



Dŵr Cymru  
Welsh Water

# Overview

## Final Assurance Plan 2019/20

March 2020

# Final Assurance Plan Overview – March 2020

## Who we are

Dŵr Cymru Welsh Water (DCWW) is the sixth largest of the eleven regulated water and wastewater companies in England and Wales. DCWW is unique among utility companies in the UK – we are owned by Glas Cymru Cyfyngedig, a ‘not-for-profit’ company, limited by guarantee. We provide an essential public service and, as custodians of the water industry in our area, we are responsible for protecting the environment and delivering a high quality and reliable service to our customers.

## Our aim

Our aim is to ‘Earn the Trust of our Customers’ every day, and we have a set of core values that will ensure that we do this today, and every day moving forward.

**WE'RE A NOT-FOR-PROFIT WATER COMPANY.**

**WE DON'T HAVE SHAREHOLDERS, WHICH MEANS THAT EVERY SINGLE PENNY GOES BACK INTO LOOKING AFTER YOUR WATER AND ENVIRONMENT.**

We keep over three million people healthy each day with safe, reliable water, and take away waste water to clean, before returning it safely to our beautiful rivers and seas.

We serve customers in most of Wales, Herefordshire and some communities along the English border.

THE AREA WE SERVE



**EXCELLENCE**  
in everything  
we do

**HONEST**  
with everyone

**OPEN**  
to new ideas

**PROUD**  
to put  
customers  
first

**TRUSTED**  
to do the  
right thing

**SAFE**  
at all times

# Final Assurance Plan Overview – March 2020

## Why we assure our data

It is important that we provide information to customers and stakeholders that is customer-led, accessible, clear, accurate, transparent and timely. Our ongoing objective therefore is to make available information that is easy to follow and navigate and which enables everyone to understand how we are performing. We also recognise that this helps build trust and confidence in the business.



## Our Final Assurance Plan

Our Final Assurance Plan sets out the actions we believe are necessary to address any of the risks and weaknesses we have identified. We have taken on board the consultation feedback received following the publication in November 2019 of our Statement of Risks, Strengths and Weaknesses and listened to stakeholder’s views on our Draft Assurance Plan by incorporating some new areas into this Final Assurance Plan.

## Our assurance framework

Our overall aim is to ensure that the data and information we publish is accurate and reliable. Underpinning this is an assurance framework which contains a number of features, notably a corporate culture and governance regime that facilitates the processing of high quality information to the level our customers and other stakeholders expect.



We operate a three lines of assurance model which ensures that there is clear separation of accountabilities between those responsible for delivery of a performance commitment or a regulatory/statutory obligation and those responsible for ensuring the integrity of that data. This delineation is mirrored in our governance arrangements. More information can be found on our webpage [Our Assurance Framework](#).

# Final Assurance Plan Overview – March 2020

## Ofwat categorisation

In the January 2019 Company Monitoring Framework (CMF) assessment, Ofwat concluded that we had demonstrated the consistently high standards for a “self-assurance” company and met the criteria to be promoted to the highest category of “self-assurance” and stated that:

Ofwat  
“In line with our expectations for a self-assurance company, Dŵr Cymru demonstrated behaviours that met our expectations by a clear margin in most assessment areas and exceeded our expectations, demonstrating leading edge behaviour in two areas, risk and compliance statement and assurance plan”



In August 2019, Ofwat published Information Notice 19/04 – Update on information quality and assurance, which set out how they expect companies’ to provide accurate and easily available information about their performance. It further explains that since the CMF was first introduced in 2015 to encourage companies to conduct high quality assurance of the information they produce, the standard of reporting has been raised and there are good examples of companies embedding assurance requirements within their business practices.

Ofwat will not be publishing any further CMF assessments, but will continue to scrutinise and challenge companies’ approaches to data quality and assurance of their performance reporting.

Ofwat  
“Companies need to continue to strive for best practice in their assurance arrangements, and we expect all companies to adopt as a minimum the requirements established by the ‘targeted’ category under the company monitoring framework”

# Final Assurance Plan Overview – March 2020

## What we are including in our 2019/20 Plan

The following pages show the areas we feel are the most important to our customers and stakeholders and we are therefore including them in our Plan.

We follow a risk based assurance approach which examines our end-to-end reporting processes to identify the risks, strengths and weaknesses associated with providing information that is of a high quality and which customers and stakeholders trust. It also examines the probability of these risks materialising and the potential impact that they may have. This ensures that we focus on the areas which would have the highest impact and allows us to take action to monitor and actively manage any relevant risks.

The approach we have followed is based on the methodology set out by Ofgem, which was developed to provide guidance on best practice for conducting and reporting risk assessment and data assurance activities in order to ensure complete, accurate and timely data is submitted.

### Annual Performance Report (APR)

The APR contains information that allows customers and stakeholders to review our performance and to make comparisons with other companies in the sector. It also provides specific information on the progress we have made on the delivery of customer outcomes and service levels and on our financial performance (including detailed revenue and cost information).

We are required to publish a single Annual Performance Report in a format prescribed by Ofwat.

### Performance Measures

In April 2015, we introduced our new Outcome Delivery Incentive Scheme. It provides a comprehensive suite of measures, both financial and non-financial, designed to challenge us to meet the expectations of customers in every respect and on every occasion, and to ensure that they are properly compensated where we fall short.

### Segmental Reporting

2015/16 was the start of a new price control period and we have separate price controls for wholesale (water and wastewater) and retail (household and non-household). With the introduction of greater competition, we want to ensure our customers and stakeholders can remain confident that costs are reflected properly in their charges and allocated correctly.

# Final Assurance Plan Overview – March 2020

## Website Publications

There is an ongoing development of our website and we will take every opportunity to ensure that it continues to be a reliable platform for our customers and stakeholders to obtain information on aspects of our business.



## Bioresources Market Information

To allow third parties to identify market opportunities and thus facilitate discussions companies are required to publish Bioresources Market Information as frequently as they deem necessary but this must be updated at least annually. The annual publication must be made by 31 July each year. Our assurance activities are aimed at publishing information that stakeholders can have trust and confidence in and is easy to navigate and understand.

## Charges Schemes

We are required to publish a number of charges schemes each year in compliance with Licence Condition D and Ofwat's Charges Schemes Rules. These documents set out the company's charges for services provided and the terms and conditions of those charges.

## Water Resource Management Plan (WRMP) and Market Information

Companies are legally required to prepare a WRMP which sets out how they intend to maintain the balance between water supply and demand. The Plan must take a long term view (at least 25 years) accounting for all potential factors that could affect the balance between available supply and customer demand for water, such as climate change.

Our WRMP shows that we are open and transparent when considering supplies of water to us from third parties and support the use of competitive processes. As part of the WRMP consultation process, we published a view of the need and availability of water resources across our supply area on our website.

We published our [Final WRMP19](#) in March 2019 and this is available on our website.

# Final Assurance Plan Overview – March 2020

## Statutory Financial Reporting

The preparation of statutory accounts is a legal requirement and we also publish interim financial statements. Within our group Annual Report and Accounts we communicate our strategy, governance and performance, set within the context of our strategic objectives. We also report on the outcome of our financial resilience assessment in our long-term viability statement.

Our Annual Report and Accounts are published on our website in July each year, and our Interim Statements in November.

## Natural Resources Wales – Compliance Tables

DCWW provide data to Natural Resources Wales (NRW) and the Environment Agency (EA) which is then used to complete the annual Compliance Tables.

The Compliance Tables contain information about the performance of our water and wastewater treatment works against their discharge permit. Each treatment works has a permit issued by NRW and EA which regulates the quality of wastewater the company is allowed to discharge into rivers and coastal waters. The Tables also contain details of any pollution incidents.

## Payment Policies, Practices and Performance

The Department for Business Energy and Industrial Strategy outlined in its October 2017 report that every year, thousands of businesses experience severe administrative and financial burdens, simply because they are not paid on time. Our financial systems and procedures are configured to ensure that we pay all approved invoices within our agreed payment terms.

We have signed up to the Prompt Payment Code.



# Final Assurance Plan Overview – March 2020

## Customer Engagement

We ensure that data and information that is used to inform any customer research is derived from a reliable and accurate source and also that it processed correctly. In the last 12 months there was significant activity as we prepared for the price review. We also undertake “business as usual” customer research, including surveys to establish customer trust levels and awareness of our “not for profit” status.

## Our Priority Services for Vulnerable Customers

We want to make sure that we always give the best service possible to all of our customers. If customers have a particular requirement due to their age, health, medical condition or extra communication requirements, we ask them to register for Priority Services so that we can help adapt our services to meet their needs. We have a ‘Priority Services’ booklet that explains what is available, how we can help and how to apply.



## CCWater Reporting

CCWater publish a range of reports on company performance, and to assist them, we and other companies supply them with performance data. We therefore ensure that the data we provide follows the same high level of assurance that we provide to all of our other regulators.



# Final Assurance Plan Overview – March 2020

## General Data Protection Regulation (GDPR)

Our business holds a huge amount of personal information about our customers and colleagues. The coming into force of the General Data Protection Regulation (GDPR) and Data Protection Act 2018 on 25 May 2018 meant that we had to make some changes to the way we handle personal information of our customers and colleagues, including changes to systems and controls.

## Financial Resilience

Glas Cymru has one of the strongest credit ratings in the water sector, reflecting the group's high level of credit worthiness. Any data provided to our investors is subject to our full assurance process.

## Corporate Resilience

Strengthening resilience so that our customers can depend on their water and sewerage services, both now and in the future, is a major feature of our Business Plan.

Corporate resilience can be summarised as:

*“The ability of an organisation’s governance, accountability and assurance processes to help avoid, cope with and recover from, disruption of all types; and to anticipate trends and variability in its business operations”.*



# Final Assurance Plan Overview – March 2020

## Board Leadership Transparency and Governance

Ofwat introduced the board leadership, transparency and governance principles and complementary principles for holding companies in 2014. Since the 2014 principles were introduced, Ofwat consider there have been some improvements in the governance arrangements of companies, but developments in the sector and wider economy have reinforced the important role of effective corporate governance and strong board leadership in driving high standards and securing the proper discharge of regulated water companies' functions.

Ofwat published revised principles in January 2019 and compliance with these is now a requirement of our Licence.

## Gender Pay Gap

The gender pay gap or gender wage gap is the average difference between the remuneration for men and women who are working. Women are generally paid less than men within the UK, although this could be attributable to a higher proportion of women choose occupations that offer less financial reward (e.g. administration).

Companies like DCWW who employ a large amount of people are required to publish their gender pay gap and gender bonus gap.

## Annual Report and Accounts

This is an annual report which allows stakeholders to assess our business model, strategy, operation of our business, including its governance, and our results and financial performance, set within the context of our strategic objectives. Our Annual Report and Accounts is published on our website in July each year, and our half-yearly Interim Report is published in November each year.

## Methodology Statements

As a business we pride ourselves on being able to provide timely and accurate information to all of our customers and stakeholders. This information is provided in many forms and can be complex to produce. We see it as vitally important that we can ensure business continuity if a colleague were to move on or leave the business. With that in mind, we have worked with data owners to produce detailed Methodology Statements for all of our Performance Measures, CCWater Reports and the individual lines reported within our APR.

# Final Assurance Plan Overview – March 2020

## Operator Self-Monitoring (OSM)

Following a lengthy investigation Ofwat recently concluded that a water company in England had deliberately misreported data to them about the performance of its Waste Water Treatment Works. Ofwat also concluded that the company had failed to have adequate systems of planning, governance and internal controls in place to be able to manage its wastewater treatment works and also failed to accurately report information about the performance of these works.

The public's trust in the water sector depends on companies behaving with integrity, honesty and transparency and nurturing a strong public service ethos throughout. Ofwat wrote to every company stating that no company could afford to be complacent in this area.

## Customer Satisfaction

Our aim is to give the best possible service to all of our customers. Ofwat have introduced new measures of experience for both Customers and Developers and have made changes to the surveys for Business Customer Satisfaction. In order to prepare for this change, we felt it important to include these areas within our Assurance Plan as we will be reporting these three customer satisfaction measures within our APR.

## Cyber Security

In common with other utility companies, DCWW is reliant upon a range of systems and technologies to support the efficient running of our administrative and operational functions. Our essential services are subject to the Network and Information Systems Regulations 2018 which are overseen by Welsh Government and the Drinking Water Inspectorate.

## Final Assurance Plan

For those customers and stakeholders that would like to see further detail of the [Final Assurance Plan](#), this is available on our website.

## Next Steps

We will publish a summary of the outcome of this assurance activity alongside our APR in July 2020. The outcome of our 2019/20 assurance activity will inform our next Statement of Risks, Strengths and Weaknesses and Draft Assurance Plan that will be published in the autumn. It is important that we continue to review what information our customers and other stakeholders want and need. We also need to continue with our proportionate and transparent approach to the data assurance activities we carry out to give confidence to our customers and stakeholders in the information we publish. To these ends we will continue with our commitment to ensure there is regular and effective engagement with our stakeholders.