ensure that any concerns will be reduced for future iterations.

We are already committed to working with DEFRA as part of the Cycle 1 review. We will continue to be a central figure in management planning development to support Wales as a separate country, with its own laws and regulators. Where regulations allow, we will ensure alignment with the English company approach.

8.14.2 Ofwat

Should we still have concerns that your final DWMP does not present the right investment decisions, or that the quality of plan and evidence presented is unsatisfactory, we reserve the right to treat such plans as not having sufficient and convincing evidence for your long-term delivery strategy or your PR24 investment cases. Companies should reflect our comments when finalising their DWMPs so that the plans support the evidence required for PR24 (noting the synergies in the work), rather than developing PR24 business case material separately in parallel.

Our response:

We have incorporated the OFWAT methodology relating to long term delivery strategies to ensure a link between our plans and aspirations, which are limited by affordability, deliverability and financial constraints. We recognise that there are differences in methodology between the DWMP framework and the long-term delivery strategy, but we have taken the decision to align our long term plan with a 25 year horizon to the methodology given by OFWAT in PR24: and beyond: Final guidance on long-term delivery strategies, April 2022.

8.14.3 Ofwat

This letter sets out our consultation response on your DWMP. Below we provide our comments on the quality and robustness of your plan, and reiterate our expectations for final DWMPs, including how these could provide the background evidence for your long-term wastewater delivery strategy and investment requirements for PR24. We have set out where we consider you need to make improvements between now and the final plans.

In assessing companies' DWMPs, we have considered our statutory duties and the UK and Welsh Governments' strategic priorities statements for Ofwat 4,5. We have also considered the (Water UK) Framework for the production of a DWMP,6 and the DWMP Guiding Principles, 7 which set out the priorities and expectations for DWMPs of the UK and Welsh Governments and the environmental and

economic regulators. We have also considered them in light of our expectations for strategic planning frameworks for PR24,8 and our final guidance on long term delivery strategies.

Our response:

We note the list of items that you have assessed us on and have undertaken a review of the same material. We have added additional written information in those areas of the Plan where we have included the direction indicated, to clearly state how we have addressed it. Where more work is required to achieve your direction, we have added a section to the Plan stating how we will respond to those areas within DWMP29.

The statutory duties and UK and Welsh Government's strategic priority statements for Ofwat are discussed in Chapter 2.3 of the Plan. The Water UK Framework for the production of a DWMP is discussed in Chapter 2.1 of the Plan. The DWMP Guiding Principles are discussed in Chapter 2.2 of the Plan. Ofwat's expectations for strategic planning frameworks for PR24 is discussed in Chapter 2.3 of the Plan. Ofwat's guidance on long-term delivery strategies is discussed in Chapter 2.3 and Chapter 10 of the Plan.

See the Plan Chapter 11, Technical Summary Chapter 13, and Non-technical Summary, Chapter 8.2.3 for details of how this direction will be incorporated into DWMP29.

8.15 Adaptive Planning

OFWAT provided one comment relating to adaptive planning.

8.15.1 Ofwat

We consider that your plan fails to demonstrate an adequate understanding of the aims of adaptive planning. We could not find evidence that adaptive planning was informing your decision-making processes or options selection. There is no clear detail provided on the triggers or decision points that lead to alternative pathways, and it is unclear how future uncertainties have been factored into your decision making. Adaptive planning should be used to consider options under a wide range of plausible future scenarios and to identify and justify low-regret investment. Where the need to invest is more uncertain, you should set out alternative pathways, with associated decision and trigger points. You should aim to demonstrate effective use of adaptive planning and provide clarity on how it has influenced your decision-making in your final DWMP.

Our response:

We have carried out the Methodology contained within "PR24 and beyond: Final guidance on long-term delivery strategies" to support the price review process for long term delivery strategy. We have applied this process rather than the DWMP Framework process to provide greater adhesion between planning processes. The DWMP Framework process is recommended to be applied onto the extended or complex Risk assessed areas which would only focus on a small number of areas during DWMP24.

We look forward to working with the industry to reflect this requirement in the best practice guides for DWMP29.

We have updated our Plan and inserted Chapter 10 on Adaptive planning, and noted in Technical Summary Chapter 11, and Non-technical Summary, Chapter 8.

8.15.2 Ofwat

You explain that you have been trialling a regional project board approach with the Isle of Anglesey County Council to aid collaboration, which you aim to roll out more widely in cycle 2, and that regional-level engagement was trialled in Clwyd. It is unclear how effective and influential your engagement has been in this first iteration of your DWMP, particularly as you accept the need to expand your engagement in the next cycle.

Our response:

We began working closely with Isle of Anglesey Council in May 2020. We looked to facilitate an integrated investigation into localised flooding issues and shared our wastewater hydraulic model for the Holyhead community with the local authority. The project acted as a catalyst for other ad-hoc discussions regarding flood risk reduction schemes in the communities of Valley and Dwyran. However, these were too far in the future for joint benefits to be achieved in AMP8 and funding to be obtained through the government short term funding window.

8.15.3 Ofwat

We asked companies to provide details of significant, material investment requirements, such as tackling storm overflows, in draft and final DWMPs and PR24 business plans. We note that in your area summaries, you have provided indicative costs to mitigate pollutions and flooding and have set out costs to meet a range of storm overflow spill scenarios. You have also identified some individual schemes that could be considered as significant in terms of scale and cost, such as surface water flooding and internal sewer flooding schemes.

Our response:

Thank you for your comments and recognising that we have identified some significant schemes, including surface water flooding and internal sewer flooding schemes.

8.16 SEA

Historic England provided one comment relating to the SEA.

8.16.1 Historic England

Where relevant, we would also expect schemes to include opportunities for enhancing the historic environment through improving people's understanding, access and enjoyment of heritage assets and their settings. This should take account of impacts (positive and negative) on designated and non-designated heritage assets in England.

Our response:

Our approach to the SEA identifies locations with heritage connections. Where sites have historical connections, these will be highlighted in the planning stage to ensure they are given additional consideration during the design stage.

We have taken account of historical sites in our methodology. We will review our approach to consider incorporating additional benefits to solutions to ensure we maintain access, build in a sympathetic fashion and work jointly with historic site owners to support understanding regarding decisions made.

8.17 Analysis of Recommendations

Our regulators made 57 distinct comments on a wide variety of topics as shown in the full list.

- *Stakeholder and engagement;*
- *Licence and Legal obligation and guiding principles;*
- *Network Capacity;*
- *Risk;*
- *Risk Based Catchment Screening;*
- *Options;*
- *Solutions and Nature Based solutions;*
- *Plan approach;*
- *Adaptive planning;*
- *Affordability and best value;*
- *Bathing Waters;*
- *Private water supplies;*
- *Environmental Impact and the SEA; and*
- *Quality of the plan.*

We have considered the comments recognising that some comments have already been addressed in the plan however were not contained in the written version of our plan. We have used this opportunity to supply the answers to these comments in the final Plan but have tried to not summarise the technical detail in the more focused non-technical summary and customer summary. We recognise that the pitch of the documents to answer our regulators is of a different level to that considered to meet stakeholders and customers.

We have received comments asking us to clarify how, why, where and what is included with the plans. We note that comments from regulators have been received from groups or departments that have not been party to the ongoing engagement with stakeholders. We recognise that there is a case to carry out separate engagement with regulators at forums and with department of their choice and that we will carry out this consultative approach on methodology ongoing during each topic.

There is a need to ensure that our plan delivers against Welsh legislation and the direction from Welsh Government. This may mean that trials from DWMP24 become Welsh DWMP methodology. We have tried to develop an approach that delivers against both the framework and the Welsh Government direction.

The integration between management planning and the price review in terms of how the plan informs and evidences pace and aspirations has been successful in terms of understanding the choices and ultimately the cost of deciding on a policy regarding improving escapes to the environmental or escape to customer property. The evidence showed that the pace of aspiration change from stakeholders was not affordable by water company customers alone. It is important that this policy and aspiration element of DWMP is not lost in future cycles.

The plan produced prefeasibility delivery level solutions to meet the 2030- and 2050-time horizons at the areas prioritised by the framework. The most affordable are being progressed as part of the price review.

The greatest difference that needs to be retained within the DWMP which has not been discussed by our regulators is that there are needs that are either already occurring or will occur within the next 5 years that we cannot afford a solution. This legacy of risks is termed as exceedances with the industry and there are allowable exceedances at a company level. However, when converted to delivery at a local level the exceedance approach is not palatable to customers. This was shown in the customer research responses that stated that the end destination for internal sewer flooding should be resolved as soon as practicable with CSO's having some secondary priority but still soon. But only agreeing this if both continue to improve over time. In planning to resolve each risk at a localised area customers did not want to half partly solved schemes, see Section 6. This has led to the level of service approach recommendation which has been very successfully utilised in WRMP.

8.18 Actions to be taken from our regulators' recommendations.

We look forward to continuing to work with our regulators to progress our partnership working in developing the Plan and encourage our regulators to attend our regular stakeholder forums.

The first recommendation relates to the clarification of the purpose of each of the many summaries written. We recommend that the main plan is re-titled The Regulator plan with the non-technical summary being the customer plan going forward. The Technical summary we recommend being technical appendices to the regulator plan and not a summary per se.

We also recommend that regulators would benefit from an earlier draft version prior to public consultation, and this needs to be considered in DWMP29 as an additional step. The differing comments which show up when comparing Section 5 and Section 8 of this document highlights that different responses are required to address comments from customers and stakeholders and from regulators. This outcome is likely because customers and stakeholders make comment on the Plan as written, whereas regulators make comments regarding the methodology process and adherence to direction and regulation.

We will continue to work with the industry to develop best practice but also work with Welsh Government to ensure that specific requirements, which were not an English company direction, such as the flood plan are also produced.

9 SUMMARY RECOMMENDATIONS

Recommendations from the consultation questionnaire responses:

From Q1 to Q5 'Knowledge of DWMP' - We recognise that as this plan is the first ever created by the country, we expected a low response. We will develop an annual update for customers which we can use on Twitter or Facebook to increase customers' awareness in the planning process and prepare them for the development of the community level forums which will be expected to be up and running from 2030 to 2035. As no respondents reported completing the e-learning course, we will investigate additional methods to promote our e-learning site, update it, and will continue to ensure it is accessible and easy to use. We will also continue to keep the DWMP website up to date with relevant information at all stages of the DWMP development as part of our engagement strategy.

From Q6 to Q10 'Communicating the Plan' – We will further develop the current suite of customer documents and use these at the end of each stage to keep our customers informed of the latest wastewater and drainage progress, with the most likely avenue to keep customers informed being via their bills, on posters in libraries and public notice boards, or via social media.

From Q11 to Q13 'Help customers take action' – We will support customers to make informed decisions regarding their own responsibility to manage wastewater and climate change. Using the channels mentioned above, we will provide information regarding SUDS for domestic properties and ways to reduce blockages. We will provide this information alongside the local roadshows currently carried out by our water colleagues.

From Q14 to Q15 'Managing Wastewater' – We will use the Investment Strategy again in DWMP29 so that we ensure we manage wastewater first and produce plans to ensure this is carried out consistently for all customers (this is the sewage plan meeting average year conditions). We will also produce a plan that manages the additional rainfall, up to a deluge. This is in addition to always meeting the sewage plan. This approach highlights the root cause being addressed.

From Q16 - We will include an approach in our DWMP29 to investigate beneficial options to improve our response times when something goes wrong, starting with 'responses to customers flooding during dry weather' and then 'rainfall considered similar to light drizzle'. This approach highlights the root cause being addressed.

From Q19 - Stakeholders would like us to consider our option to protect a wide area against the impact of storms in an average year, so we will continue to work with stakeholders to explore this approach in our DWMP29.

From Q20 - Stakeholders would like us to implement our approach to prioritise the most beneficial and sustainable options, unless costs are prohibitive, so we will continue to work with stakeholders to explore how to implement this approach transparently. We will look at approaches of other water companies and work with the industry to develop best practice in this area for the DWMP29.

From Q21 - Responses indicated that stakeholders would like us to continue to implement our approach to rank best value schemes by environmental benefit. We will continue to develop the environmental benefit approach with our regulators. We will look at other water and sewerage companies approaches and work with the industry to develop best practice in this area for the DWMP29.

From Q24 - We will continue to work closely with stakeholders to investigate areas for joint working for the benefit of local communities and explore the best means of supporting them to manage community projects. We will work with customers and stakeholders in target areas including local community groups, schools, businesses, and local authorities. We will start by working with community groups that are already in place to learn from their implementation.

From Q25 - Whilst all respondents agreed with setting up community boards in each river catchment area, one respondent commented that expectations may be raised in those areas where communities themselves are hosting the boards, and that they may be prioritised for future projects. We will work with stakeholders to identify opportunities throughout our catchment areas and explore the best means of involving and keeping communities informed while still providing a realistic expectation on delivery.

From Q27 - All respondents agreed with the approach. We will continue to work with customers and stakeholders to explore how to create affordable, incremental plans with agreed incremental milestones based on the DWMP24. We will provide more detailed examples using joint trials to provide real life examples to aid understanding.

From Q28 - Based on the response, stakeholders prefer us to implement our approach of gradually improving all areas slowly over time. We will continue to work with stakeholders to explore this option in DWMP 29.

Recommendations from the consultation responses (non questionnaire)

SEA/HRA:

It is important to recognise that SEA and HRA is a new approach to the DWMP. We have worked through the application of the methodologies in a logical and considered approach, whilst ensuring that any negative impact is controlled.

Despite the solutions deemed negative being excluded from Plan delivery, we will continue to apply the methodology and work through decisions made to develop the solution. Furthermore, we will investigate assumptions used in decisions to establish if we can address negatives within the methodology or assume that negative will again be considered during the next stage of solution development when more site information is available. Where we can, we will improve our methodology to reduce the number of negatives but also allow for those solutions with negatives so that they proceed and will be resolved on site i.e., down the line. We will continue to work with Welsh Government and develop the methodology going forward.

We will review our approach to the SEA and historical sites to consider incorporating additional benefits to solutions to ensure we maintain access, build in a sympathetic fashion and work jointly with historic site owners to support understanding regarding decisions made.

The DWMP, and subsequent cycles, will consider the use of appropriate assessment tools to ensure effects on heritage are avoided, reduced, minimised, mitigated and/or compensated. Such tools need to be proportionate to the level of information that is available, able to accommodate qualitative and quantitative judgement and uncertainty. They also need to anticipate future scheme specific assessments necessary to support planning consent, where required.

Similarly, we will consider the special landscape of the slate landscape of Northwest Wales WHS in our next Plan.

Collaboration/Engagement:

Engagement with stakeholders, customers and regulators will continue to be a key part of our engagement and consultation strategies throughout the life of the Plan and we will continue to review and refresh our engagement strategy to encourage all stakeholders to continue to participate in the DWMP process and shape our future investment strategies. We will continue to promote and sustain collaborative working and are working with the industry to develop best practices and engage with all stakeholders at a pace that they can accommodate.

We will continue to work with stakeholders on the topics where their expertise offers the best support and will continue to formalise our plans and gain support for Programme Boards and Community Projects. We are setting up Strategic Management Forums to review proposals jointly proposed by the Programme Boards.

We will be developing further examples of our work with stakeholders, so to create more location similar to Greener Grangetown and Llanelli.

We will continue to engage at a local level with NRW to ensure a collaborative approach to local investment and protection of the watercourse.

It is difficult to demonstrate the widespread engagement we carry out. We have numerous examples of good proactive engagement to offer up, but we are missing a uniform approach across our operating area. This will come with set out processes and methodologies. Engagement relies heavily on relationship building, which often means that some areas progress faster than others. We need to develop process along with the relationships, then transfer the learning across each of the areas to ensure all our customers gain the greatest benefit.

We will ensure that engagement with our regulators and stakeholders is carried out at each stage. The type of engagement we hold with regulators will be different and separate to that which we hold with our stakeholders, because the responses we have received to our consultation from regulators are more focused on regulation and government direction, therefore this engagement will require a different level of detail.

Affordability and best value:

We have worked with our Asset Planning team on projects based on likely impacts of blockages and asset failure, providing them with information for ongoing deterioration modelling projects and subsequent inclusion in PR24. Our Resilience team is assessing the risk of flooding from other sources. The final outputs from these projects will be integrated into DWMP29.

Bills are currently being driven up by the cost-of-living crisis, which in essence means we need to increase bills. Customers are already struggling and we have been asked to be reasonable when considering future investment requirements. We need to ensure that the NEP is delivered in AMP8, which includes at least 12% investment in CSO's. Our annual review of progress and the next Plan will now be able to produce scenarios to the end destinations that reflect investment at both slower and faster paces and conclude the estimated arrival time at the destination from investment decisions.

Priority:

We will continue to review the categories within the priority matrix in our development forums.

Nature-based solutions:

We will be producing more examples from the catchments already prioritised to demonstrate how our solutions solve the root cause, meet the affordability challenge and ensure the schemes are deliverable and promote green solutions where there is time available to deliver them.

We will re-design our questions in future consultations to include both customer and stakeholder objectives for nature-based solutions.

Risk:

We will discuss the risk-based catchment screening methodology with the UK DWMP implementations group, however there is already discussion that the RBCS will be discontinued in the next cycle.

We will look to expand the scope of risks we address in future cycles.

Environment Impact:

The DWMP can support the development of reduced sewer overflow spills to our rivers. Once the Wales Better River Quality Taskforce has issued guidance on the definition of ecological harm, we will include a revision in the next plan. We will then make a commitment on reducing sewer overflow spills. We will work with the Wales Better River Quality Taskforce to develop our approach.

A Biodiversity Action Plan is being developed by DCWW's Ecology & Biodiversity Advisor and will be integrated into the DWMP once it has been published.

Legislation and National Policies:

We will work with DEFRA as part of the Cycle 1 review. We will continue to be a central figure in management planning development to support Wales as a separate country, with its own laws and regulators. Where regulations allow, we will ensure alignment with the English company approach.

We will continue open dialogue to get partnership opportunities with those who can directly fund water companies.

Once the final determination has been clarified, we will produce a final customer leaflet to reflect how the process has impacted the management plan.

With regards to integration, we will work with our regulators through a lessons learnt process to integrate methodologies covering price reviews, management planning, the NEP, and in Wales, the CSO roadmap, with our recommendation to use scenario planning i.e. sewage plan, drainage plan, review of consents plan, and the flood plan to address the root cause.

Solutions:

In addition to assessing the highest risks, we plan to bring forward preventative planning for our operating area.

We will continue to develop and support a range of nature-based/green solutions in the Plan, and via the options development for solutions during the programme for Cycle 2 of the DWMP.

We will alter our approach to small zones. In planning terms, these zones will now develop solutions to a defined level of service which will be maintained and will not be allowed to deteriorate.

With regards to surface water separation, we will continue to undertake customer research to understand customers' opinions on the types and pace of solutions, and we will work with communities to discuss opportunities.

We have looked at the benefit of taking infiltration out of the sewers and we will reflect on how this is presented in the DWMP29.

We will continue to develop opportunities in readiness for a partnership scheme to be delivered.

Growth:

We will continue to take a proactive role in both the Local Development Plan process and Development Management (Planning Applications) process to ensure our assets are protected from the impact of new development and growth, and utilise the information on future growth to inform our investment programme. We will also continue to take a proactive role in engaging with the relevant consenting processes and with the broader development industry to ensure that the principles of sustainable drainage are implemented at every opportunity.

We will undertake adaptive planning trials to assess the impact of more growth in future.

We will continue to develop interim targets that address issues such as customer expectation, environmental challenges and future economic and housing growth. We will discuss interim targets to reach the end destination as part of the strategic context stage of the Plan, building on our approach of prioritising sensitive areas and customer service.

Integrated Approach to Water Management:

We will look to investigate implementation of an integrated approach at the earliest possibility. Rainwater management is an area recommended in the consultation. The introduction of a National Drainage programme would support greater co-creation of integrated plans similarly to the NEP approach.

Network capacity:

We will look to work closely with OFWAT to better understand their concerns regarding network capacity before moving on to the next question of 'how' we should invest in additional capacity, along with the 'what, where and when'.

Plan approach and Adaptive Planning:

We will continue to produce long-term solutions, but we will also produce incremental steps to the end destination.

We have carried out the methodology contained within "PR24 and beyond: Final guidance on long-term delivery strategies" to support the price review process for long term delivery strategy. We have applied this process rather than the DWMP Framework process to provide greater adhesion between planning processes. The DWMP Framework process is recommended to be applied onto the extended or complex risk assessed areas, which would only focus on a small number of areas during DWMP24. We look forward to working with the industry to reflect this requirement in the best practice guides for DWMP29.

The reference option also allowed us to approximate how different future flooding targets might impact on levels of investment required. It also allowed us to test acceptability of different future targets with our customers and stakeholders. This consultation process will be repeated during each DWMP cycle, to ensure that our long-term objectives continue to be appropriate, and that any legislative or policy changes are considered.

NEP:

We will be incorporating the NEP into the plan after it has been finalised. We also recommend that the NEP becomes the review of consent scenario as suggested, but not carried out in this DWMP24.

Bathing waters:

We welcome the opportunity to look at the specific locations of any lengths of rivers that are being considered for designation in future. Once we have an agreed candidate location, we will include the additional steps within our plans to achieve bathing water designation while on the journey to the end destination, and more specifically, into the review of consent plan scenario.

We welcome the opportunity to work with NRW to improve the hierarchy of bathing waters in planning terms. Our ambition is to meet the minimum requirement consistently and reliably and then to make plans, along with other drivers, to achieve higher resilience in designated areas.

Quality of the Plan, Terminology, Wording and Language:

We are continuing to develop the summaries and we will be adding additional detail as it becomes available to the L2 and L3 area summaries.

We will continually strive to improve how we name our planning boundaries. We will make a proposal and engage with stakeholders as part of the second cycle.

Note: Carbon and Net Carbon was not included in this consultation.

Key Message:

When shown the risk summary and risk map, customers really realised the extent of the work we have to carry out. We not only have to address years of under-investment, driven by standards that considered appropriate exceedances, but we are now also managing a sudden step change in expectations regarding CSO's. This will require a reversal of engineering principles and will need to be implemented as fast as possible.

Pace of change is linked to customers' bills and what they can afford. We are a not-for-profit organisation so all monies are reinvested into the service we provide.

10 NEXT STEPS

The plan has been revised based on comments from the analysed consultation responses and conclusions made from the customer research. We have, where possible, altered our methodology and applied those alterations within the final plan.

Where we need to reflect on requests, develop our approach based on direction from consultation responses, or cannot address the comment in time to publish this final plan, we have set out our commitment to carry out more work as part of future cycles within section 9.

We all acknowledge that this cycle of the DWMP has been trialling new approaches, methodologies and trying to conclude industry wide best practice at the same time. There have also been many differing opinions regarding what a DWMP is, and what it provides. As an industry, we recognise that management planning and its application to wastewater and drainage still requires many years of continued development between Government, our regulators, regional and local stakeholders, and customers.

It is our intention to continue to drive new methods of working and drive best practice by continued joint working at an industry level while remembering that, in Wales, we still need to continue to comply with different laws and regulations.

We will strive to ensure that, as Team Wales, we drive more efficient investment for our customers. Furthermore, we will ensure that investment plans start to deliver what is needed without monetary constraint, and then allow the price control process to manage the pace of change. We note that this pace of change is highly influenced by the investment capabilities of water companies, councils, and Government. As one of our customers stated at a customer research venue, *"I pay my taxes, council tax and water bills; be efficient with the money,"*.

We will continue to develop the engagement strategy and this has already started at the Wales Better River Quality Taskforce, which focuses on our rivers. We will then expand our engagement with our Strategic Management Forums, Programme Boards and Community Project Boards.

We have taken the knowledge provided by this consultation, and the work in developing our DWMP, and used it to prepare our Business Plan. The DWMP has confirmed that the programmes of work put forward are supported by our customers and stakeholders, and that the journey plans updated after this consultation now contain the focus of programmes that need to be delivered continually to drive the required change.

11 GLOSSARY

Term	Meaning
AMP	Asset Management Plan
BRAVA	Baseline Risk and Vulnerability Assessment
CaBA	English Catchment-Based Approach
CADW	Historic England Welsh Government Historic Environment Branch
CCRA	Climate Change Risk Assessment
CC Water	Consumer Council for Water
CSO	Combined Sewer Overflow
DCE	Dŵr Cymru Executive
DPG	Drainage Policy Group
DWF	Dry Weather Flow
dDWMP	Draft Drainage and Wastewater Management Plan
DWMP24	Drainage and Wastewater Management with the expected final publications in 2024
DWMP29	Drainage and Wastewater Management with the expected final publications in 2029
EA	Environmental Agency
ENGO	Environmental Non-Governmental Organisation
FCERM	Flood and Coastal Erosion Risk Management
HRA	Habitats Regulation Assessment
ICG	Independent Challenge Group
NEP	National Environment Programme
NRW	National Resources Wales
OFWAT	The Water Services Regulation Authority
PR24	Price Review 2024
QEC	Welsh Water's Quality and Environment Committee
RBCS	Risk Based Catchment Screening
RMA	Risk Management Authorities
SAC	Special Areas of Conservation
SEA	Strategic Environmental Assessment
SMNR	Sustainable Management of Natural Resources
WRMP	Water Resources Management Plan