

Water Branch
Energy, Water and Flood Division
Welsh Government
Crown Buildings
Cathays Park, Cardiff
CF10 3NQ

Thank you for the opportunity to comment on Welsh Government's proposed Social and Environment Guidance to Ofwat. We have welcomed the opportunity to discuss early drafts of this document over the last few months with your officers.

Natural Resource Wales is supportive of the approach outlined in the Guidance, in particular:

- The environmental policies outlined in section 6.
- The focus on improving resilience to natural hazards,
- The emphasis on assessment of the risks to companies' assets and infrastructure due to flooding and coastal erosion,
- The drive to improve Water Company understanding of assets from a sewerage infrastructure perspective.

We have identified areas where we believe the guidance could be strengthened and greater clarity provided:

Para 2.16 The reference to 'natural hazards' should be expanded to include all hazards including, for example, vandalism.

Para 2.17 This section should be expanded to include funding of trial projects to facilitate catchment wide solutions to problems, in line with the Welsh Government ecosystem approach. The inclusion of such trials, of different approaches to incentivising land managers to improve management practices, would be helpful, as these could potentially have significant benefits for water quality, whilst also reducing the need for additional infrastructure investment by water companies.

Para 2.18 This section needs expanding to address the challenges of the mismatch in timetables of the WFD and PR14 processes. The guidance to Ofwat should make it clear that appropriate funding is in place to ensure water companies can deliver appropriate measures to



contribute to good ecological status. Furthermore, there should be direction to Ofwat to endorse the “managing uncertainty” approach proposed by the environmental regulators in England and Wales.

Para 4.16 Reference to flood risk management is required in this section alongside ‘water resources, drinking water quality and environmental considerations’.

Para 6.2 We support the policy intention of increasing monitoring of water company assets. It would be helpful if this section provided greater clarity on the extent and scope of monitoring required. Natural Resources Wales would be in favour of increased monitoring at intermittent assets to both enable greater certainty for planning and allow companies to increase their understanding of the operation of their intermittent discharges. Clear direction to Ofwat from Welsh Government would be welcomed.

Para 6.47 The Floods Directive should be referenced in this section. The Directive sets out requirements to manage flood risk from all sources in order to reduce the consequence of flooding on human health, economic activity and the environment. Water companies play a key role in this.

We feel the floods and resilience sections could be more active. WG should offer direction to Ofwat on how they view the role of companies within these statements, for example: Ensure companies contribute to emergency planning.

The Floods Directive also promotes a catchment approach to manage flood risk from all sources and ensure that there are no regulatory barriers for companies working with risk management authorities, to plan and deliver long term solutions.

In addition to the above we have the following observations:

- The Water Companies duty (s94 of the Water Industry Act 1991) to “effectually drain” is not covered in the draft guidance. This is an important area of their work as this is what makes them a risk management authority.
- It would be beneficial to reference support, within the guidance, for the recent Drainage Strategy Framework and a desire to see how companies demonstrate how they are going to deliver its requirements.
- Whilst some excellent work has been undertaken by the water companies to understand the performance of their networks in certain locations (eg. Llanelli



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and Gowerton) there is still further work to do in this regard. It would be advantageous if the guidance could include reference to this important area of their work and the need to consider the impact of future pressures from development and adoption of innovative solutions (eg. water sensitive urban design schemes).

I hope the above comments are helpful. Should you wish to discuss any of the points raised above with Natural Resources Wales please contact Mark Squire mark.squire@cyfoethnaturiolcymru.gov.uk in the first instance.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Ceri Davies'.

Ceri Davies
Head of Knowledge, Strategy & Planning
Natural Resources Wales