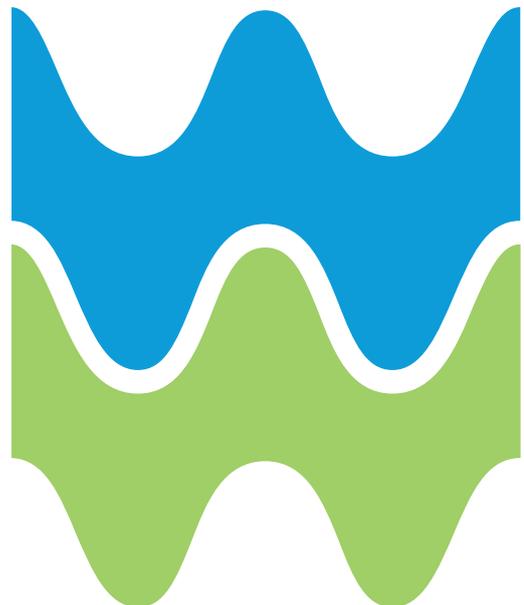




2020/21

Annual Performance Report

Part 3



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## 1. Introduction

Our vision is “to earn the trust of our customers every day”.

Welsh Water’s purpose is to provide high quality and better value drinking water and environmental services, so as to enhance the wellbeing of our customers and the communities we serve, both now and for generations to come.

The impact of Covid-19 over the last year has challenged us in a way that has never before been experienced by the water industry, and we have taken measures to ensure the safety of our customers and colleagues throughout the pandemic. We continue to adapt and evolve, whilst always having the best interest of our customers and colleagues at heart. Our spirit of community and commitment to do the right thing for our customers has never been stronger.

That being said, the pandemic has had a detrimental effect on us being able to achieve a number of our Performance Commitments such as community education, visitors to recreational facilities, bad debt, employee training and energy self-sufficiency, where appropriate, we have included details of the affected measures within this section of our Annual Performance Report.

Throughout the year, we monitor our performance against a wide range of indicators, including 56 performance commitments as contained within Ofwat’s 2019 Final Determination.

In this part of the Annual Performance Report, we set out how we have performed against our performance commitments (PCs), of which 15 are common measures across all companies and the remainder are bespoke measures for Welsh Water. The 56 PCs comprise:

- 25 financial (i.e., the PCs have either rewards/penalties applying in the year depending on our performance to meet the Ofwat FD target for the year or the end of the AMP);
- 25 reputational (i.e., no reward/penalty is applicable, but we strive to meet the target set for the year); and
- 6 expenditure delivery (i.e., there are penalties both for late delivery during the AMP and non-delivery at the end of the AMP).

In terms of presentation, we have used colour coding to group these PCs together by reference to the eight Customer-led Success Initiatives. These are:

- Safe clean water for all;
- Safeguard our environment for future generations;
- Fair bills for everyone;
- Put things right if they go wrong;
- Resilience;
- Personal service that’s right for you;
- Create a better future for all communities; and
- Colleague promises.

A summary of overall performance for all PCs is contained within section 2.1.

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Performance against each individual PC is set out in section 2.2. Where we can, we have included details of historical performance and how our performance compares with other companies in the sector. We have included brief commentary on our performance. Some of the individual PCs have associated rewards or penalties for over or under performance. Where this is the case, we provide an update and show on the appropriate graph actual performance against target and where this places us in terms of earning a reward or incurring a penalty.

In section 3, we have set out the assurance processes followed in preparing this document and, in particular, ensuring that the information we have provided is accurate and complete.

A statement provided by our Reporter, who audited aspects of this Annual Performance Report, is included in section 3.2.

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## 2. Performance Measures

For the AMP7 period (2020-2025) we are reporting against a suite of 56 performance commitments that we will report on.

### 2.1 Summary of Overall Performance

Table 1 below lists 15 of our performance commitments which are common across the industry, with the remaining 41 performance measures listed within Table 2 which are bespoke and not largely comparable across the industry. The tables summarise our performance on each of the 56 measures and compares against the 2020/21 Ofwat Final Determination target and we have also listed our internal Business Plan targets. To provide further transparency in relation to the Outcome Delivery Incentive (ODI) penalty and reward payments that are applicable on our 2020/21 performance we have included this within the summary table and also our forecast for ODI incentives to the end of this 5 year AMP period i.e. 2024/25.

Each of the performance commitments are colour coded to reflect which of the eight Outcomes they are most applicable to. Finally, reference is made to the page number where further detail on performance, industry comparison, measure definition and some high-level commentary on the current year's performance is included.

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Table 1 - Performance Commitment – Common Measures		*	2020/21 Outturn	2019/20 Outturn	2020/21 FD Target (Final Determination)	2020/21 Vs FD Target	Penalty or Reward 2020/21 (£m)	Total ODI Incentive (2020/21 to 2024/25) (£m)	PAGE
*C – Calendar year									
Wt1	Water Quality Compliance (CRI) (%)	c	4.17	3.97	0	X	-1.059	-2.474	9
Wt2	Water supply interruptions (mm:secs)		11:05	17:46	06:30	X	-2.796	-11.665	10
Wt4	Mains repairs		140.2	138.8	138.9	X	-0.133	-0.133	12
Wt5	Unplanned outage %		0.73	0.13	2.34	✓	0.000	0.000	13
En1	Treatment works compliance %	c	99.66	98.18	100	X	0.000	0.000	14
En3	Pollution incidents (per 10,000km of Sewer)	c	21.46	26.20	24.51	✓	0.543	0.025	15
En4	Leakage (% reduction) – 3 year average		2.2	N/A	1.8	✓	0.114	1.573	16
En5	Per capita consumption (% reduction) – 3 year average		-5.2	N/A	1.0	X	-1.310	-2.201	17
Ft1	Risk of severe restrictions in a drought %		4.5	4.5	4.5	✓	Reputational		19
Ft2	Risk of sewer flooding in a storm %		26.88	41.81	30.69	✓	Reputational		20
Rt1	Internal sewer flooding (per 10,000km sewer connections)		2.05	1.75	1.68	X	-1.581	-2.436	21
Rt3	Sewer collapses (per 1,000km sewer)		7.69	7.23	7.20	X	-0.069	-0.069	22
Sv1	C-MeX – Company Measure		85.15	82.47			2.018		23
Sv2	D-MeX		82.69	84.38			-0.353		24
Sv5	Priority services for customers in vulnerable circumstances								
•	• Reach %		5.5	4.0	4.3	✓	Reputational		25
•	• Actual contact %		27.1	57.6	17.5	✓	Reputational		25
•	• Attempted contact %		62.8	92.4	45.0	✓	Reputational		25

## Outcomes

Fair Bills for everyone

Put things right if they go wrong

Resilience

Safe Clean Water for all

Create a Better Future for all Communities

Safeguard our Environment for Future Generations

Colleague Promises

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Table 2 - Performance Commitment – Bespoke Measures			2020/21 Outturn	2019/20 Outturn	2020/21 FD Target (Final Determination)	2020/21 Vs FD Target	Penalty or Reward 2020/21 (£m)	Total ODI Incentive (2020/21 to 2024/25) (£m)	PAGE
*FD – Final Determination									
*C – Calendar year									
Wt3	Acceptability of drinking water (contacts per 1,000 population)	c	2.70	N/A	2.24	X	-1.107	-7.775	27
Wt6	Tap water quality event risk index (ERI)	c	3.903	25.881	10.000	✓		Reputational	28
Wt7	Water catchments improved		23	N/A	23	✓		Reputational	29
Wt8	Lead pipes replaced		1,097	N/A	1,400	X	0.000	0.000	30
En2	Wastewater treatment works 'look-up table' compliance %	c	100.00	99.83	100.00	✓		Reputational	31
En6	Km of river improved		5	N/A	0	✓	0.000	2.651	32
En7	Bioresources product quality %		96.1	N/A	95.0	✓	0.454	0.454	33
En8	Bioresources disposal compliance %	c	100.00	100.00	100.00	✓	0.000	0.000	34
En9	Combined sewer overflow storage systems		0	N/A	0	✓	0.000	0.000	35
Ft3	Energy self-sufficiency %		23	N/A	31	X		Reputational	36
Ft4	Surface water removed from sewers (m3)		38,473	N/A	141,900	X	-0.050	-0.050	37
Ft5	Asset resilience (reservoirs) %		92.7	N/A	92.2	✓		Reputational	38
Ft6	Asset resilience (water network+ above ground) %		87.4	N/A	84.0	✓		Reputational	39
Ft7	Asset resilience (water network+ below ground) %		68.9	N/A	68.0	✓		Reputational	40
Ft8	Asset resilience (wastewater network+ above ground) %		79.0	N/A	77.7	✓		Reputational	41
Ft9	Asset resilience (wastewater network+ below ground) %		11.4	N/A	28.3	X		Reputational	42
Ft10	Community education		5,834	N/A	70,000	X	-0.112	-0.112	43
Ft11	Visitors to recreational facilities		294,763	N/A	560,000	X	-0.530	-0.530	44
Rt2	External sewer flooding on customer property (per 10,000km sewer connections)		25.82	30.85	26.70	✓	0.660	-4.188	45
Rt4	Total complaints (per 10,000 connections)		122.1	N/A	86.5 / UQ	X	-0.054	-0.054	46
Rt5	Worst served customers for water service		1,852	N/A	2,148	✓		Reputational	47
Rt6	Worst served customers for wastewater service		547	N/A	374	X		Reputational	48

## Outcomes

Fair Bills for everyone

Put things right if they go wrong

Resilience

Safe Clean Water for all

Create a Better Future for all Communities

Safeguard our Environment for Future Generations

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Performance Commitment – Bespoke Measures Cont'd		2020/21 Outturn	2019/20 Outturn	2020/21 FD Target (Final Determination)	2020/21 Vs FD Target	Penalty or Reward 2020/21 (£m)	Total ODI Incentive (2020/21 to 2024/25) (£m)	PAGE
*FD – Final Determination *C – Calendar year								
Sv3	Customer trust	7.95	8.20	8.15	X	Reputational		50
Sv4	Business customer satisfaction	4.4	N/A	4.5	X	-0.125	-0.625	51
Sv6	Customers on welsh language register	6,472	N/A	13,000	X	Reputational		52
Bl1	Change in average household bill	-0.0%	N/A	<CPIH	✓	Reputational		53
Bl2	Vulnerable customers on social tariffs	127,238	N/A	133,000	X	Reputational		54
Bl3	Company level of bad dept %	4.2	3.0	2.3	X	Reputational		55
Bl4	Unbilled properties (Voids) %	4.03	N/A	3.90	X	-0.340	-0.340	56
Bl5	Financial resilience	High	High	High	✓	Reputational		57
Bl6	Delivery of our reservoirs enhancement programme	2	N/A	0	✓	0.000	0.000	58
Bl8	Delivery of our water network improvement programme	0	N/A	0	✓	0.000	0.000	59
Bl10	Delivery of our South Wales Grid water supply resilience scheme	0	N/A	0	✓	0.000	0.000	59
Co1	Reportable injuries	6	8	9	✓	Reputational		60
Co2	Employee training and expertise %	85.0	83.0	95.0	X	Reputational		61
Co3	Employee engagement %	N/A <sup>1</sup>	N/A	80	X	Reputational		62
DCP01	Direct procurement for customers: Cwm Taf Water supply strategy scheme (Underperformance)	0	N/A	TBA	✓	0.000	0.000	63
DCP02	Direct procurement for customers: Cwm Taf Water supply strategy scheme (Outperformance)	TBC	N/A	TBA	✓	0.000	1.360	63
VIS01	Delivery of a new visitor centre	N/A	N/A	N/A	✓	0.000	0.000	64
DWMPs	Drainage and wastewater management plans	0	N/A	0	✓	Reputational		64
NEP01	Delivery of Environment programme requirements	Met	N/A	Met	✓	Reputational		65
Total						-5.830		

## Outcomes

Fair Bills for everyone	Put things right if they go wrong	Resilience	Safe Clean Water for all
Create a Better Future for all Communities	Safeguard our Environment for Future Generations	Colleague Promises	Personal Service that's right for you

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<sup>1</sup> No survey carried out in 2020/21 due to the service provider informing us that they had exited the market and were unable to carry out the survey for us.

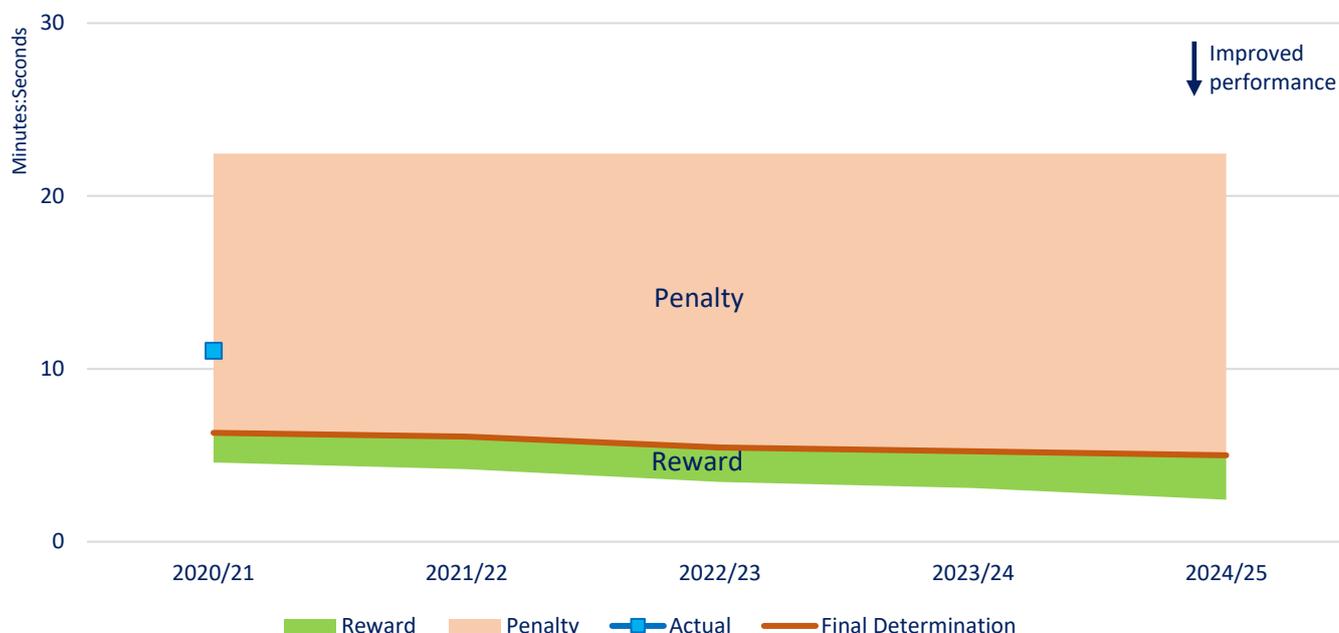


## Wt2 – Water supply interruptions

ODI Reward & Penalty

### Summary Performance

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Actual	17:46	11:05	n/a	n/a	n/a	n/a
Final Determination		6:30	6:08	5:45	5:23	5:00
ODI Reward/Penalty (£m)		£2.796				
Internal Business Plan		11:12	←—————→			8:00



### Industry Performance 2019/20



### Definition

The average number of minutes that customers are without water within our supply area (includes both planned and unplanned interruptions).

It is calculated as the average number of minutes lost per customer for the whole customer base for interruptions that lasted three hours or more.

### Commentary

The performance for the year out turned at 11 minutes and 5 seconds. This is above the Ofwat Final Determination target of 6 minutes and 30 seconds. However, this is below the Internal Business Plan target of 11 minutes and 12 seconds and is better than 2019/20 performance of 17 minutes and 46 seconds.

In 2019/20 shadow year reporting on this measure a 'Red/Amber/Green' assessment of compliance with the issued guidance was completed. For 2020/21 we are reporting an identical 'Red/Amber/Green' assessment with all components reported as Green with the exception of two Amber assessments as listed below:

## Annual Performance Report 2020/21

Supply Interruption Ref	Component	RAG Compliant 20/21 Data	Associated Impact Value	Confidence Grade	Comments
2c	Start Time - Flats	Amber	To be determined but believed to be of low materiality.	B3	As we get our data through ordnance survey, heights of individual flats aren't provided. As a result, any interruption identified relating to a single flat will mean all flats fed from the same supply will be assumed as being without water. Terrain 5 of Ordnance Survey was updated June 2019 and testing on another update was carried out later in 2020. Further project work will be carried out internally over the next 12 months using Light Detection and Ranging (LiDAR) data to ascertain suitable height data in order to further improve on this metric.
3c	Stop Time (Flats)	Amber	To be determined but believed to be of low materiality.	B3	As we get our data through ordnance survey heights of individual flats aren't provided. As a result, any interruption identified relating to a single flat will mean all flats fed from the same supply will be assumed as being without water. Terrain 5 of Ordnance Survey was updated June 2019 and testing on another update was carried out later in 2020. Further project work will be carried out internally over the next 12 months using LiDAR data to ascertain suitable height data in order to further improve on this metric.





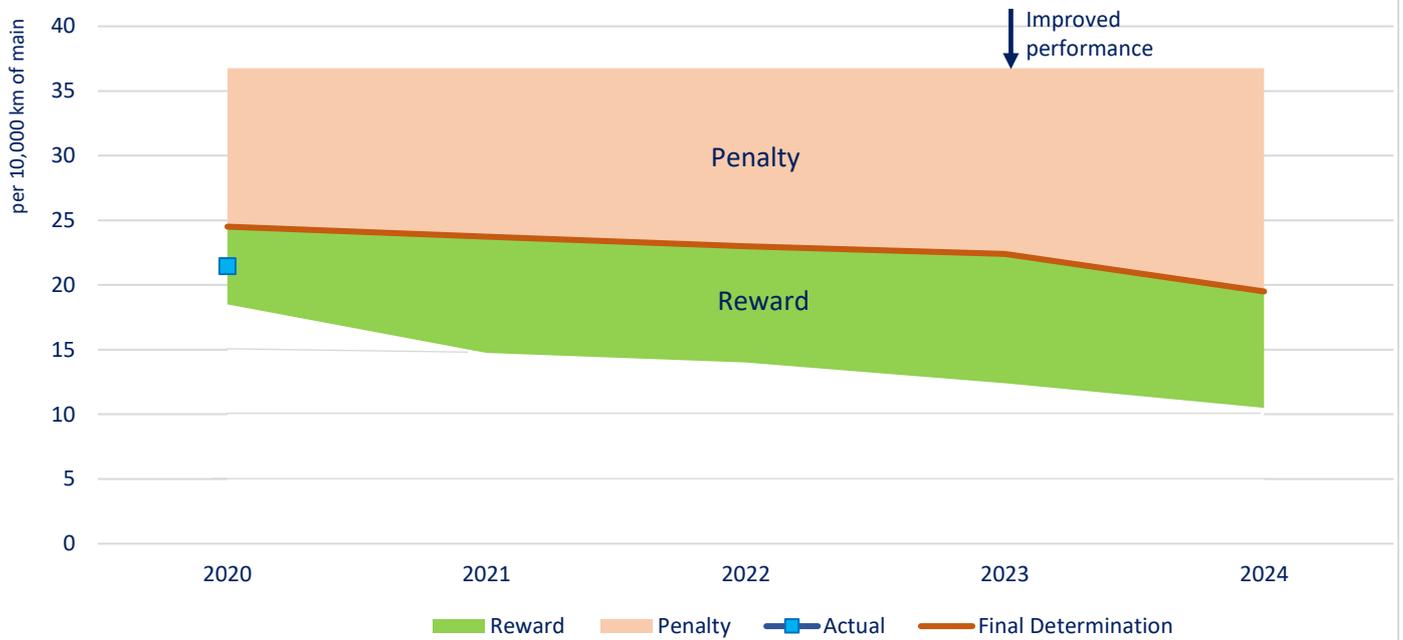


## En3 – Pollution incidents

ODI Reward & Penalty

### Summary Performance

	2019	2020	2021	2022	2023	2024
Actual	26.20	21.46	n/a	n/a	n/a	n/a
Final Determination		24.51	23.74	23.00	22.40	19.50
ODI Reward/Penalty (£m)		£0.543				
Internal Business Plan		25.64	←—————→			21.52



### Industry Performance 2019/20



### Definition

The total number of pollution incidents per 10,000 km of sewer length (caused by blockages or collapsed sewers). Pollution incidents are categorised as category 1, 2 or 3 incident and reported by Natural Resources Wales and the Environment Agency.

- Category 1 - are the most severe and have a major or serious impact on the environment, people or property.
- Category 2 - significant impact or effect on the environment, people or property.
- Category 3 - minor or minimal impact on the environment, people or property.

This measure is reported on a calendar year basis.

### Commentary

Our performance for the year is 21.46 compared to 26.20 for 2019. This equates to 77 pollution incidents (one of which was categorised as serious), compared to 94 incidents in 2019.

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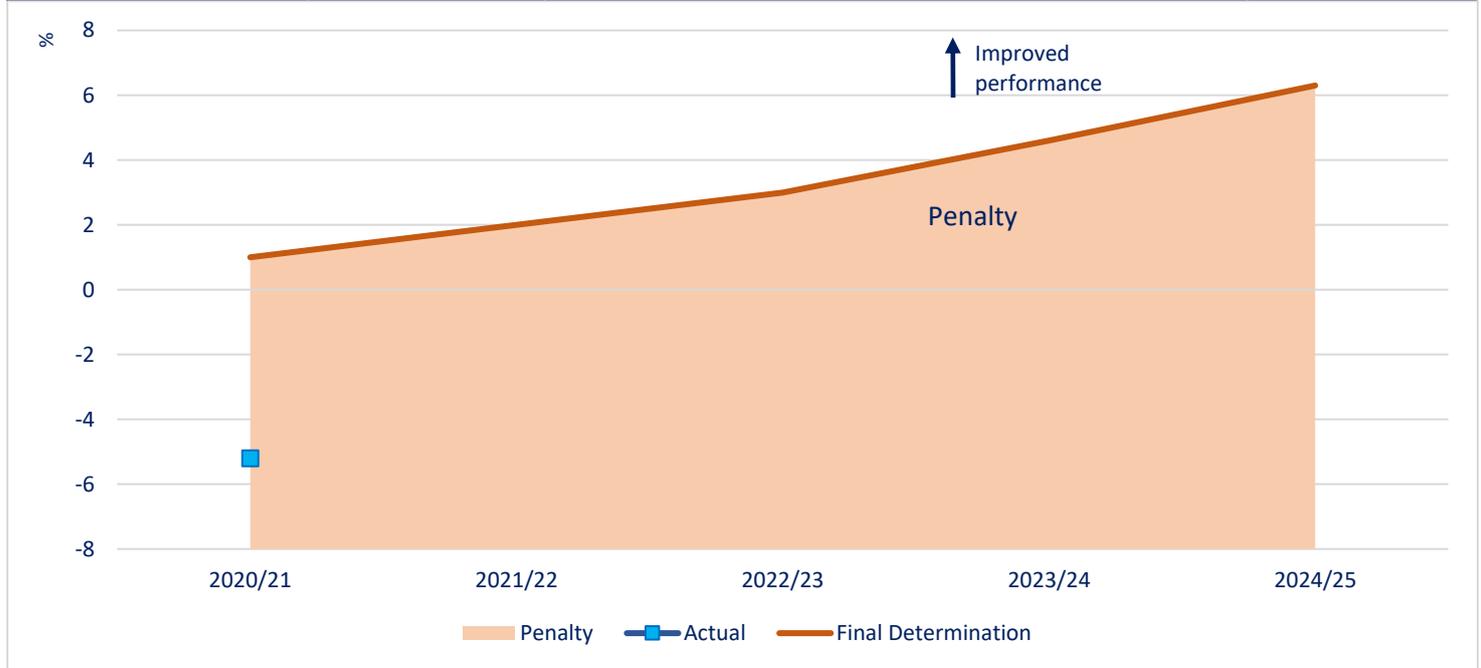


## En5 – Per capita consumption

ODI Penalty

### Summary Performance

	2020/21	2021/22	2022/23	2023/24	2024/25
Actual	-5.2	n/a	n/a	n/a	n/a
Final Determination	1.0	2.0	3.0	4.6	6.3
ODI Penalty (£m)	£1.310				
Internal Business Plan	1.0	←————→			5.0



### Industry Performance 2019/20



### Definition

Annual average per capita consumption (PCC) is defined as the sum of measured and unmeasured household consumption divided by the total household population. This measure is reported as a % reduction of our three year average PCC from the 2019/20 starting baseline.

### Commentary

Per Capita Consumption (PCC) has risen by 5.2% against the three-year baseline position, which is in excess of our Final Determination Performance Commitment of a 1% reduction. In-year performance is 176 litres per head per day. There was a clear impact on PCC following the imposition of lockdown measures in mid-March 2020 and the associated response to the pandemic. Overall, we experienced an 11.7% increase to PCC, of which an estimated 8.9% is directly attributable to Covid-19, although this may be updated as new information becomes available. An increase in daytime occupancy levels through a large increase in home working and schooling has meant that the consumption of water has shifted from non-household to household for many of our customers. We believe part of the increase was caused by the increased focus on hand washing and spending more time at home. This coupled with the driest April and May on record in Wales, conditions which resulted in additional outside and garden water use, significantly increasing PCC.

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## Commentary cont.

When reporting performance this year, the annual values have been updated for 2017/18, 2018/19 and 2019/20 to be compliant with the new definition. The table below shows the impact of implementing consistency from our forecast baseline performance in February 2021<sup>2</sup>.

PCC	Units	2017/18	2018/19	2019/20
PCC Annual Performance- February 2021 Forecast	l/p/d	151.0	157.3	159.7
Consistency Implementation	l/p/d	0.7	0.2	(3.2)
APR21 PCC Annual Performance	l/p/d	151.7	157.5	156.5

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<sup>2</sup> Query response to Ofwat in February 2021.



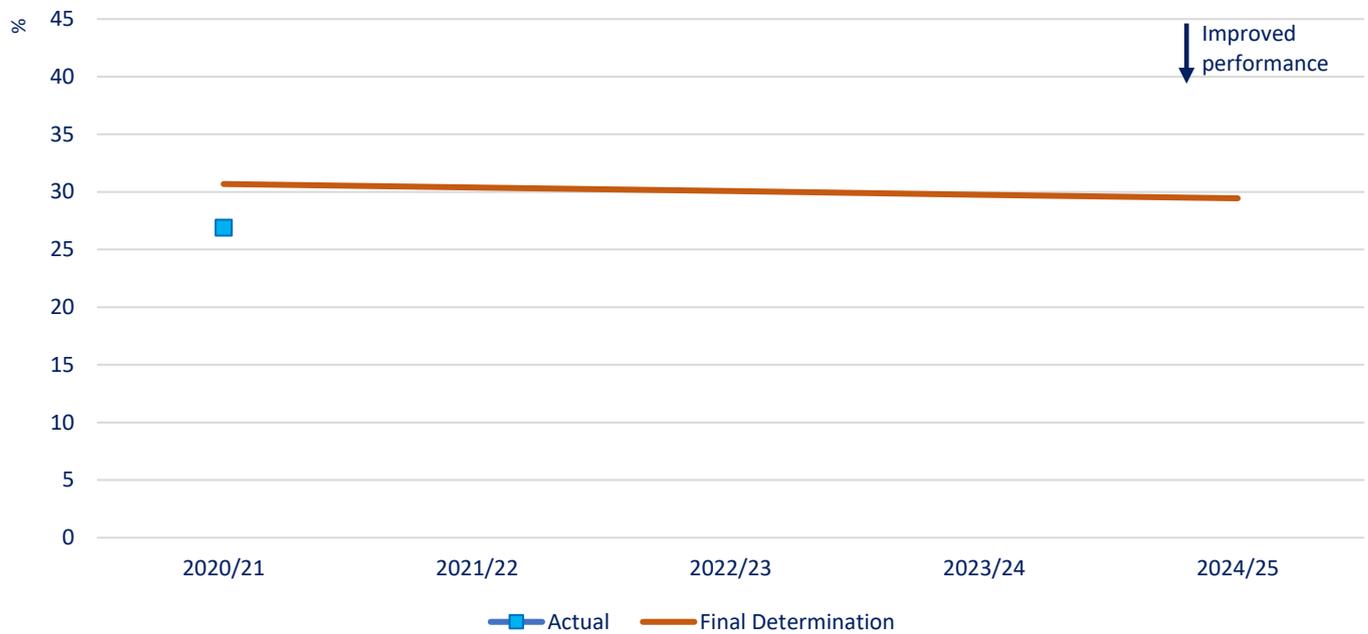
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## Ft2 – Risk of sewer flooding in a storm %

Reputational

### Summary Performance

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Actual	41.81	26.88	n/a	n/a	n/a	n/a
Final Determination		30.69	30.38	30.07	29.76	29.45
Internal Business Plan		30.69	←—————→			29.45



### Industry Performance 2019/20

### Definition



This measure will record the percentage of the region's population at risk from internal hydraulic sewer flooding from a 1 in 50-year storm, based on modelled predictions.

### Commentary

Our performance this year of 26.88% is ahead of the Ofwat final determination target of 30.69%. This is better than last year's performance of 41.81% as a result of improvements driven from our drainage and wastewater management plans.

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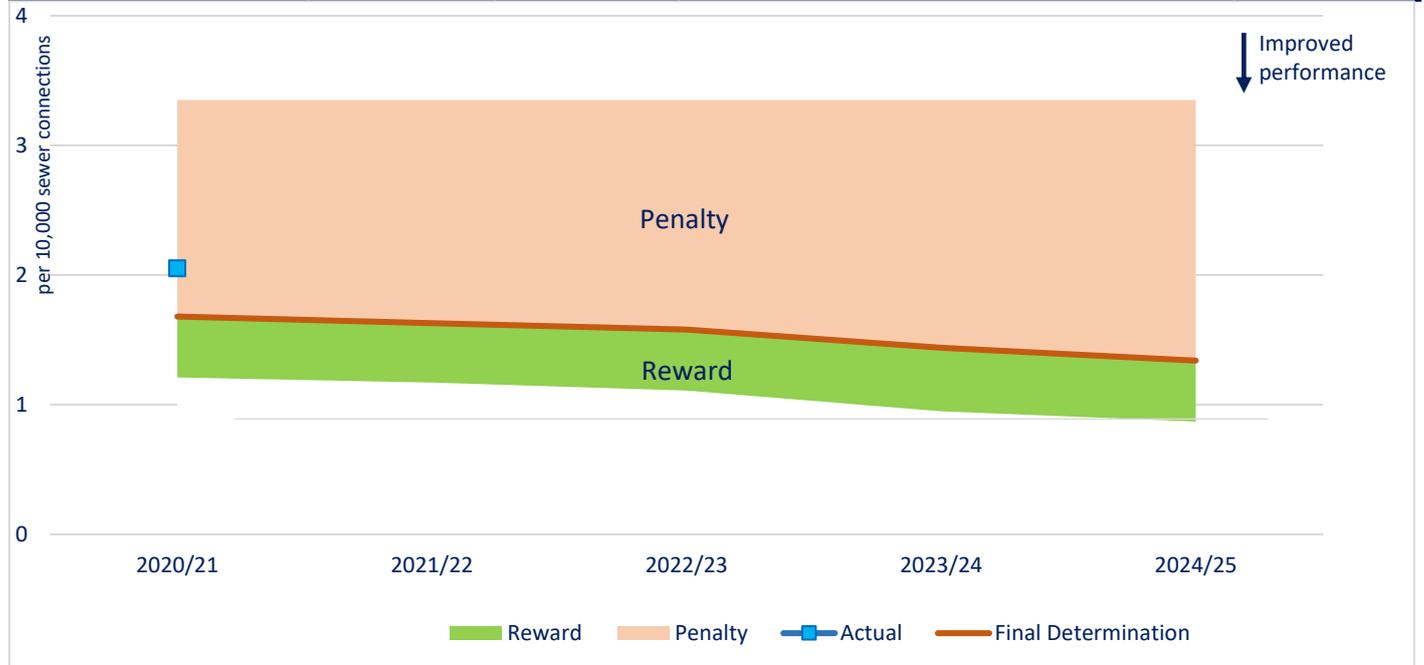
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## Rt1 – Internal sewer flooding

ODI Reward & Penalty

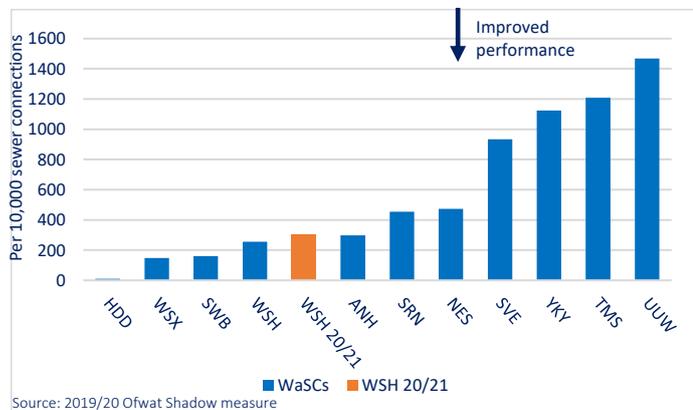
### Summary Performance

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Actual	1.75	2.05	n/a	n/a	n/a	n/a
Final Determination		1.68	1.63	1.58	1.44	1.34
ODI Reward/Penalty (£m)		£1.581				
Internal Business Plan		1.69	←—————→			1.52



### Industry Performance 2019/20

### Definition



The measure is calculated as the number of internal sewer flooding incidents normalised per 10,000 sewer connections including sewer flooding due to severe weather events.

### Commentary

Our performance is 2.05 against an Ofwat Final Determination target of 1.68. Our performance was impacted by a severe weather event on 23 December which had significant impacts across south east Wales particularly in Newport where 67 properties were flooded internally, with a further 7 in Cardiff. It is worth noting in Newport we self-reported 55 of the 67 incidents reported linked to this event. Our network was also affected by large amounts of surface water and receiving additional flows from non-Welsh Water infrastructure. We are working closely with the other Risk Management Authorities in further investigations, as well as exploring options to reduce the risk from our network.

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## Sv1 – C-MeX

ODI Reward & Penalty

### Summary Performance

Item	Unit	2019/20	2020/21
Annual customer satisfaction score for the customer service survey	Number		83.11
Annual customer satisfaction score for the customer experience survey	Number		87.19
Annual C-MeX score	Number	82.47	85.15
Annual net promoter score	Number		51.50
Total household complaints	Number		18,041
Total connected household properties	Number		1,477,758
Total household complaints per 10,000 connections	Number		122.08
Confirmation of communications channels offered	TRUE or FALSE		TRUE
ODI reward / Penalty	£m		£2.018

### Industry comparison

Source: Ofwat C-MeX

Company	2020/21		2019/20	
	C-MeX scores	Rank	Shadow year C-MeX scores	Rank
PRT	86.21	1	82.09	2
WSX	86.09	2	81.05	3
NES	85.76	3	79.64	5
WSH	85.15	4	82.47	1
UUW	83.59	5	79.76	4
BRL	83.30	6	78.13	8
ANH	83.05	7	79.01	7
YKY	82.78	8	79.20	6
SVE	82.35	9	77.65	9
SSC	81.89	10	77.47	10
HDD	81.38	11	75.01	12
SWB	80.96	12	76.35	11
SEW	80.70	13	73.36	13
SES	78.97	14	72.85	14
AFW	77.88	15	72.70	15
SRN	74.64	16	68.85	16
TMS	72.91	17	65.12	17

### Definition

C-MeX is a customer measure of experience and customer satisfaction. It is comprised of two survey elements:

- Customer Experience Survey – a customer satisfaction survey amongst a random sample of the water company's customers; and
- Customer Service Survey – a customer satisfaction survey amongst a random sample of those customers who have contacted their water company.

The scores of each of the two surveys are weighted equally to produce the combined C-MeX measure.

### Commentary

Our performance for the year was 85.15 which placed us in 4th position against all of the other water companies.

This overall C-MeX score can be broken down into two components:

- Customer Service Survey (CSS) - Our score for the year was 83.11, which placed us 4th amongst all other companies.
- Customer Experience Survey (CES) - Our score for the year was 87.19, which placed us in top position amongst all the other companies.

There is a 3 point out of 100 deduction if fewer than five communication channels are offered, of which three must be online. During the year we have offered seven channels, four of which are digital. These are:

- Non Digital – Telephone, Written and Visits
- Digital – Emails, Social Media, Webform and Live Chat.

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# Annual Performance Report 2020/21

## Sv2 – D-MeX

ODI Reward & Penalty

### Summary Performance

Item	Unit	2019/20	2020/21
Qualitative component annual results	Number		67.78
Quantitative component annual results	Number		97.61
D-MeX score	Number	84.38	82.69
Developer services revenue (water)	£m		16.035
Developer services revenue (waterwater)	£m		7.724
ODI reward / Penalty	£m		£0.353

### Industry comparison

Source: Ofwat D-MeX results 2019/20

Company	2019/20	
	Shadow year D-MeX scores	Rank
PRT	87.81	1
WSX	87.73	2
NES	86.62	3
SVE	86.27	4
ANH	85.91	5
SWB	85.64	6
UUW	85.46	7
BRL	84.92	8
WSH	84.38	9
SEW	82.05	10
SSC	81.56	11
TMS	79.34	12
HDD	78.73	13
SRN	75.70	14
SES	74.83	15
AFW	74.38	16
YKY	69.57	17

### Definition

D-MeX is a measure of customer satisfaction for Developer Services.

The D-MeX score is calculated from two components that contribute equally:

- Qualitative D-MeX score, based on the ratings provided by developer services customers who transacted with the company throughout the reporting year to a customer satisfaction survey; and
- Quantitative D-MeX score, based on the company's performance against a set of selected Water UK performance metrics throughout the reporting year.

### Commentary

Our performance for the year was 82.70 (based on latest extract for all companies as at 21 June 2021) which placed us in 12th place against other water companies. The figure reported in Ofwat table 3D is 82.69, but our calculations and rounding to two decimal places gives us our year end performance of 82.70.

The scoring mechanism of D- MeX is made up of the two components - Qualitative and quantitative, with a 50/50 weighting to give overall performance.

- Qualitative component – Our result for the year was 67.78.
- Quantitative component – Our result for the year was 97.61.

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# Annual Performance Report 2020/21

## Commentary

For 2020/21 we are reporting there are 78,683 household customers on our Priority Services Register (PSR) as of 31 March 2021. This is an increase of 40% on last year's figure of 56,125.

Welsh Water's Priority Services scheme offers additional practical services to customers who may for example be disabled, chronically sick, of pensionable age, parents with young children, on dialysis, or have sight or hearing impairment. A summary of services provided is:

- 1,504 household receive support with communication;
- 398 households received support with mobility and access restrictions;
- 78,683 households receive support with supply interruptions;
- 2,322 households receive support with security; and
- 4,245 households receive support with other needs.

These total to more than 78,683 as some households are registered for more than one service.

5.5% of our households were registered for priority services (as of 31 March). The total number of household connections used at 31 March 2021 for this calculation was 1,426,190 and excludes void properties.

We offer a number of different services to customers.

As at 31 March 2020 there were 36,292 households which had been on the register for more than 2 years and which were in scope for data checking. Contact was attempted with 22,789 of those households over the last 2 years.

Actual contact was made with 9,843 of the households in response to attempted contact.

As at 31 March 2021 there were:

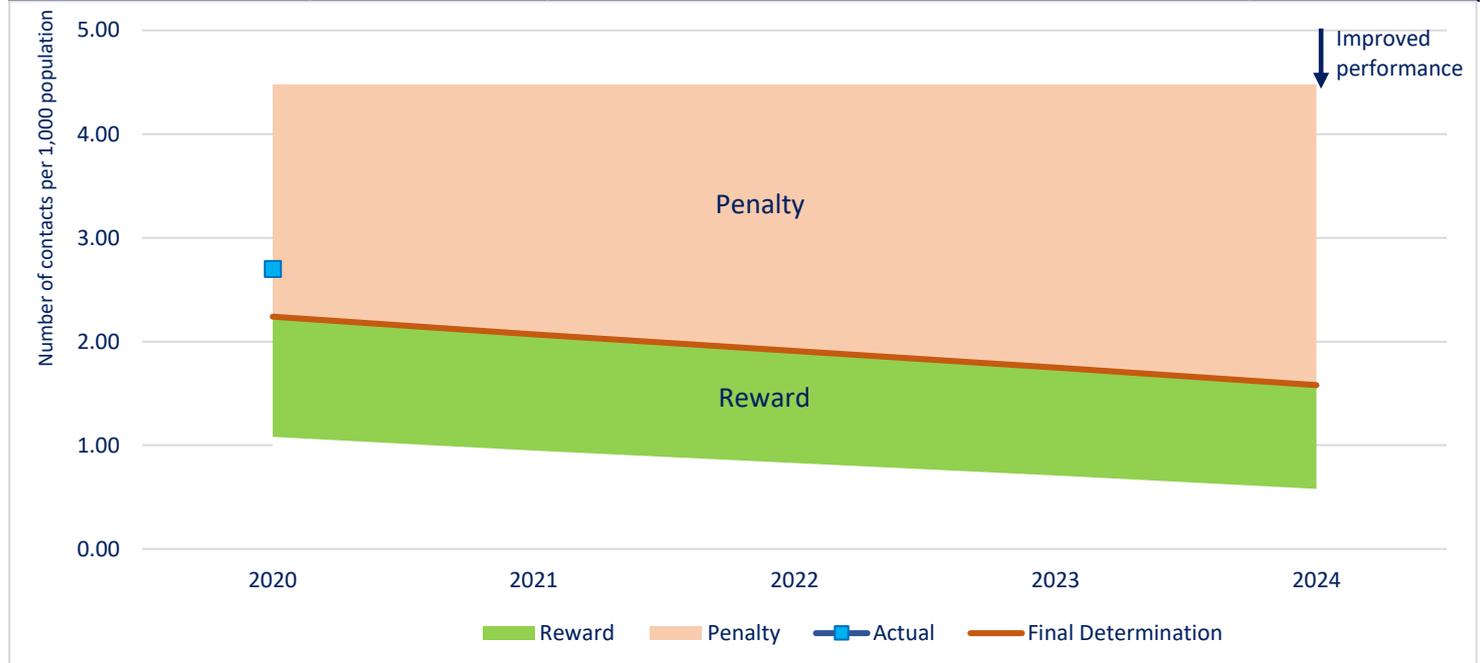
- 5.5% of households that the company supplies with water and/or wastewater services (household connected properties excluding voids) registered on the company PSR;
- 62.8% of households which have been on the PSR for more than two years have had an attempted contact in the last two year period; and
- 27.1% of households which have been on the PSR for more than two years have had an actual contact in the last two year period.

**Wt3 – Acceptability of drinking water**

ODI Reward & Penalty

Summary Performance

	2020	2021	2022	2023	2024
Actual	2.70	n/a	n/a	n/a	n/a
Final Determination	2.24	2.07	1.91	1.75	1.58
ODI Reward/Penalty (£m)	£1.107				
Internal Business Plan	2.72	←—————→			2.40



Definition

The number of times the company is contacted by consumers due to the taste and odour of drinking water, or due to drinking water not being clear, reported per 1,000 population. This measure is reported on a calendar year basis.

Commentary

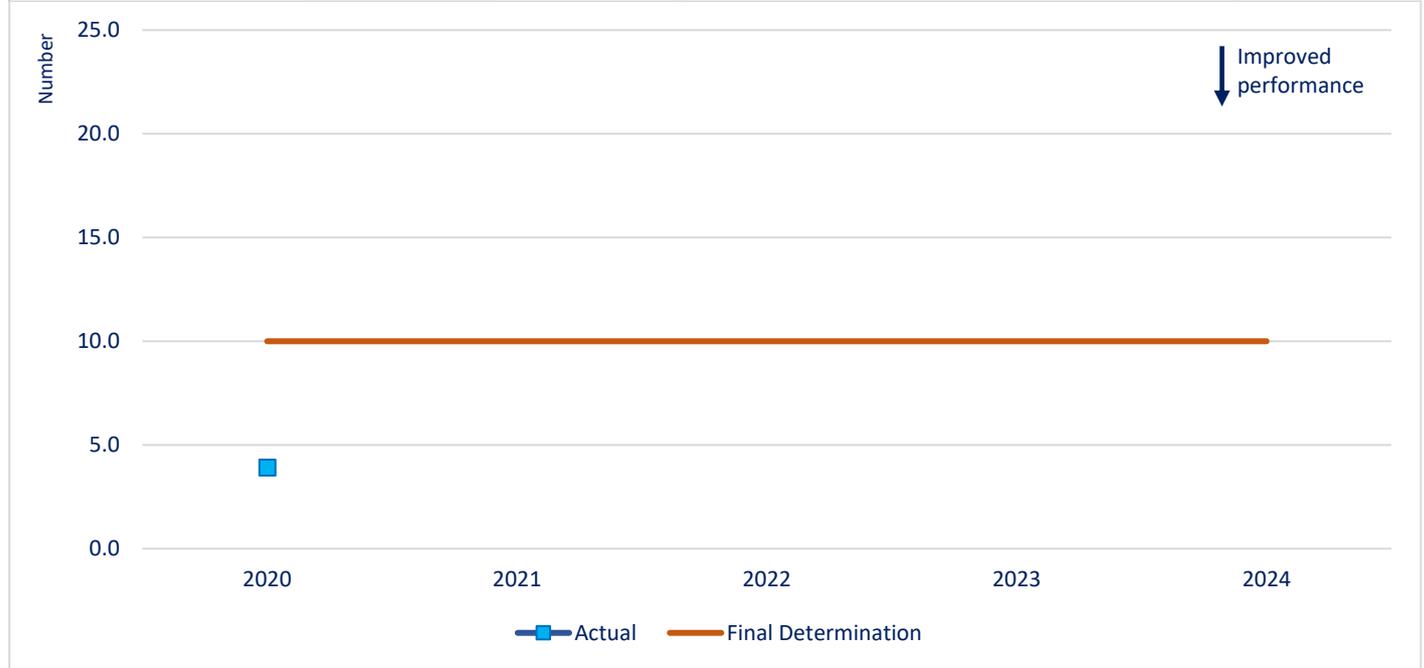
Our performance for 2020 was 2.70 contacts per 1,000 population against the Internal Business Plan target of 2.72 but was below the Ofwat Final Determination target of 2.24 contacts.

**Wt6 – Tap water quality event risk index (ERI)**

Reputational

Summary Performance

	2019	2020	2021	2022	2023	2024
Actual	25.881	3.903	n/a	n/a	n/a	n/a
Final Determination		10.000	10.0	10.0	10.0	10.0
Internal Business Plan		7.0	←—————→			7.0



Definition

The Event Risk Index (ERI) is a measure of the risk arising from water quality events, as defined by the Drinking Water Inspectorate (DWI). This measure is reported on a calendar year basis.

Commentary

During 2020 we had 11 events, giving us a provisional ERI score of 3.903, compared to 32 events in 2019 which gave us a score of 25.881. All notifiable events have been reported in line with the Water Industry (Suppliers’ Information) Direction 2020 and the DWI Guidance on the Notification of Events

This will remain provisional until confirmed data is published by DWI in July.

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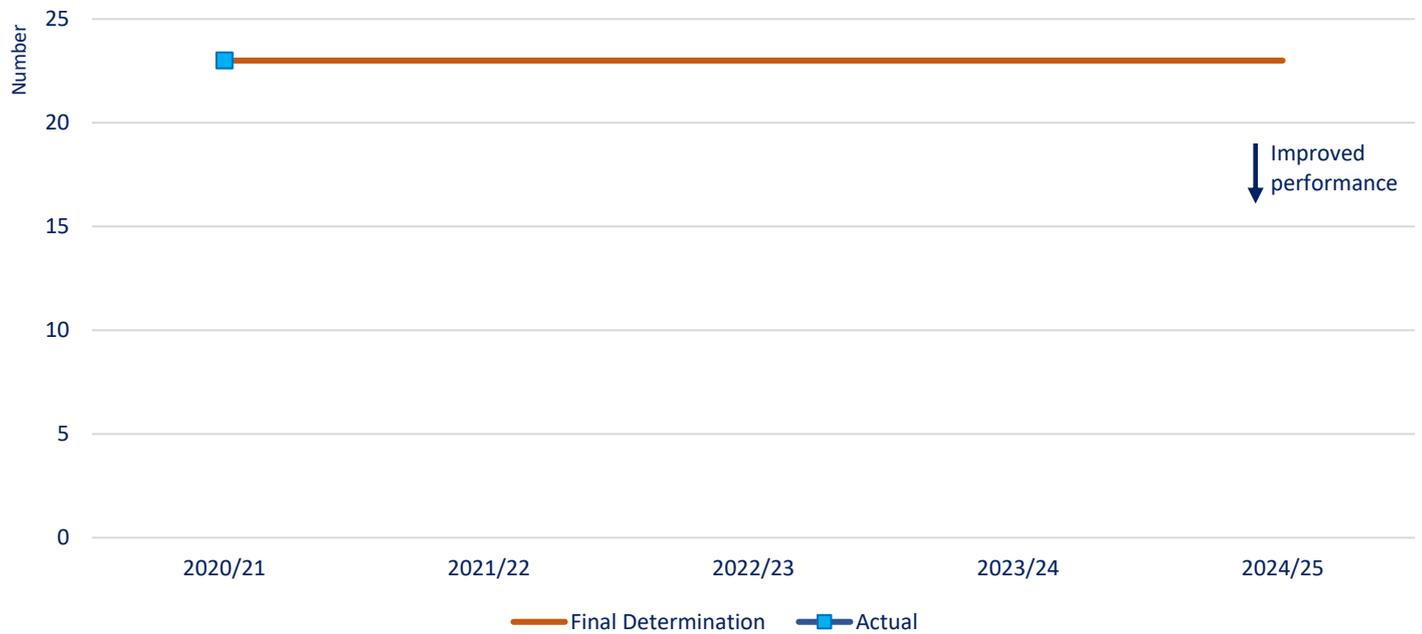
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## Wt7 – Water catchments improved

Reputational

### Summary Performance

	2020/21	2021/22	2022/23	2023/24	2024/25
Actual	23	n/a	n/a	n/a	n/a
Final Determination	23	23	23	23	18
Internal Business Plan	23	←—————→			18



### Definition

The number of water treatment works with catchments designated as Safeguard Zones under the Water Framework Directive (WFD) as in effect at the time of the Ofwat Final Determination publication.

Drinking Water Safeguard Zones are designated areas where raw water quality has been deemed to be ‘at risk’ of deterioration.

### Commentary

The de-designation of the five Safeguard Zones will be by agreement from Natural Resources Wales and the Environment Agency, following the successful submission of evidence that demonstrates catchment improvements have been achieved by 2024/25.

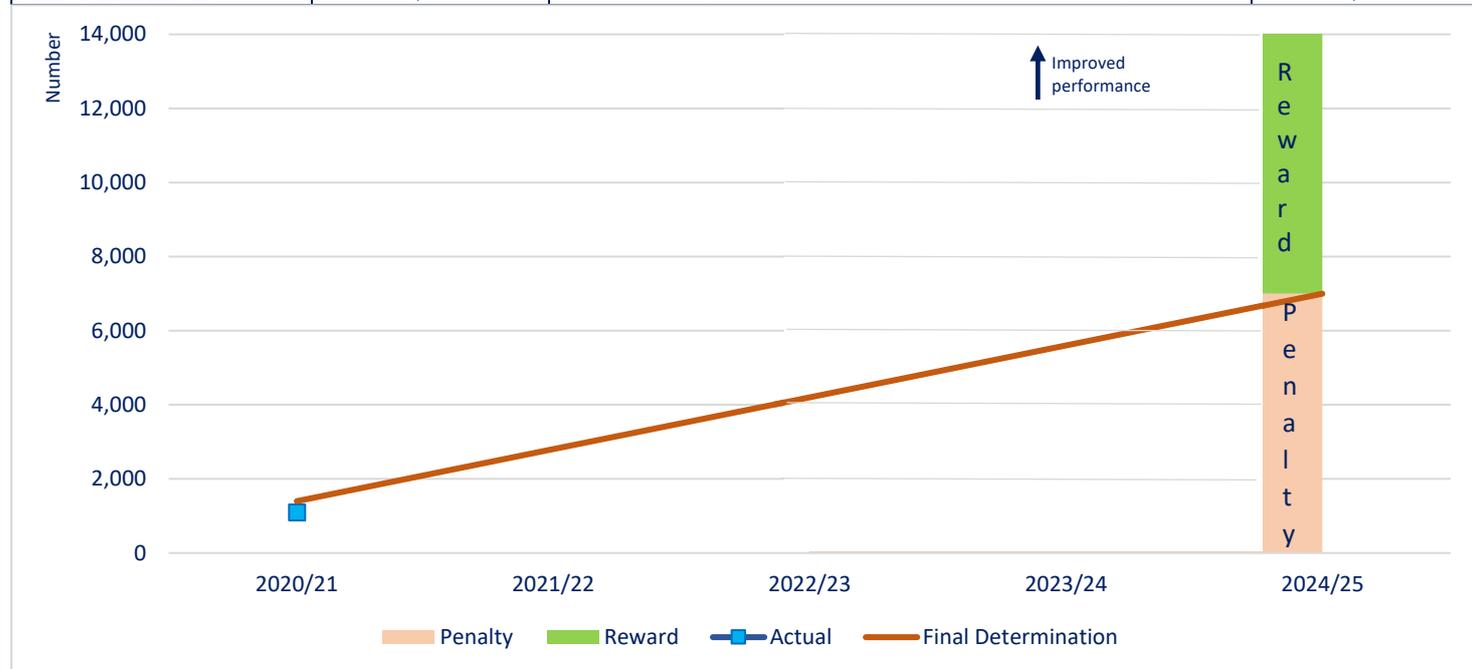
# Annual Performance Report 2020/21

## Wt8 – Lead pipes replaced

ODI Reward & Penalty

### Summary Performance

	2020/21	2021/22	2022/23	2023/24	2024/25
Actual	1,097	n/a	n/a	n/a	n/a
Final Determination	1,400	2,800	4,200	5,600	7,000
ODI Reward/Penalty (£m)	£0				
Internal Business Plan	1,400	←—————→			7,000



### Definition

This performance commitment measures number of lead pipes replaced by the Company. The number of pipes reported as replaced is cumulative over the period 2020-25. The financial implications associated with underperformance or outperformance with this Performance Commitment will be assessed in 2025, which is the end of this five year reporting cycle.

### Commentary

Our performance during the year, of 1,097 lead pipe replacements, was below our Ofwat Final Determination target of 1,400. Restrictions introduced at the national lockdown in March 2020 prevented us from entering customer properties to carry out ‘customer side’ pipe renewals. We continued with external pipe renewals until December 2020, at which point the programme was suspended. We are committed to delivering a catch-up programme to recover our position by the end of the AMP.

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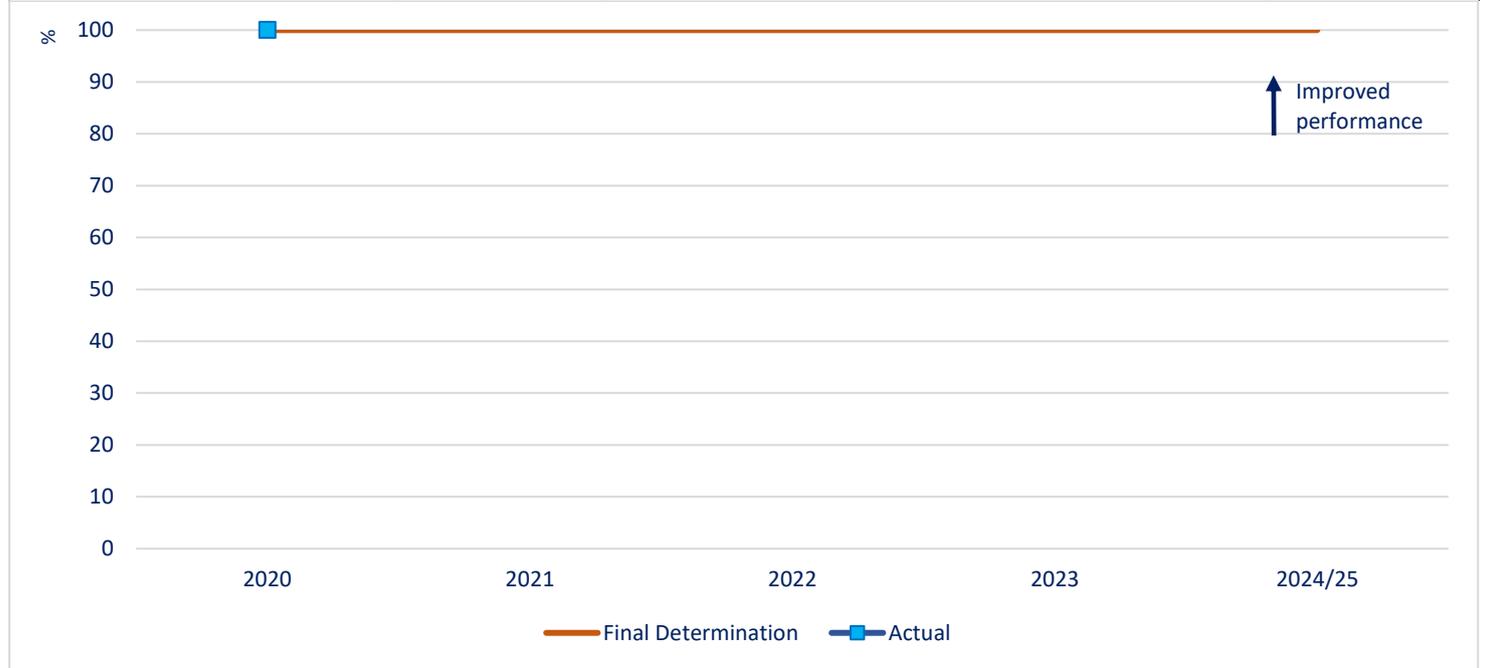
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## En2 – Wastewater treatment works ‘look-up table’ compliance %

Reputational

### Summary Performance

	2020	2021	2022	2023	2024
Actual	100	n/a	n/a	n/a	n/a
Final Determination	100	100	100	100	100
Internal Business Plan	100				100



### Definition

Percentage of wastewater treatment works that comply with the following:

- Sanitary Look Up Table limits on permits for Biological Oxygen Demand (BOD), Total suspended solids (TSS) and ammonia.
- Annual average Phosphorus limits.
- Urban Wastewater Treatment Directive (UWWTD) Look up table limits for BOD and Chemical Oxygen Demand (COD).
- UWWTD annual average Phosphorus limits.
- UWWTD annual average Nitrogen limits.

These are set by Natural Resource Wales or the Environment Agency as appropriate.

This measure is reported on a calendar year basis.

### Commentary

In 2020 we achieved 100% wastewater treatment works 'look-up table' compliance. This is the second time in the last three years we have achieved 100% compliance on this measure.

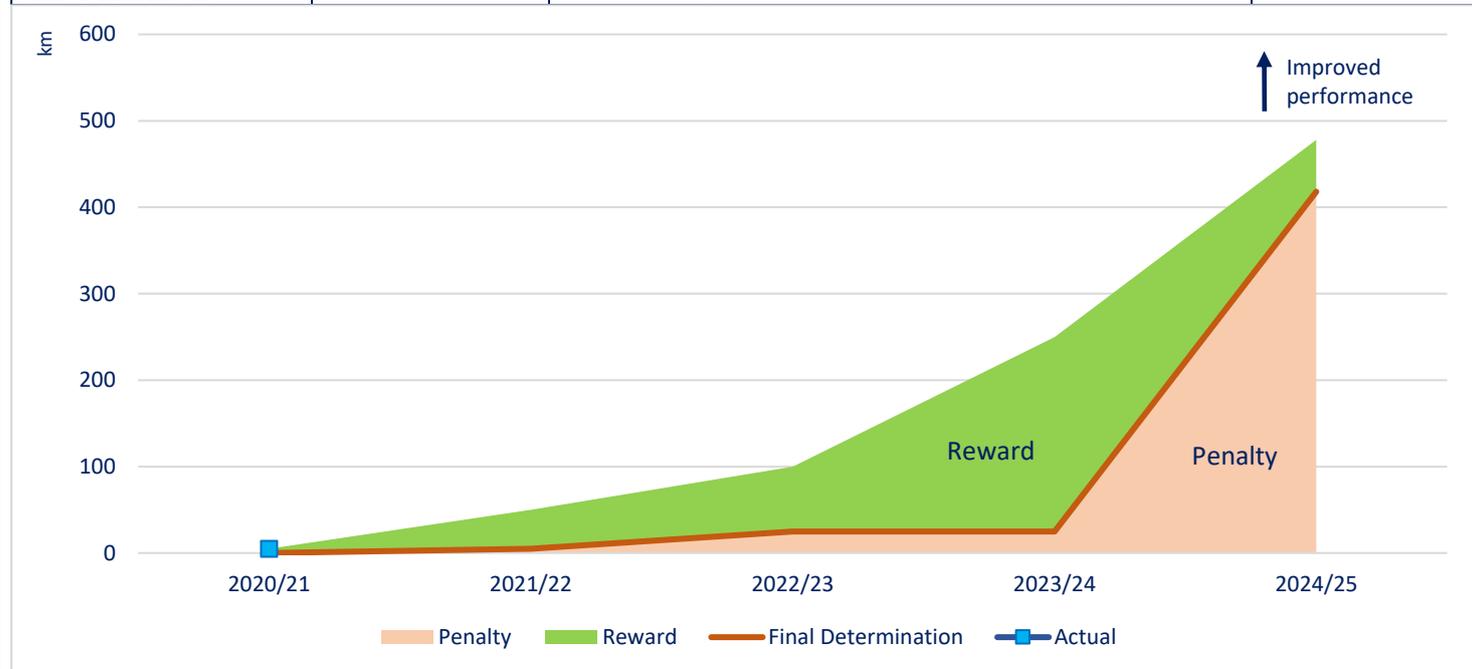
All 562 Wastewater Treatment Works were compliant with their look up table compliance and annual average permit conditions.

## En6 – Km of river improved

ODI Reward & Penalty

### Summary Performance

	2020/21	2021/22	2022/23	2023/24	2024/25
Actual	5	n/a	n/a	n/a	n/a
Final Determination	0	5	25	25	418
ODI Reward/Penalty (£m)	£0				
Internal Business Plan	0	← →			418



### Definition

The cumulative length of river improved as a result of the Company's action and as a consequence of regulatory and legislative drivers. The length can only be counted once the Environment Agency and/or Natural Resources Wales has agreed all schemes to achieve the improvement have been delivered and each scheme meets the requirements. The measure is defined as the length (in km) of river with improved water quality, as a result of Welsh Water action. The financial implications associated with underperformance or outperformance with this Performance Commitment will be assessed in 2025, which is the end of this five year reporting cycle.

### Commentary

Our performance for the year was 5 km of river improved against a target of 0 km.

The measure includes improvements resulting from Water Industry National Environment Program (WINEP)/National Environment Programme (NEP) Water Quality and Water Resources schemes.

The performance delivery was through water resources NEP. We have delivered a new flow control structure at the Nant Fawr intake which ensures the provision of a downstream residual flow of 1.83 Ml/d.

Natural Resources Wales have issued a business performance letter dated 27 May 2021 confirming our reported performance.

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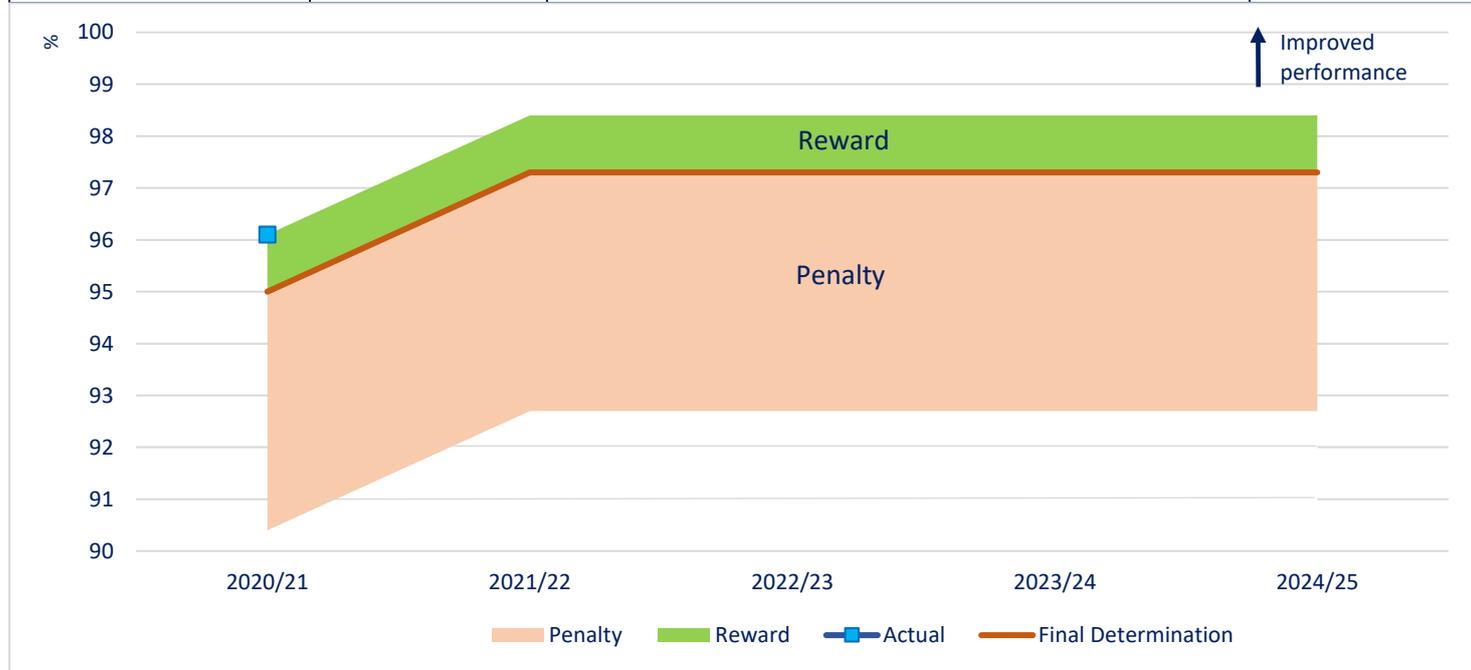
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**En7 – Bioresources product quality %**

ODI Reward & Penalty

Summary Performance

	2020/21	2021/22	2022/23	2023/24	2024/25
Actual	96.1	n/a	n/a	n/a	n/a
Final Determination	95.0	97.3	97.3	97.3	97.3
ODI Reward/Penalty (£m)	£0.454				
Internal Business Plan	95.0	←—————→			97.3



Definition

Percentage of total wastewater sludge treated that is processed through Advanced Anaerobic Digestion facilities and recycled to land meeting certification requirement of the Biosolids Assurance Scheme. Any sludge imported from third parties will be included within the measure.

Commentary

Our performance for the year was 96.1% against our Ofwat Final Determination target of 95.0%. All sludge is processed through our four Advanced Anaerobic Digestion sites at Cardiff, Afan (Port Talbot), Cog Moors (Dinas Powys) and Five Fords (Wrexham).

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## En8 – Bioresources disposal compliance %

ODI Penalty

### Summary Performance

	2020	2021	2022	2023	2024
Actual	100	n/a	n/a	n/a	n/a
Final Determination	100	100	100	100	100
ODI Penalty (£m)	£0				
Internal Business Plan	100	←—————→			100



### Definition

The overall percentage of company sludge satisfactorily used or disposed of in line with version 3 of the Natural Resource Wales and Environment Agency’s Environmental Performance Assessment methodology (published November 2017). This measure is reported on a calendar year basis.

### Commentary

Our performance for the year was 100% which meets the Ofwat Final Determination target.

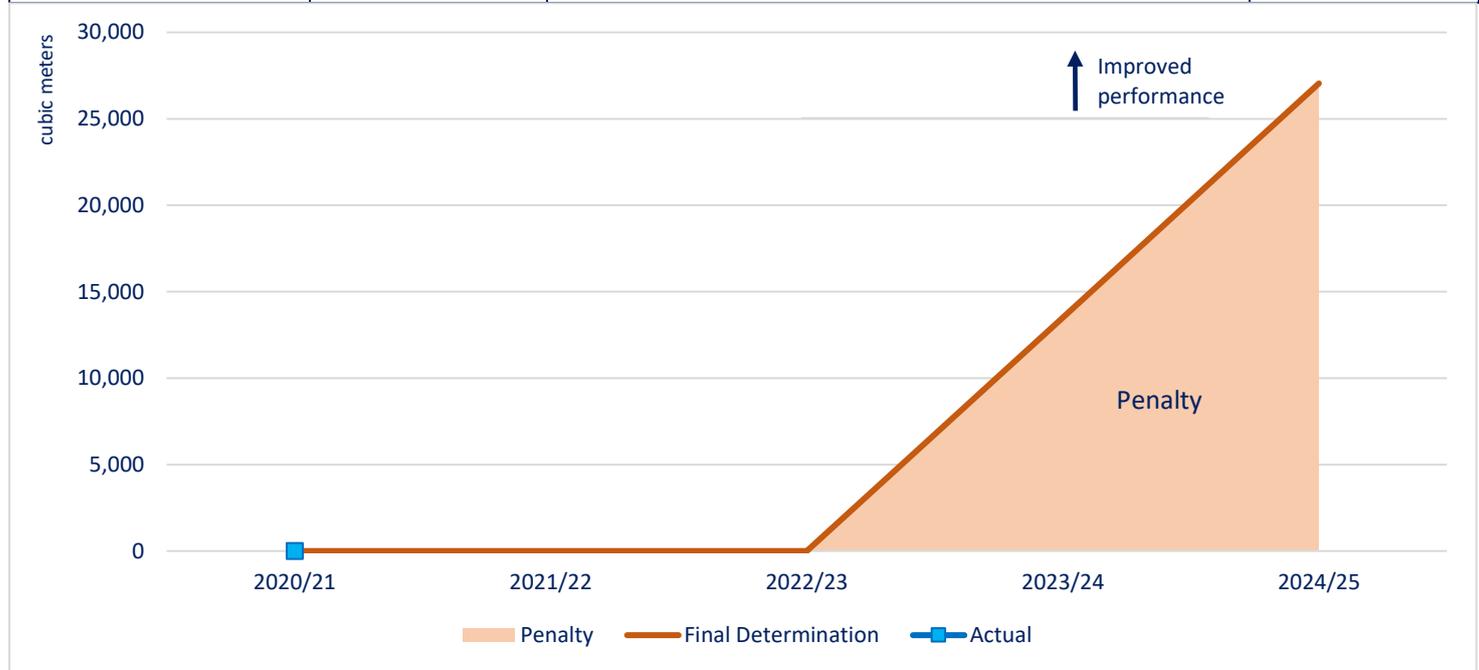
Updated page-Version 2 August 2021

**En9 – Combined sewer overflow storage systems**

ODI Penalty

**Summary Performance**

	2020/21	2021/22	2022/23	2023/24	2024/25
Actual	0	n/a	n/a	n/a	n/a
Final Determination	0	0	0	13,500	27,049
ODI Penalty (£m)	£0				
Internal Business Plan	0	←—————→			27,049



**Definition**

The cumulative additional effective volume of storage delivered by the Company under the National Environment Programme (NEP) obligations. The financial implications associated with underperformance or outperformance with this Performance Commitment will be assessed in 2025, which is the end of this five year reporting cycle.

**Commentary**

During the year we have not delivered any schemes to increase combined sewer overflow storage systems which is in line with the Ofwat Final Determination target.

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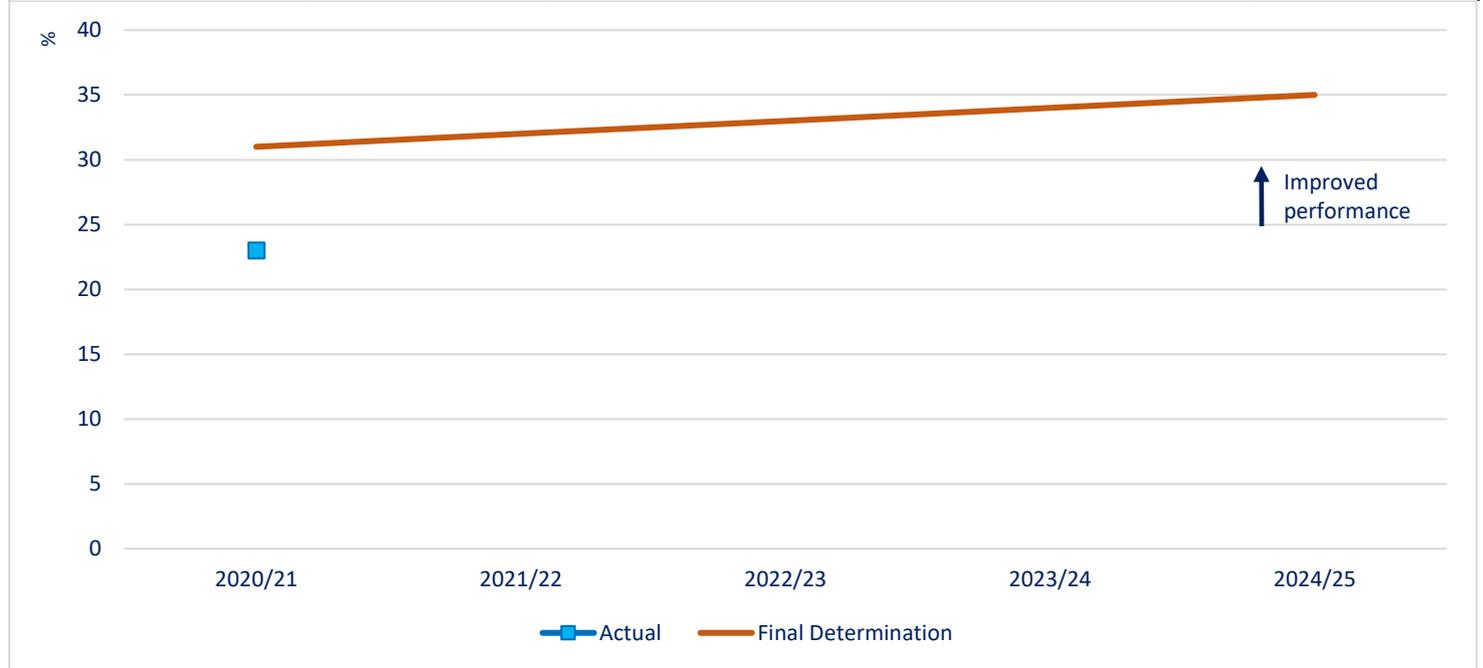
# Annual Performance Report 2020/21

## Ft3 – Energy self-sufficiency %

Reputational

### Summary Performance

	2020/21	2021/22	2022/23	2023/24	2024/25
Actual	23	n/a	n/a	n/a	n/a
Final Determination	31	32	33	34	35
Internal Business Plan	31	←—————→			35



### Definition

Electricity generated and gas injected to grid as a percentage of all electricity and gas consumed by the company, with gas being presented as a gigawatt hours (GWh) equivalent.

### Commentary

Our performance was 23% against the Ofwat Final Determination target of 31%. This was impacted by two key factors:

- Llyn Brianne was offline for five months due to a Programmable Logic Control upgrade; and
- Cog Moors Advanced Digestion was delayed by some six months due to Covid-19.

There were also impacts from delays to solar and hydro projects as the capital delivery programme was refocused to focus on core services to customers during the pandemic.

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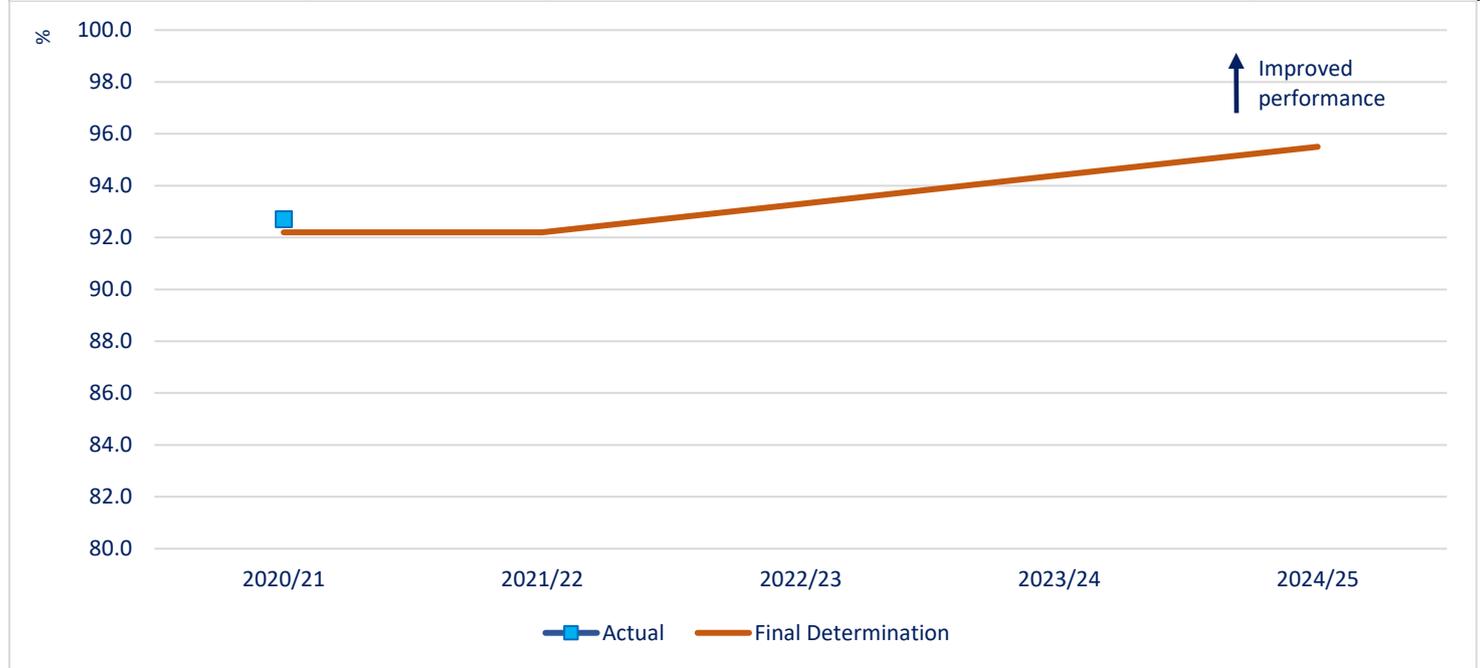
# Annual Performance Report 2020/21

## Ft5 – Asset resilience (reservoirs) %

Reputational

### Summary Performance

	2020/21	2021/22	2022/23	2023/24	2024/25
Actual	92.7	n/a	n/a	n/a	n/a
Final Determination	92.2	92.2	93.3	94.4	95.5
Internal Business Plan	92.2	←—————→			95.5



### Definition

This performance commitment is defined as a resilience score for critical impounding reservoirs based on a defined resilience scorecard. Critical assets are those for which failure would have a major impact on service to customers or on the environment.

### Commentary

Our performance of 92.7% is ahead of the Ofwat Final Determination target of 92.2%.

For the year, 39 of our reservoirs were categorised as critical assets. During the year our resilience score improved on three of these reservoirs :

- Llanishen as a result of Security and Emergency Measures Directions improvements;
- Lower Carno as a result of new overflow spillway being completed improving the failure score; and
- Pantyreos a range of measures improving the failure score.

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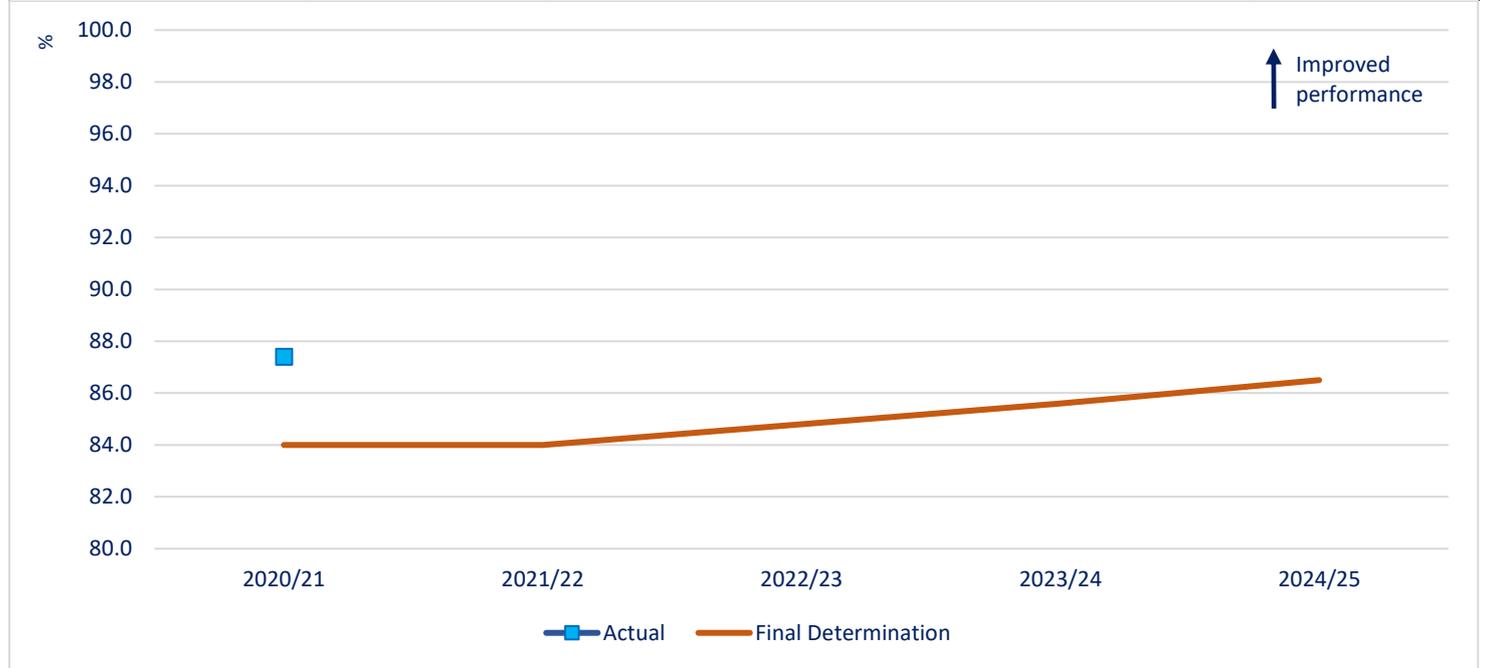
# Annual Performance Report 2020/21

## Ft6 – Asset resilience (water network+ above ground) %

Reputational

### Summary Performance

	2020/21	2021/22	2022/23	2023/24	2024/25
Actual	87.4	n/a	n/a	n/a	n/a
Final Determination	84.0	84.0	84.8	85.6	86.5
Internal Business Plan	84.0	←—————→			86.5



### Definition

This performance commitment is defined as a resilience score for critical water network plus above ground assets based on a defined resilience scorecard. Critical assets are those for which failure would have a major impact on service to customers or on the environment.

### Commentary

Our performance for the year was 87.4% against the Ofwat Final Determination target of 84.0%.

There were security improvements to Hendrefydd Service Reservoir and Llwynon Water Treatment Works which improved the Security and Emergency Measures Direction (SEMD) scores at these sites. All of our above ground assets on the scorecard are 100% SEMD compliant.

There were also improvements to power resilience at Ponsicill with a dual incoming power supply now available, following damage caused by the flooding in 2020.

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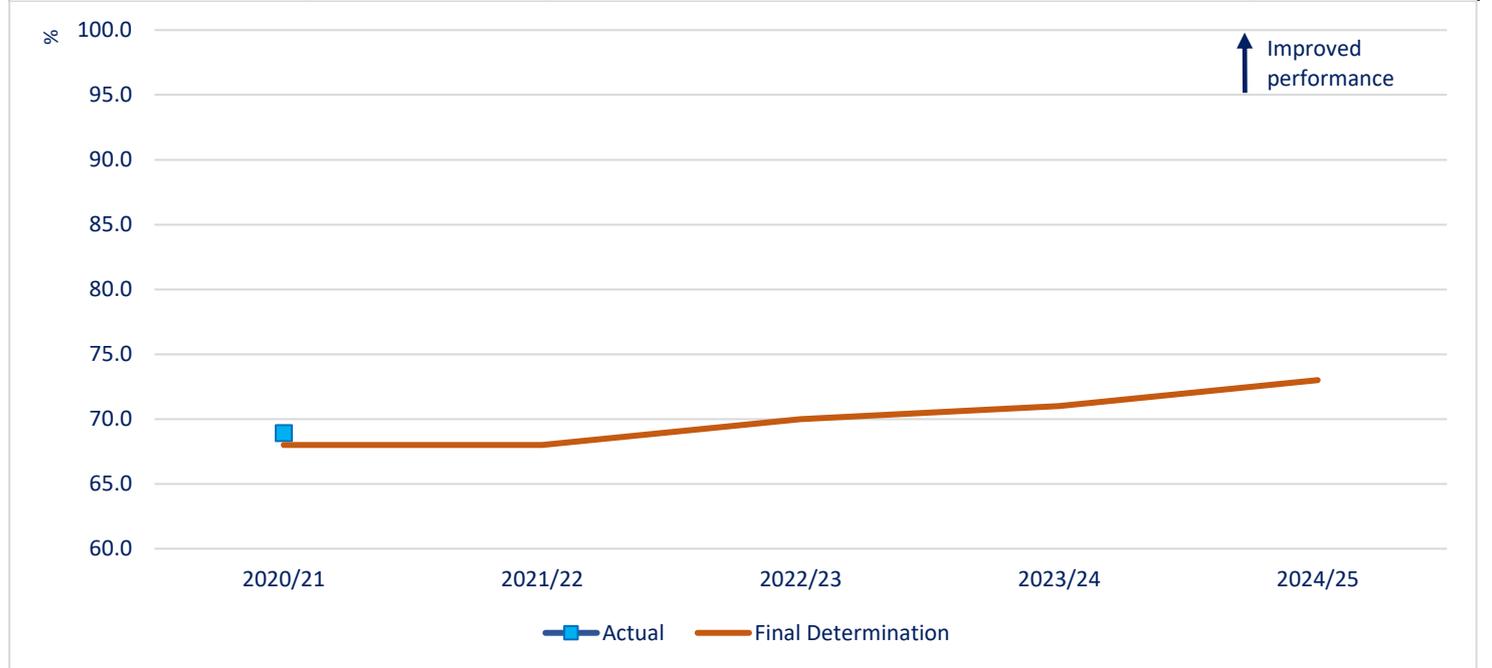
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## Ft7 – Asset resilience (water network+ below ground) %

Reputational

### Summary Performance

	2020/21	2021/22	2022/23	2023/24	2024/25
Actual	68.9	n/a	n/a	n/a	n/a
Final Determination	68.0	68.0	70.0	71.0	73.0
Internal Business Plan	68.6	←—————→			73.6



### Definition

This performance commitment is defined as a resilience score for critical water network plus below ground assets based on a defined resilience scorecard. Critical assets are those for which failure would have a major impact on service to customers or on the environment.

### Commentary

Our performance for the year was 68.9% against the Ofwat Final Determination target of 68.0%. Some mains were reconfigured, so the downstream population did not go without water. There were also improvements on asset condition/performance on mains around the Prioress Mill pumping station, an installation of a valving house that monitors turbidity, pressure and flow means we have more data to inform our conditioning and performance of these mains.

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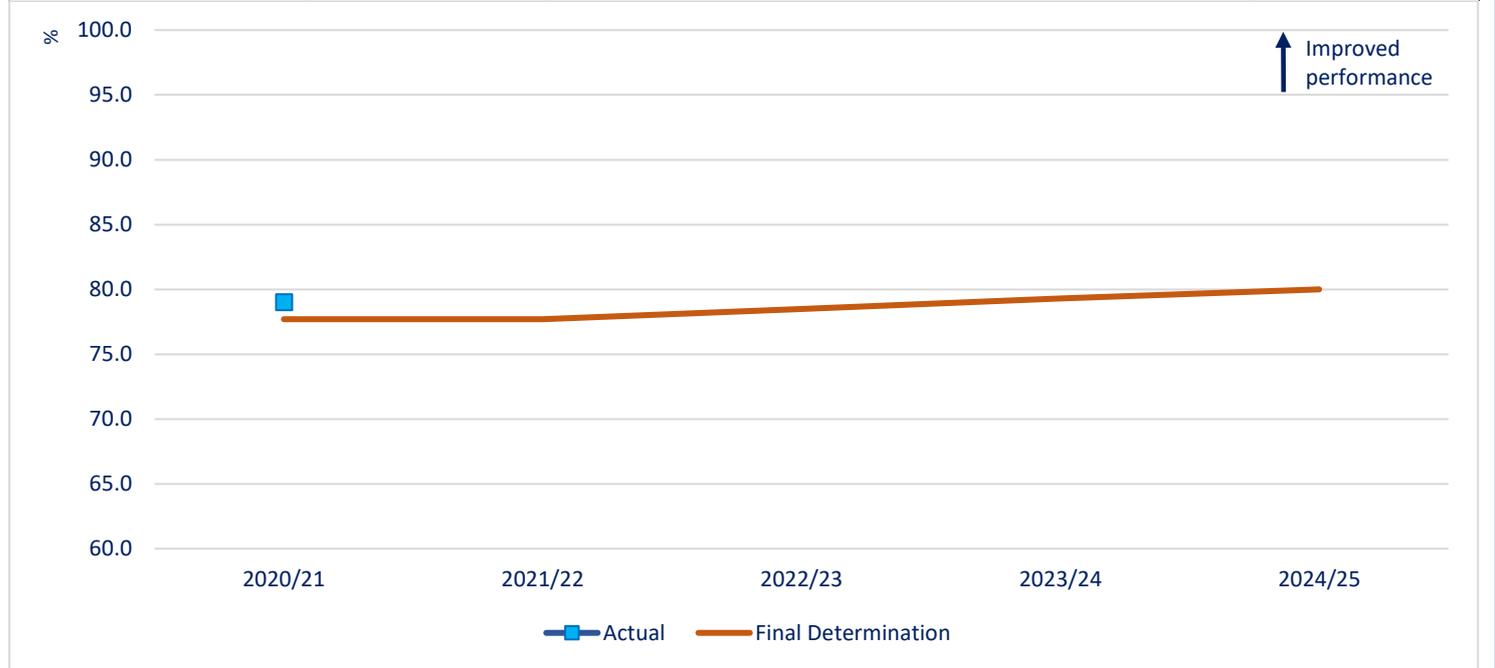
# Annual Performance Report 2020/21

## Ft8 – Asset resilience (wastewater network+ above ground) %

Reputational

### Summary Performance

	2020/21	2021/22	2022/23	2023/24	2024/25
Actual	79.0	n/a	n/a	n/a	n/a
Final Determination	77.7	77.7	78.5	79.3	80.0
Internal Business Plan	77.7	←—————→			81.0



### Definition

This performance commitment is defined as a resilience score for critical waste network plus above ground assets based on a defined resilience scorecard. Critical assets are those for which failure would have a major impact on service to customers or on the environment.

### Commentary

Our performance for the year was 79.0% against the Ofwat Final Determination target of 77.7%. The scores for each asset were reviewed and updated to reflect any changes in the year.

The key reasons for the increase are:

- We have seen security improvements at six of our critical assets within the year, bringing these assets up to the national standard of compliance; and
- We have increased our power resilience scores on seven of our critical assets following the review with the Electrical Safety team.

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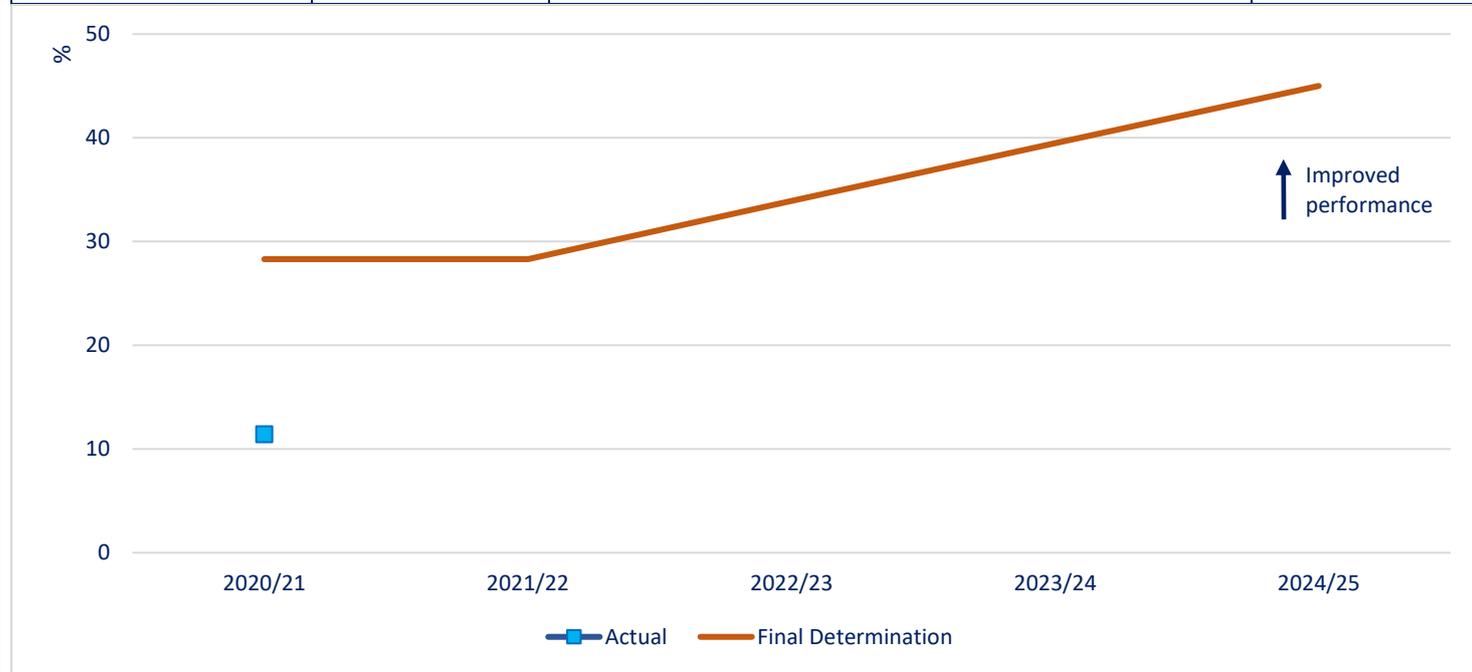
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## Ft9 – Asset resilience (wastewater network+ below ground) % Reputational

### Summary Performance

	2020/21	2021/22	2022/23	2023/24	2024/25
Actual	11.4	n/a	n/a	n/a	n/a
Final Determination	28.3	28.3	33.9	39.5	45.0
Internal Business Plan	28.3	←—————→			45.0



### Definition

This performance commitment is defined as a resilience score for critical water network plus below ground assets based on a defined resilience scorecard. Critical assets are those for which failure would have a major impact on service to customers or on the environment.

### Commentary

Our performance for the year was 11.4% against the Ofwat Final Determination target of 28.3%.

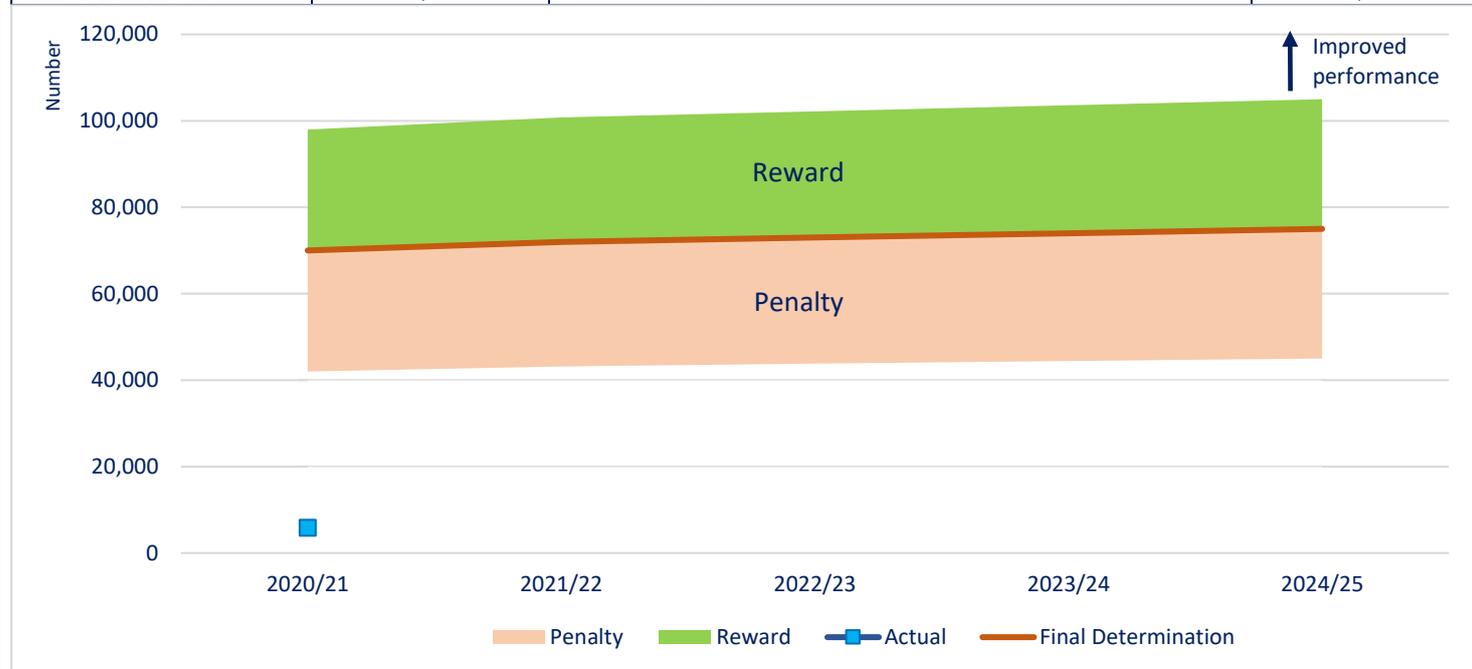
This measure covers critical assets only. An annual review of our wastewater below ground assets was undertaken to refresh each of these against the asset criticality definition, which led to an increase in the number of assets meeting the definition. Where assets were added to the list of critical assets, many of these were unable to be inspected and scored for resilience, so they were scored as zero, or very low, out of caution. In addition, many of the assets with existing scores were not able to be inspected to validate the scores due to Covid-19 – though we conducted a desktop analysis where possible. In many of these cases, we believe the scores are too low, and will improve when a reassessment is possible. We therefore expect the real score to be higher, and the reported score will improve next year when a full review has been completed.

## Ft10 – Community education

ODI Reward & Penalty

### Summary Performance

	2020/21	2021/22	2022/23	2023/24	2024/25
Actual	5,834	n/a	n/a	n/a	n/a
Final Determination	70,000	72,000	73,000	74,000	75,000
ODI Reward/Penalty (£m)	£0.112				
Internal Business Plan	70,000	←—————→			75,000



### Definition

The total number of children and adults who have participated in the Company's educational programme each year.

### Commentary

Our performance for the year was 5,834 against the Ofwat Final Determination target of 70,000. While Covid-19 restrictions prevented face-to-face delivery of the education provision, we believe the desired outcomes were achieved through a range of virtual and digital delivery methods. These have included the delivery of live video conferenced sessions into school classrooms, the development of a bespoke 360° learning platform and the use of home-learning provision, presented to pupils as a series of sessions by their classroom teachers. These have reached tens of thousands of pupils and account for over 20,000 hours of learning time. We also started a project for pupils to develop their own children's book, which will be disseminated in schools and community hubs. Further information on some of the approaches adopted over the past year can be found through the company blog area and through our bespoke education Twitter profile @DiscoverDwr:

<https://www.dwrcymru.com/en/blog/welsh-water-adapt-to-home-schooling>

<https://www.dwrcymru.com/en/blog/world-book-day>

<https://www.dwrcymru.com/en/blog/a-teaching-secondment-with-welsh-water>

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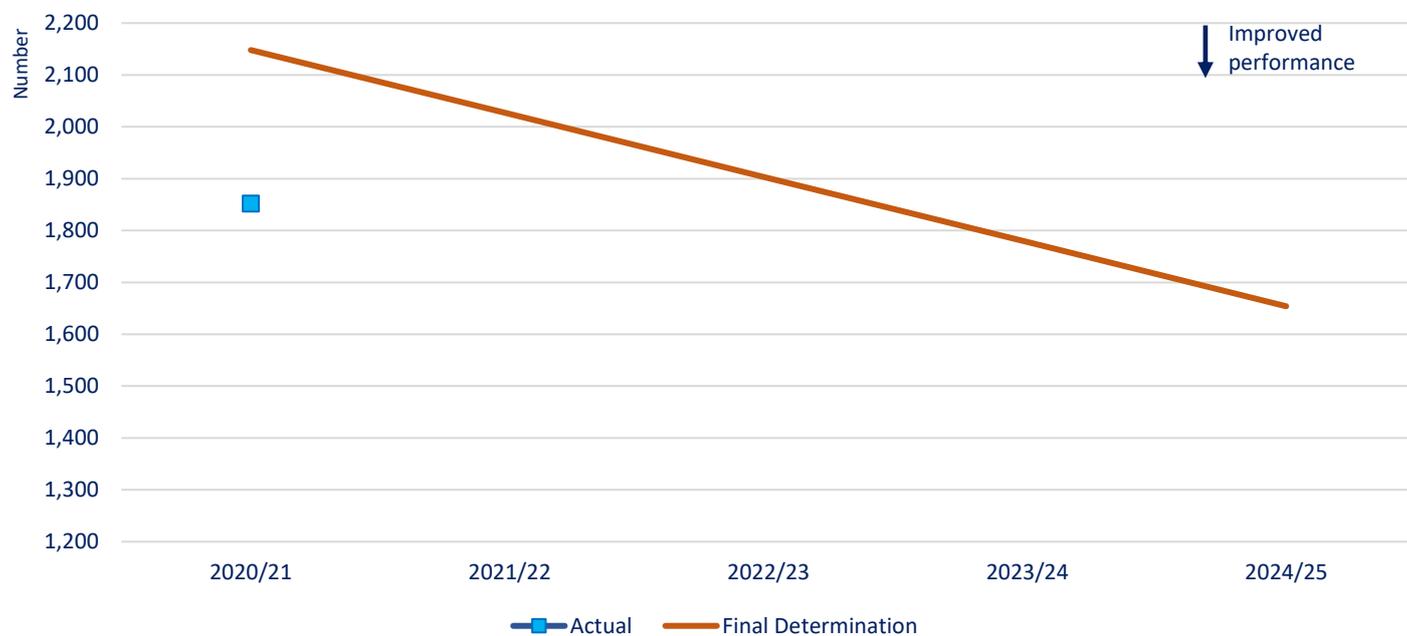


## Rt5 – Worst served customers for water service

Reputational

### Summary Performance

	2020/21	2021/22	2022/23	2023/24	2024/25
Actual	1,852	n/a	n/a	n/a	n/a
Final Determination	2,148	2,025	1,901	1,778	1,654
Internal Business Plan	2,148	←—————→			1,654



### Definition

This measure identifies those properties (household or non-household) who consistently receive a poor level of service.

The measure consists of three elements:

1. Properties that have had their water supply repeatedly interrupted over a 2 year period. Those properties who have had their water supply interrupted at least once in year one and experienced more than two interruptions in year two.
2. Properties that have had their water supply repeatedly interrupted over a 3 year period. Those properties who have had their water supply interrupted at least once in year one, year two and year three.
3. Properties that received low pressure below the agreed level of service for 3 years or more. Those properties are captured on the Low Pressure longstanding register.
- 4.

### Commentary

Our performance in the year was 1,852 properties which is ahead of the Ofwat Final Determination target of 2,148 properties. The breakdown of the three elements of this measure is shown below.

Worst Served	2020/21 Target	2020/21 Performance
1. Interruptions over 2 year period		542
2. Interruptions over 3 year period		1274
3. Low Pressure		36
Water Services (Total)	2148	1852

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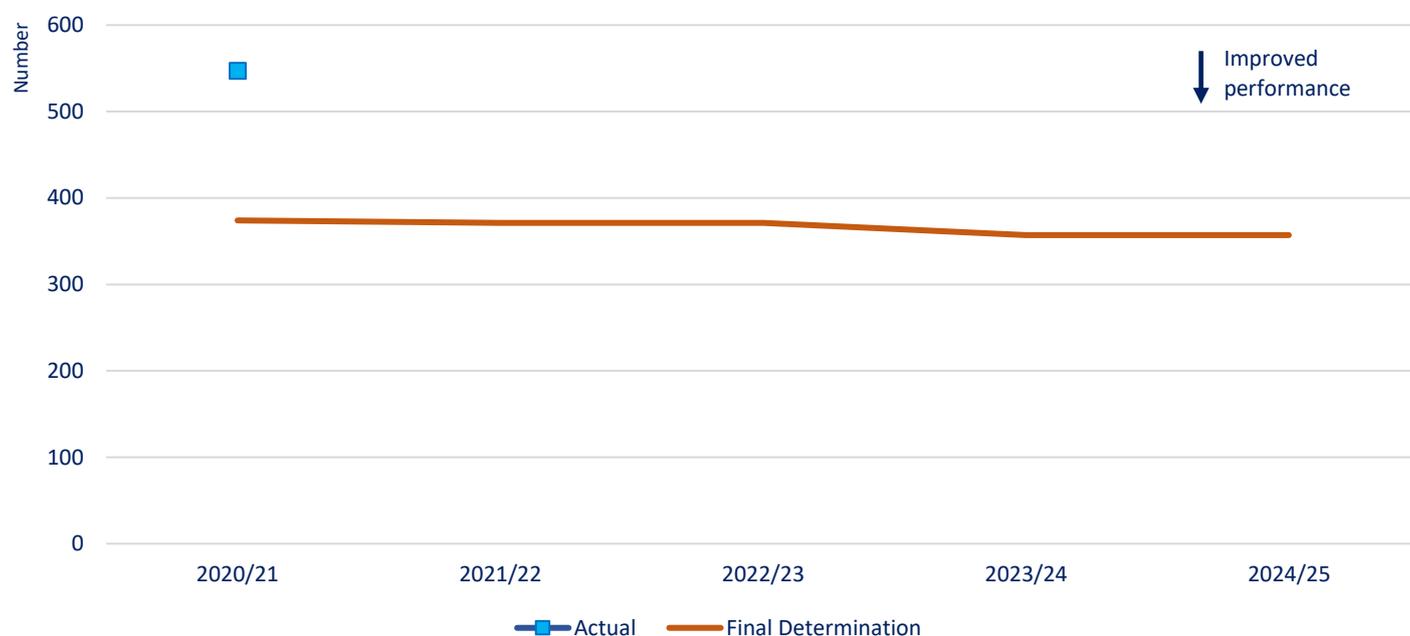
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## Rt6 – Worst served customers for wastewater service

Reputational

### Summary Performance

	2020/21	2021/22	2022/23	2023/24	2024/25
Actual	547	n/a	n/a	n/a	n/a
Final Determination	374	371	371	357	357
Internal Business Plan	374	←—————→			468



### Definition

This measure identifies those properties (of household or non-household customers) that consistently receive a poor level of service and experience repeat sewer flooding incidents i.e. ‘worst-served’ customers. The measure is comprised of the four categories, outlined below. Two of the categories relate to sewer flooding due to hydraulic overload (HO) and two relate to flooding due to other causes (OC).

1. Properties recorded as being at active risk of flooding internally due to hydraulic overload in the 2-in-10 year risk category (expected probability that sewer flooding will occur two or more times in ten years).
2. Properties recorded as being at active risk of Serious External Flooding due to hydraulic overload in the 2-in-10 year risk category.
3. Properties which have flooded internally more than once in the ten years prior to 31 March in the reporting year due to ‘other causes’.
4. Properties which have suffered, on average, more than one Serious External Flooding due to ‘other causes’ in the three years prior to 31 March in the reporting year.

### Commentary

Our performance in the year was 547 properties which is below the Ofwat Final Determination target of 374 properties. The breakdown of the four elements of this measure is shown below.

Worst Served	2020/21 Year start	2020/21 Year end
1. Internal Flooding (hydraulic overload)	90	104
2. Serious External Flooding (hydraulic overload)	241	276
3. Internal Flooding (other causes)	160	170
4. Serious External Flooding (other causes)	0	0
Waste Services (Total)	490*	547**

#### Note

\* One property at year-start qualifies under both hydraulic overload and other cause categories but is only counted once in the overall total.

\*\* Three properties at year-end qualify under both hydraulic overload and other cause categories, but each is only counted once in the overall total.

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## Annual Performance Report 2020/21

### Commentary cont.

Wet weather and severe storms have driven additions to the register. We expect our existing programme of schemes and investigations to further reduce the number of worst served customers.

During the year we have completed three capital schemes to resolve high risks of internal and external flooding in Cwmbran, Gwersyllt and Wrexham, removing 11 properties from the register.



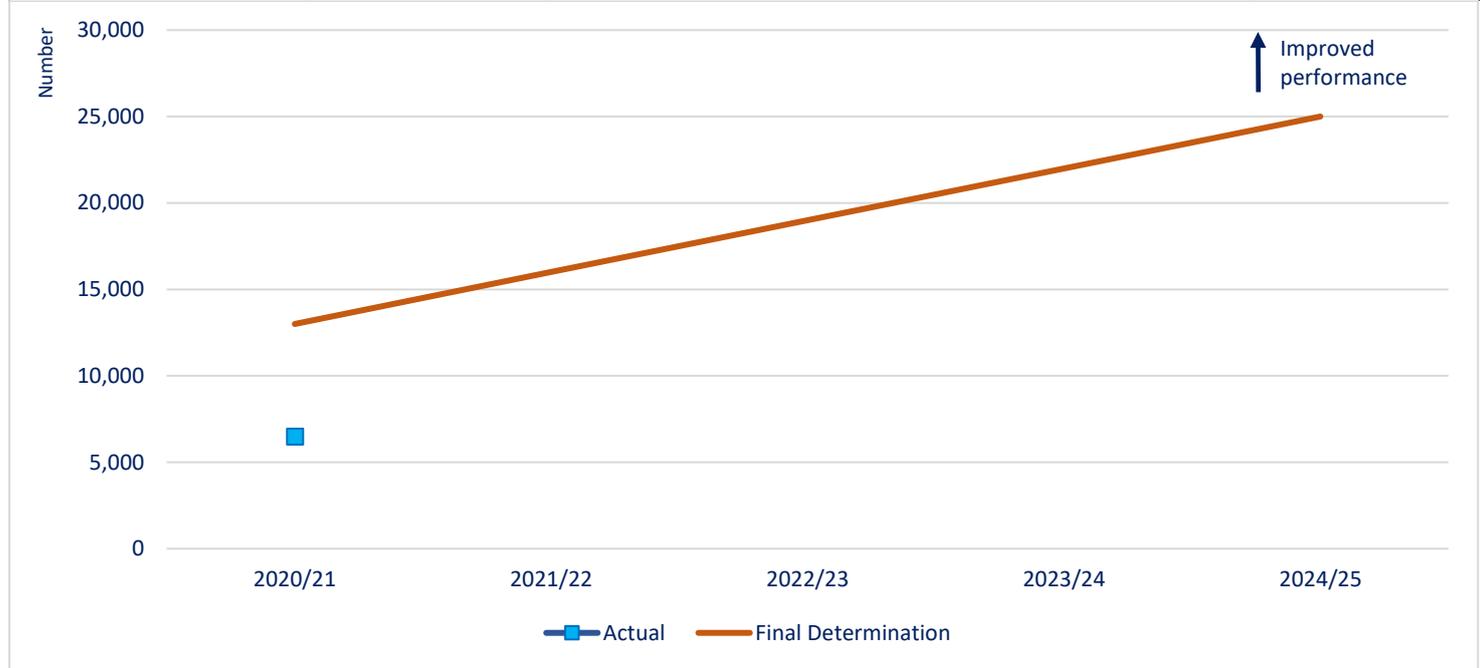


**Sv6 – Customers on welsh language register**

Reputational

Summary Performance

	2020/21	2021/22	2022/23	2023/24	2024/25
Actual	6,472	n/a	n/a	n/a	n/a
Final Determination	13,000	16,000	19,000	22,000	25,000
Internal Business Plan	13,000	←—————→			25,000



Definition

The number of customers registered for our welsh language preference service.

Commentary

There were 6,472 customers registered for welsh language documents at the end of the reporting year, this is below the Ofwat Final Determination target of 13,000.

A further 2,575 customers contacted us in Welsh via another contact channel e.g. Webchat and on average 6,500 customers visited the welsh area of our website every month.

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**BI1 – Change in average household bill**

Reputational

**Summary Performance**

	2020/21	2021/22	2022/23	2023/24	2024/25
Actual	-0.0%	n/a	n/a	n/a	n/a
Final Determination	<CPIH	<CPIH	<CPIH	<CPIH	<CPIH

**Definition**

The percentage increase in the average household bill from the bill in 2019/20.  
 The Company has committed to keeping bill increases below inflation as measured by the CPIH (Consumer Price Index including owner occupiers’ housing costs).

**Commentary**

For 2020/21 our average bill increased below the rate of inflation.

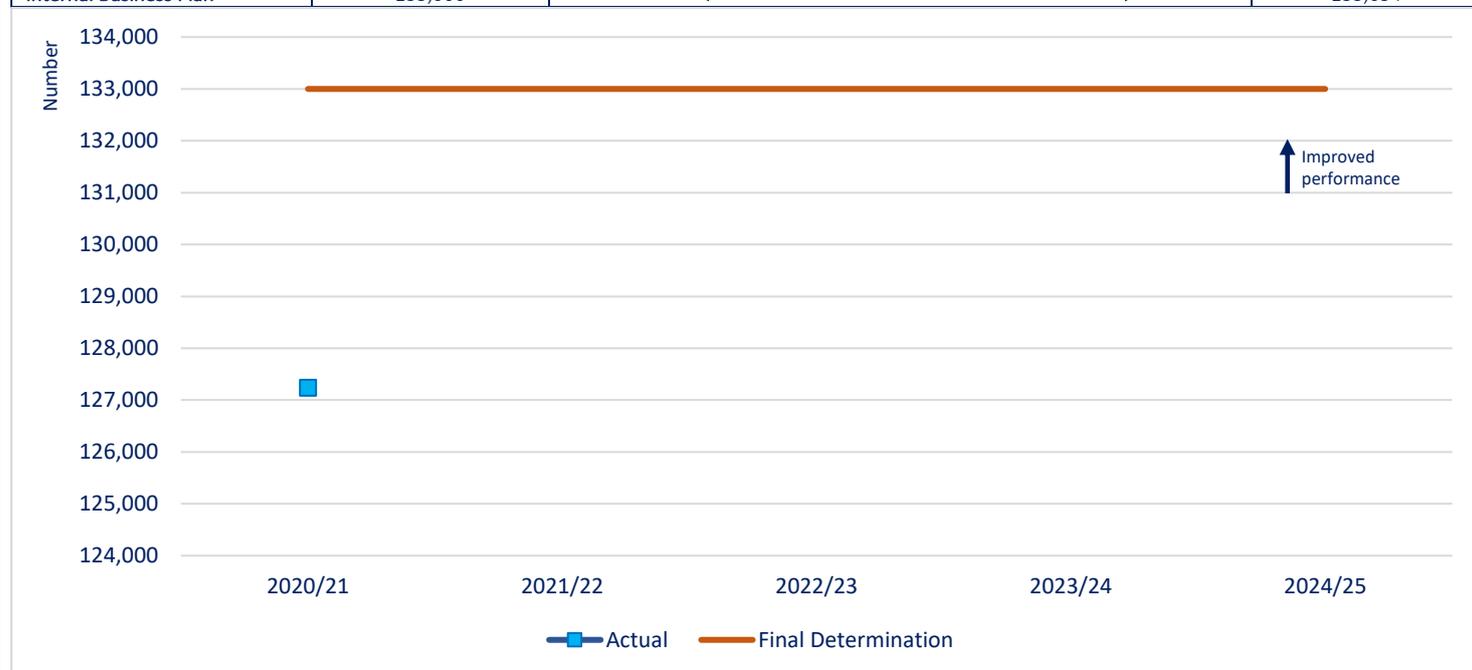
This measure is the percentage change since 2019/20 in the average household combined bill. The average household bill is calculated using the same methodology as used when reporting the Ofwat Average Household Bill template, summing water and wastewater to form a combined bill, as published on the Discover Water website.

## BI2 – Vulnerable customers on social tariffs

Reputational

### Summary Performance

	2020/21	2021/22	2022/23	2023/24	2024/25
Actual	127,238	n/a	n/a	n/a	n/a
Final Determination	133,000	133,000	133,000	133,000	133,000
Internal Business Plan	133,000	←—————→			135,634



### Definition

The number of residential customers on social tariffs as at 31 March each year. This includes both the HelpU social tariff scheme and the WaterSure scheme. Customers benefiting from Water Collect, Customer Assistance Fund and Water Direct customers are excluded from this measure unless they are also on a social tariff.

### Commentary

Our 2020/21 performance is 127,238 against a Ofwat Final Determination target of 133,000. At the 31 March there were 94,289 customers on HelpU and 32,949 customers on WaterSure (includes customers on Welsh Water Assist as these tariffs have previously been combined).

We will continue to audit customers benefiting from social tariffs to ensure eligibility and will remove customers who are no longer eligible.

Plans to ensure we reach our target next year include:

- Promotion of our social tariffs through our existing partners and relevant agencies; and
- Increasing social tariff knowledge and awareness in communities with high deprivation through our Water Resilient Communities Projects.

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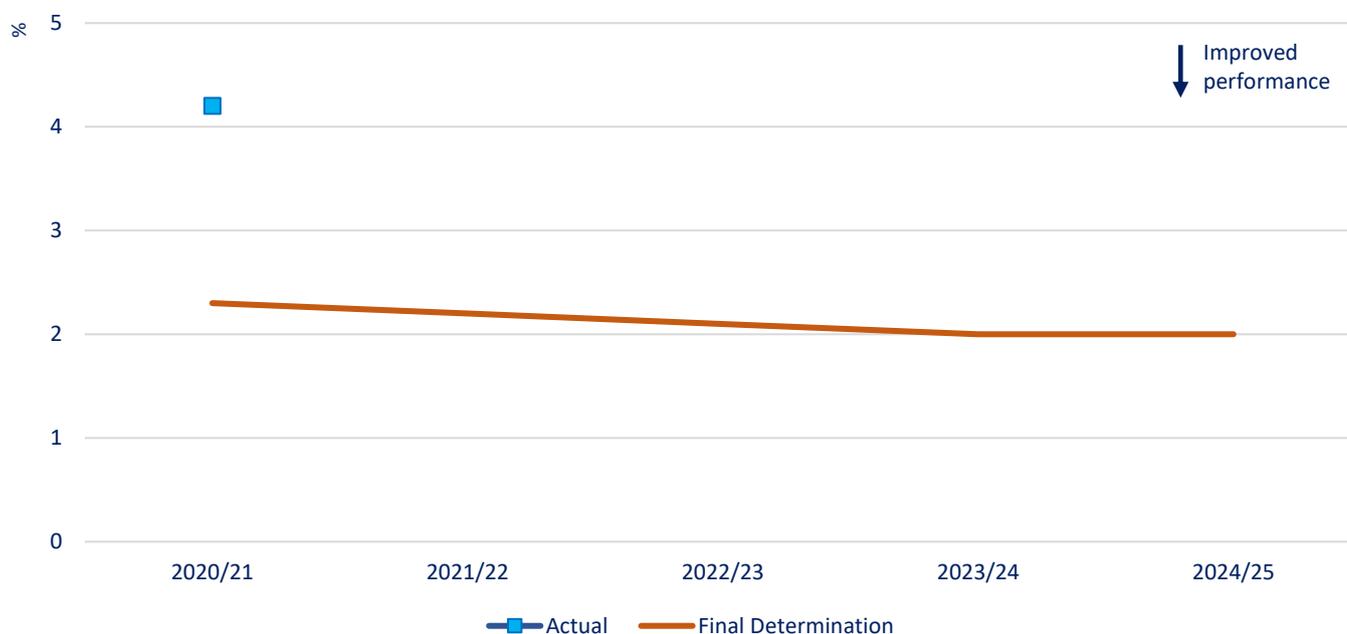
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## BI3 – Company level of bad debt %

Reputational

### Summary Performance

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Actual	3.0	4.2	n/a	n/a	n/a	n/a
Final Determination		2.3	2.2	2.1	2.0	2.0
Internal Business Plan		2.3	←—————→			2.0



### Definition

The Company level of bad debt is a measure of the total unpaid water and wastewater bills that are deemed uncollectable as a proportion of the total revenue billed in each reporting year.

### Commentary

The bad debt metric has been calculated based on the retail element of the bad debt charge (Annual Performance Report (APR) Table 2C, Line 3: £32.5m) as a proportion of total appointed revenues (APR Table 1A, Line 1: £766.2m).

To date there has been very little deterioration in overall cash collection rates during the year to 31 March 2021, exceeding expectations given the Covid-19 pandemic. Our underlying bad debt charge was broadly in line with last year (excluding the impacts of Covid-19 on both years).

However, we do now expect collections to deteriorate as a result of the economic impact of the Covid-19 pandemic when the government furlough scheme ends, and we have factored this into our 31 March 2021 year-end provision for bad debt. Of our total company bad debt charge of £34.3m for the year, £12.5m has been reported as exceptional and relating to the impact of Covid-19.



**B15 – Financial resilience**

Reputational

**Summary Performance**

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Actual	High	High	n/a	n/a	n/a	n/a
Final Determination	-	High	High	High	High	High

**Definition**

This performance commitment indicates the financial resilience of the company as reflected in the credit ratings for senior class bonds, given by the three main credit rating agencies: Standard & Poor’s (S&P), Moody’s and Fitch. A score of ‘High’ represents a strong investment grade credit rating from at least two of the three credit rating agencies. A strong investment grade rating is defined as: Moody’s: A3 or better, S&P: A- or better, Fitch: A- or better.

**Commentary**

As at 31 March 2021 our senior bonds were rated A-/A3/A by S&P, Moody’s and Fitch and we are amongst the highest rated water companies in the sector.

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## BI6 – Delivery of our reservoirs enhancement programme

ODI Penalty

### Summary Performance

APR reporting year	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Final Determination - cumulative number of schemes	0	8	13	17	26	29
Expected delivery date of schemes	2020	2021	2022	2023	2024	2025
Actual number of schemes	2					
ODI Penalty £m	0					

### Definition

Cumulative number of schemes delivered in the 2020/25 period against the regulatory programme of work for enhancing the safety of our reservoir assets. Work at each site will comprise:

- Reduction in 'Estimating Annual Probability of Dam Failure' due to works completed; and/or
- Completion of Section 10 measures in the interest of safety.

This will be assured by a third party All Reservoirs Panel Engineers.

### Commentary

We have delivered two schemes this year, both of which appear in the Ofwat Final Determination programme list. The Final Determination target for the year is zero.

The improvements have been successfully completed at Rosebush and Lower Neuadd Reservoirs. These works followed Section 10 inspections under the Reservoirs Act 1975. which stipulated the work that was required at each site.

- Lower Neuadd reservoir has been successfully discontinued under the Reservoirs Act 1975. The work was completed on site in October 2020.
- Rosebush Reservoir has had significant improvements to comply with current legislation. Critical pipework and valves were replaced and stability analysis was undertaken. The measures were completed with successful sign off in March 2021.

Since our Business Plan submission in 2018 our reservoir safety programme has been updated to reflect the latest risk information from ongoing investigations, working with our regulators. We will continue to ensure the programme is prioritised to maximise the benefit in terms of improvements in safety in line with legal requirements. Over the AMP period the programme will deliver the same (at least) overall benefit as the original programme approved by Ofwat at PR19, and our expenditure on the programme will be at least as much as the figure stipulated at the price review. We will provide evidence to confirm these facts in future Annual Performance Report submissions to Ofwat.

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<b>B18 – Delivery of our water network improvement programme</b>							ODI Penalty
<b>Summary Performance</b>							
	Units	2020/21	2021/22	2022/23	2023/24	2024/25	
Actual	nr	0	n/a	n/a	n/a	n/a	
Final determination	nr	0	0	0	0	17	
ODI Penalty	£m	£0					
<b>Definition</b>							
<p>Cumulative number of schemes delivered to milestone 3 (completed programme of works) over the 2020 to 2025 period. This performance commitment captures the Company’s obligations to meet the 17 notices served on it by the Drinking Water Inspectorate (DWI) in force as at 1 April 2020 to address concerns about discolouration of water. The financial implications associated with underperformance this performance commitment will be assessed in 2025, which is the end of this five year reporting cycle.</p>							
<b>Commentary</b>							
<p>We are investing to improve the appearance of drinking water supplied to our customers in 17 Water Quality Zones during the five year reporting period. Construction activities have commenced in three zones and will be complete in 2021/22. The performance commitment for 2020/21 has been met.</p>							

<b>B110 – Delivery of our South Wales Grid water supply resilience scheme</b>							ODI Penalty
<b>Summary Performance</b>							
	Units	2020/21	2021/22	2022/23	2023/24	2024/25	
Actual	%	0	n/a	n/a	n/a	n/a	
Final determination	%	0	3	10	95	100	
ODI Penalty	£m	£0					
<b>Definition</b>							
<p>Cumulative proportion of total expenditure spent to deliver the South Wales Grid water supply resilience scheme over the 2020 to 2025 period. The financial implications associated with underperformance this performance commitment will be assessed in 2025, which is the end of this five year reporting cycle.</p>							
<b>Commentary</b>							
<p>The programme delivery will provide bi-directional transfer of 30 Ml/d between the West (TCUS) and East (SEWCUS) conjunctive use systems. Hydraulic modelling is being finalised and expenditure will start during 2021/22.</p>							

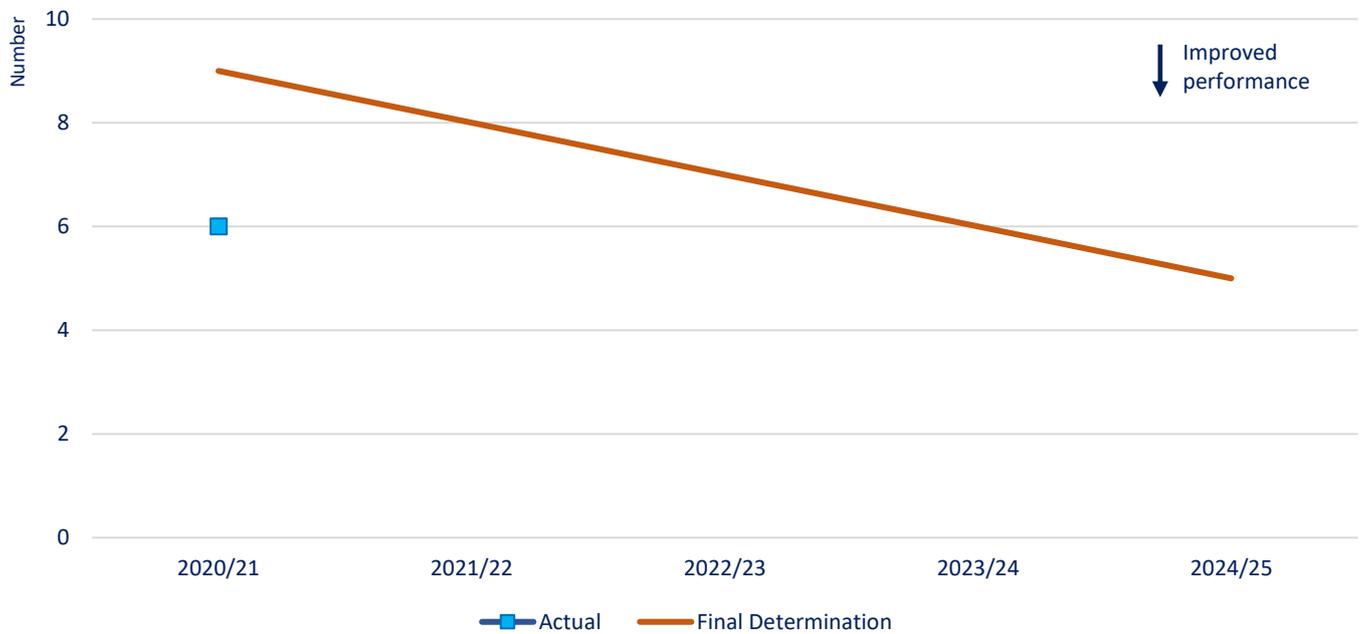
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## Co1 – Reportable injuries

Reputational

### Summary Performance

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Actual	8	6	n/a	n/a	n/a	n/a
Final Determination		9	8	7	6	5
Internal Business Plan		9	←—————→			5



### Definition

The number of individual injuries reported to the Health and Safety Executive under RIDDOR per annum.

### Commentary

There were 6 Reportable injuries for 2020/21, compared to 8 in 2019/20.

The analysis of the number of Reported Injuries against other companies is not a good comparator, as the number of colleagues will vary and not all employers include within their reported figures incidents involving colleagues of contractor organisations.

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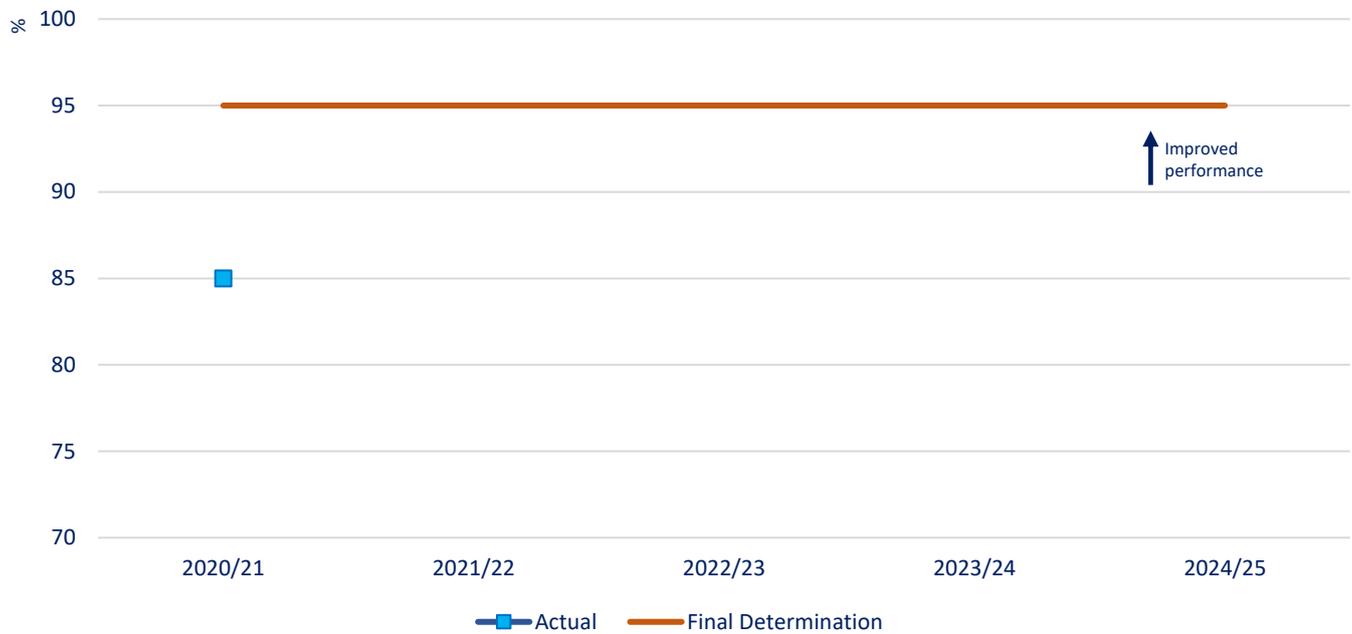
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## Co2 – Employee training and expertise %

Reputational

### Summary Performance

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Actual	83.0	85.0	n/a	n/a	n/a	n/a
Final Determination		95.0	95.0	95.0	95.0	95.0
Internal Business Plan		95.0	←—————→			90.0



### Definition

The percentage of the Company's employees that are evaluated as having the necessary skills, experience and knowledge to carry out their specific role safely.

### Commentary

Our performance for the year is 85.0% compared to the Ofwat Final Determination target of 95.0%. This is an increase on our score of 83.0% last year.

Our ability to meet the Final Determination performance level for this measure for 2020/21 was impacted by our limited opportunity to hold courses face to face and resource availability to attend training sessions.

Although we moved many of our courses to online and trainer-led, attendance was impacted due to staff availability being limited as a result of illness, shielding and cover of operational activities due to those absences.



**DCP01 – Direct procurement for customers: Cwm Taf  
Water supply strategy scheme (Underperformance)**

ODI Penalty

## Summary Performance

	2020/21	2021/22	2022/23	2023/24	2024/25
Actual	0	n/a	n/a	n/a	n/a
Final determination	TBA	TBA	TBA	TBA	TBA
ODI Penalty £m	£0				

## Definition

The performance commitment measures successful and timely delivery of key direct procurement for customer control points, the Outline Business Case submission, and the Full Business Case submission.

## Commentary

We were required to submit for the Cwm Taf Water Supply Strategy a Strategic Outline Case (SOC) by no later than 31 December 2020; this was submitted on 18 December 2020.

We were required to submit dates for performance commitments within the SOC, these are listed below.

Commitment	Date
Delivery of the Outline Business Case	31 October 2022
Delivery of the Full Business Case	31 July 2024

**DCP02 – Direct procurement for customers: Cwm Taf  
Water supply strategy scheme (Outperformance)**

ODI Reward

## Summary Performance

	2020/21	2021/22	2022/23	2023/24	2024/25
Actual	TBC	n/a	n/a	n/a	n/a
Final determination	TBA	TBA	TBA	TBA	TBA
ODI Reward £m	£0				

## Definition

Where DCWW successfully completes an agreed procurement process and, following approval by Ofwat, awards the Cwm Taf Water supply strategy scheme to a competitively appointed provider such that the contract is signed and fully effective in accordance with its terms.

## Commentary

We were required to submit for the Cwm Taf Water Supply Strategy a Strategic Outline Case (SOC) by no later than 31 December 2020; this was submitted on 18 December 2020.

We were required to submit dates for performance commitments within the SOC, this is listed below.

Commitment	Date
Competitive appointment of a third-party provider in circumstances where the direct procurement for customers scheme meets the qualifying criteria.	31 October 2024

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VIS01 – Delivery of a new visitor centre						ODI Penalty
Summary Performance						
	2020/21	2021/22	2022/23	2023/24	2024/25	
Actual	n/a	n/a	n/a	n/a	n/a	n/a
Final determination	n/a	n/a	n/a	n/a	n/a	Delivered
ODI Penalty £m	£0					
Definition						
The performance commitment measures successful delivery of the project to construct a new visitor centre at the Llanishen/Lisvane reservoirs site. The financial implications associated with underperformance this performance commitment will be assessed in 2025, which is the end of this five year reporting cycle.						
Commentary						
Work is progressing well to deliver a new visitor centre at Llanishen/Lisvane, the project remains on track to be delivered by 2025.						

DWMPs – Drainage and wastewater management plans						Reputational
Summary Performance						
	2020/21	2021/22	2022/23	2023/24	2024/25	
Actual	0	n/a	n/a	n/a	n/a	n/a
Final determination	0	0	100	100	100	
Definition						
The cumulative percentage of catchments in which Welsh Water operates, the company implements the Level 1 water company DWMP in accordance with the guideline: A framework for the production of Drainage and Wastewater Management Plans, published September 2018 and updated May 2019.						
Commentary						
This measure was designed to develop voluntary drainage and wastewater management plans. Our plan will identify how we will extend, improve and maintain a robust and resilient drainage and wastewater system in light of facing the pressures of climate change, population growth and growing customer expectations.						
We are currently developing the first version of our DWMPs, which will go out to public consultation in 2022.						

## NEP01 – Delivery of Environment programme requirements

Reputational

### Summary Performance

	2020/21	2021/22	2022/23	2023/24	2024/25
Actual	met	n/a	n/a	n/a	n/a
Final determination	met	met	met	met	met

### Definition

This measure tracks the completion of required schemes in each year, as per the latest WINEP/NEP programme published by DEFRA and Natural Resources Wales.

Has the Company 'met' or 'not met' all of its requirements for Water Industry National Environment Program (WINEP)/National Environment Program (NEP), in the reporting year.

### Commentary

Performance for 2020/21 is 'Met'. The table below shows the claims across the three drivers.

Natural Resources Wales have issued a business performance letter dated 27 May 2021 confirming our reported performance. The Environment Agency has provided an e-mail dated 24 May 2021 confirming sign off of all measures that contribute towards this Performance Commitment.

Regulator	Schemes	Monitors	Investigations
EA	0	6	0
NRW	10	62	5
Total of 83 claims			

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## 3. Assurance

### 3.1 Assurance processes adopted in preparing this report.

The company has established appropriate processes and systems of control that provide the necessary assurance in respect of the information contained within and underpinning this report. The following paragraphs summarise the processes and systems of control in place.

#### Policies and Procedures

- Key processes and systems of control are documented, and the quality of systems used for generating regulatory information are continually assessed. These processes have been followed to produce this Part 3 of the Annual Performance Report. Although we are no longer required to produce a June Return, we have used the same processes as in previous years and retained the concept of 'data ownership'.
- Methodology Statements are in place for key measures reported in this part of the Annual Performance Report and these have been either been assessed by the Reporter or subjected to internal review within the year.
- As part of targeted due diligence, each Dŵr Cymru data owner was required to confirm that they had completed the relevant table in accordance with the relevant Methodology Statement. Any changes to the procedures are kept up to date and are published on the Dŵr Cymru intranet Source.
- We have in place a policy document which outlines the formal process to be undertaken and, inter alia, the roles and responsibilities of key people including data owners, the Regulation Department, Dŵr Cymru Executive Directors (collectively and individually), the Audit Committee and the Board.
- A 'Code of Conduct' policy document, detailing the behavioural framework required around regulatory data and whistle-blowing was issued in 2014, with an updated version issued in 2018.
- Ownership and responsibility for each relevant data item has been clearly defined. Each individual was responsible for adhering to all appropriate guidance in the compilation of the data and providing associated commentary. This also involved formal 'sign off' by the individual, verifying that the data had been obtained from a recognised data source and had been accurately compiled. In addition, confirmation was required that any material judgements or assumptions had been highlighted and documented, ensuring an accurate audit trail, with a review of confidence grades where applicable. Where material was within an individual's personal knowledge, he or she was required to confirm that it was true or, where it was not within their personal knowledge, that appropriate enquiry had been made.
- Allocation of overall responsibility for individual data items and associated commentaries was assigned to the appropriate member of the Dŵr Cymru Executive Directors. Each was responsible for the review and 'sign off' of their own data items.
- A large proportion of the data processing is covered by our Internal Management System which has accreditation to various ISO standards.

#### Implementation and Internal Review

- Production of training packs by the Regulation Department ensured that all data owners had a single point of reference for all information necessary to undertake their specific responsibilities. These 'packs' included guidance on how to process the relevant data and populate tables, information on confidence grades and details of where to locate previous Reporter's reports. Methodology statements and training material were also included.

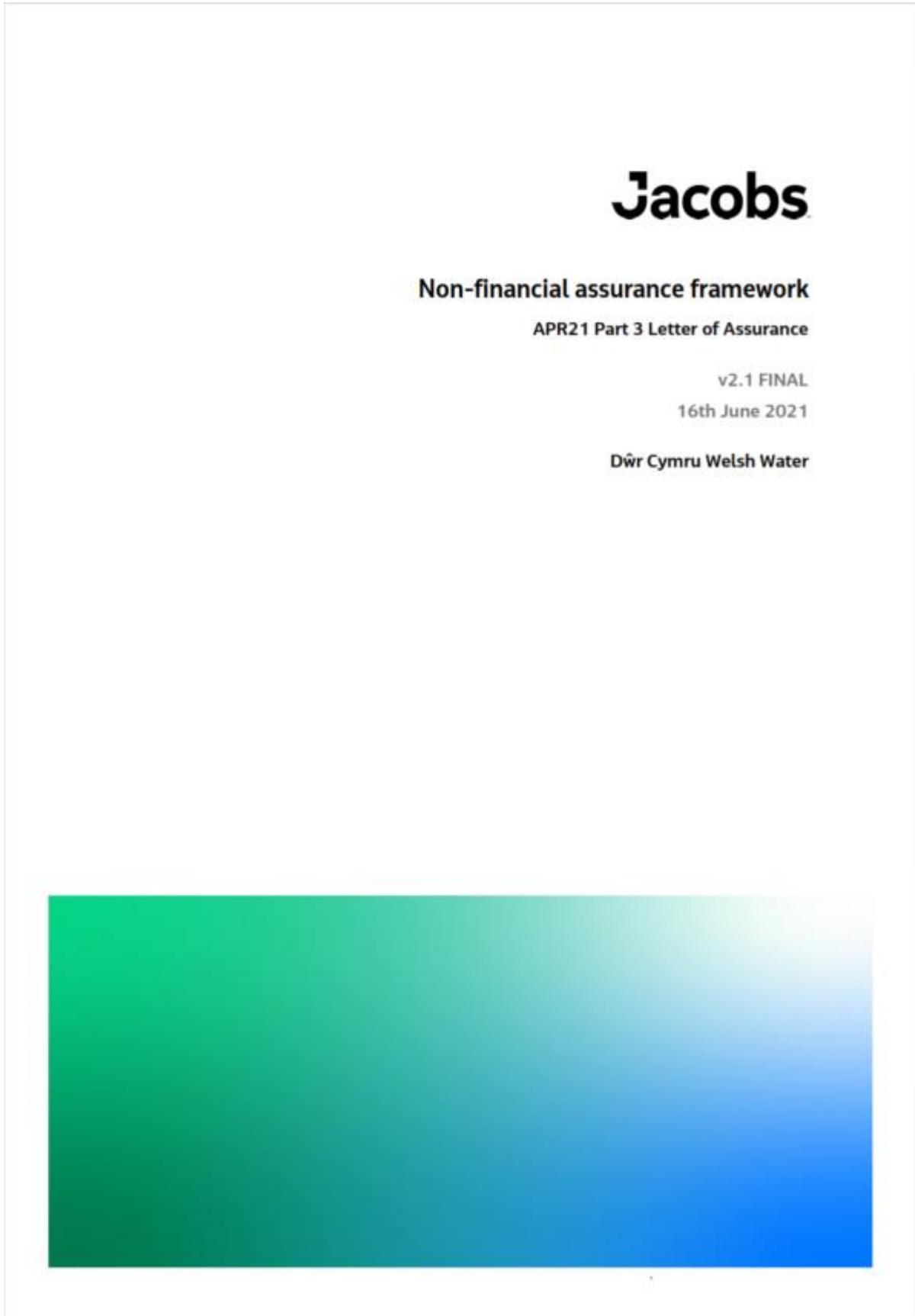
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- All of the information included within the training packs (described above) was made available on Dŵr Cymru intranet Source.
- Training sessions for data owners were held in February and March 2021, where the processes were fully explained, the importance of regulatory data being reliable and accurate highlighted.
- Regular communication between the Regulation Department and all data owners was undertaken prior to and during the preparation of this report.
- There was regular reporting of key performance indicators to the Board, the Quality and Environment Committee (QEC) and the Dŵr Cymru Executive Directors throughout the year
- A rigorous process of internal due diligence meetings was undertaken by the Regulation Department between the 13 April 2021 and 18 May 2021 to challenge information, judgements and assumptions made and to ensure compliance with the relevant guidance.
- A review was undertaken by the Regulation team to ensure consistency between the Annual Performance Report and the individual data items and the relevant commentaries.
- The ‘sign off’ forms were endorsed by each data owner, the Leadership Team members (where relevant) and the responsible member of the Dŵr Cymru Executive Directors before the publication of the Annual Performance Report.
- A management review meeting of non-financial measures reported in the Annual Performance Report, involving the Dŵr Cymru Executive Directors, took place on 25 May 2021. This was also attended by the Reporter, a Business Assurance team member and data owners, where relevant. For each measure, a summary containing current year’s performance, historical performance (where relevant) and data owner and reporter issues was produced and formed the basis of the discussions. Material issues were highlighted and discussed.

### External Review and Board Engagement

- The Reporter carried out a formal review and certification of all non-financial measures and provided a detailed report commenting on compliance with reporting requirements and highlighted any issues with the reported figures.
- The Director of Strategy and Regulation reviewed and approved publication of the Final Assurance Plan, which was published in March 2021.
- The Audit Committee received papers to meetings on 22 January 2021 detailing the processes in place. Further progress updates were provided to the Audit Committee on 3 June 2021.
- As part of the external review of data, the Reporter also reviewed performance against the PR19 Final Determination Outcomes and Performance Commitments. The Reporter also attended the Dŵr Cymru Executive Directors meeting on the 25 May 2021, the Audit Committee meeting on the 3 June 2021 (where they provided verbal updates) and the Board meeting on 1 July 2021.
- A high level audit and evaluation of the systems in place within Dŵr Cymru was also undertaken by the Business Assurance team department. This took place during April and May 2021 and the report concluded that generally, there is a sound system of internal control and broadly there is operational compliance with those controls, with an overall rating of “Satisfactory Assurance”.
- The Board meeting on 1 July 2021 reviewed the overall process, the operation of the systems of internal and external controls and reviewed the key judgements required in compiling the Annual Performance Report.
- Some of our key stakeholders (e.g. Natural Resources Wales, the Drinking Water Inspectorate and CCWater) also carry out audits and scrutiny of our data.

3.2 Reporter's Letter of Assurance









# Annual Performance Report 2020/21

## Appendix 1 - Performance Commitments Definitions.

Performance Commitment		Definition
Wt1	Water quality compliance (CRI)	A Compliance Risk Index (CRI) score is calculated for every individual compliance failure at water supply zones, supply points and treatment works, and service reservoirs. The annual CRI for a company, for any given calendar year, is the sum of the individual CRI scores for every compliance failure reported during the year.
Wt2	Water Supply Interruptions	The average number of minutes that customers are without water within our supply area (includes both planned and unplanned interruptions). It is calculated as the average number of minutes lost per customer for the whole customer base for interruptions that lasted three hours or more.
Wt3	Acceptability of drinking water	The number of times the company is contacted by consumers due to the taste and odour of drinking water, or due to drinking water not being clear, reported per 1,000 population. This measure is reported on a calendar year basis.
Wt4	Mains Repairs	This includes all physical repair work to mains from which water is lost. It is reported as the number of mains repairs per thousand kilometres of the entire water main network (excluding communication and supply pipes).
Wt5	Unplanned outage %	This measure is a means of assessing asset health (primarily for above ground assets), for water abstraction and water treatment activities. It is defined as the annualised unavailable flow, based on the peak week production capacity. This measure is proportionate to both the frequency of asset failure as well as the criticality and scale of the assets that are causing an outage.
Wt6	Tap water quality event risk index (ERI)	The Event Risk Index (ERI) is a measure of the risk arising from water quality events, as defined by the Drinking Water Inspectorate (DWI). This measure is reported on a calendar year basis.
Wt7	Water catchments improved	The number of water treatment works with catchments designated as Safeguard Zones under the Water Framework Directive (WFD) as in effect at the time of the Ofwat Final Determination publication. Drinking Water Safeguard Zones are designated areas where raw water quality has been deemed to be 'at risk' of deterioration.
Wt8	Lead pipes replaced	This performance commitment measures number of lead pipes replaced by the Company. The number of pipes reported as replaced is cumulative over the period 2020-25. The financial implications associated with underperformance or outperformance with this Performance Commitment will be assessed in 2025, which is the end of this five year reporting cycle.
En1	Treatment works compliance %	For our water and wastewater treatment works there is a permit which regulates the quality of wastewater the Company is allowed to discharge into rivers and coastal waters, which is regulated by Natural Resources Wales. The measure is reported as the number of failing sites (as a percentage of the total number of discharges) and not the number of failing discharges. This measure is reported on a calendar year basis.
En2	Wastewater treatment works 'look-up table' compliance	Percentage of wastewater treatment works that comply with the following:

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Performance Commitment		Definition
		<ul style="list-style-type: none"> <li>Sanitary Look Up Table limits on permits for Biological Oxygen Demand (BOD), Total suspended solids (TSS) and ammonia.</li> <li>Annual average Phosphorus limits.</li> <li>Urban Wastewater Treatment Directive (UWWTD) Look up table limits for BOD and Chemical Oxygen Demand (COD).</li> <li>UWWTD annual average Phosphorus limits.</li> <li>UWWTD annual average Nitrogen limits.</li> </ul> <p>These are set by Natural Resource Wales or the Environment Agency as appropriate.</p> <p>This measure is reported on a calendar year basis.</p>
En3	Pollution incidents (Per 10,000km of sewer)	<p>The total number of pollution incidents per 10,000 km of sewer length (caused by blockages or collapsed sewers). Pollution incidents are categorised as category 1, 2 or 3 incident and reported by Natural Resources Wales and the Environment Agency.</p> <ul style="list-style-type: none"> <li>Category 1 - are the most severe and have a major or serious impact on the environment, people or property.</li> <li>Category 2 - significant impact or effect on the environment, people or property.</li> <li>Category 3 - minor or minimal impact on the environment, people or property.</li> </ul> <p>This measure is reported on a calendar year basis.</p>
En4	Leakage (% reduction) – 3 year average	The percentage reduction of three year average leakage in megalitres per day (MI/d) from the 2019/20 starting baseline.
En5	Per Capita Consumption (% reduction) – 3 year average	Annual average per capita consumption (PCC) is defined as the sum of measured and unmeasured household consumption divided by the total household population. This measure is reported as a % reduction of our three year average PCC from the 2019/20 starting baseline.
En6	Km of river improved	<p>The cumulative length of river improved as a result of the Company's action and as a consequence of regulatory and legislative drivers. The length can only be counted once the Environment Agency and/or Natural Resources Wales has agreed all schemes to achieve the improvement have been delivered and each scheme meets the requirements.</p> <p>The measure is defined as the length (in km) of river with improved water quality, as a result of Welsh Water action. The financial implications associated with underperformance or outperformance with this Performance Commitment will be assessed in 2025, which is the end of this five year reporting cycle.</p>
En7	Bioresources product quality	Percentage of total wastewater sludge treated that is processed through Advanced Anaerobic Digestion facilities and recycled to land meeting certification requirement of the Biosolids Assurance Scheme. Any sludge imported from third parties will be included within the measure.
En8	Bioresources disposal compliance	The overall percentage of company sludge satisfactorily used or disposed of in line with version 3 of the Natural Resource Wales and Environment Agency's Environmental Performance Assessment methodology (published November 2017). This measure is reported on a calendar year basis.
En9	Combined sewer overflow storage systems	The cumulative additional effective volume of storage delivered by the Company under the National Environment Programme (NEP) obligations. The financial implications associated with

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Performance Commitment		Definition
		underperformance or outperformance with this Performance Commitment will be assessed in 2025, which is the end of this five year reporting cycle.
NEP01	Delivery of Environment programme requirements	This measure tracks the completion of required schemes in each year, as per the latest WINEP/NEP programme published by DEFRA and Natural Resources Wales. Has the Company 'met' or 'not met' all of its requirements for Water Industry National Environment Program (WINEP)/National Environment Program (NEP), in the reporting year.
DWMPs	Drainage and wastewater management plans	The cumulative percentage of catchments in which Welsh Water operates, the company implements the Level 1 water company DWMP in accordance with the guideline: A framework for the production of Drainage and Wastewater Management Plans, published September 2018 and updated May 2019.
Sv1	C-MeX	C-MeX is a customer measure of experience and customer satisfaction. It is comprised of two survey elements: <ul style="list-style-type: none"> <li>• Customer Experience Survey – a customer satisfaction survey amongst a random sample of the water company's customers; and</li> <li>• Customer Service Survey – a customer satisfaction survey amongst a random sample of those customers who have contacted their water company.</li> </ul> The scores of each of the two surveys are weighted equally to produce the combined C-MeX measure.
Sv2	D-MeX	D-MeX is a measure of customer satisfaction for Developer Services. The D-MeX score is calculated from two components that contribute equally: <ul style="list-style-type: none"> <li>• Qualitative D-MeX score, based on the ratings provided by developer services customers who transacted with the company throughout the reporting year to a customer satisfaction survey; and</li> <li>• Quantitative D-MeX score, based on the company's performance against a set of selected Water UK performance metrics throughout the reporting year.</li> </ul>
Sv3	Customer Trust	The average score of customers asked the question 'How much do you trust your water and sewerage company?' The response is on a scale of one to ten with one being 'do not trust them at all' and ten being 'trust them completely'. This performance commitment is calculated from the Consumer Council for Water's (CCWater) survey. This performance commitment will cease to apply if CCWater discontinues its annual question on the level of trust in water companies.
Sv4	Business customer satisfaction	This performance commitment measures the average customer score out of five from four quarterly business customer satisfaction surveys. The Company will undertake a survey of 250 business customers per quarter (1,000 in total per year). It will survey a sample from all customers, not just those who have contacted the company.
Sv5	Priority Services for Customer in Vulnerable Circumstance	We provide special assistance to those customers in vulnerable circumstances who are registered on our Priority Services Register (PSR).

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Performance Commitment		Definition
		This measure reports on the number of households on the Company's PSR as a proportion of all households in the Company's region.
Sv6	Customer on Welsh language register	The number of customers registered for our Welsh language preference service.
Rt1	Internal sewer flooding (per 10,000 sewer connections)	The measure is calculated as the number of internal sewer flooding incidents normalised per 10,000 sewer connections including sewer flooding due to severe weather events.
Rt2	Sewer flooding on customers property (external)	The measure is calculated as the number of external sewer flooding incidents normalised per 10,000 sewer connections including sewer flooding due to severe weather events. External flooding incidents are those that have occurred within the boundary of residential or non-residential properties.
Rt3	Sewer collapses (Per 1,000 km of sewers)	The number of sewer collapses per 1,000 kilometres of all sewers causing an impact on service to customers or the environment. A sewer collapse is where a structural failure has occurred to the pipe that results in a service impact to a customer or the environment and where action is taken to replace or repair the pipe to reinstate normal service.
Rt4	Total Complaints	The total complaints by household customers received by the Company per 10,000 connections. It includes the combined total of unwanted contacts (i.e. telephone complaints), written complaints (letter and email), and contacts via new contact channels (such as social media or webchat). This aligns with the data submitted and published by the Consumer Council for Water (CCW) in its annual reports on household complaints.
Rt5	Worst served customers for water service	This measure identifies those properties (household or non-household) who consistently receive a poor level of service. The measure consists of three elements: <ol style="list-style-type: none"> <li>1. Properties that have had their water supply repeatedly interrupted over a 2 year period. Those properties who have had their water supply interrupted at least once in year one and experienced more than two interruptions in year two.</li> <li>2. Properties that have had their water supply repeatedly interrupted over a 3 year period. Those properties who have had their water supply interrupted at least once in year one, year two and year three.</li> <li>3. Properties that received low pressure below the agreed level of service for 3 years or more. Those properties are captured on the Low Pressure longstanding register.</li> </ol>
Rt6	Worst served customers for wastewater service	This measure identifies those properties (of household or non-household customers) that consistently receive a poor level of service and experience repeat sewer flooding incidents i.e. 'worst-served' customers. The measure is comprised of the four categories, outlined below. Two of the categories relate to sewer flooding due to hydraulic overload (HO) and two relate to flooding due to other causes (OC). <ol style="list-style-type: none"> <li>1. Properties recorded as being at active risk of flooding internally due to hydraulic overload in the 2-in-10 year risk category (expected probability that sewer flooding will occur two or more times in ten years).</li> </ol>

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Performance Commitment		Definition
		<ol style="list-style-type: none"> <li>2. Properties recorded as being at active risk of Serious External Flooding due to hydraulic overload in the 2-in-10 year risk category.</li> <li>3. Properties which have flooded internally more than once in the ten years prior to 31 March in the reporting year due to 'other causes'.</li> <li>4. Properties which have suffered, on average, more than one Serious External Flooding due to 'other causes' in the three years prior to 31 March in the reporting year.</li> </ol>
Ft1	Risk of severe restrictions in a drought %	The overall metric is the percentage of the customer population at risk of experiencing severe restrictions in a 1-in-200 year drought, on average, over 25 years.
Ft2	Risk of sewer flooding in a storm %	This measure will record the percentage of the region's population at risk from internal hydraulic sewer flooding from a 1 in 50-year storm, based on modelled predictions.
Ft3	Energy self-sufficiency	Electricity generated and gas injected to grid as a percentage of all electricity and gas consumed by the company, with gas being presented as a gigawatt hours (GWh) equivalent.
Ft4	Surface water removed from sewers	Reduction in volume (m <sup>3</sup> ) of surface water entering the surface or combined sewer network through sustainable urban drainage approaches. Solutions include sustainable urban drainage approaches to slow down and reduce the volume of water entering the network.
Ft5	Asset resilience (reservoirs)	This performance commitment is defined as a resilience score for critical impounding reservoirs based on a defined resilience scorecard. Critical assets are those for which failure would have a major impact on service to customers or on the environment.
Ft6	Asset resilience (water network+ above ground)	This performance commitment is defined as a resilience score for critical water network plus above ground assets based on a defined resilience scorecard. Critical assets are those for which failure would have a major impact on service to customers or on the environment.
Ft7	Asset resilience (water network+ below ground)	This performance commitment is defined as a resilience score for critical water network plus below ground assets based on a defined resilience scorecard. Critical assets are those for which failure would have a major impact on service to customers or on the environment.
Ft8	Asset resilience (wastewater network+ above ground)	This performance commitment is defined as a resilience score for critical waste network plus above ground assets based on a defined resilience scorecard. Critical assets are those for which failure would have a major impact on service to customers or on the environment.
Ft9	Asset resilience (wastewater network+ below ground)	This performance commitment is defined as a resilience score for critical water network plus below ground assets based on a defined resilience scorecard. Critical assets are those for which failure would have a major impact on service to customers or on the environment.
Ft10	Community Education	The total number of children and adults who have participated in the Company's educational programme each year.
Ft11	Visitors to recreational facilities	The total number of visitors to the Company's recreational sites each year. The Company's recreational sites are Llyn Brenig, Elan Valley, Llandegfedd and Llys y Fran. A new visitor centre is planned at the site of Lisvane and Llanishen reservoirs in North Cardiff. Any

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Performance Commitment		Definition
		further recreational sites developed during the 2020-25 period will be included within this measure.
Bl1	Change in average household bill	The percentage increase in the average household bill from the bill in 2019/20. The Company has committed to keeping bill increases below inflation as measured by the CPIH (Consumer Price Index including owner occupiers' housing costs).
Bl2	Vulnerable customers on social tariffs	The number of residential customers on social tariffs as at 31 March each year. This includes both the HelpU social tariff scheme and the WaterSure scheme. Customers benefiting from Water Collect, Customer Assistance Fund and Water Direct customers are excluded from this measure unless they are also on a social tariff.
Bl3	Company level of bad debt	The Company level of bad debt is a measure of the total unpaid water and wastewater bills that are deemed uncollectable as a proportion of the total revenue billed in each reporting year.
Bl4	Unbilled properties	The number of household and non-household properties classified as void as a percentage of the total number of household and non-household properties served by the Company. Void properties are defined as properties, within the company's supply area, which are connected for either a water service only, a sewerage service only or both services but do not receive a charge. This measure includes properties where other companies bill on our behalf.
Bl5	Financial resilience	This performance commitment indicates the financial resilience of the company as reflected in the credit ratings for senior class bonds, given by the three main credit rating agencies: Standard & Poor's (S&P), Moody's and Fitch. A score of 'High' represents a strong investment grade credit rating from at least two of the three credit rating agencies. A strong investment grade rating is defined as: Moody's: A3 or better, S&P: A- or better, Fitch: A- or better.
Bl6	Delivery of our reservoir's enhancement programme	Cumulative number of schemes delivered in the 2020-25 period against the regulatory programme of work for enhancing the safety of our reservoir assets. Work at each site will comprise: <ul style="list-style-type: none"> <li>Reduction in 'Estimating Annual Probability of Dam Failure' due to works completed; and/or</li> <li>Completion of Section 10 measures in the interest of safety.</li> </ul> This will be assured by a third party All Reservoirs Panel Engineers.
Bl8	Delivery of our water network improvement programme	Cumulative number of schemes delivered to milestone 3 (completed programme of works) over the 2020 to 2025 period. This performance commitment captures the Company's obligations to meet the 17 notices served on it by the Drinking Water Inspectorate (DWI) in force as at 1 April 2020 to address concerns about discolouration of water. The financial implications associated with underperformance this performance commitment will be assessed in 2025, which is the end of this five year reporting cycle.
Bl10	Delivery of our South Wales grid water supply resilience scheme	Cumulative proportion of total expenditure spent to deliver the South Wales Grid water supply resilience scheme over the 2020 to 2025 period. The financial implications associated with underperformance this performance commitment will be assessed in 2025, which is the end of this five year reporting cycle.

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Performance Commitment		Definition
Co1	Reportable injuries	The number of individual injuries reported to the Health and Safety Executive under RIDDOR per annum.
Co2	Employee training and expertise	The percentage of the Company's employees that are evaluated as having the necessary skills, experience and knowledge to carry out their specific role safely.
Co3	Employee engagement	This performance commitment is designed to incentivise the company to maintain the employee engagement score derived from an annual survey of colleague sentiment. Engagement score calculated by ORC International's 'say, stay and strive' model.
VIS01	Delivery of our new visitor's centre	The performance commitment measures successful delivery of the project to construct a new visitor centre at the Llanishen/Lisvane reservoirs site. The financial implications associated with underperformance this performance commitment will be assessed in 2025, which is the end of this five year reporting cycle.
DCP01	Direct procurement for customers: Cwm Taf Water supply strategy scheme (Underperformance).	The performance commitment measures successful and timely delivery of key direct procurement for customer control points, the Outline Business Case submission, and the Full Business Case submission.
DCP02	Direct procurement for customers: Cwm Taf Water supply strategy scheme (Outperformance).	Where DCWW successfully completes an agreed procurement process and, following approval by Ofwat, awards the Cwm Taf Water supply strategy scheme to a competitively appointed provider such that the contract is signed and fully effective in accordance with its terms.

## Appendix 2 – Compliance Checklist (Wt5 Unplanned Outage)

Our assessment of current compliance against the six key reporting criteria under shadow-reporting of Unplanned Outage is set out below.

We are now able to report a ‘Green’ status for all components within the reporting criteria.

	Component	Compliant (R/A/G)	Reason for any non-compliant components	Confidence Grade
1	Peak Week Production Capacity (PWPC)		<p>The company has a defined process. This is implemented, with a methodology to derive PWPC, which is compliant with guidance.</p> <p>PWPCs for each treatment works assemblies and compared to peak capacity from Water Resource Plan, 1 to 2% difference as a total across all works indicating reasonableness of the outputs. The annual assessment of PWPC factors any long term changes greater than 1 year to the calculation from either planned work or change in use, these would be evidenced and reported.</p> <p>Further giving confidence to the approach and the derived figures.</p> <p>The company has refined its working subset giving a grading of A2 in 2020.</p>	A2
1a	PWPC Annual review		<p>Due to weather events of 2018, 2019 and 2020 peak output was required to meet demand. This effectively evidenced the requirement of the five-year physical test for many works. The model will be reviewed each year and a Governance process is in place for any changes to sub-asset data – data provider, with area manager, and head of service sign off as required.</p> <p>This modelling provides the PWPC figures and is the basis for deriving the impact of outage of individual assets at a site.</p>	A2

			<p>The reporting for 2020/21 will be by expert knowledge, using the new manually assessed data, utilising accredited systems</p> <ul style="list-style-type: none"> <li>• SAP data (works and asset maintenance register)</li> <li>• Daily reporting of inlet and output from works compared to PWPC – using the confirmed PWPC figure as per element 1.</li> <li>• Manual event logging</li> <li>• Water Quality systems SAMS</li> <li>• Telemetry PRISM</li> <li>• IMS – POF20</li> </ul>	
1b	PWPC by site		Commentary as above	A2
1c	PWPC by water resource zone PWPC		Commentary as above	A2
2	<b>Asset failure / unplanned outage</b>		<p>DCWW utilised the following data sets.</p> <ul style="list-style-type: none"> <li>• SAP data (works and asset maintenance register)</li> <li>• Daily reporting of inlet and output from works compared to PWPC – using the confirmed PWPC figure as per element 1.</li> <li>• Manual event logging</li> <li>• Water Quality systems SAMS</li> <li>• Telemetry PRISM data</li> </ul> <p>The data from these sources is aligned (largely through manual checks and controls currently) to determine what was an outage, what was less than 24hrs, what is a legitimate exclusion, or where PWPC is not needed due to demand (economic or selective outage). There is further work planned for 2021/22 to improve the automation of this through a programme to roll out across the company. This will improve the confidence grade.</p> <p>Whilst this identifies asset failure, tracking the duration and impact currently requires a</p>	B3

			manual process of determination.	
2a	Source Data		Commentary above	B3
3	<b>Planned Outages</b>		<p>DCWW methodology is compliant with the guidance. SAP data includes all events, subsets of the data are derived to categories such as the type and duration. Then manual identification of any planned capital maintenance or routine maintenance.</p> <p>Capital programmes for the year is known and this is used to verify this data.</p> <p>The system for approval of capital works requires detailed planning and notifications. A confidence grade of A3 is achieved as all planned work is logged and managed through a risk-based system of approval.</p>	A3
3a	Source data – programme of works		<p>See commentary for 3 above. Planned outages fall into three main categories.</p> <ol style="list-style-type: none"> <li>1. Seasonal</li> <li>2. &lt; 24 Hrs</li> <li>3. Water Quality related</li> </ol> <p>The reporting process for 2020/21 is by, management reporting and expert knowledge to manually assess SAP, PRISM, IMS and SAMS related documents and reports</p>	A3
4	<b>Duration</b>		<p>The events reported in the review for 2020/21 were by manual assessment of data, identified in the methodology. IMS and SAP reports identify start and end times. End time is based on current guidance. Most outages are repaired and commissioned back into supply within 24 hours.</p> <p>If Ofwat accept proposed amendment (see DCWW response to the Ofwat APR</p>	B3

			consultation) then may need to review this.	
4a	Start time		Events were assessed following the guidance outlined (To the nearest whole day).	B3
4b	End time		The events reported in the review for 2020/21 were by a manual assessment of data, as identified in the methodology.	B3
4c	Rounding		Events will be assessed in line with the guidance outlined (to the nearest whole day).	B2
5	Reduction in capacity		PWPC look up tables created from the model described in 1, these are used to calculate the reduction in capacity, as outlined.	A3
5a	Reduced capacity		As outlined above in 1 and 1a commentary.	A3
5b	Total outage		As outlined above in 1 and 1a commentary.	A3
6	<b>Exclusions</b>		Exclusions fall into two main categories. <ol style="list-style-type: none"> <li>1. &lt; 24 Hrs</li> <li>2. Water Quality related</li> </ol> The reporting process for 2020/21 will be by, expert knowledge to manually assess IMS, PRISM, SAP and SAMS related documents and reports to identify these events. The data sources are robust corporate systems used in reporting Management information.	A2
6a	Outside normal water quality band		DCWW methodology is consistent with guidance, operating procedures and mitigation of water quality events by some manual assessment of the data and triggers.	A2
6b	Evidence of water quality events		Water quality events are logged and tracked through existing company reporting procedures, (Customer contacts, IMS, and sample data held on the SAMS system).	A2

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			Assessment and reporting are an established process by Water quality teams. Data is used to primarily supporting evidence for outage events	
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Overall, we envisage reporting performance commitment Wt5, at a confidence grade of B2 for 2020/21.