



By email to: [water@wales.gov.uk](mailto:water@wales.gov.uk)

Dear Eifiona

## Water Resources Management Plans in Wales

I am writing to share our view on the two draft Water Resources Management Plans in Wales (dWRMPs). We continue to discuss the issues raised in the dWRMPs with companies, for example on a one-to-one basis or through the Customer Challenge Group. For this reason, we took an organisational decision to respond individually only to those plans where we had concerns that a company had not addressed the significant issues for its region and/or its proposed actions were not supported by customers. We had no significant concerns about either Welsh Water or Dee Valley, when we considered their dWRMPs. Below are a few things for consideration as the plans are being redrafted.

### Dŵr Cymru Welsh Water

The drafting of the dWRMP is one of the processes through which the company demonstrated it took customer views into account.

Dŵr Cymru Welsh Water's water resources specific customer research evidenced limited willingness to pay more for security of water supply, which they consider essential. It also clearly communicated customers expect the company to do more on leakage and water efficiency/demand management work. For this reason we think this dWRMP should demonstrate more ambitiously the company's aspirations and long term strategy on water efficiency and leakage across its zones.

The company has taken its customers' mandate to contain impact on bills seriously by picking the cost efficient solutions to address deficit in the Tywyn Aberdyfi and Pembrokeshire zones, but has also proposed a resilience scheme in Vowchurch to ensure long term security of supply in that zone. The plan also touches on the long term resilience of supply in the South East Wales Conjunctive Use (SEWCUS) zone through the development of new water treatment works in Merthyr which will replace aging assets (quality/future resilience benefits). We have listened carefully and understand that these proposals are important for the long term resilience of supply expected by customers. We are currently in discussion with the company through the customer challenge process and expect them to explain in more detail what trade-offs were made so that these PR19 plan investment proposals materialise in its current draft investment package.

We still think it is very important for the company to present a more detailed demand management plan which goes beyond capital investment focussing on deficit or resilience challenged zones. More specifically we would like to see:

- A more detailed and ambitious plan that goes beyond the company's usual water efficiency approaches and incorporates a framework of engagement/action to help mobilise behavioural change across its zones. An engagement framework that would help customers understand the need for change in their consumption behaviour (as recently recommended by [our 'Saving Water' research project](#)) should be explicitly incorporated in this plan.
- In addition to doing more to secure water supply through resilience projects and the company's commitment to the 15% leakage reduction target for Asset Management Period 7, we would like to see how the company might have considered going even further to reduce leakage without impacting bills as this might help further mobilise customer behavioural change.

## Dee Valley Water (Hafren Dyfrdwy)

As a result of the recent National Appointment Variation (NAV) approved by Ofwat the company license boundaries of Dee Valley Water and Severn Trent Water will be changing from 1 July 2018. Customers of these companies in Wrexham and mid Wales start will then start receiving services from a Wales only company called Hafren Dyfrdwy. We think it is important to consult on a dWRMP which reflects these new company boundaries in Wales, whilst highlighting how any issues relating to the zone transferring to and from Severn Trent Water will be addressed. The plan presented to us for consultation does not truly reflect of all the water resources zones that we need to be considering at this stage. It does not allow us to note any specific concerns for the Chester zone. It also does not provide us with an understanding of any emerging or ongoing water resource or resilience issues relating to mid Wales zones.

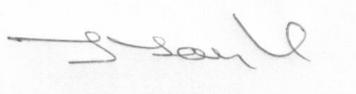
We would like the company to demonstrate more clearly the link between its customer engagement and this dWRMP. Whilst there are references to customer views on issues such as leakage on page 14 of the plan, we wonder if deliberative engagement on water resources is sufficient in guiding the company's long term planning on such an important issue.

The points made earlier in this letter on water efficiency action and strategy in relation to Welsh Water's plan are relevant to Dee Valley/Hafren Dyfrdwy. We would expect the company to be innovative and ambitious, and to demonstrate how it is taking into account the suggestions of [our 'Saving Water' research project](#), in adopting a framework of engagement tailored to its customers.

As demonstrated in [our annual comparative industry report on water resilience](#), leakage increased for Dee Valley Water over the last few years with a notable upward spike in 2016/17. Our understanding during private and customer challenge discussion was that the company was taking on the 15% leakage reduction target for the forthcoming business planning period. We are disappointed to see a target spreading this 15% leakage target over the next two AMP periods (dWRMP). We do not think this is ambitious enough.

I hope this succinct representation is useful. If you would like to discuss any of the points we make in more detail please contact [lia.moutselou@ccwater.org.uk](mailto:lia.moutselou@ccwater.org.uk) and [sarah.thomas@ccwater.org.uk](mailto:sarah.thomas@ccwater.org.uk)

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