
OUR PERFORMANCE PLAN & REVIEW

— MARCH 2023



Dŵr Cymru
Welsh Water

FOREWORD

Providing safe, clean drinking water and dependable waste water services with minimal impact on the environment is the minimum that our customers expect of us.

We have a strong performance record and are proud that our ownership model (with no shareholders) allows us to focus only on the needs of customers, communities and the environment.

However, some aspects of our performance fell below the high standards expected of us in 2021/22. Ofwat's Water Company Performance Report for 2021/22 acknowledges that our customer service and environmental performance overall have continued to be strong, but there is room for improvement in some of our drinking water metrics.

We identified these issues in 2021 and developed a recovery plan to drive the improvement needed. Whilst good progress has been made, it could take a few years to see a full recovery of these measures.

We are disappointed that Ofwat has determined that our performance is lagging behind the rest of the sector.

As demonstrated by our improvement plans, we are determined to put this right and ensure that all our services meet the high quality our customers expect and deserve.

This short document provides an overview of our performance in 2021-22, a summary of the improvement measures put in place and the plans to help deliver a service our customers expect. Our Board will receive regular updates against our improvement plan through its Quality and Safety Board Committee.

We will provide updates on the progress against our improvement plan every six months and publish them on our website. We set ourselves high standards and we know our customers have increasingly high expectations of us. Maintaining the high levels of trust our customers have in us depends on continued high performance and we are therefore committed to driving these improvements and regaining our strong position.



A handwritten signature in black ink, appearing to read 'P. Perry', is written over a thin horizontal line.

Peter Perry
Chief Executive Officer

OVERVIEW OF PERFORMANCE

As a highly regulated company, Welsh Water has a large number of performance measures that are reported to its regulators (Natural Resources Wales, the Environment Agency, Drinking Water Inspectorate, Ofwat etc) as well as its own internal measures.

These measures are published in a series of reports each year (see page 10 for further information).

This table shows a summary of the key performance commitments for 2021/22 as reported by Ofwat in its Water Company Annual Performance Report 2021/22 – www.ofwat.gov.uk/wp-content/uploads/2022/12/WCPR_2021-22.pdf

More information about our performance can be found in our annual report <https://corporate.dwrcymru.com/en/library/group-annual-report-and-accounts> and comparative data with other water companies can be found at www.discoverwater.co.uk

	2021-2 CONFIRMED RESULTS		2022-3
PERFORMANCE COMMITMENTS	ACTUAL PERFORMANCE	TARGET	LATEST PERFORMANCE ¹
DRINKING WATER			
Water Supply Interruptions	00:16:12	00:06:08	↓
Water Quality Compliance (CRI)*	9.77	2.00	↑
Mains Repairs	136.6	137.0	↓
Unplanned Interruptions	0.55	2.24	↑
WASTEWATER & ENVIRONMENT			
Internal Sewer Flooding	1.36	1.63	↑
Pollution Incidents*	23.17	23.74	–
Sewer Collapses	6.71	7.2	↑
Treatment Works Compliance*	98.32	99.00	↑
CUSTOMER SERVICE			
C-MeX – Company Experience Measure	5th	n/a	↑ 3rd
% of Customers on the Priority Services Register	8.1	5.0	↑

Note: Leakage and the amount of water consumed per person are not included above as they are currently under review. Further information on these measures will be updated in the coming months.

¹ ↑ better than last year, ↓ worse than last year. *Calendar year measure.

DRINKING WATER SERVICE OVERVIEW

2021/22 PERFORMANCE

There are six performance measures which all water companies in England and Wales are required to report on.

These measures cover:

1. Water supply interruptions affecting customers.
2. Unplanned interruptions at our water treatment works.
3. Overall water quality.
4. The number of kilometers of water mains that needed to be repaired.
5. Leakage.
6. The amount of water consumed per person.

In 2021/22, our performance improved in two of these measures as you can see from the green colours in the table at the top, and deteriorated/missed targets for two, as indicated by the red colours. The remaining two (leakage and per capita consumption) are currently being reviewed and will be reported on separately once complete.

The two performance measures that failed to meet the targets were Water Supply Interruptions that impacted our customers, and overall Water Quality Compliance ie: water quality.

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The number of Water Supply Interruptions increased due to two main reasons:

1. An increase in the number of bursts on our water network in mid and west Wales which is a largely rural area where the pipes cannot be repaired easily or under pressure (which would allow customers to maintain supply) because they are made from asbestos cement (as opposed to plastic or cast iron) and there is limited inter-connectivity in the area.
2. There were 17 significant events – impacting larger numbers of customers – three of which resulted in customers being without water for comparatively long periods due to burst water mains.



Drinking Water Compliance declined mainly due to water quality failures at two of our largest water treatment works:

- Court Farm Water Treatment Works Ponthir, Newport in February 2021
- Felindre Water Treatment Works Swansea in October 2021

IMPROVEMENT PLANS

Our plan to improve our supply interruption performance for 2022/23 includes:

- Replacement of cast iron pipes in poor condition – to reduce discoloured water.
- Replacing air valves in rural areas – to minimise impact of potential failures.
- Completing the feasibility design of improvements to the network in the Cardiff area – to minimise impact of any loss of supply.
- Targeted investment – to replace asbestos cement pipes in rural areas affected by repeat bursts.
- Further development of Emergency Logistics function – to improve responsiveness of tanker fleet.

Our plan to improve our Drinking Water compliance includes:

- Additional training of our teams – to ensure processes and policies are understood.
- Improved use of data – to predict and prevent failures.
- Adopt best practice tank cleaning standards – to protect water quality.

We are finalising our per capita consumption data from 2020 to date as reported to Ofwat, and similarly to other companies, this measure has been impacted due to the Covid pandemic.

The Government direction to increase handwashing, work from home and an increase in 'staycation' holidays in Wales, saw per capita consumption increase in 2020. More recently, the significant drought in 2022 has also increased the level of per capita consumption.

Despite the reasons for the increase in per capita consumption for water, we have the following in place:

- Customer engagement campaigns – using local TV, radio and social media platforms to provide information to customers on how to use less water. During the 2022 drought, these activities were targeted at areas at risk due to the increase in consumption due to high levels of 'staycation'.

- Cartref Private Leakage Initiative – this is a unique programme in the sector and was introduced in 2020. It aims to fix leaks in domestic and commercial properties, particularly on water fittings where the lack of overflows on modern appliances mean leaks can run unrepaired for prolonged periods. We provide this service free of charge.
- Innovation Funding for Demand Reduction – we are developing a behavioural science based programme with Cardiff University to help influence societal reduction in the use of water. We are doing this by using our own funding and bidding for industry level support through the Ofwat innovation funding route.

LATEST PERFORMANCE IN 2022/23

The drought witnessed in summer 2022 and the impact of the prolonged frozen temperatures follow by the rapid thaw in December 2022, resulted in a significant increase the length of interruptions to water supply compared to 2021/22. A detailed review is currently being undertaken into the company's response.

We have reported six failures at our water treatment works in 2022 compared to 18 in 2021. However, despite these improvements, due to the way that that this measure is calculated, we will fail this measure until 2025.

WASTEWATER SERVICE OVERVIEW

2021/22 PERFORMANCE

We met our targets in four out of the five metrics in 2021/22.

The one measure we failed to reach our target was for wastewater Treatment Works Compliance where we scored 98.32% compared to the target of 99.00% as shown by the red colour in the above table.

Performance in the year was impacted by the unprecedented population increase due to covid-related staycations in summer and early autumn 2021.

IMPROVEMENT PLANS

The drought conditions in 2022 have caused challenging operating conditions at our wastewater treatment works, but we are pleased to say that increased monitoring of works performance to get ahead of potential compliance issues, rapid response to emerging issues and ongoing investment has allowed us to improve performance.

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LATEST PERFORMANCE IN 2022/23

Our performance for compliance at our wastewater treatment works has improved in 2022/3 and is within 0.01% of target and is still subject to final review which could result in further improvement.

The low river levels linked to the 2022 drought have meant an increase in events classed as pollution during the year, however we remain amongst the better performers for overall pollution in the industry. But we recognise there is more to do and deployment of more monitoring equipment as part of our Smart network development plan is enabling more targeted maintenance and faster response to potential incidents.

CUSTOMER SERVICE OVERVIEW

2021/22 PERFORMANCE

Of the 17 water and wastewater companies, we ended the year in 5th place for our overall customer service, based on customer research undertaken by Ofwat, our economic regulator (known as C-MeX, or Customer Experience Measure).

In recent years, customers' expectations of water companies have grown exponentially, and we recognise that we need to rise to this challenge. Whilst we have continued to perform strongly compared to other companies and we continue to have good scores for other similar measures – such as customer trust – we aim to be the amongst the top performing companies for customer satisfaction.

Another key customer service target is the number of vulnerable customers who are registered on our Priority Services Register. This recognises customers who are eligible for additional support, for example, during incidents such as water supply interruptions. We met our target for 2025 (the final year of the current five-year regulated investment period, known as AMP7) three years earlier than planned. It is our intention to maintain this outperformance through the remainder of this period.

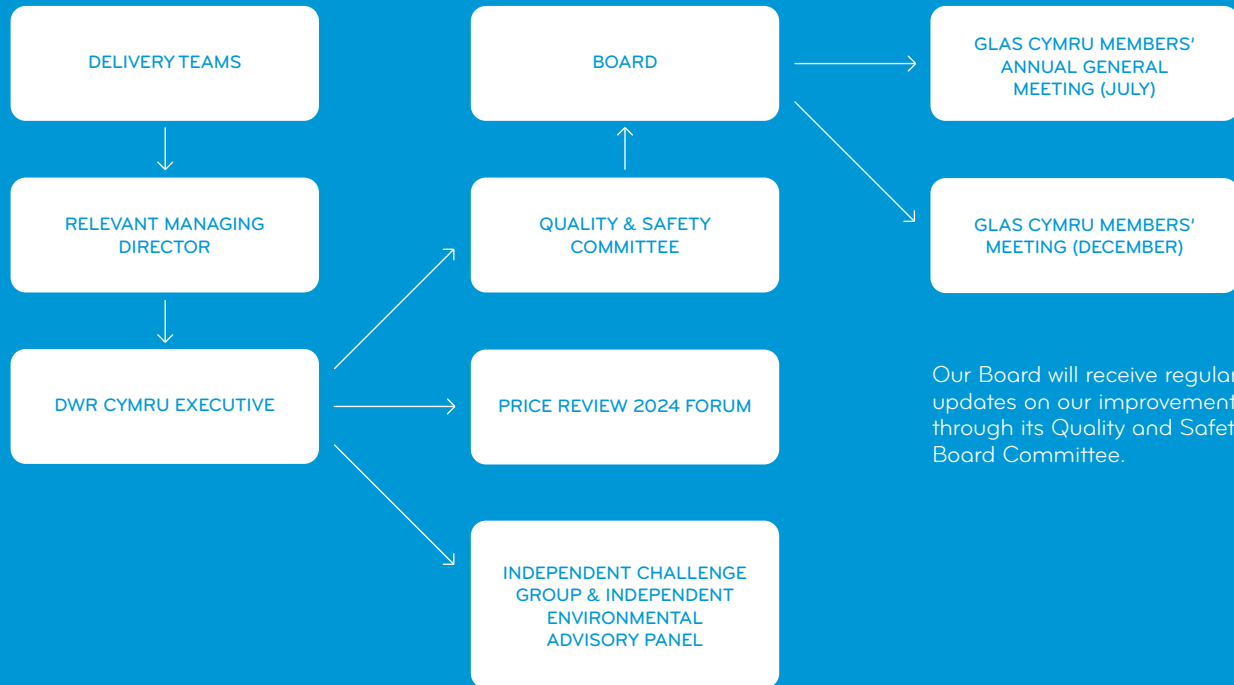
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LATEST PERFORMANCE IN 2022/23

For the year to date in 2022/23, we are currently in 3rd position for our C-MeX performance and we aim to maintain our top quartile position for the year.

Further improvement is expected in the percentage of our customers registered on our Priority Services Register, increasing from 8.1% in 2021/22 to 10.1% in 2022/23.

HOW IS WELSH WATER OVERSEEING THE DELIVERY OF THE IMPROVEMENT PLANS?



Our Board will receive regular updates on our improvement plan through its Quality and Safety Board Committee.

LONG TERM

All the work that we do is part of our long-term plan as outlined in Welsh Water 2050. Here we outline our mission to become a world-class, resilient, and sustainable water company for the benefit of future generations.

This document sets out the long-term context within which we develop our future 5-year investment plans.

How can customers read more about Welsh Water's performance and where will updates be published?



PRELIMINARY FINANCIAL RESULTS
(Includes update on operational performance)



ANNUAL PERFORMANCE REVIEW



INTERIM FINANCIAL RESULTS
(Includes update on operational performance for April to September of that year)

All reports are published on the Welsh Water website dwrcymru.com



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