

Llyr Gruffydd MS
Chair, Climate Change, Environment & Infrastructure Committee
Welsh Parliament
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By email: seneddclimate@senedd.wales

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Dear Chair

Further to the email received from the Clerk of the Committee requesting further information on our recently announced transformation programme (Trawsnewid) and the disruption to water supplies experienced by customers in Flintshire, I have provided some further information below ahead of giving oral evidence on 5th November where I will be joined by my colleagues Samantha James (Managing Director Commercial) and Martin Driscoll (Business Support and People Director).

Trawsnewid – our transformation programme

As the committee is aware, the water sector has been under considerable scrutiny for several years, and is facing many challenges, most notably increasing customer expectations, increasing environmental obligations and the need to adapt aging infrastructure to the impact of climate change.

Having joined Dŵr Cymru as an apprentice over 45 years ago, I've never witnessed a time when the company and the wider sector has been under so much pressure, nor where customer and stakeholder expectations are so high, that realistically meeting them at an affordable cost will require investment over a sustained long-term period.

Each of the challenges we face requires us to change as a company, and many of these changes require us to transform how we operate and deliver services. This transformation will not be delivered overnight, and we need to recognise that 'change' will be a constant in our organisation over the next few years. Our customers and stakeholders are demanding change, and we are responding to those calls.

As Sir John Cunliffe notes in the foreword to his Independent Water Commission's report on reform of the water sector, *"There is no single, simple change, no matter how radical, that will reset the water sector and restore the trust that has been lost. This sector requires fundamental reform on all sides – how we manage the demands on water, how the system is regulated, how companies are governed and how we manage the critical infrastructure on which we all rely."* I wholeheartedly agree with the sentiment of these words, and it

is within this context that our transformation programme – known within the company as Trawsnewid – has been designed and implemented.

Whilst the change needed applies to all interested parties – including Government who set policy direction, regulators who set standards, determine investment priorities and the level of customer bills, and water companies who are responsible for delivering and maintaining the services within the set financial, legislative and regulatory parameters – our Trawsnewid programme is a root and branch review of how Welsh Water works (i.e. process, resource levels etc) and how we deliver the key priorities our customers want and expect.

Although a key objective of the programme is to reduce our costs significantly – and some of this will be delivered through reducing the number of people employed by the company by approximately 500 full time equivalent roles over the next 18-24 months – the programme is also looking to improve how we work including simplifying processes, improving our use of data and artificial intelligence, improving our contract and supplier management and reviewing how we undertake our capital investment programme. Broadly half our planned savings will come from reduced employment costs and the remaining 50% from other areas outlined above.

I would like to emphasise that the transformation programme and associated redundancies are not a negative reflection of the workforce of the company. The approx. 4,000 people who currently work for Welsh Water are of the highest calibre and our decision to reduce the workforce is out of necessity, not desire.

For the record, I would like to state my sincere thanks to every colleague who currently works for the company or have worked for the company during my time as Chief Executive, and with me through many different roles over the course of the past 45 years. Welsh Water is dependent on the skills, dedication and hard work of our workforce. Much of what they do goes un-noticed by the wider public, politicians and stakeholders, yet they work tirelessly and often in very difficult conditions, to deliver a vital public service – one that our health, environment and economy are dependent on.

Despite many criticisms and challenges in recent years, my colleagues across the business continue to support our customers and the communities we serve. In this context, any redundancy programme is even more difficult – but I have no doubt that future Welsh Water employees will continue to strive to deliver first class support in everything they do. However, I take great pride in the work of colleagues across the business to maintain customer service standards which are amongst the best in the sector and was therefore pleased that we were placed 3rd in the sector for Ofwat's C-Mex measure of customer satisfaction in 2024/25.

The reasons for the Transformation Programme

Earlier this year, customers' bills were increased by an average of 27% to cover the increased cost of meeting our regulatory and investment obligations – the increase for some customers will have been significantly more. Within this context, we have a duty to review our activity to ensure we are providing value for money for our customers and that we're working as efficiently as possible so that bills are no higher than they must be. In addition to this, there are several other reasons for the need for our transformation as outlined below.

1. Credit Rating downgrade:

- We have historically had one of the strongest credit ratings in the sector and this, together with the absence of shareholders, has provided us with lower borrowing costs compared to other companies in the sector. However, earlier this year, the sector was downgraded by the credit rating agencies due to what they perceived to be increased uncertainty in the sector, punitive penalty regimes from regulators and wider political and public scrutiny.
- Credit ratings are a crucial factor in the sustainable financing of the company. The entire water sector in England and Wales raises long-term bonds on the debt markets to fund its investment needs. We repay these bonds (and pay the associated interest charges) through the revenue we raise through customer bills over a longer period (usually over 25 years) so that today's customers aren't paying for the full investment cost that future customers will also benefit from.
- Whilst our ratings remain on par with the best performers in the sector, our borrowing costs have increased due to the sector-wide downgrade, and we need to reduce our own costs to ensure long-term financial stability. To put the impact of a credit downgrade into context, every 0.25% increase in borrowing costs add £7.5m in interest per year.
- For the reasons I have outlined, since the formation of Glas Cymru, the financial markets have shown a great deal of interest in the bonds we have issued and in the past 13 months we've raised £1.2bn in "sustainability" bonds. Over the course of the next 4 years we need to raise a further £3bn of new funding, or to meet refinancing needs. Even with the advantages that we have, the impact therefore of any increase in borrowing costs will be significant.
- The privatised companies in England can raise equity injections to boost investment or shore-up their finances. As a company without shareholders, Welsh Water is unable to raise traditional equity funding to provide a cash injection. We are dependent on customers as our sole source of revenue and therefore our costs and ambitions must be balanced with what they can afford.
- We must therefore reduce our operational expenditure to maintain credit ratings to finance the business to meet future investment needs at an affordable price.

2. Operational Performance:

- Our operational performance is not currently where it needs to be in some areas, or where we want it to be. Standards and targets increase each year and I take some reassurance that overall environmental performance is significantly better than it was only 10 years ago – although the targets which we must now reach to attain the 3* or 4* Environmental Performance Assessment that we aspire to and last held in 2021, are now far tougher, making them far more difficult to achieve.
- We must therefore improve our processes, use data and artificial intelligence to make our decision-making and investigations more efficient, and ensure every contract is delivering good value for money. A good example of how technology is making us more efficient and reducing cost is the new AI-driven data analysis tool we use to review our sewer network identify potential blockages before they occur, allowing our teams to get to site quicker and prevent environmental pollution.
- Our transformation programme is identifying such opportunities for improvement and ensuring sufficient investment is targeted at the issues that our customers consider to be priorities.

3. Impact of aging infrastructure and impact of climate change:

- In recent years, Wales has seen the impact of climate change more than most areas of the UK. As a country on the western seaboard of the UK, we bear the brunt of storms, more volatile weather patterns and frequent high intensity storms.
- We have seen a significant increase in such volatile weather patterns which is impacting our aging infrastructure. For example, the drought of 2022 and the numerous severe storms that we've had in recent years have caused major damage to our assets (e.g. longer dry spells increase the risk of ground movement which causes underground pipes to move and burst; similarly, a severe storm damaged our service reservoir in Tynywaun resulting in a boil-water notice for 12k customers and an unplanned rebuild of the treatment works at a cost of over £10m. The drought this summer (2025) was due to the driest summer in 140 years, but our team were able to avoid any restrictions on water use, largely down to an incredible amount of work to maintain services, reduce leakage, and manage water resources effectively.
- In total, these unplanned and unexpected costs have required more than £100m additional investment in recent years. Such high unplanned expenditure is not adequately covered within price review settlements or contingency that can be created within our budget.
- As the Independent Water Commission's interim report concluded, *"Climate shocks, ageing assets, and rising demand mean the system faces growing pressure. Resilience must be treated not as a technical afterthought but as a strategic imperative. An infrastructure resilience and asset health framework is required to ensure that we do not just fix failures when they occur but rather responsibly plan for the long-term condition and performance of critical assets."*
- Whilst the Independent Water Commission make sound recommendations for future regulation, the Commission concluded that *"Ofwat's methodology for funding is backward looking, based on lagging maintenance expenditure and indicators of health and there are no consistent standards against which companies can assess the health of their assets."*
- Whilst there is hope for the future in terms of the reform of regulatory approach to managing and funding asset health and resilience, in the short term we will need to fund such additional unplanned costs from within existing budgets, and we therefore need to reduce our operating costs to increase the headroom within existing budgets to fund such work.

4. Punitive Penalty Regime:

- As noted by the Credit Ratings Agencies, the penalty regime for this investment period (2025-30 and known as AMP8) is placing further pressure on companies' finances with targets that are very challenging and carrying heavy penalties. Indeed, during the last AMP period, every company suffered penalties, and with a more punitive penalty regime this AMP, significant penalties across the sector are inevitable.
- Furthermore, increased propensity by regulators to prosecute water companies is resulting in a further reduction in funds available for investment.
- Both regulatory penalties and court fines result in a significant reduction in funds available to the company that could otherwise be used to improve services to customers or the environment. We are strong advocates of the polluter pays principle; however, we also believe that the current situation risks a "doom loop" where declining performance is exacerbated by increased penalties and fines. As a not-for-profit company, we have no other means of funding and no shareholders or equity partners to pay for such penalties.

- Penalties from regulators do not result in a financial payment as such, rather companies are unable to charge customers to the value of the penalty in future years. This reduces the amount of funds available for expenditure available to the company.
- Furthermore, any court fines that are paid are lost to Wales as they go to the Treasury. Our preference is for any “fines” that are demanded of companies take the form of “Environmental Enhancement Undertakings” whereby funding is paid by the guilty company towards environmental improvements in the area that has been impacted by the pollution and not lost to the Treasury.
- Ofwat’s Final Determinations for AMP8 increased potential penalties threefold. This has resulted in the potential for £250m penalties for Welsh Water during this five-year investment period compared to approximately £72m in the last AMP period (2020-2025).
- We cannot improve performance fast enough to avoid such penalties without significantly more investment and resource. Reducing our own operational expenditure through this transformation programme will allow us to focus the investment we do have on the areas that need it most.

5. Higher standards and costs of operating in Wales, but a small population to pay for it

- We are blessed to live and work in one of the most beautiful countries in Europe, which is also why Wales has so many environmental protections – proportionately more than other parts of the UK – which we must operate in and comply with.
 - Over 20% of land area in Wales is in a National Park.
 - 9 of the UK’s 16 Special Areas of Conservation (SAC) rivers are in Wales.
 - 15% of the UK coastline and 25% of its blue flag beaches are to be found here.
 - despite only having 8.5% of the UK land area, we have 15% of the UK’s Sites of Special Scientific Interest.
 - 44% of our rivers meet good ecological status, compared to only 14% in England, and 68% of our bathing waters meet “excellent” water quality standards (compared to 64% in England and 50% in Scotland)
- We all want to meet the standards that are set for and expected of us. But our finances – and our customers’ finances - can only stretch so far. Despite not having shareholders, with only 1.4m bill payers – including some of the most vulnerable and lowest income households and communities in the UK - the financial requirements to meet our increasing challenges is immense.
- Simply put, the cost of doing everything we all want to do as quickly as we’d like, is unaffordable for our customers. We must therefore prioritise collectively (government, regulators, companies and customers) to ensure what funding we do have is used where it will have the greatest impact and in line with customers’ priorities. With this in mind, we are fully supportive of the Independent Water Commission’s recommendations for a new national System Planner for Wales.

The challenge we therefore face is one of balancing performance that meets the standards that our customers want, that is financeable and at a cost that is affordable to customers.

The scale of the challenge

We need to reduce operational expenditure by approximately £50m per year from the current rate of approx. £400m. Whilst total revenue in 2024/25 was £920m, total expenditure – including all operating expenditure,

costs of financing the capital investment programme, taxation etc - was over £1bn. The detailed breakdown of our finances is published annually in our Annual Report and Accounts and our 6-month interim financial results will be published later in November.

The impact on customer bills, service and investment

Earlier this year, Ofwat confirmed the business plans for water companies in England and Wales for the five years to 2030. As noted at the time, average household customer bills will need to increase to pay for the significant investment needed to meet the various challenges facing the sector, especially relating to the environment.

For Welsh Water customers, this means that bills will increase by 42% over the 5-year period, and the average household water bill increased 27% this year, compared to an average increase across the sector of 26%. These bill increases do not however cover the additional costs we face that are outlined above.

We are very conscious that our customer base includes some of the most deprived and economically challenged communities in the UK. Balancing investment needs and performance improvements at a price that is affordable to our customers is therefore very much front of mind.

Historically, Welsh Water's bills have been amongst the highest in the sector – mainly due to the additional investment needed to fund wastewater treatment to improve coastal bathing waters following privatisation, which inland water companies didn't need to do. This was exacerbated for Welsh Water customers by having 15% of the UK's coastline compared to only 5% of the population.

However, over the past five years, the difference between Welsh Water's bills and the average across the sector has dropped from 13% above the sector average to 6% above average today. Similarly, we had the 2nd highest bill 5 years ago which has now dropped to joint 4th. Finally, over the last 5-year period, Welsh Water had the second lowest bill increase out of all water and sewage companies – at 38% compared to an average of 48% (the largest company increase was 87%). Our bills are now therefore far closer to the average for the sector than they were. In addition, we continue to provide one of the most generous social tariffs in the sector (which is part funded by our not-for-profit model) which is aimed at providing support for those customers who are struggling to make ends meet.

In terms of capital investment, our plan for 2025-30 (AMP8) is the most ambitious 5-year investment period since Glas Cymru was formed over 20 years ago. We will be investing over £4 billion in our services - almost double what we delivered in AMP7 (2020-25). This is a huge opportunity to make a meaningful difference for our customers, communities, and the environment.

Our transformation programme does not reduce this investment and indeed looks to make the delivery of such projects more efficient.

This investment is heavily regulated by Ofwat who have introduced strict requirements in terms of both the projects that are delivered and the operational performance targets it has set. Failure to deliver against these can result in financial penalties for both failure to deliver the investment projects and operational performance targets.

However, it should be noted that some customer and stakeholder expectations will not be met solely by our investment – this is most notable in terms of environmental targets. For example, whilst Welsh Government’s policy has been to reduce environmental harm from Combined Storm Overflows (CSOs), Ofwat’s final determination placed a significant financial penalty for failure to meet a target relating to the number of times a CSO spills - not the environmental impact it will have - to have a comparative measure with English companies. Whilst CSOs have been the focus of significant media, public and political scrutiny, in Wales, they are a small proportion of the reasons that waterbodies are not achieving good ecological status. According to NRW’s ‘Reasons for not Achieving Good’ data they are documented as impacting around 3% of total waterbodies and about 5% of those failing. Our own investigations into whether CSOs are having an ecological impact will however provide more information. The ecological status of Welsh rivers is considerably better than in England (44% of Welsh rivers meet good ecological status compared to 14% in England] and the % impact of the water sector is lower in Wales than in England. Over £1bn of our investment in 2025-30 will be directed to improve CSO operation, but this alone will do very little to improve the overall water quality in the river as it is such a comparatively small contributor. Arguably, greater environmental benefit could be gained by investing this money in other aspects of our operation (such as improvements to our Wastewater Treatment Works), but failure to meet Ofwat’s CSO spill target will incur significant financial penalties. In line with Ofwat’s Final Determination, failure to meet Welsh Government’s preferred environmental harm metric will not incur a financial penalty.

Furthermore, Ofwat’s penalty regime for CSO monitoring is based on the Environment Agencies methodological requirements not Natural Resources Wales (and Welsh Water’s monitoring capability was set and funded in line with NRW’s requirements). This could result in £23m of penalties over the AMP solely because of a methodological difference that Welsh Water was never funded to meet. We are faced with either a £5m+ bill to upgrade our monitors in line with the EA’s requirement or a £23m penalty from Ofwat for failure to meet their monitoring requirements. £10m of this penalty has already been incurred this year as no time was given for us to upgrade our monitors. Neither the penalty nor the upgrading of the monitors will drive environmental improvement.

Similarly, under Ofwat’s new Bathing Water measure, we are likely to incur a substantial penalty for a reduction in coastal bathing water quality over this summer despite none of our assets operating in the areas where water quality has deteriorated during the monitoring period. This penalty will reduce the investment that we have available for future years despite not being able to control the other sources of pollution (e.g. agricultural runoff) that impact water quality. Such blunt measures coupled with high financial penalties are a risk to perpetuating the “doom loop” – both reputationally and financially – that I referred to earlier.

In summary, the Transformation Programme aims to protect customer bills by making the company more efficient, maintain investment as originally planned and agreed with regulators, and drive service and performance improvements for customers and the environment. However, wider factors beyond our control, are placing additional pressures on our investment programme.

How will the Welsh Water workforce be impacted?

We currently employ approximately 4,000 people directly and a similar number through our contractors and suppliers who work on our behalf. The transformation programme has outlined plans to reduce the directly

employed workforce by approximately 500 over the next 18-24 months. However, with the doubling of our capital programme we're expecting to see the number of people employed in our supply chain rise substantially as these schemes move into construction.

The main focus of these reductions is on support and "back office" functions and management roles, and our aim is to limit impact on operational "front line" teams as much as possible. The first phase of our changes has focussed on teams such as finance, human resources, IT, procurement, administration, and our retail team. Future phases will look at other parts of the business, including senior management structures.

Since Glas Cymru acquired Welsh Water in 2001, we have had good and constructive relationship with our trade unions. This positive relationship has secured strong results for both our workforce and the company. We've successfully delivered successive "Working Together Agreements" with the Unions at the start of each investment period – giving the workforce assurance on annual pay awards for the five years of the AMP period and revising working patterns and practices in line with the company's changing needs and focus. We are hopeful that such agreement for this AMP is imminent, including a commitment to inflation-matching (CPI-H) annual pay awards for the remainder of the period (we are waiting the outcome of the trade union ballot on this proposal).

Our Union representatives have been briefed regularly since the start of the year including the challenges the credit-rating downgrade in particular has had on our financial position. We have continued our open discussion with the Trade Unions throughout this process and have supported them in holding their own "Roadshow" events to meet with members and employees across the business. These Roadshows began before the public announcement to reduce the size of the workforce, and we supported the Trade Unions in publicising these events through our internal communications channels. I have been a strong advocate of a positive working relationship with the unions throughout my time at Welsh Water and this is a view that is shared by colleagues on the Executive Team and my successor, Roch Cheroux. Both Roch and I have met with the unions since the public announcement of the redundancies.

We launched our Trawsnewid programme at the start of the year, and I've used every opportunity to keep our employees abreast of the challenges and changes we face, and have not shied away from the risk of redundancies. I hold a monthly virtual briefing session where anybody across the business can attend and ask any question. These sessions are usually attended by c1000 employees, and the latest meeting was attended by over 2,400. I have been asked on numerous occasions throughout this period about potential redundancies and have been open and honest in my responses that redundancies would be an inevitable necessity following the credit rating downgrade.

Since the announcement confirming our proposals to reduce our workforce, I have personally led 18 employee roadshows in all parts of our operating area from Caernarfon to Cardiff and Llysyfran in Pembrokeshire to Llandudno to discuss the transformation programme, as well as company performance and other issues. These sessions have been very well attended, and I was joined by members of the Executive Team and Roch Cheroux who will succeed me as CEO in January.

Wherever possible, we will prioritise voluntary exits, retraining, and redeployment, and we will work closely with our trade unions and provide full support to every colleague impacted. The consultation for those teams and individuals affected, is running for 90 days.

Following our announcement in September, we opened a voluntary enhanced redundancy application process that goes far above statutory requirements, capped at 52 weeks' pay for eligible applicants.

We are also providing career transition support for colleagues going through organisational change, which includes CV workshops, interview coaching, and help to identify external opportunities.

Customer engagement

We undertake regular customer research and our own data from customer contact is also used to provide important insight into our customers' views.

Our customer research looks at several key metrics including customer satisfaction and perception of value for money and customers' priorities. Whilst customer satisfaction has remained comparatively high, perception of value for money has dropped especially since bills increased earlier this year. In terms of customer priorities, the highest ranked priorities are reducing environmental impact and pollutions, and keeping bills affordable (reducing frequency of CSO discharges is ranked separately and lower than environmental impact). At the lower end of customers' priorities is improving customer service which is already scored amongst the best in the sector.

Our interpretation of such data is that customers expect us to keep their bills as low as possible, focus our investment on environmental improvements (as reflected in our business plan) and we therefore have a duty to be as efficient as possible and reduce our own costs where possible.

As mentioned above, the need to reduce our workforce is born of necessity – both in terms of financial stability but also in terms of delivering value for money for our customers. Whilst we are a not-for-profit company, we are not a charity; we do not receive Government funding for our core services nor can we access funding injections from equity investors. Our customers are our only source of revenue, and we must cut our cloth according to what they can afford.

Flintshire supply interruption – August 2025

We fully acknowledge and recognise the frustration felt in the local community because of this prolonged incident and reiterate our apology to those impacted. We understand how difficult it must have been for our customers to be without water for an extended period.

Dŵr Cymru's Gold Command is the company's emergency response to operational incidents at the highest level. This was in place from the outset to ensure that as a business, we were acting as swiftly as possible in response to the major incident. I oversaw the Gold response and was also present at our local Silver Centre in Kinmel Park during the incident.

On Saturday 9th August, following a burst on the 30" diameter Asbestos Cement main in Broughton that feeds north Flintshire from our Water Treatment Works in Bretton, our team excavated to locate the pipe which was 5 metres deep. This work had to be carried out within a trench box (a large scale temporary protective barrier to protect those working on the main) to gain safe access. The main was much deeper than

its original construction with ground level having been raised by 2-2.5 meters during the redevelopment of the area.

Our intention was to carry out a permanent repair, but due to the depth of the main, and the restricted working space due to the presence of several other utility services which also caused delays, we could only fit a collar as a temporary repair to restore water supplies as quickly as possible. If we had attempted at the time to extend the excavation to install a new section of pipe, this would have resulted in approximately 40,000 properties losing supply as our storage had severely depleted by then, due to the ongoing heatwave at the time.

This repair enabled us to refill the network with the aim of gaining enough water storage in our service reservoirs to go back and complete the permanent repair within a larger sheet piled excavation, without any impact on supplies. We were also mindful of the approaching heatwave and doing all we could to keep our system storage of treated water as high as possible to meet increased demand.

Unfortunately, the temporary repair didn't hold long enough for the system to fully replenish, as the water network is extensive and over 500km in length. This meant that we had to proceed with a further emergency repair, expediting the larger sheet piled excavation. The ground conditions were difficult as the main was close to electric cables which required extra care. We were also managing water resources across 3 service reservoirs which was a huge logistical challenge. We were able to maintain supplies in our service reservoir in Prenbrigog, which supplies 18,000 customers (which would have gone empty had we extended the time of the original repair).

Our teams worked tirelessly to carry out the repair safely and as soon as they could so that supplies could be restored. Other measures were also in place such as a fleet of tankers moving water around the network in the area to minimise disruption to as many customers as we could.

Alternative Water Supplies

During this incident, we operated three bottled water stations to cover the largest possible number of residents and deployed delivery teams for those on our Priority Services Register (PSR). Having reviewed and learnt lessons from the incident at Bryn Cowlyd earlier in the year the bottled water sites were opened, and deliveries of bottled water to our PSR customers commenced in advance of any supply interruptions. The sites were located at Jade Jones Pavilion in Flint, Park & Ride Car Park at Deeside Industrial Park and the County Hall Car Park in Mold. These locations were agreed following discussions with Flintshire County Council and based on the best traffic management options available in the affected areas while also allowing us to ensure that we kept customers safe. The measures ensured thousands of households had access to alternative supplies within hours of the outage.

Bottled water drops were made to community hubs, including Mostyn, Greenfield, Connah's Quay, Sealand, Garden City and Mancot. These were established by local Councillors who helped to distribute the water on our behalf to customers. A further satellite site was also set up at Talacre to aid customers affected in that area. During this incident:

- 1,738,000 litres of water / 932,328 bottles given to customers

- 880,000 litres were held in reserve at any one time to supplement water stations
- water tankers supplied 7 care homes and 1 hospital
- Around 200,000 litres of bottled water were provided to DCWW Priority Services Register customers and vulnerable sites
- Around 100,000 litres of bottled water delivered through the Logistics Cell to wider vulnerable people

Communications

We used multiple communication channels to deliver messages directly to our customers who were affected. These channels included social media, our website, direct text to landlines and mobiles, postal leaflet, media coverage and interviews. We sought to issue regular updates on our website homepage and social media which were updated 3 times every day with fresh content. I also contributed to a video for Facebook which had more than 166,000 impressions, whilst our website saw increased traffic during the incident with our specific incident webpage receiving 55,536 views and our 'In Your Area' service received 172,786 views during this period. We proactively kept local stakeholders informed as their local knowledge and extensive local influence helped leverage local word-of-mouth networks. We identified a total of around 80 stakeholders, and they were given a clear access point within the Communications Team to raise any issues, including out of hours. Towards the end of the incident our messaging included details of the timelines involving the refill of our network following the repair. We issued location-specific restoration updates to customer, that were based on the calculations of our engineers – this is the first time that we have presented this level of detailed information in this way.

Compensation

Eligible households have been paid £30 in compensation for every 12 hours their supplies have been affected. Business customers have received compensation of £75 for every 12 hours their supplies were affected. In addition, we have also agreed to make goodwill contributions for each business customer towards certain costs/loss of gross profit up to £2500.

The average annual household bill for the area supplied by Breton Water Treatment Works is around £470 for households and £783 for non-household customers.

Goodwill payments have also been paid to customers in Ffynnongroyw. There was an unusually high level of leakage in Ffynnongroyw during the incident, which we recognise may have had an impact on our network and its performance during this period of very low pressure. Household customers will receive a goodwill payment of £120 whilst business customers will receive £300.

Incident Review

Following any major incident, Welsh Water holds a full internal review that looks at all aspects of our incident response. A review is also held with our operational partners that took part in the Strategic Co-ordinating Group and Tactical Co-ordinating Group meetings during the incident. These reviews allow us to discuss our response in detail and identify lessons for future incidents and improvements in terms of our operational response.

We have held internal post incident reviews with the teams involved, and our representatives attended the multi-agency debrief held to review the incident. Work is currently underway to compile our Post Incident Review report, and we haven't yet received the multi-agency report.

I trust that the information above is helpful - however please do let me know if I can be of further assistance.

Yours sincerely

Peter Perry
Chief Executive, Dŵr Cymru Welsh Water