



**Cyfoeth
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Natural
Resources
Wales**

**Annual Environmental Performance
Assessment 2025
*Dŵr Cymru Welsh Water***

This report can be found on our website.



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CEO's Foreword



The quality of our rivers, lakes and seas remains one of the issues people care most deeply about. Public expectations of water companies, regulators and governments continue to rise, and rightly so. People want to see cleaner waters, stronger regulation, and clear evidence that improvement is happening.

This report provides an assessment of water company environmental performance during a period of growing scrutiny, investment and change across the sector. It highlights where progress is being made and where further improvement is needed. Dŵr Cymru Welsh Water's performance is mixed this year. There are some positive trends that demonstrate good work to improve environmental performance, and other areas where significant investment will be required to make a difference.

Significant investment is now being directed towards improving environmental performance, reducing pollution, and strengthening infrastructure. At the same time, Natural Resources Wales is strengthening its own regulatory approach. Our new Water Compliance Team will increase scrutiny of water

company performance and help ensure environmental obligations are met.

However, the challenges remain significant. Climate change, population pressures, and ageing infrastructure continue to affect the resilience of the water environment. Meeting these challenges will require sustained investment, innovation, and a clear focus on delivering environmental outcomes.

This report also comes at an important moment. Discussion about the future of the water sector in Wales is evolving, informed by the Independent Water Commission and the Welsh Government's Green Paper. As expectations change, so too must the way we regulate, assess, and communicate performance.

That means this report does more than look back. It provides a baseline for the next phase of regulation and improvement. We will continue to strengthen our approach, increase transparency, and focus on the outcomes that matter most: healthier rivers, lakes and seas, greater resilience and restored public confidence.

The people of Wales rightly expect high standards from all of us. Working together, we have an opportunity to deliver them.

Ceri Davies
Chief Executive of NRW

Introduction

Natural Resources Wales (NRW) is the largest Welsh Government Sponsored Body, focused on tackling the climate, nature and pollution emergencies. We work to protect and enhance Wales' resources. This means looking after Wales' land, water, air, wildlife and habitats to improve well-being and secure a better future for everyone.

As part of this, we have an important regulatory role monitoring the environmental performance of water companies. This includes investigating pollution incidents, verifying compliance with various permits, and overseeing the delivery of improvement schemes. As the environmental regulator, we are responsible for holding water companies to account to meet their legal and environmental obligations - we challenge them to take preventative action, so that pollution does not occur.

We regulate Dŵr Cymru Welsh Water's (DCWW) operations in Wales, and the Environment Agency (EA) regulates its activities in England. This report reflects combined performance across both countries, unless stated otherwise. Hafren Dyfrdwy is the only other water and sewerage company in Wales, and their performance report is available on our [website](#).

You can find more detailed insights on DCWW in our [Pollution Incident](#) and [Storm overflow spill data](#) reports.

This annual report is divided into two parts:

- First, we assess DCWW's performance against the Environmental Performance Assessment (EPA). The EPA is a non-statutory tool for comparing performance between the 10 largest water and sewerage companies operating in England and Wales. Measurable environmental metrics are used to provide a meaningful comparison of their performance - each EPA metric is given a red, amber or green (RAG) status. Based on performance across all the metrics, EPA numeric ratings are then applied to each company. DCWW's performance is published by NRW, and the performance of the other 9 water and sewerage companies operating wholly or mainly in England is published by the EA;
- Then we review their wider environmental performance in other key areas not covered by the EPA. The report does not cover all aspects of water company regulation.

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Part 1: DCWW's 2025 Environmental Performance Assessment

The EPA metrics and targets are reviewed every five years to drive continuous improvement. This 2025 report marks the fifth and final year of assessing DCWW against the 2021-25 methodology. We continue to hold the company to account on their statutory duties, encouraging targeted interventions to improve EPA performance and broader environmental outcomes.

In 2025, DCWW achieved green status for two EPA metrics, amber for three, and red for one. This resulted in a 2-star overall company rating, indicating that the company 'requires improvement'. The company has remained at 2-star for four consecutive reporting years.

Summary of DCWW's performance:

EPA metric	2025 result	Comparison to previous years' performance
Metric 1: Total pollution incidents (sewerage)	30 (Amber)	Remained amber
Metric 2: Serious pollution incidents (sewerage and water supply assets)	9 (Red)	Remained red
Metric 3: Self-reporting of pollution incidents (sewerage and water supply assets)	78% (Amber)	Remained amber
Metric 4: Discharge permit compliance (numeric)	98.1% (Amber)	Remained amber
Metric 5: Satisfactory sludge use and disposal	100% (Green)	Remained green
Metric 6: Asset Management Plan National Environment Programme Delivery	100% (Green)	Remained green
Overall company star rating	2-star	Remained at 2-star for four consecutive years

Key: Metric status

Green	Performance better than target
Amber	Performance below target
Red	Performance significantly below target

Key: Overall company star rating

4-star	Industry leading company
3-star	Good company
2-star	Company requires improvement
1-star	Poor performing company

Headline performance messages

As summarised on page 7, DCWW's 2025 performance included one metric significantly below target (red), three close to but below target (amber), and two better than the target (green).

- **Metric 1 Sewerage Pollution Incidents (Categories 1–3)**
Incidents decreased in 2025 in comparison to the previous year. The metric remained amber.
- **Metric 2 Serious Pollution Incidents**
Nine incidents were recorded (three more than 2024), and the metric remained red.
- **Metric 3 Self-Reporting of Pollution Incidents**
Improved by 4% from 2024, but still amber.
- **Metric 4 Compliance with Numeric Water Quality Permits**
Dropped by 0.6% in comparison to the previous year, remaining amber.
- **Metric 5 Satisfactory Sludge Use and Disposal**
Remained at 100%, maintaining green status.
- **Metric 6 Delivery of Asset Management Plan Schemes**
100% delivered, remaining green status.
- **Supply Demand Balance Index**
This metric is suspended for the 2025 data year. Further information is included in the report.

For the fourth year running, DCWW continue to hold red status for serious pollution incidents, preventing promotion to a higher star rating. This is particularly concerning given the continued increase in serious sewerage pollution incidents, with 2025 representing the company's poorest performance on record. The decline in pollution performance cannot be attributed to the tightening of EPA thresholds introduced in 2021.

Reference information on EPA

For details on the EPA methodology and a summary of performance in previous years, please refer to the annexes:

- [Annex 1](#) explains the methodology we use to assess the company's performance
- [Annex 2](#) shows how DCWW has performed against the EPA metrics since 2015

Pollution incidents

As the environmental regulator, we respond to a wide range of pollution incidents, some of which originate from water company assets and networks. We report on the number of incidents attributed to each water company to promote transparency and drive continuous improvement. Within the Water Industry Strategic Environmental Requirements (WISER) regulatory steer, there is a statutory requirement for water companies to have a decreasing pollution incident trend by 2025, and there should be at least a 40% reduction compared to the number of incidents recorded in 2016. We expect water companies to prevent all serious incidents (Category 1 and 2).

We use four categories to assess the impact of pollution incidents:

- **Category 1 – Major:** potential to have a major, serious, persistent and/or extensive impact or effect on the environment, people and/or property;
- **Category 2 – Significant:** potential to have a significant impact or effect on the environment, people and/or property;
- **Category 3 – Minor:** potential to have a minor or minimal impact or effect on the environment, people and/or property;
- **Category 4 – No impact:** non-compliance at a regulated site that cannot foreseeably have any impact on the environment, people and/or property.

EPA metric 1: Total pollution incidents (sewerage)

In 2025, DCWW had 107 Category 1-3 sewerage pollution incidents. 101 had a (Category 3) minor environmental impact, while six had a (Category 2) significant environmental impact. This is 25 fewer incidents than 2024, an excellent improvement.

The EPA normalises incident numbers by the total sewer length the company is responsible for (36,249 km for DCWW), meaning they achieved amber for this metric.

EPA metric	Unit of measurement	What this metric means	2025 result (metric status)
Total pollution incidents (sewerage)	Category 1-3 incidents per 10,000 km of sewer	How many sewerage pollution incidents occurred, of Category 1-3, by sewer length	30 (Amber)

As the graph below demonstrates, DCWW have reduced their total sewerage incident numbers since 2024. The company had the same number of incidents as in 2023. They also had the same numbers in 2016, therefore they are not meeting the 40% decrease set out in WISER. We expect the company to demonstrate continued reductions in incidents.

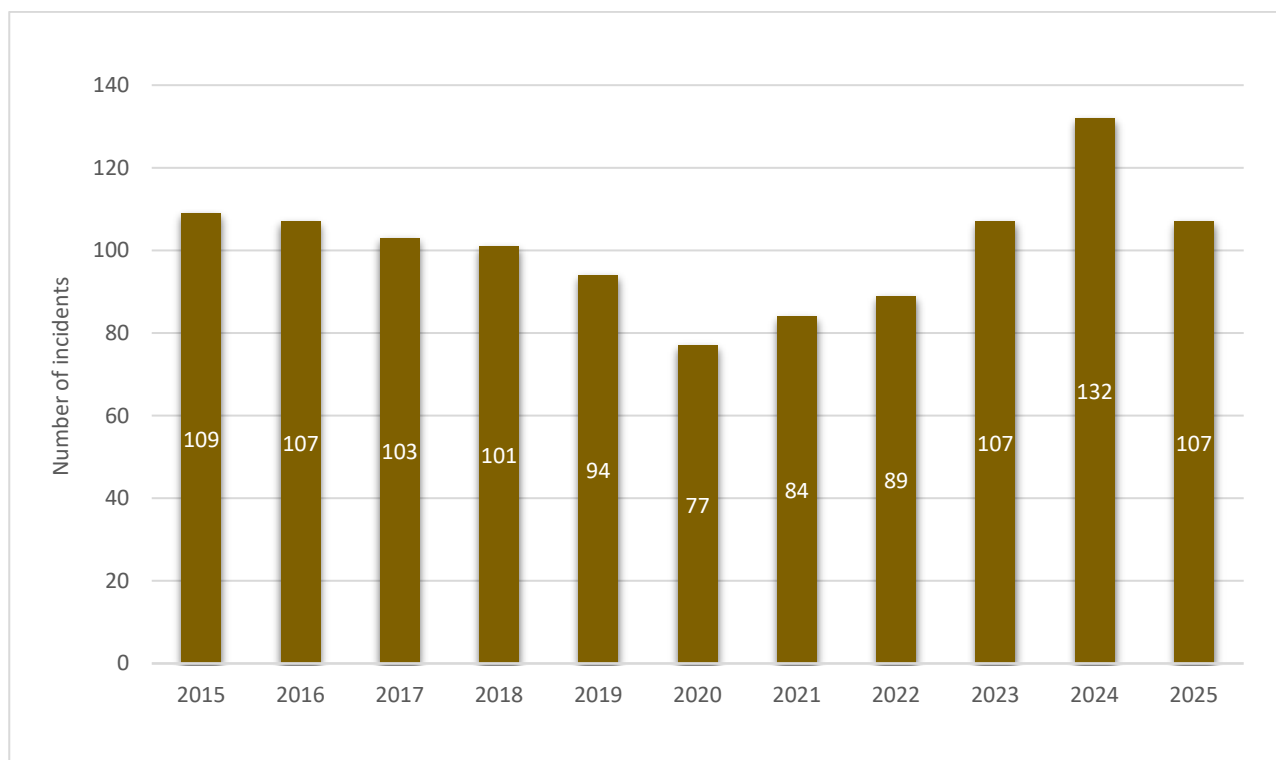


Figure 1 *Dŵr Cymru Welsh Water Total sewerage pollution incidents 2025*

EPA metric 2: Serious pollution incidents (Category 1 and 2 from sewerage and water supply assets)

This metric looks at the number of serious pollution incidents. As shown in the graph below, there were eight serious incidents in 2025 that had a significant (Category 2) environmental impact, and one that had a major environmental impact (Category 1).

EPA metric	Unit of measurement	What this metric means	2025 result (metric status)
Serious pollution incidents (sewerage and water supply assets)	Total number of incidents (Category 1-2)	How many serious sewerage and water supply water pollution incidents occurred, of Category 1-2, total number	9 (Red)

In 2025, there were a total of 9 serious incidents. Three of the incidents were linked to water supply assets – two Category 2 and one Category 1. This is DCWW's worst performance to date for this metric. To achieve green in this metric they must achieve zero incidents, where amber equals one incident. The incidents were linked to a range of assets, including water distribution mains, rising mains, foul sewers and sewage pumping stations. Four of the 9 were linked to a series of bursts along one rising main in South Wales.

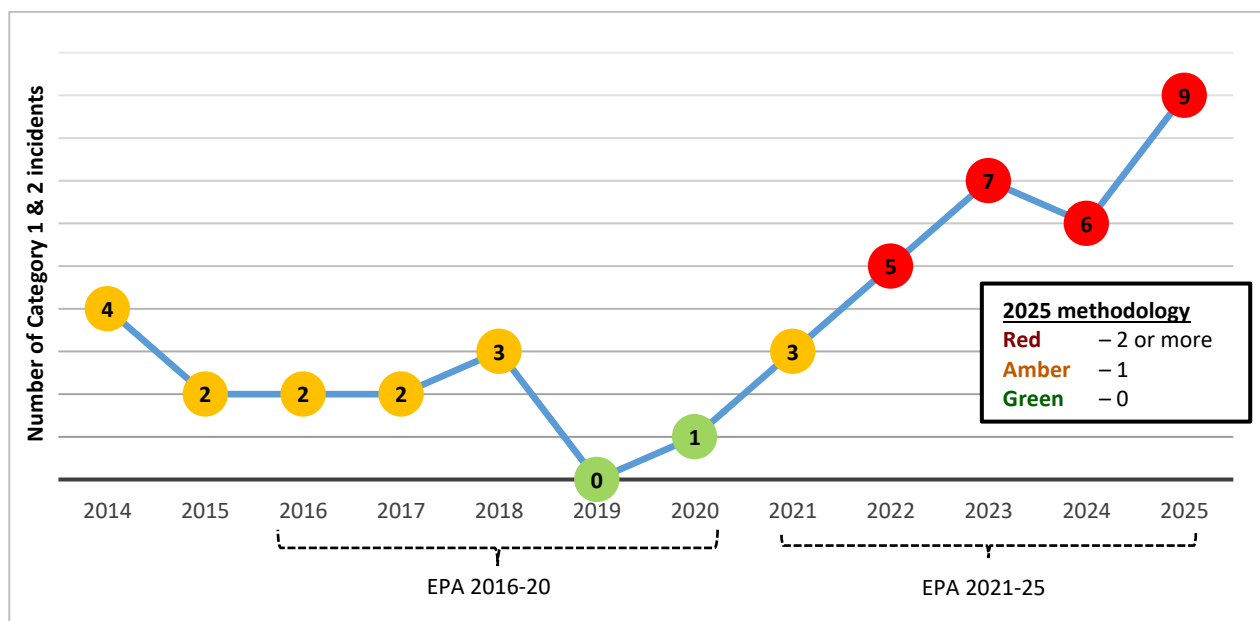


Figure 2 Dŵr Cymru Welsh Water's serious pollution incidents (Category 1 to 2) 2025

DCWW should push for improvement in this area and work quickly towards reducing serious incidents from sewerage and water supply assets, utilising industry best practice and acting quickly on findings from post incident root cause analysis.

EPA metric 3: Self-reporting incidents

We expect water companies to self-report at least 80% of pollution incidents. Under the tighter EPA metrics, achieving green status now requires not only 80% overall self-reporting, but also 90% self-reporting at sewage pumping stations and waste water treatment works.

Self-reporting demonstrates that a company:

- understands its assets and networks;
- uses telemetry and other tools to predict and detect incidents;
- identifies high-risk locations and asset types;
- responds quickly to minimise environmental impact.

In 2025, DCWW remained at amber status, with an overall self-reporting rate of 78%. This is a steady improvement year on year since 2022, but still below the 80% threshold. Sewerage incidents arising from Combined Sewer Overflows and foul sewers were among those least self-reported, while 100% of incidents from water treatment works were self-reported.

Positively, self-reporting at sewage pumping stations and waste water treatment works is at 82%, which is 1% higher than last year. However, 12 incidents from these asset types were still not self-reported, despite the presence of telemetry systems. Further improvement is needed to meet the 90% target in 2026. We encourage the company to

explore industry-wide initiatives and innovative technologies to strengthen self-reporting, particularly at sewage pumping stations and waste water treatment works, and support a return to green status.

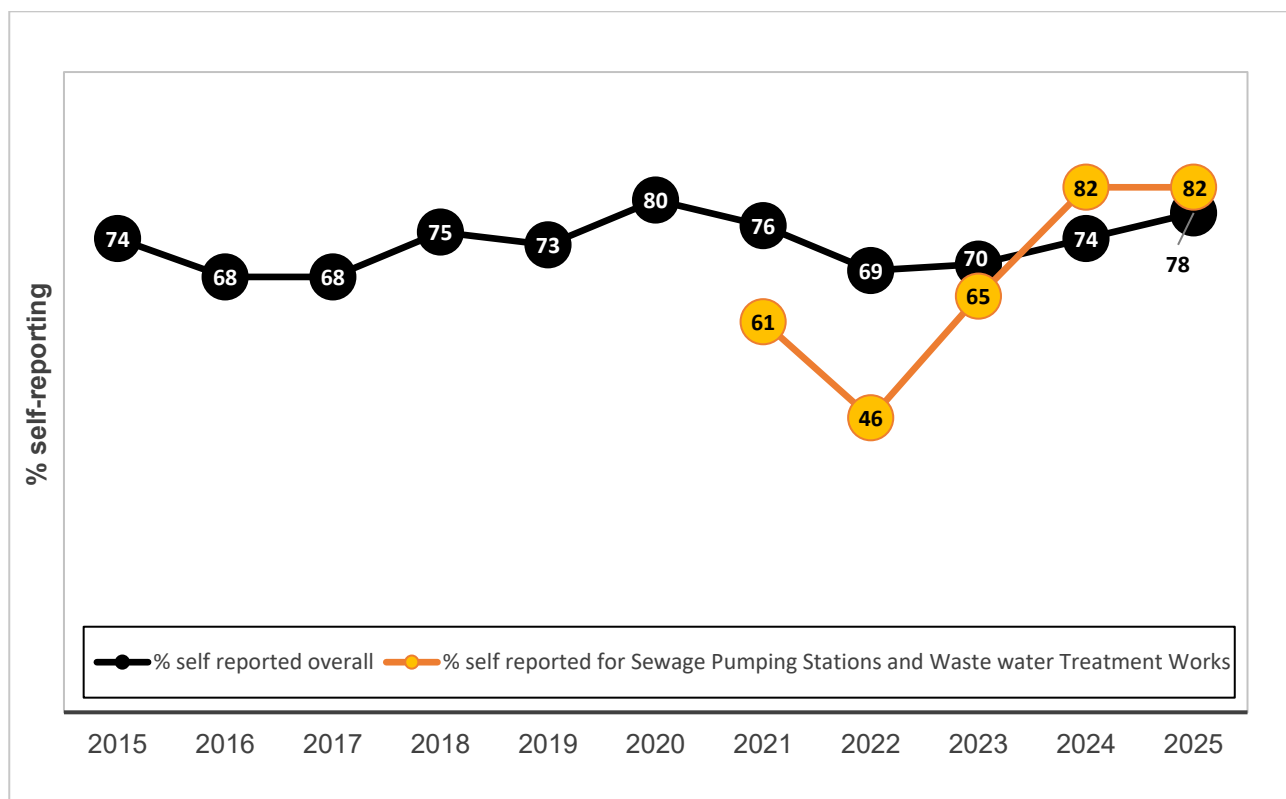


Figure 3 Overall self-reporting of incidents from 2015 to 2025. The orange line shows self reporting for sewage pumping stations and waste water treatment works

Water discharge permit compliance

NRW and the EA issue permits for water discharges, including treated discharges from water company waste water treatment works and water treatment works. The permits require the discharges to meet specific criteria to make sure there is no deterioration to the water environment. Water companies self-monitor their discharges and are required to provide data to us which we assess for compliance. Both regulators have increased their compliance assessment activities, including site inspections and audits, and we expect all permit conditions to be complied with.

Both regulators use the following non-compliance categories 1 to 4 when we assess compliance with permit conditions:

- **Category 1 – Major:** Potential to have a major, serious, persistent and/or extensive impact or effect on the environment, people and/or property.
- **Category 2 – Significant:** Potential to have a significant impact or effect on the environment, people and/or property.
- **Category 3 – Minor:** Potential to have a minor or minimal impact or effect on the environment, people and/or property.

- **Category 4 – No environmental impact:** Non-compliance at a regulated site that cannot foreseeably have any impact on the environment, people and/or property.

When we categorise non-compliances, we must consider the potential impact based on what is reasonably foreseeable. All non-compliances are recorded on a Compliance Assessment Report (CAR) and issued to the permit holder. Where necessary we can set actions requiring the permit holder to bring the site back into compliance with the permit and consider our enforcement options.

EPA metric 4: Discharge permit compliance

In 2025, DCWW achieved amber for this metric as they were 98.1% compliant with the water quality limits on their numeric permits for waste water treatment works and water treatment works. This is a small decrease from the year before when the company achieved 98.6% compliance. The graph below shows, of the 585 waste water treatment works that DCWW operate, there were 11 non-compliant, and one of their 37 water treatment works was non-compliant. To achieve green in this metric, 2025's performance needed to be equal to or more than 99%.

EPA metric	Unit of measurement	What this metric means	2025 result (metric status)
Discharge permit compliance (waste water treatment works and water treatment works)	%	Percentage of waste water treatment works and water treatment works compliant with the numeric limits on their discharge	98.1 (Amber)

We expect DCWW to seek opportunities to monitor and proactively identify waste water treatment works and water treatment works which may be dropping in performance in-year, with the aim of achieving 100% compliance with this metric. Whilst the company have never achieved 100%, this target has been achieved by other companies in the sector. Note that a result of 98.0% or below would have made this metric red.

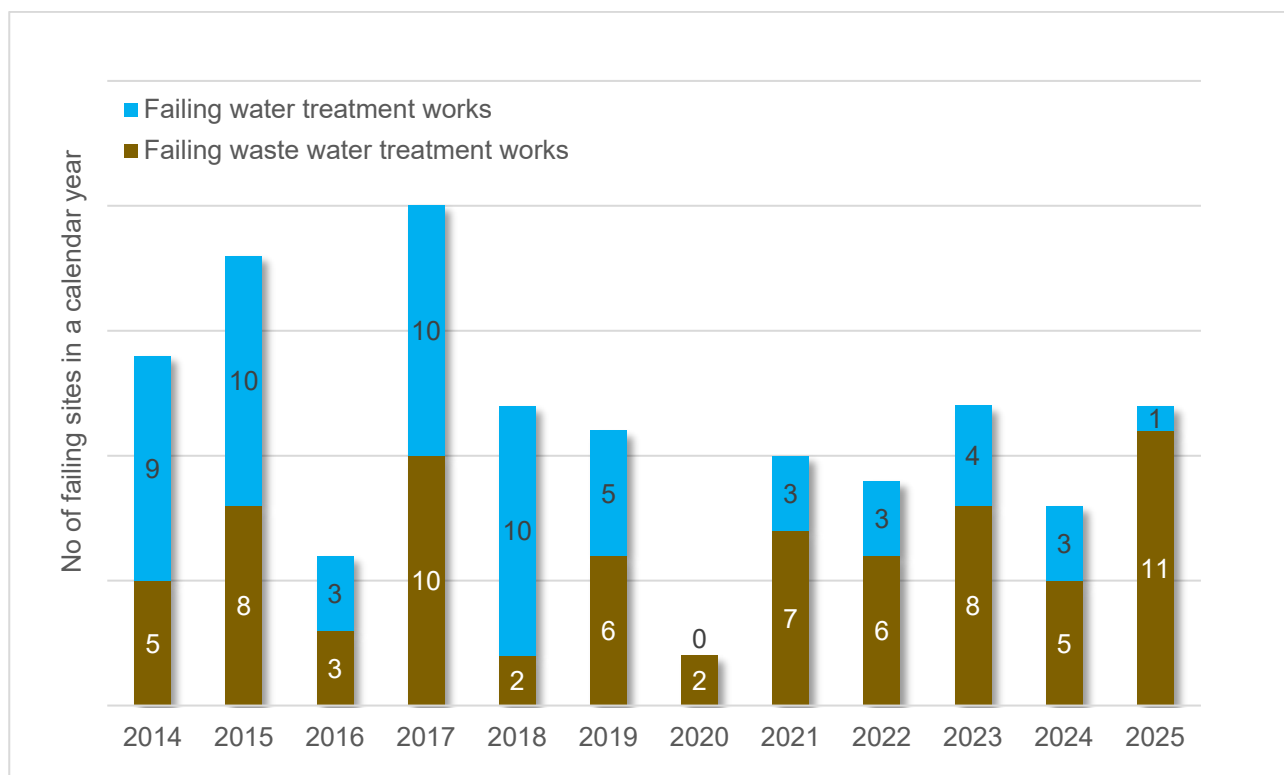


Figure 4 Number of failing numeric permits from 2014 to 2025. There were 12 failing sites in 2025

EPA metric 5: Satisfactory sludge use and disposal metric

EPA metric	Unit of measurement	What this metric means	2025 result (metric status)
Satisfactory sludge use and disposal metric	%	Whether compliant with relevant legislation relating to the storage, recycling and/or disposal of sewage sludge	100% (Green)

This metric assesses the proportion of sewage sludge that is reused or disposed of safely, measured in tonnes of dry solids (tds). As the organisation responsible for managing sludge once it leaves operational sites, DCWW is required to report the quantity handled in a satisfactory manner, as well as to identify any sludge managed unsatisfactorily.

The company manages both sludge it produces and sludge received from external sources. For sludge use or disposal to be classified as satisfactory, it must comply with the following legislative requirements:

- The Sludge (Use in Agriculture) Regulations (SUiAR);
- The Environmental Permitting Regulations (2016) – covering recovery to land (not covered by SUiAR) and storage pending use under SUiAR (under a specific waste exemption);
- The Safe Sludge Matrix.

Water companies are expected to achieve a minimum 98.2% satisfactory use or disposal.

In 2025, DCWW reported 100% compliance against this metric again. Of the 35,008 tds of satisfactory sludge dispatched:

- 34,934 tds were used on agricultural land;
- 14 tds were transferred to another Water and Sewerage Company (WaSC);
- 60 tds were transferred to landfill for disposal;
- the total land area used for agriculture was 6,563 hectares.

The figures can be broken down by country:

- **Wales** - 31,035 tds were used on agricultural land;
- **England** - 3,973 tds were used, including 3,899 tds to agricultural land, 60 tds to landfill and 14 tds to another WaSC.

EPA metric 6: AMP National Environment Programme (NEP) delivery

This metric looks at how DCWW have delivered against their Asset Management Plan (AMP) period, April 2025-March 2026. It looks at the percentage of schemes delivered compared to the cumulative schemes planned for the overall 5 year AMP 2025-2030.

EPA metric	Unit of measurement	What this metric means	2025 result (metric status)
AMP National Environment Programme Delivery	% of planned delivery	Whether the Asset Management Plan National Environment Programme is being delivered to plan	100 (Green)

In 2025/26, after agreed alterations, DCWW delivered 452 schemes as planned – 64 improvement schemes, including 56 commitments delivered early (i.e. Backstop Permit schemes, Habitats Phosphorus Schemes and WFD Prevent Deterioration Schemes), 73 storm overflow investigation schemes & 315 Flow Passed Forward operation monitoring (i.e. MON3). The improvements delivered by the programme will mean assets achieve higher standards and deliver water quality improvements. All year 1 obligations have been met.

There is one EPA-reportable scheme (reference FLO00366) in England where the delivery status is marked as “pending”. It is a scheme to increase Flow to Full Treatment at Homs Road CSO near Ross on Wye, Lower Cleeve. Anything marked as “pending” becomes excluded from the calculation and rolls over into next years assessment, so in this case, its removed as a planned scheme and will be reportable next year as “delivered” or “not delivered”.

Supply Demand Balance Index

For assessment of 2025 data (2025 calendar year and 2025/6 financial year), the Supply Demand Balance Index (SDBI) metric is suspended. As part of ongoing EPA development

we will be implementing a new water resources delivery metric to replace the SDBI metric. This year the new replacement metric will be finalised instead.

The Supply Demand Balance index (SDBI) metric measured how the actual supply demand balance has performed compared to what is set out in a water company's Water Resources Management Plan (WRMP). We expected companies to have a score of 100.

Part 2: DCWW's wider environmental performance

The six EPA metrics detailed in Part 1 represent a core subset of environmental performance. However, our monitoring, reporting, and regulatory work in relation to DCWW's activities extends beyond these metrics. Part 2 of this report covers additional areas, some of which are closely linked to EPA measures, such as incidents and permit compliance, while others reflect broader aspects of environmental oversight.

Incidents from water supply assets

We monitor pollution incidents from assets involved in the supply of drinking water. The numbers are not included in the EPA metric above as this is for sewerage-related pollution only.

Water supply incidents are an important aspect of environmental performance, as they often involve discharges of partially or fully treated drinking water from water treatment works or distribution systems. Such discharges can cause pollution due to the presence of chemicals like chlorine, aluminium, or iron, and may enter watercourses at high velocity, disturbing sediments and introducing silt.

In 2025, there were 55 pollution incidents from water supply assets. Of these, 52 were classified as Category 3, and three were High level (Category 1 or 2).

Water supply incident performance significantly deteriorated in 2025. The number of incidents more than doubled from 23 in 2024 to 55 in 2025. We expect DCWW to build on this progress by further reducing incidents from water supply assets, with a particular emphasis on achieving zero serious pollution incidents.

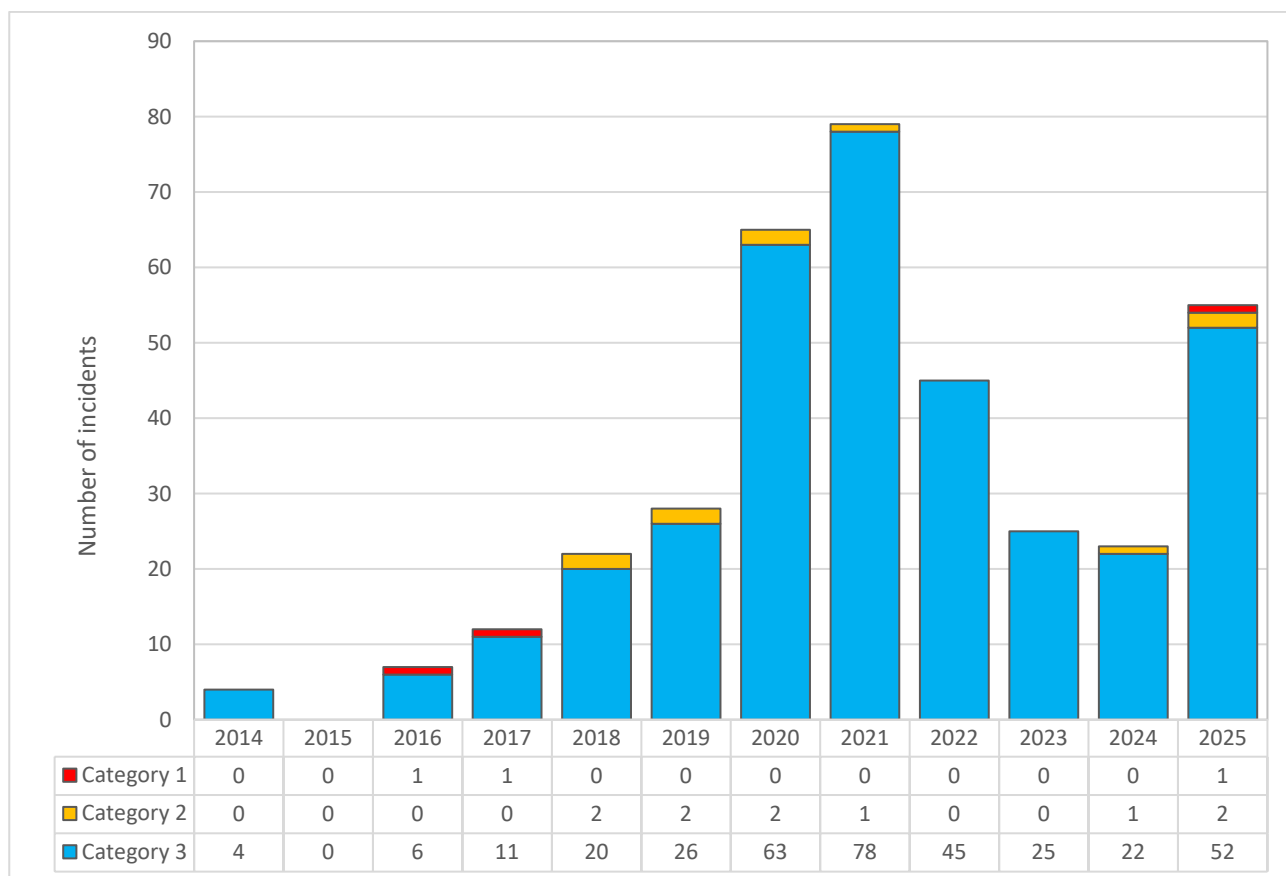


Figure 5 Number of incidents from water supply assets from 2014 to 2025. There were three Category 1 & 2 incidents in 2025.

Water quality descriptive permit condition compliance

In addition to the EPA metrics, it is important to consider trends in compliance with descriptive permit conditions at waste water treatment works and water treatment works. These conditions cover non-numeric aspects such as site maintenance, operational management, and reporting obligations. They are critical to ensuring that sites operate responsibly and in line with environmental expectations.

We expect to see year-on-year improvements in performance, with the goal of achieving full compliance (100%) across all permitted sites.

The table below shows the percentage of sites compliant with their descriptive conditions and the number of non-compliant sites from 2020 to 2024:

	Percentage compliant	Non-compliant sites
2020	63%	317
2021	87%	112
2022	91%	74
2023	87%	110
2024	85%	127
2025	72%	237

Historically, compliance with descriptive permit conditions improved significantly from 2020 to 2022, rising from 63% to 91%. However, this progress has not been maintained, with compliance falling to 72% in 2025, the lowest scoring since 2020. While performance remains better than in 2020, the recent decline is below expectations. We expect this downward trend to be reversed in 2026, with DCWW taking action to achieve full compliance.

Of the 237 non-compliant sites in 2025, most breaches related to monitoring, reporting, and notification under the Operator Self-Monitoring and Urban Wastewater programmes. These included 22 Category 2 (significant) non-compliances, alongside a larger number of Category 3 and 4 issues. Category 2 non-compliances are considered significant, require urgent attention and NRW may consider taking enforcement action for them.

To improve descriptive condition compliance, we expect the company to:

- take swift and positive action to address the root causes of non-compliance in 2026
- improve performance year-on-year, aiming for 100% compliance
- eliminate all Category 1 and 2 non-compliances due to their potential for serious environmental impact.

Flow compliance at waste water treatment works

Dry Weather Flow (DWF) compliance

Dry Weather Flow (DWF) is the average daily volume of waste water entering a treatment works during dry conditions, when there is no rainfall. It reflects normal flows from households and businesses. DWF is important for compliance because many discharge permits are based on this flow level. If the flow regularly exceeds the permitted DWF, it may indicate issues such as infiltration or overloading, which can affect treatment performance and lead to environmental harm.

DCWW provided DWF data in accordance with their permit requirements. 36 waste water treatment works exceeded DWF in 2025 including both previously reported and first-time exceedances.

There were 11 sites with poor quality data resulting in permit breaches. DCWW are required to carry out investigations and report the cause of the exceedance to the relevant regulator, and where appropriate complete remedial action within an agreed timescale.

Flow to Full Treatment (FFT) compliance

Flow to Full Treatment (FFT) is the maximum flow rate that a treatment works is designed to fully treat before excess flows are diverted, usually during heavy rainfall. It ensures that waste water receives proper treatment before being discharged into the environment. Compliance with FFT is important because it helps prevent untreated or partially treated sewage from entering the water environment, protecting water quality and public health.

During 2025, in Wales 131 sites were reported as having Flow Passed Forward (FPF) below the required 92% of FFT for 95% of the time, which raises queries over their flow to full treatment (FFT) permitted limits. Nine sites were in breach of the data quality condition.

Increased monitoring as part of the NEP flow monitor installations and associated new permit conditions for Flow Passed Forward (FPF) are considered a factor in the increased number of reportable risks. We recognise that progress has been made with the investigations programme and implementation of measures to address issues at a number of sites. We expect the number of sites under investigation to decrease in coming years.

Monitoring certification scheme (MCERTS) compliance

MCERTS is our monitoring certification scheme. It sets standards for equipment and systems used to measure and report environmental data, such as flow rates at treatment works. Compliance with MCERTS ensures that flow monitoring is accurate, reliable, and consistent with regulatory requirements. This helps us assess whether sites are operating within their permitted limits and protects the environment from potential harm.

DCWW has made progress with their internal management system for MCERTS certification, a system which independently audits and certifies the suitability and accuracy of their flow monitoring equipment. All their sites in Wales were compliant with MCERTS re-certification requirements in 2024 and 2025.

Permitted storm overflows – Wales only

Permit compliance assessment

Through our incident response and permit compliance assessment work, we identified non-compliances at permitted storm overflows (sewage pumping stations, combined sewer overflows and storm discharges from waste water treatment works) for a variety of reasons.

The most common type of non-compliance in 2025 were Event Duration Monitoring (EDM) problems. 105 sites were non-compliant because their EDM equipment was operational for less than 90% of the year. We recorded 89 Category 4 non-compliances and 10 Category 3 non-compliances; the majority were issued with a Warning. 6 sites have been recorded with a Category 2 non-compliance. Enforcement action is being considered for these more

serious non-compliances. We have set actions for DCWW to investigate the root cause and provide an improvement plan for these non-compliant EDM sites.

Event Duration Monitoring

DCWW have installed EDM monitors to monitor the number and duration of spills, on the majority of their permitted storm overflows in Wales. This means EDM is installed on the following assets:

- storm overflows on the sewer network (combined sewer overflows);
- storm overflows from sewage pumping stations;
- storm overflows at waste water treatment works.

In this section, we share data on permitted storm overflows only. For storm overflows currently operating without a permit, we have a programme of work underway to bring them within our regulatory framework, where appropriate. More information on storm overflows can be found on our website: [Storm overflows](#) and [Storm overflow spill data reports](#).

Unusually wet periods have the potential to result in increased spill frequency and duration, whilst dry weather has the opposite effect. We are working on a robust method to identify when spills are occurring in dry weather that will allow us to better assess storm overflow performance.

Using analysis based on long term rainfall average in Wales (1991-2020), 2025 was an average year for rainfall, i.e. within the middle 60%. This was calculated using total rainfall across Wales from data NRW receive from the Met Office (HADUK).

Despite a dry summer, total rainfall for the year was still 97% of the long-term average (1991 to 2020). September and November were much wetter than average, recording 174% and 159% of the long-term average respectively.

Year	Wales rainfall
2021	Average year
2022	Dry year
2023	Wet year
2024	Average year
2025	Average year

EDM data reported

The data presented below uses the 2025 EDM summary data submitted by the water company in their annual regulatory return to us. EDM summary data from permitted storm overflows in England is not presented in this report as the EA publish information for DCWW sites in England.

DCWW listed 1,983 permits in their 2025 return. We continued to issue EDM variations to storm overflow permits during 2025.

We have seen an overall improvement in 2025, with 105 (5.2%) of the water company's EDMs in operation for less than 90% of the year compared to 279 (13.5%) in 2024. We expect the water company to improve EDM operability so that all EDMs are operating for at least 90% of the time as soon as possible, the agreed industry standard. We expect the company to continue work to improve the data completeness and accuracy for the storm overflow data sets.

Number of spills

The number of spills from storm overflows is calculated using the 12/24 block counting methodology. The 12/24 spill block counting relates to an agreed reporting method. It counts spills in the first 12 hours, and then in the subsequent 24 hour window. The EA use this same approach so there is consistency across water companies in England and Wales when counting storm overflow spills.

The spill data from DCWW's 1,983 permitted storm overflows, tells us:

- 1% (18) had no data provided;
- 7% (146) had 0 spills;
- 19% (381) spilled between 1 and 9 times;
- 29% (569) spilled between 10 and 39 times;
- 33% (650) spilled between 40 and 99 times;
- 11% (216) spilled between 100 and 299 times;
- Fewer than 1% (3) spilled more than 300 times.

Duration of spills

The duration data from DCWW's 1,983 permitted storm overflows, tells us:

- 1% (19) had no data provided;
- 7% (146) had 0 hours of spills;
- 32% (637) spilled for more than 0 but less than 50 hours;
- 25% (499) spilled for at least 50 hours but less than 250 hours;
- 12% (237) spilled for at least 250 hours but less than 500 hours;
- 11% (222) spilled for at least 500 hours but less than 1,000 hours;
- 11% (223) spilled for at least 1,000 hours but less than 5,000 hours;
- 0% (0) spilled for more than 5,000 hours.

Water resources

Incidents from water resources activities

There were three high level incidents occurring from water resource activities in 2025:

- On 13 May 2025, DCWW self-reported that an 8inch cast iron clean water main burst and entered the Taf Fechan near Pontsticill. Silt entered the river 0.5km upstream of the Cwm Taf Fechan Woodlands Site of Special Scientific Interest (SSSI) causing a Category 2 incident to water.

- On 6 August 2025, a Category 1 incident was caused by a clean water leak on an 8inch main. During repair works, substantial silt was mobilised and entered the Nant Crymlyn which could be seen 3miles / 5km downstream. Enforcement action is being considered for this incident.
- On 2 November 2025, NRW received a call that the river Cadoxton in Dinas Powys was running red. Investigations found that DCWW's contractors caused a Category 2 incident silt pollution from works on the Water Distribution Network.

When an incident occurs at a site with a licence we undertake an assessment of compliance with the conditions in the licence. Our compliance work for these incidents is detailed in the next section.

Water resources licence compliance

In 2025, we carried out 52 compliance assessments of DCWW's water resources licences. 41 licences were found to be compliant. Eleven assessments identified breaches of licence conditions. No non-compliances were scored higher than Category 3 i.e. potential of minor environmental effect.

Drought planning and Water Resources Management Plans

Water companies have a duty to maintain water supplies in their area, without damaging the environment or affecting the needs of other water users. There is a statutory requirement for water companies to prepare, maintain and publish Water Resources Management Plans (WRMPs) and Drought Plans. The latest WRMP was published in 2024. The latest Drought Plan was published in February 2026. The plans are published every five years. For the latest information on DCWW's WRMP and Drought Plan, please see their website:

- [Water Resources Management Plan 2024](#)
- [Drought Plan 2025](#)

Please also have a look at our webpages for more information on these topics:

- [Water Resources Planning](#)
- [Drought](#)
- [Drought plan guidance](#)

Leakage and water use

Water companies submit a wide variety of data to us and Ofwat, which includes leakage rates and water use. An [investigation by Ofwat](#) found DCWW misled customers and regulators on its performance on leakage and per capita consumption (water use per person) over a period of five years.

NRW, EA and Ofwat sent a joint regulator letter to DCWW on the Annual Review of its WRMP for 2023/24, highlighting our concerns with the company's performance in demand management, especially for leakage that could affect security of supply and/or risk to the environment. The letter was published on [Ofwat's website](#).

The letter set out our expectations for DCWW to take immediate action to improve performance on the issues raised and to hold meetings with NRW, Ofwat and the EA to demonstrate progress on addressing those issues.

Using water efficiently and reducing leakage are necessary for building climate resilience for nature and people.

The revised leakage rates and water use information for 2025/26 should soon be available at www.discoverwater.co.uk.

Waste permit compliance

Water companies carry out a range of waste-related activities, including biowaste treatment, landfill operations, biogas combustion, sludge incineration, and the operation of transfer stations. For permitted activities, we assess compliance against permit conditions and record any non-compliances.

In 2025, we conducted 18 compliance assessments across seven sites, identifying eight breaches of permit conditions. All were classified as C3 non-compliances. While this represents a lower level of environmental risk, we expect DCWW to take action to achieve full compliance.

Enforcement

Our Enforcement and Sanctions Policy ensures that environmental offences are addressed fairly, firmly, and proportionately to prevent further harm. Enforcement actions are guided by our *Offence Response Options*, which include:

- Advice and guidance
- Formal warnings
- Civil sanctions
- Prosecution

The choice of response depends on the severity of the offence, the offender's willingness to comply and the public interest.

Our enforcement interventions aim to:

- Cease ongoing offences
- Restore environmental harm
- Deter future breaches
- Promote sustained compliance

Minor or unintentional offences may be resolved through education or voluntary action. Prosecution is considered a last resort, pursued only when other enforcement tools have proven ineffective or where the offence is particularly serious. Complex investigations may take time, and outcomes are often reported in subsequent years.

Enforcement actions: case summaries

Dŵr Cymru Welsh Water – Descriptive non-compliances Wales-wide

In 2025, there was a conclusion of a [prosecution](#) against DCWW linked to descriptive permit non-compliances Wales-wide in 2020 and 2021. Initially fined £1.35 million, on 17 October 2025, following an appeal by DCWW, the court reduced the fine to £120,000 plus £70,237 prosecution costs. The conviction was not appealed.

This enforcement action reflects the seriousness of repeated non-compliance and the importance of protecting watercourses from unauthorised discharges.

Reservoir safety

DCWW manages 134 registered large raised reservoirs, of which 117 are designated as “high-risk”. High-risk reservoirs are large raised reservoirs, designated by us, where we think human life could be endangered in the event of a dam failure causing an uncontrolled release of water.

Throughout the year, we monitor quarterly compliance against key safety indicators, including:

- reservoirs without an appointed construction or supervising engineer;
- reservoirs not inspected within the required timeframe;
- reservoirs where recommended safety measures have not been completed within the timeframe recommended by the inspecting engineer.

Throughout 2025, DCWW achieved full compliance (100%) each quarter for both the appointment of reservoir engineers and the completion of required inspections.

For safety measures, we recorded non-compliance at four reservoirs during the year. At the end of the report year, overall compliance was at 98.3% representing two reservoirs out of 117 high-risk reservoirs to which the rules apply.

In each case of non-compliance, the reasons for delayed completion of safety measures was linked to the scale of work required which was planned and implemented over several years, combined with the drawing down of major water supply reservoirs.

Delays were also caused by extreme weather conditions during the winter of 2024-25, conflicts with security of public water supply, conflicts with regulations protecting nesting birds and the expansion of projects on discovery of additional, beneficial work to be implemented during prolonged draw down.

Non-compliance with recommended safety measures does not directly equate to reduced public safety. In each case, water levels in the reservoirs were drawn down with a very low risk of an escape of water. DCWW also appointed independent qualified reservoir civil engineers to ensure reservoir safety was managed appropriately. These engineers regularly attend the works and can be called on at any time for advice.

DCWW provided us with regular updates on progress and drew to our attention any implementation delays and the reasons for those delays, before the statutory deadlines.

Measures are in place to ensure reservoir safety, and we take advice from independent qualified reservoir civil engineers.

Operator Monitoring Assessment (OMA)

We carry out these audits of operators' self-monitoring arrangements to check that WaSCs are performing the required monitoring to the monitoring standards in our permits and via our Monitoring Certification Scheme (MCERTS). The Operator Monitoring Assessment (OMA) is the systematic tool that we use to carry out these audits in order to highlight areas for improvement and promote best practice.

There is no fixed schedule for conducting OMA audits; we undertake them based on our assessment of risk and operational priorities. The last OMA was in 2024, and we have an OMA scheduled for late 2026.

Regulatory action

We are committed to driving improvements in water company performance through a robust and evolving regulatory framework. Our actions focus on the following key areas:

1. Pollution Incident Reduction Plans (PIRPs)

The Water Special Measures Act inserted provisions into the Water Industry Act 1991 requiring all water companies to publish Pollution Incident Reduction Plans (PIRPs) and Implementation Reports. PIRPs must clearly explain how companies will reduce pollution incidents from all their assets. Implementation Reports will be a retrospective review of how successfully the incident reduction measures were implemented. The new legislative requirements do not contain any sanctions if water companies do not manage to implement their measures.

We developed external guidance describing the content we expect PIRPs and Implementation Reports to contain. The first PIRPs had to be published by April 2026 which NRW reviewed. We sent DCWW a warning letter as their PIRP was not fully satisfactory.

2. Drainage and Wastewater Management Plans (DWMPs)

Sewerage undertakers in England and Wales have a statutory duty to prepare, publish and maintain a Drainage and Sewerage Management Plan under section 94 of the Water Industry Act 1991. These plans are called Drainage and Wastewater Management Plans (DWMP). These non-statutory guidelines instruct sewerage undertakers as to how to prepare, publish and maintain a compliant DWMP.

We are working towards making DWMPs statutory in Wales, embedding them into long-term planning and investment strategies.

- DWMPs must be ambitious, evidence-based, and aligned with climate and environmental goals;

- They will support strategic planning over a 25-year horizon, addressing challenges such as population growth, climate change, and infrastructure resilience;
- Water companies will publish draft DWMP by November 2027, allowing for a 12-week public consultation, and a final DWMP will be released in August 2028 – DWMP29.

3. AMP8 Investment Delivery and PR24 Priorities

Water companies are required to deliver their AMP8 investment commitments (2025-2030), aligned with performance targets set through PR24, led by Ofwat.

- Regulatory priorities include reducing pollution, improving water quality, enhancing climate resilience, and delivering better services;
- We will hold companies to account for timely, transparent delivery and ensure that investments result in tangible environmental improvements.

4. Permit Compliance and Regulatory Service Plan

Our annual Regulatory Service Plan (RSP) sets out regulatory targets across regimes. Through this work, there has been an increase in regulatory oversight of water company permitted assets and associated compliance work. The aim of the RSP and associated quarterly performance reporting is to pro-actively support and develop a sustainably funded, resilient and effective regulatory service.

Strengthening permit compliance is critical to preventing pollution incidents, and we will continue to conduct more frequent and rigorous assessments to ensure companies meet permit conditions.

5. Environmental Performance Assessment (2026–2030)

The EPA methodology is reviewed every 5 years, and in 2026, we are implementing a revised EPA framework for 2026-2030.

Expectations, including many with relevance to the EPA, are set out in the [Wales Water Industry Strategic Environmental Requirements](#) (WWISER) for 2026 to 2030. This will include additional metrics to enhance scrutiny and accountability, and performance will be benchmarked to drive continuous improvement.

6. Collaborative regulation and sector improvement

We are working closely with Ofwat and other partners to drive sector-wide improvements which includes reducing pollution incidents and promoting best practice across the industry. We will continue to hold water companies accountable at all levels, from frontline operations to senior leadership.

There have been significant announcements over the past year relating to water sector regulation. The Independent Water Commission report was published in July 2025, which led to Welsh Government releasing a Green Paper in response in February 2026 -

Shaping the Future of Water Governance in Wales. Recommendations within these documents outline a once-in-a-generation plan to transform the water system.

Additionally, the Water (Special Measures) Act introduces new enforcement powers for the water industry through Variable Monetary Penalties (VMPs) and Automatic Monetary Penalties. Please see further information below:

- Automatic Monetary Penalties will apply to specified breaches and, unlike existing enforcement options, will require NRW to issue a penalty where the legal criteria are met;
- VMPs will provide an additional civil enforcement option alongside NRW's existing enforcement tools, including criminal prosecution where appropriate;
- Financial penalties could be significant, with VMPs of up to £500,000 per breach and Automatic Monetary Penalties expected to be around £10,000 per breach;
- NRW is developing its implementation approach and supporting a forthcoming Welsh Government consultation, which is expected to run for 12 weeks from December 2026.

7. Data strategy and analytical capability

We are enhancing our data systems through our customer platform and IT strategy for 2030 by exploring tools to maximise data analysis capability, collaborating with other regulators to adopt best practices. Improved data will support more effective regulation and compliance monitoring.

In July 2025 we established a new Water Compliance Team as a national function to provide a consistent approach to water discharge compliance assessment, data management and regulatory decision-making across Wales.

During the year, the team delivered national compliance assessments across key monitoring programmes, including operator self-monitoring, flow and storm overflow data, and Urban Waste Water Treatment Regulations reporting. This has strengthened the consistency and robustness of compliance data used for regulatory reporting.

The team prioritises improving data quality and developing national processes and tools to support evidence-based compliance assessment. It has also supported the identification and resolution of complex or multi-area compliance issues, contributing to proportionate enforcement action where necessary.

Working closely with our operational teams, the Water Compliance Team provides technical advice, training and support, helping to improve consistency in compliance outcomes while supporting effective local regulatory delivery.

Performance expectations for 2026

The 2026 reporting year will mark the first year of an [updated methodology](#) for the EPA reporting cycle covering 2026 to 2030. We are also in the early stages of an Asset Management Plan period (AMP8) and of a new Price Review (PR29). We expect DCWW to make positive progress, reversing the deteriorating trends observed in 2025.

The 2026 data year represents a step change in water company reporting. In Wales, NRW published **Guidance Note 018** (Water company pollution incidents), while in England the EA published Guidance for reporting and assessing Water Industry Regulation Incidents (**WIRI**). These documents replace **LIT 11244** (Recording and categorising water industry self-reported pollution incidents, previously **Operational Instruction 16_02**), which was withdrawn on 1 January 2026. Please note that LIT is an acronym used by the EA for guidance literature. As a result of the revised guidance, we anticipate an increase in the number of pollution incidents self-reported by water companies across England and Wales.

This will affect the total pollution incidents EPA metric for data collected from 2026. Therefore, a RAG (Red Amber Green) status will not be applied for 2026 and 2027 data while a new baseline is established, and metric performance will not contribute to the overall EPA rating. To reinstate RAG thresholds for this metric we intend to undertake an analysis of data in early 2028, which will involve data gathering and then an evidence based process and consultation. This metric will be a core EPA metric when RAG thresholds are reinstated.

In early 2026, [Ofwat confirmed its final decision to formally accept a £44.7m enforceable package of undertakings](#) from DCWW. It includes £40.6m to address harm and reduce spills at specific overflows. The company will also investigate and carry out sealing works on private parts of the sewer network to tackle groundwater infiltration, which is a significant contributor to frequently spilling overflows.

In 2026, we expect DCWW to:

- reduce the total number of sewerage incidents year-on-year;
- reduce serious pollution incidents (sewerage and water supply);
- achieve 100% numeric water quality compliance;
- improve self-reporting of pollution incidents in line with the requirements in GN018, particularly at sewage pumping stations and waste water treatment works;
- continue to maintain satisfactory performance on sludge use and disposal;
- continue to deliver 100% of AMP National Environment Programme schemes.

As outlined in Part 2 of this report, there are several additional areas requiring attention to strengthen overall environmental performance. In 2026, we also expect DCWW to:

- reduce incidents from water supply assets and water resources activities;
- increase descriptive condition compliance to 100%;
- improve flow compliance across relevant sites;
- reduce leakage across the water distribution network.

Annex 1: Performance assessment methodology

Water company performance is reported annually on a calendar year basis. Since 2011, we have used the same EPA metrics and methodology as the EA. This alignment enables consistent reporting and benchmarking of DCWW's performance against the 9 large water and sewerage companies operating in England.

To ensure full coverage, we combine performance data from Wales with data provided by the EA for the part of DCWW's operating area that lies in England. This report therefore presents performance for DCWW as a whole unless specified.

These metrics are absolute rather than relative, meaning all companies are assessed against fixed standards. As such, every company has the opportunity to achieve 4-star industry-leading status.

Version 13 of the EPA methodology for the 2021 to 2025 period (released December 2025) applies for assessment of 2025 data, published in 2026.

Annex 2: Summary of DCWW's EPA performance 2015-25

The table below summarises the company's EPA metric performance since 2015.

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Pollution incidents (sewerage) Category 1-3 incidents per 10,000 km of sewer	59	30	28	28	26	21	23	25	30	36	30
Serious pollution incidents (sewerage and water supply assets) Total incidents (Categories 1 & 2)	1	0.6	0.3	0.8	0	0.3	3 ¹	5	7	6	9
Self-reporting pollution incidents % (% for sewage pumping stations and waste water treatment works only)	74	68	63	75	73	80	76 (61)	69 (46)	70 (65)	74 (82)	78 (82)
Discharge permit compliance (waste water treatment works and water treatment works) %	98.6	99.0	96.7	98.0	98.3	99.7	98.3	98.5	98.0	98.7	98.1
Satisfactory Sludge Use/Disposal %	100	100	100	N/A ²	N/A	N/A	N/A	100	99.84	100	100
AMP National Environment Programme delivery % of planned delivery	100	100	100	100	100	100	100	100	100	100	100
Supply Demand Balance index (SDBI)	N/A	100	98	100	100	100	100	100	99	99	N/A
Company star rating	3 star	3 star	2 star	3 star	3 star	4 star	3 star	2 star	2 star	2 star	2 star

Key: Metric status

Green	Performance better than target
Amber	Performance below target
Red	Performance significantly below target

Key: Overall company star rating

4-star	Industry leading company
3-star	Good company
2-star	Company requires improvement
1-star	Poor performing company

¹ Under the tighter and broader EPA metrics of the new 5-year EPA period (2021-25), the serious pollution incidents metric now includes serious water supply incidents and is no longer normalised.

² We suspended reporting of the sludge metric from 2018-2020 while we reviewed how we assess and report performance consistently across the water companies on this activity in the future. The sludge metric was reinstated as a shadow metric for the 2021 data year, and as a full metric since the 2022 data year.