Dŵr Cymru
Welsh Water

CONSULTATION

Our Strategy for the future

Rebuilding trust by strengthening our foundations

Dŵr Cymru Welsh Water Strategy
Consultation document | October 2026

An essential service. Long-term choices.

Strengthening our core capabilities, rebuilding trust.

Our vision is to foster thriving communities by delivering world-class water services.

Water is essential to every home, community, and business we serve. Our services are also an essential part of delivering a clean water environment and thriving aquatic ecosystems which support a sustainable and prosperous future for Wales and all areas we serve.

Customers and communities rely on us to provide safe and plentiful drinking water, treat and dispose of wastewater and sewage, and manage essential infrastructure for future generations. Yet, at the time of writing, we are falling short of basic requirements, many assets are in poor condition, and environmental challenges are growing. Difficult decisions lie ahead.

This Strategy provides a long-term direction for Dŵr Cymru Welsh Water. It explains the outcomes that customers want us to deliver, the choices we will need to make, and how we will chart a better way forward.

Contents

Foreword 4
Strategy at a glance 5

01 Why this Strategy, why now? 6
Why now? 7
Welsh Water today: a distinctive operating context 8
Current challenges and the opportunity to do better 9

02 The future we are planning for 10
The changing context 11
Pressures and constraints 12
Making long-term choices 13

03 What customers and stakeholders have told us 14
How we have engaged 15
What we heard in numbers and in customers' own words 16
Key messages from customers and stakeholders 17
How we have used these insights in the Strategy 18

04 Our strategic outcomes 19
Water — Our strategic objectives and why they matter 21
Water — Reliable today, resilient tomorrow 22
Water — Taking responsibility and working with others 23
Water — Long-term transformation 24
Environment — Our strategic objectives and why they matter 26
Environment — Improving today, protecting tomorrow 27
Environment — Taking responsibility and working with others 28
Environment — Long-term transformation 30
Customers and communities — Our strategic objectives and why they matter 32
Customers and communities — Restored trust today, confident about tomorrow 33
Customers and communities — Taking responsibility and working with others 34
Customers and communities — Long-term transformation 35

05 Delivery principles and enablers 36
Our delivery principles 37
Enablers — What we need in order to deliver our strategic outcomes 38
How stronger enablers change delivery 39

06 From Strategy to delivery 40
Turning Strategy into delivery 41
Keeping people involved and reporting progress 42
Share your views 43

Foreword

Your Strategy, your voice

This draft document sets out our long-term Strategy for Welsh Water. It explains the outcomes we want to achieve for customers, communities and the environment, the principles that will guide our decisions, and the capabilities we need to strengthen to deliver lasting improvement.

The Strategy remains very much a draft. We are publishing it now because we want customers, colleagues, stakeholders and partners to challenge our thinking and help us improve it. During the consultation period, we will hold customer and stakeholder engagement sessions across our operating area, listening to different regional perspectives and exploring the priorities, choices and trade-offs that should shape our future direction.

What happens next

We will consider the feedback received and continue to refine the Strategy before publishing the final version in January 2027.

The Strategy will set our long-term direction, but it will not resolve every investment, affordability and delivery choice. During 2027, we will work with customers and stakeholders to develop a Long-Term Capital and Operational Plan, which will translate the Strategy into more detailed pathways, priorities and investment choices.

The final Plan will be published in January 2028, bringing strategic ambitions, customer priorities, obligations, operational requirements, asset needs and financial considerations into a single long-term view.

Have your say

We welcome feedback on any aspect of the draft Strategy, including:

- whether we have identified the right outcomes and priorities;
- whether our proposed delivery principles are clear and credible;
- whether we have been sufficiently honest about the challenges, choices and trade-offs ahead; and
- what you believe should change before the Strategy is finalised.

A full list of questions is provided on the final page of this document. Please respond via the link provided or send your comments to **strategy@dwrcymru.com** with the subject line: "Strategy Consultation".

Strategy at a glance

Fostering thriving communities by providing world-class water services

WHAT SUCCESS LOOKS LIKE

Better outcomes for customers, communities and the environment

1

SAFE, HIGH-QUALITY AND RELIABLE WATER



- Safe and trusted
- Reliable supplies
- Resilient resources and networks

2

A HEALTHY WATER ENVIRONMENT



- Clean rivers and beaches
- Pollution prevention
- Environmental resilience

3

SATISFIED CUSTOMERS AND THRIVING COMMUNITIES



- Excellent customer experience
- Affordable and inclusive
- Positive economic impact

HOW WE GET THERE



FOCUS ON THE ESSENTIALS FIRST

Ensure basic needs met before delivering higher standards

DELIVER CORE SERVICES
Reliability, compliance, risk reduction

BUILD RESILIENCE
Prepare for long-term stresses

MEET HIGHER STANDARDS
Where affordable and supported by customers



WORK WITH OTHERS

To achieve outcomes beyond our direct control

CUSTOMERS
Engagement, participation and behaviour change

PARTNERSHIPS
Collaboration to deliver shared outcomes

REGULATORY REFORM
Enabling better value outcomes

SYSTEM PLANNING
Coordinating plans, dependencies and responsibilities



INVEST IN THE FOUNDATIONS OF OUR BUSINESS

The assets, people and systems needed to deliver all three outcomes

ASSETS
Asset stewardship and investment

PEOPLE
Leadership, culture and capabilities

DIGITAL SYSTEMS
Technology and data

01

Why this Strategy, why now?

An honest assessment of where we are, why change is needed and the opportunity to rebuild trust.

Why now?

Three reasons a refreshed long-term Strategy is needed, at the time of writing (October 2026).

1

PERFORMANCE

In some areas of performance, we are not meeting the expectations of customers and regulators, or our own standards. Restoring performance and rebuilding trust must come first, beginning with the services and outcomes that matter most to our customers.

2

PRESSURE

Climate change, ageing assets, and customer and regulatory expectations, are increasing the demands on the business. We must identify opportunities to work better in partnership to address these constraints and deliver better outcomes at lower cost.

3

OPPORTUNITY

As we develop a new Long-Term Capital and Operational Plan for the business, and prepare for the next Price Review, a new Strategy will help us be clear about the difficult choices ahead, how we will think about priorities, and the principles that will underpin decision-making. It may also help inform the development of changes to the regulatory framework.



As a society, we need an honest conversation about what matters most, how quickly improvements can be delivered, and how costs should be shared fairly. This Strategy is a contribution to that debate.

Welsh Water today: a distinctive operating context

Welsh Water provides essential services across most of Wales and adjoining parts of England. Our geography, environment, economy and ownership model create a distinctive operating context, shaping both the challenges we face and the choices we must make for the future.

A DISPERSED POPULATION AND NETWORK

Many communities are spread across rural and coastal areas. Extensive networks and many smaller treatment works make services collectively more complex and costly to operate and maintain.

A SENSITIVE WATER ENVIRONMENT

Many rivers are small and environmentally sensitive, alongside an extensive coastline and important habitats. Effective treatment, pollution prevention and catchment action are especially important.

RAINFALL: BENEFIT AND CHALLENGE

High rainfall generally supports water resources, but large volumes of surface water can enter drainage and sewerage systems. More extreme weather increases pressure from runoff and flooding.



A DIFFERENT OWNERSHIP MODEL

Welsh Water has no shareholders and pays no dividends. Surpluses can be reinvested, while financial resilience and investor confidence remain essential to raising long-term finance efficiently.

AFFORDABILITY MATTERS

Many customers live in lower-income communities where water bills are a significant expense. Investment must be balanced with affordability, fairness and effective support.

CLEAN COASTS SUPPORT PROSPERITY

Tourism is important to coastal and rural communities. Clean beaches, rivers and landscapes matter for public enjoyment, local businesses, employment and the wider reputation of the area.

TOPOGRAPHY

Wales' predominantly hilly, rural terrain and the concentration of communities in the South Wales Valleys make our networks more complex and costly to operate. Steep gradients, dispersed assets and difficult access can increase pumping requirements, maintenance costs and the time needed to repair infrastructure.

These characteristics make long-term planning especially important: solutions must reflect local geography and communities, protect a sensitive environment, remain affordable and make the best use of our distinctive ownership model.

Current challenges and the opportunity to do better

An honest starting point

As we prepare this Strategy, we face inter-related challenges in performance, asset condition, long-term resilience and affordability. There is also uncertainty about the future of water regulation, and how reforms will be implemented in our area. At the same time, we have an opportunity to reshape our business for the future: restoring confidence in our services, improving outcomes for customers and the environment, shaping a better regulatory framework, and building a more resilient organisation capable of meeting the needs of future generations.

Many of the challenges we face require us to think differently about how we invest and deliver improvement. Ageing infrastructure, climate change and rising expectations mean we must look beyond short-term recovery and take a longer-term, more preventative approach. By addressing root causes, working in partnership across catchments and making greater use of nature-based and whole-system solutions, we can deliver more sustainable outcomes and better long-term value.

Achieving this ambition will require difficult choices. We must balance the pace of improvement with what is affordable, financeable and deliverable, while ensuring that investment is targeted where it can make the greatest difference. We must also continue to advocate for regulatory and policy frameworks that better align investment, incentives and delivery with the outcomes customers and society want to see.

We recognise that success depends not only on investment, but on our ability to deliver. We therefore need to strengthen our understanding of asset condition and performance, improve our capability to plan and deliver effectively, and build deeper partnerships with others. These are the foundations of a business that can consistently turn investment into better outcomes.

This Strategy sets out our ambition to rebuild trust, strengthen the foundations of the business and create a clearer connection between customer bills, investment, delivery and outcomes. It is intended not simply as a response to today's challenges, but as the basis of a long-term plan for creating a stronger, more resilient Welsh Water.



Our challenge is to improve performance and rebuild confidence while preparing for a more demanding future, all within a constrained funding environment.

02

The future we are planning for

Long-term trends are reshaping the risks, expectations and opportunities facing water services in our area.

The changing context

We need to get ahead of trends, not simply react to them.

LONG-TERM TRENDS TO 2055



CLIMATE CHANGE

More frequent droughts, flooding and extreme weather will put greater pressure on services.



AGEING ASSETS

An ageing asset base will require greater maintenance, renewal and replacement over time.



ECONOMIC TRENDS

Growth, inflation, affordability and financing conditions will shape bills and investment choices.



ENVIRONMENT

Fragile ecosystems and rising expectations will require new approaches to protecting rivers and nature.



EVOLVING SOCIETAL EXPECTATIONS

Customers increasingly expect better service, greater transparency and faster environmental improvement.



REGULATORY AND POLICY CHANGE

Government policy and regulation will shape priorities, investment and how outcomes are delivered.



DIGITAL AND AI

Data, automation and AI will reshape how services are operated, maintained and experienced.



GROWTH AND DEMAND

Housing, population and changing water use will place new demands on networks and resources.



GEOPOLITICAL UNCERTAINTY

Global instability can disrupt supply chains and affect energy, workforce and access to capital.

Our previous assessment, Welsh Water 2050: Review and Update (2023), identified many of the long-term trends, risks and opportunities that continue to shape our future. Some are now developing more rapidly than projected at that time, particularly climate change, regulatory reform, technology and AI. We need to get ahead of these changes, anticipate their implications and build them into our plans, while remaining adaptable in the face of uncertainty. The evolving regulatory framework also needs to reflect this need for flexibility and long-term thinking.

Pressures and constraints

Challenges are growing, but the capacity to respond is constrained.

Constraints on the pace of improvement

AFFORDABLE BILLS



Many in our communities are struggling with the cost of living, including the cost of water and energy bills.

REGULATORY REQUIREMENTS



A significant proportion of investment is driven by statutory and regulatory requirements. This can reduce flexibility to prioritise expenditure based on customer preferences.

FINANCING



We have to maintain a healthy balance sheet in order to continue to attract finance to fund long-term investment at a reasonable cost. This places a limit on investment, unless we are prepared to see a further increase in bills.

DELIVERABILITY



The amount of investment we can deliver depends on capital delivery partners and other workforce and supply chain capacity.

All of our costs are, in the end, paid for via customers' bills. In the case of long-term investment, it is financed by borrowing which is then paid off over time, much like a mortgage. As we have no shareholders, we do not pay dividends, so any profits can be retained and reinvested. It also means that we have to retain a healthy balance sheet in order to attract debt at the lowest possible cost.

All of these factors serve to constrain the pace of investment, leading to tough choices about our customers' priorities. Given these constraints, even with improved efficiency there may be a gap between what customers and regulators would like us to achieve, and what can realistically and affordably be delivered. Government or third-party support may need to be considered if, as a society, we want to overcome this challenge.

Making long-term choices

Our Long-Term Capital and Operational Plan will turn ambition into informed choices. The process will begin with the outcomes customers and regulators want to see, expose the relationship between performance, investment and bills, and then establish the most credible plan within financial and delivery constraints.

DEFINE THE AMBITION

Establish what is required and valued

Clarify future path of regulatory requirements. Ask customers what they ideally want from water and wastewater services, where improvement matters most and which outcomes they value most.

MAKE THE CHOICES REAL

Test performance and bill options

Show the performance different investment packages would deliver, what each would mean for bills, and the pace of change involved. Ask what customers would pay more to achieve, protect, defer or reconsider under affordability pressure.

TURN PREFERENCES INTO PATHWAYS

Build a credible and deliverable plan

Set a funded and sequenced plan that reflects customer preferences while meeting statutory obligations at a pace that is acceptable to regulators. Test affordability, financeability, organisational capacity, supply-chain constraints and the need to keep pathways adaptable.



Meaningful choices require clarity about what different levels and timings of investment will cost our customers, what outcomes they will deliver and what may need to be deferred.

03

What customers and stakeholders have told us

Customer evidence informs the Strategy, alongside duties, risk, affordability and deliverability.

How we have engaged

We have run a broad programme of representative research, dialogue and consultation to inform this Strategy.

QUALITATIVE RESEARCH

Over 350 customers, representative of the diversity of our customer base, took part in deliberative workshops across Swansea, Cardiff, Llandudno, Chester and Hereford. These included both household and business customers, and were supplemented by one-to-one interviews with customers in vulnerable circumstances.

QUANTITATIVE SURVEYS

1,200 customers took part in a nationally representative survey, including 1,000 household customers and 200 business customers. The household sample was structured to reflect the customer base by age, socioeconomic group and region, and included customers in vulnerable circumstances and digitally disengaged customers.

MASS ENGAGEMENT

We ran a survey online and at shows, events and our visitor centres over the summer of 2026, collecting more than 4,300 responses.

STAKEHOLDER DIALOGUES

Regional and thematic conversations were held with relevant organisations, campaigners and representatives of stakeholder groups.

COLLEAGUE INPUT

We convened workshops and roadshows with over 500 Welsh Water employees to hear from colleagues and challenge our thinking.

A continuing conversation

Engagement provides evidence of customer and stakeholder priorities. It does not remove the need for judgement, and it will continue as the Strategy and Long-Term Plan develop. This consultation document invites customers to provide their views and respond to our early thinking.

What we heard, in numbers and in customers' own words

Customers support long-term improvement, but confidence must be earned through visible delivery, affordability, transparency and a focus on the issues that matter most.

RESEARCH HIGHLIGHTS

53%
of household customers say Welsh Water offers good value for money.

73%
of household customers are satisfied with the service they receive.

73%
agree it is better to fix things permanently even when it costs customers more than a cheaper short-term fix.

32%
of household customers say that gradual above inflation bill increases to fund investment are unacceptable, versus 46% acceptable.

51%
of household customers say Welsh Water should be more ambitious about its long-term goals now, even if bills have to rise by more, but only 37% of financially vulnerable customers.

6.7
average trust score out of 10 for households (7.7 for non-household customers).

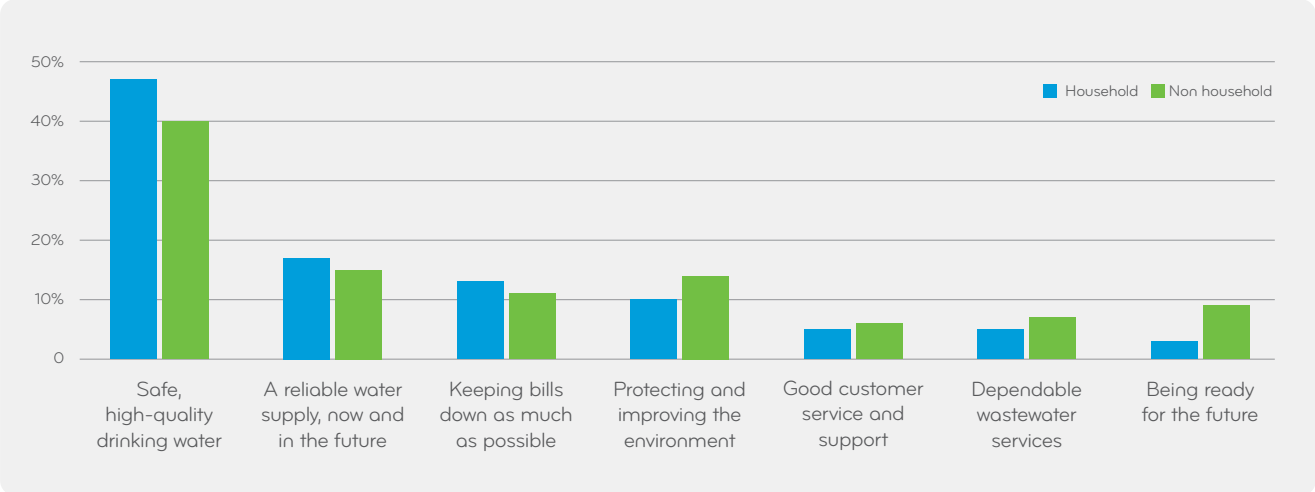
CUSTOMERS' OWN WORDS

> For me, the basics are safe drinking water on tap, the ability to flush the toilet and to have a wash and not have sewage in the garden.
>
> **Household customer, Chester**

> I think water's a basic right and no one should be without water at any point, and I think if they could guarantee that then I don't think you'd mind paying that little bit extra.
>
> **Household customer, Cardiff**

CUSTOMERS' TOP PRIORITIES

We asked customers to put these seven objectives in order of how important they were to them as priorities for Welsh Water's long-term investment. The graph shows the percentage included in the top three priorities.



Key messages from customers and stakeholders

Customers and stakeholders support long-term improvement, but confidence and support must be earned through better performance, clear value, honest choices and visible delivery.



PRIORITISE THE SERVICES THAT MATTER EVERY DAY

Deliver the essentials and address visible problems. Progress on leakage, pollution, repeated repairs and other service failures will build confidence in the wider Strategy.



SHOW CLEARLY WHAT CUSTOMERS' MONEY WILL DELIVER

Make the connection between bills, expenditure and improvements visible. Explain plainly what additional investment will achieve, then report openly on delivery.



INVEST FOR THE LONG TERM, NOT JUST IN SHORT-TERM FIXES

Address root causes, improve asset condition and favour durable, preventative solutions where the need and benefits are clear, while considering future generations.



BE HONEST ABOUT AFFORDABILITY, PACE AND TRADE-OFFS

Recognise that affordability limits the scale and pace of change. Customers generally favour gradual investment and expect support for those who would otherwise struggle.



BE OPEN, ACCOUNTABLE AND EASY TO UNDERSTAND

Be candid about the starting point, clear about priorities and transparent about difficult choices. Tell one connected story, supported by milestones and evidence of progress.



Additional message from stakeholders

Stakeholders agree with the above, and say that Welsh Water must take responsibility for its own performance. However, they say it should also play a convening role in fostering partnerships, working with others and pressing for wider system change where outcomes cannot be delivered by Welsh Water alone. A place-based or regional approach is needed to tackle environmental needs and restore customer trust.

How we have used these insights in the Strategy

We have used insights from customers and stakeholders to create a stepped approach to prioritisation, which is applied throughout our Strategy.

A STEPPED APPROACH TO PRIORITISATION

DELIVER CORE SERVICES

Get the essentials right

Prioritise safe and reliable services, regulatory compliance, effective operations and sound stewardship of our existing assets.

ENSURE LONG-TERM SUSTAINABILITY

Protect services for the future

Invest to manage ageing assets, climate change and other long-term risks, ensuring that essential services remain resilient for future generations.

DELIVER HIGHER STANDARDS

Improve where the benefits are clear

Pursue higher service and environmental standards where they are affordable, deliverable, supported by customers and represent good value.

AT EVERY STAGE



TRANSFORM THE SYSTEM

Find better ways to achieve the outcomes

At every stage, work with customers, partners, governments and regulators to address root causes, reform the wider system and deliver better outcomes at lower overall cost.



Get the essentials right first, protect services for the future, and then pursue higher standards at an affordable and deliverable pace, while working with others to transform the wider system.

04

Our strategic outcomes

What our customers expect, why it matters, and what it means for us.

OUTCOME 1

A safe, high-quality, and reliable water supply

Safe, trusted drinking water that looks and tastes good, and a supply you can depend on, now and over the long term.

OUTCOME 1

Water — Our strategic objectives and why they matter

A safe, high-quality, and reliable supply of water is essential to individuals, thriving communities, public health and the economy.

OBJECTIVES

- Safe, healthy, drinking water, always.
- High-quality drinking water that looks and tastes good.
- A dependable water supply, now and forever.

WHY IT MATTERS

Drinking water safety is fundamental. Customers should always be able to take this for granted. Incidents are rare and it should stay that way. Our job is to remain vigilant and ensure systems are in place to protect safety in the short and long-term. It underpins public trust, customer satisfaction, and thriving communities.

Similarly, customers should not worry about water being available when they need it. We must strive to minimise supply interruptions, and restore supplies quickly when they occur. We must also ensure there are sufficient water resources to supply our network and meet customer needs over the long term. This is vital to minimise disruption to customers and support thriving communities.

CUSTOMER EXPECTATIONS FOR 2055

In 2055, customers will still be able to take safe, high-quality drinking water for granted. Public health protection will remain our highest priority, supported by a deep understanding of current risks and future threats, and a commitment to managing them before they affect customers. Communities will have confidence that their water supply is safe, dependable and resilient.

Our water treatment and supply infrastructure will be reliable and well maintained, reflecting a long-term commitment to stewardship and sustainable investment. Customers will experience fewer interruptions and greater reliability, and have confidence that assets are being looked after for future generations, not simply repaired when they fail.

Water resources will have been managed responsibly to ensure supplies remain secure in the face of climate change and changing patterns of demand. During periods of hot and dry weather, customers and communities will have the information they need to play an active role in protecting water resources and maintaining resilience.

Together, these changes will help create a trusted, affordable and resilient water service that continues to provide safe, dependable and affordable water for homes, communities and businesses, now and for future generations.

KEY MEASURES OF SUCCESS

Supply interruptions
Average duration of significant planned or unplanned interruptions.

Sufficient water supply
Balance between forecast supply volume and customer demand.

Leakage
Volume of water lost to leaks.

Quality of tap water
Compliance with standards.

OUTCOME 1

Water — Reliable today, resilient tomorrow

In order to deliver on customers' expectations, now and in the future, we need to ensure we are delivering what matters, and protect that service against current and future risks. We also need to improve performance in some priority areas at a pace that is affordable and deliverable.

1

DELIVER CORE SERVICES

Focus on the basics

— Safe drinking water, compliance and public health protection.

— Maintenance and renewal of critical infrastructure.

— Responsive and efficient operational services.

Reduce short-term risks over time

— Treatment resilience.

— Network resilience.

— Cyber and physical security.

— Better asset information and proactive management.

2

ENSURE LONG-TERM SUSTAINABILITY

— Emerging contaminants and raw water quality.

— Climate change and impact on resilience of water resources.

— Leakage, customer demand management and water efficiency.

3

DELIVER HIGHER STANDARDS

Our customers expect us to prioritise performance improvements on the most visible and egregious failures:

— Leakage reduction.

— Water taste and appearance.

— Fewer interruptions and improved customer service.

Providing safe, high-quality and dependable water starts with getting the basics right. Maintaining and renewing our water treatment and supply infrastructure, responding quickly when things go wrong, and managing assets effectively will improve service performance and reduce many of the risks customers experience today. Better stewardship of our existing assets, supported by improved information and a more proactive approach to maintenance and renewal, will help us prevent problems rather than simply reacting to them.

However, maintenance alone will not be enough to meet the challenges of the future. Climate change, population change, emerging contaminants and increasing expectations will place new demands on our water systems. Alongside investment in the foundations of the business, we will need targeted enhancement investment to improve the resilience of treatment processes, strengthen networks, protect against cyber threats and secure sufficient water resources for the decades ahead.

OUTCOME 1

Water — Taking responsibility and working with others

In delivering outcomes related to the water supply, there are areas where we take sole responsibility, and others where we will partner with others such as water users or landowners. We will also work to influence action by government and regulators to help transform the way the water system is managed to underpin long-term effectiveness and sustainability of the service.

Taking responsibility for what we control

Providing safe, high-quality and dependable water is first and foremost our responsibility. We are accountable for maintaining and renewing our assets, ensuring treatment processes remain effective, securing sufficient water resources and operating our networks efficiently.

We take a long-term approach to stewardship, investing in the condition, resilience and reliability of our infrastructure so that customers experience fewer interruptions, greater confidence and better service. Better asset information, proactive maintenance and timely renewal will help us identify risks earlier and address them before they affect customers.

Partnering with others

Many of the challenges affecting water services extend beyond the boundaries of our operations. We will work with local authorities, planners and developers to support sustainable housing and economic growth while ensuring adequate water and wastewater infrastructure is in place. We will collaborate with universities, researchers and industry partners to improve understanding of emerging threats, contaminants and new technologies. And we will continue to work with land managers and others to protect the untreated quality of water sources.

We will also work with governments, regulators and security agencies to strengthen resilience against cyber, physical and wider societal risks. By bringing together expertise, evidence and shared objectives, we can anticipate future challenges sooner and respond more effectively.

Influencing the wider system

Some of the biggest long-term challenges cannot be solved by investment in water infrastructure alone. We will work with governments and regulators to encourage approaches that prevent problems at source, including reducing the introduction of harmful contaminants into the environment. We will support customers, businesses and communities to use water more efficiently, particularly during periods of water stress and drought.

We will also encourage wider system change, including water reuse, grey water systems, water-efficient development and other innovations that reduce demand for drinking water and improve resilience. By influencing policies, behaviours and technologies beyond our direct control, we can help deliver better outcomes at lower cost and reduce pressure on future customer bills.

OUTCOME 1

Water — Long-term transformation

Customers recognise that delivering safe, high-quality and dependable water in the future will require more than investment in traditional infrastructure. Over time, the water system is likely to evolve towards healthier catchments, smarter operations and more active customer participation, helping to improve resilience and reduce costs.

THE FUTURE CUSTOMERS WOULD LIKE TO SEE IN 2055: SMARTER END-TO-END WATER SYSTEM MANAGEMENT

UPSTREAM

HEALTHY CATCHMENTS AND SOURCE WATERS



Rivers, reservoirs, soils and wider catchments are increasingly managed as part of the water system itself. Working with farmers, communities and environmental partners, problems are prevented at source and the resilience of water supplies and the natural environment is strengthened. Climateresilient sources of water are available to cover extreme drought.

INTELLIGENT, RESILIENT NETWORKS AND OPERATIONS



Data, automation and AI enable a more predictive approach to managing assets and networks. Our water supply zones have improved connectivity, enabling us to move water more flexibly. Problems are identified earlier, maintenance becomes increasingly targeted, and operational decisions are supported by real-time information, improving reliability and reducing costs.

WATER-EFFICIENT HOMES AND COMMUNITIES



Smart meters, connected appliances and better information help customers manage water use more efficiently. New homes and communities increasingly incorporate grey water reuse, rainwater harvesting and other water-efficient technologies, reducing demand and strengthening resilience.

DOWNSTREAM

OUTCOME 2



A healthy water environment

Reliable wastewater services, healthy rivers and aquatic ecosystems, clean bathing waters, a sustainable natural environment supporting thriving communities.

OUTCOME 2

Environment — Our strategic objectives and why they matter

Wastewater services allow communities to grow and thrive while protecting public health and avoiding harm to the natural environment.

OBJECTIVES

- High-performing wastewater services.
- Good river health and clean bathing waters.
- A thriving freshwater and marine environment.
- A sustainable and biodiverse environment.

WHY IT MATTERS

Customers expect us to manage their wastewater without causing harm to the wider environment. Many are currently angry and upset about pollution and the condition of some of our rivers and beaches.

It is up to us to collect and treat wastewater, returning it safely to the environment. When this goes wrong, it undermines public trust and customer satisfaction, and just as importantly, may harm the environment, potentially seriously.

We also play an important role alongside others in protecting river and marine health, and making sure beaches and other bathing waters remain clean. Together we maintain healthy ecosystems, and protect a thriving environment for the benefit of communities, businesses and visitors.

CUSTOMER EXPECTATIONS FOR 2055

In 2055 customers will have confidence that rivers, lakes, beaches and coastal waters are being protected and improved for future generations. They will be able to enjoy and benefit from the water environment, knowing that organisations are working together to minimise pollution.

Rivers and bathing waters will be cleaner, ecosystems healthier, and environmental improvement supported by clear evidence of progress, with transparent reporting throughout. Aquatic habitats will be thriving and able to support healthy communities.

Storm overflows from the sewerage system will only occur after heavy rain as designed. Customers will understand their purpose and have confidence that their use causes no significant harm to the environment or risk to public health.

The water environment will be more resilient to future pressures, including climate change, population growth and changing patterns of land use. Through collaboration and long-term stewardship, stakeholders will have created a healthier and more adaptable environment that supports communities, wildlife and future generations.

KEY MEASURES OF SUCCESS

Cleaner rivers and streams
More rivers achieving good ecological health.

Clean beaches and bathing waters
High standards of bathing water quality.

Reduced environmental impact
Minimal pollution incidents and environmental harm.

Healthier ecosystems
Improved habitat quality and biodiversity.

Greater public confidence
Increased customer confidence that the water environment is improving.

OUTCOME 2

Environment — Improving today, protecting tomorrow

Protecting the environment starts with addressing the areas where we are currently falling short, but our ambition goes further. We must both improve today's environmental performance and invest for a future that delivers healthier rivers, cleaner bathing waters and more resilient ecosystems for future generations.

1

DELIVER CORE SERVICES

Focus on the basics

- Maintain and renew wastewater infrastructure.
- Improve operational performance and compliance.
- Reduce the risk of asset failures with significant environmental consequences.

Reduce pollution and environmental harm

- Reduce environmental harm caused by storm overflows.
- Minimise other pollution incidents.
- Protect public health at bathing waters.

2

ENSURE LONG-TERM SUSTAINABILITY

- Improve wastewater network capacity and resilience to climate change.
- Address emerging contaminants and other environmental risks.
- Support healthier habitats and biodiversity.

3

DELIVER HIGHER STANDARDS

- Deliver environmental improvements that customers can see and value.
- Contribute to higher water quality standards where they deliver meaningful benefits, are affordable and are supported by customers.
- Support healthier rivers, bathing waters, habitats and ecosystems.

Protecting and improving the water environment starts with getting the basics right. This is an area where we are (at the time of writing) falling short of public expectations regulatory requirements and our own standards, and where improvement must be an immediate priority.

Maintaining and renewing wastewater infrastructure, improving operational performance and reducing pollution incidents are essential foundations for healthier rivers, beaches and coastal waters. However, maintaining existing infrastructure alone will not be enough.

We will need significant enhancement of our wastewater systems and wider environmental infrastructure in order to tackle harm from storm overflows, improve resilience to climate change and support better environmental outcomes. Capital investment will deliver far more benefits at a lower cost if it is delivered in a nature-friendly, catchment-based, and joined-up manner. This will require regulatory change alongside long-term planning.

Population growth, climate change, land use change and emerging contaminants will create additional pressures on the environment over coming decades. Alongside maintenance and renewal, we will need targeted investment to meet capacity needs, address long-term risks and support healthier habitats and ecosystems.

OUTCOME 2

Environment — Taking responsibility and working with others

Welsh Water has a primary responsibility for protecting and improving the water environment, but we cannot achieve all of the outcomes customers and communities want through our actions alone. Lasting environmental improvement requires everyone with an impact on rivers, lakes and coastal waters to play their part, alongside targeted investment and effective collaboration.

Taking responsibility for what we control

We have a direct responsibility to reduce the environmental impact of our operations and improve the performance of our wastewater services. This includes maintaining and renewing assets, improving operational performance, reducing pollution incidents and delivering investment that protects rivers, bathing waters and ecosystems. Where environmental impacts arise from our activities, we take responsibility for improving performance and restoring public confidence.

Partnering with others

While we play a significant and undeniable role, healthier rivers and ecosystems cannot be delivered by Welsh Water alone. Even if we eliminated all environmental impacts arising from our own operations, many rivers would continue to face pressures from other sources, including agriculture, transport, industry and urban development.

This means lasting environmental improvement depends on collective action. We will work with local authorities, environmental organisations, developers, researchers, land managers and communities to improve outcomes at a catchment and landscape scale. Wherever possible, we will seek nature-friendly and joined-up approaches that deliver multiple benefits, including improved water quality, healthier habitats, greater climate resilience and better value for customers. By combining investment, expertise and local knowledge, we can often achieve more than would be possible through traditional infrastructure solutions.

Influencing the wider system

The health of rivers, lakes and coastal waters depends on decisions made across society. Agriculture, development, industry, consumer behaviour and public policy all play an important role. We will work with governments, regulators and other sectors to encourage approaches that prevent problems at source, including reducing pollution, addressing emerging contaminants and protecting sensitive environments.

We will advocate for policy, regulatory and funding frameworks that support better environmental outcomes at an affordable cost, helping to ensure that investment is targeted where it delivers the greatest overall benefit for customers, communities and the environment.

OUTCOME 2

EXAMPLES OF SHARED RESPONSIBILITY

Examples of where responsibilities and levers sit across organisations.

Who?	What challenge are we trying to solve?	How can we work together?
Local authorities	Surface water, sewer flooding and capacity	Integrated drainage, sustainable drainage systems (SuDS), and long-term planning
Agriculture and transport	Diffuse pollution	Partnership, evidence and land-management change
Planning	Development, capacity and long-term place-making	Water–efficient design, sustainable drainage and integrated planning
Regulators	Emerging contaminants	Evidence, regulation and upstream prevention
Communities and citizens	Sewer misuse, misconnections, environmental stewardship	Behaviour change, education and local action
Land managers	Flooding, nature recovery and catchment resilience	Catchment partnerships

OUTCOME 2

Environment — Long-term transformation

Over time, protecting and improving the environment is likely to depend less on treating problems after they occur and more on preventing them through smarter technology, healthier catchments and lower-carbon, more sustainable approaches to environmental management.

NATURE

From end-of-pipe treatment to working with natural systems.

- Nature-based treatment and catchment solutions become commonplace.
- Wetlands, natural flood management and habitat restoration deliver multiple benefits.
- Environmental problems increasingly prevented at source rather than treated after they occur.

CIRCULARITY

From resource-intensive treatment to low-carbon circular systems.

- Lower energy and carbon intensity.
- Greater resource recovery from wastewater.
- Renewable energy and low-carbon treatment technologies become the norm.
- Wastewater increasingly viewed as a source of water, energy and materials rather than something simply to be treated and disposed of.

INTELLIGENT OPERATIONS

From periodic monitoring to real-time environmental management.

- Continuous monitoring of networks, rivers and assets.
- Smart sensors, AI and predictive analytics identify risks earlier.
- Open environmental data provides greater transparency and accountability.
- Investment and operational decisions increasingly guided by real-time evidence.

Achieving these changes will require significant investment over many decades, both by Welsh Water and by others across the wider environmental system. However, many of these approaches have the potential to reduce costs over the long term by preventing problems at source, improving resilience and delivering multiple benefits from a single intervention. Realising this opportunity will require stronger partnerships, new skills and technologies, and regulatory frameworks that support innovation, collaboration and whole-system solutions. By combining investment in infrastructure with investment in nature, data and new ways of working, we can deliver better environmental outcomes more effectively and affordably than would be possible through traditional approaches alone.

OUTCOME 3

Satisfied customers and thriving communities

Effective customer services, for households, businesses and developers, supporting vulnerable customers, and affordable bills for all.

OUTCOME 3

Customers and communities — Our strategic objectives and why they matter

Customers expect to be able to contact us quickly and easily. Issues and questions need to be resolved effectively so that they can get on with their lives. They want to understand what they are paying through their bill and why, and get help when they are struggling to pay.

OBJECTIVES

- Satisfied customers, both every day and when things go wrong.
- Minimising disruption and service failures.
- Enabling thriving businesses and a vibrant economy.
- Affordable and inclusive services, with support for those who need it.
- No major performance disparities across regions.

WHY IT MATTERS

Water services support almost every aspect of daily life. When services work well, people rarely think about them. When they fail, the impact on homes, communities and businesses can be significant. Customers expect reliable, responsive and easy-to-use services, delivered by an organisation they can trust. They also expect us to communicate openly, respond effectively when things go wrong and demonstrate that we are acting in their best interests. Customer research has consistently highlighted the importance of affordability, transparency and visible evidence that investment is delivering real benefits.

Beyond the services we provide directly, Welsh Water plays an important role in supporting communities and enabling economic growth. Reliable water and wastewater services are essential for housing, employment, investment and prosperity across our operating area. As we plan for the future, we must balance improved service and long-term investment with the need to keep bills affordable, support vulnerable customers and ensure that the benefits of our services are shared fairly across the communities we serve.

CUSTOMER EXPECTATIONS FOR 2055

By 2055, customers will experience our customer services as reliable, responsive and easy to use. Most interactions with Welsh Water will be simple, personalised and resolved quickly, with customers able to access information, support and services in the ways that suit them best. When things do go wrong, customers will experience open communication, rapid action and confidence that lessons are being learned.

Customers will also expect a relationship based on trust and transparency. They are able to see how their money is being invested, understand the outcomes being delivered and have confidence that decisions are being taken in the long-term interests of customers, communities and future generations.

At the same time, water services will support growth, prosperity and quality of life across our operating area. Bills remain good value for money, with financial support available for those who need it most. Customers will increasingly judge success not only by the services they receive, but by whether Welsh Water acts as a trusted steward of public resources and a positive contributor to thriving communities.

KEY MEASURES OF SUCCESS

Levels of customer trust and confidence.	Fewer customers experiencing financial hardship because of water bills.	Faster and easier resolution of customer issues.	Reliable water and wastewater services supporting housing, jobs and growth.	Greater public understanding of the not-for-profit model and how customer money is used.

OUTCOME 3

Customers and communities — Restored trust today, confident about tomorrow

Restoring trust starts with delivering excellent customer service every day, being transparent and fair in our decisions, and providing support when customers need it most. Looking ahead, we must also respond to changing expectations, embrace new technologies and continue to play a positive role in supporting thriving communities.

1

DELIVER CORE SERVICES

- Great customer service when things go wrong.
- Clear billing and account services.
- Meet needs of vulnerable customers.
- Support economic growth.
- High-quality Welsh language services.
- Open and transparent data and information provided to customers.

2

ENSURE LONG-TERM SUSTAINABILITY

- Respond to evolving customer expectations and needs.
- Invest in technology, capability and cyber security.
- Build customer insight to inform future services and decisions.
- Develop local supply chains.

3

DELIVER HIGHER STANDARDS

- Known for always providing excellent customer service.
- Industry-leading trust and complaints scores.
- A recognised positive contribution to improved economic and societal wellbeing across our area.

Earning the trust of our customers starts with getting the basics right. Customers expect great customer service, accurate bills, reliable information, responsive support and effective action when things go wrong. Beyond the services we provide directly to customers, our water and wastewater services support communities by enabling housing, employment and economic growth across our operating area.

Maintaining these core services, while providing additional support to those who need it most, is essential to restoring trust and confidence.

In the longer term, customer expectations will continue to evolve. People increasingly expect services that are simple to access, easy to understand and tailored to their needs. We will have to invest in technology, customer insight, cyber security and organisational capability to ensure we can continue to meet these expectations in a safe, secure and efficient way.

We consider ourselves an 'anchor company' in the Welsh economy and society. As Wales charts a path to a better future, we will be involved at every step, supporting growth, a stronger environment, a resilient society, and a vibrant and distinctive Welsh culture.

OUTCOME 3

Customers and communities — Taking responsibility and working with others

Delivering better outcomes for customers and communities requires action at several levels. Some improvements depend directly on the choices we make and the services we provide, while others will only be achieved through partnership and reforms to the wider regulatory and economic framework.

Taking responsibility for what we control

Our responsibility is to provide the services that customers rely on every day, and respond to them effectively when things go wrong or when they need help. We can also ensure that we provide access to the information that customers want and expect to see when they need it, including understanding their bill and what they are paying for. We should ensure that customers understand what we are doing in their communities, and carry out capital works in a way that minimises disruption.

Partnering with others

We will work with charities, advice agencies, local authorities and community organisations to identify and support customers who are vulnerable or need additional help. We will also work with technology providers and partners to introduce new tools and services, helping customers manage their water use, access support and interact with us more easily.

Influencing the wider system

Customer bills are influenced by wider economic, financial and regulatory decisions. We will work with governments, regulators and investors to support a stable and trusted framework that enables long-term investment at the lowest possible cost to customers. We will also engage on charging policy, affordability and customer support arrangements to ensure services remain fair and accessible.

OUTCOME 3

Customers and communities — Long-term transformation

Over time, customer service is likely to become more proactive, personalised and technology-enabled. Better use of data, automation and artificial intelligence will help us anticipate customer needs, identify problems earlier and provide support before issues escalate.

At the same time, trust will increasingly depend on transparency, cyber resilience and the responsible use of technology. We will need to protect customer data, guard against emerging cyber and AI-related threats, and provide greater visibility of performance, investment and decision-making.

Beyond the services we provide directly, Welsh Water will continue to play a role as an anchor institution within our communities, supporting skills, wellbeing, environmental improvement and economic prosperity. By combining excellent service with a wider contribution to society, we can strengthen trust and create lasting benefits for the communities we serve.

05

Delivery principles and enablers

The principles that guide our choices, and the capabilities and conditions needed to turn ambition into sustained delivery.

Our delivery principles

These principles, based on customer feedback, will guide how we make choices, prioritise investment and design solutions. They are intended to challenge reactive delivery and default assumptions, ensuring that decisions address root causes, deliver whole-life value, reflect customer priorities, treat different generations fairly and consider where partnership or active leadership can produce a better outcome.

1

Make customer-informed decisions

Listen throughout planning and delivery, not only when designing the Strategy. Use customer priorities, affordability and willingness to invest alongside duties, risk evidence and future needs.

2

Deliver whole-life best value

Choose the solution that delivers the best combination of outcomes, resilience, efficiency and cost over its full life. Remain neutral between capital and operational solutions. Incorporate valuation of wider benefits, including natural and social capital, as far as possible.

3

Act early and address root causes

Move from repeated reactive interventions towards proactive, preventative action. Use evidence on asset condition, performance and risk to strengthen resilience and reduce avoidable long-term costs.

4

Be fair across customers and generations

Consider how costs, benefits and risks are shared between customers, communities, places and generations. Balance affordability today with the consequences passed to those who come after us.

5

Be collaborative and prepared to lead

Do not prioritise investment paid for through customer bills when a more effective solution is available if delivered by (or with) third parties. Instead, drive regulatory change, incentives and collaboration with others to enable those solutions.

6

Meet the differential needs of our regions

Apply a regional lens when considering our priorities for service improvements. This means, for example, that we may escalate tackling a performance issue that is a problem in one region, even when our overall (average) performance on that issue is satisfactory.

Enablers –
What we need in order to deliver our strategic outcomes

Delivering the Strategy will require more than increased investment. We must strengthen the people, assets and technology that underpin reliable services, effective decisions and sustained delivery.

THREE CORE INTERNAL ENABLERS

1

PEOPLE



Leadership, skills and culture

Build a culture of accountability and delivery, supported by strong leadership, clear ownership and the skills needed to plan, prioritise and deliver effectively. Our people are the foundation of performance improvement and long-term success.

2

ASSETS



Asset stewardship and investment

Improve our understanding of asset condition, performance and risk. Strengthen maintenance, renewal and long-term asset management. Invest in new assets where needed to meet growth, replacement and resilience requirements. Overall, ensure assets deliver reliable services today, and remain resilient, sustainable and fit for future generations.

3

DIGITAL SYSTEMS



Data, insight and connected decision-making

Create integrated systems, trusted data and modern technology that provide a clearer view of customer needs, assets, investment, performance and risk. Use digital tools, automation and AI to support better decisions and more effective delivery.

WIDER ENABLING CONDITIONS

REGULATORY AND POLICY REFORM

Long-term frameworks and incentives that support preventative investment, innovation and effective delivery.

WHOLE-SYSTEM AND CATCHMENT PLANNING

Coordinated planning across organisations, sectors and places so responsibilities, dependencies and investment are aligned.

A COHERENT, INVESTABLE FRAMEWORK

Clear and stable regulation that retains investor confidence and enables long-term finance to be raised at efficient cost.



People, assets and systems are not ends in themselves. Their value lies in enabling reliable services, stronger decisions and better outcomes for customers and the environment.

How stronger enablers change delivery

Strengthening our culture, information, leadership and delivery capability will change how we operate. This is not an end in itself, but is important because it will enable more effective delivery of outcomes in a period during which there are ongoing constraints on the scale and pace of investment.

STRONGER INTERNAL ENABLERS

- ASSETS AND PLANNING
- PEOPLE AND CULTURE
- SYSTEMS AND TECHNOLOGY

A BETTER WAY OF OPERATING

- **See** risks, asset condition and performance more clearly; understand customer views
- **Act** earlier and address root causes before problems escalate
- **Choose** integrated solutions using better evidence and whole-life value
- **Deliver** investment and operational change more consistently
- **Learn** from performance and adapt plans as evidence changes

BETTER OUTCOMES FOR CUSTOMERS AND THE ENVIRONMENT

- SAFE, HIGH-QUALITY AND RELIABLE WATER
- A HEALTHY WATER ENVIRONMENT
- SATISFIED CUSTOMERS AND THRIVING COMMUNITIES

06

From Strategy to delivery

How the Strategy will be translated into long-term plans, funded commitments and transparent delivery.

Turning Strategy into delivery

The Strategy sets direction. The Long-Term Capital and Operational Plan develops the pathways. The next regulatory Price Review (PR29) funds the next stage of delivery.

STRATEGY

Outcomes, direction and delivery principles

2030–2055

LONG-TERM CAPITAL AND OPERATIONAL PLAN (LTCOP)

Imposes affordability, deliverability and financeability constraints. Considers choices and sequencing. Develops expenditure, performance and customer bill pathways.

2030–2055

NEXT REGULATORY PRICE REVIEW

Seeks approval from economic regulator for five-year business plan expenditure and revenue. Sets incentives and allocates risk. Holds company to account for delivery and performance.

2030–2035

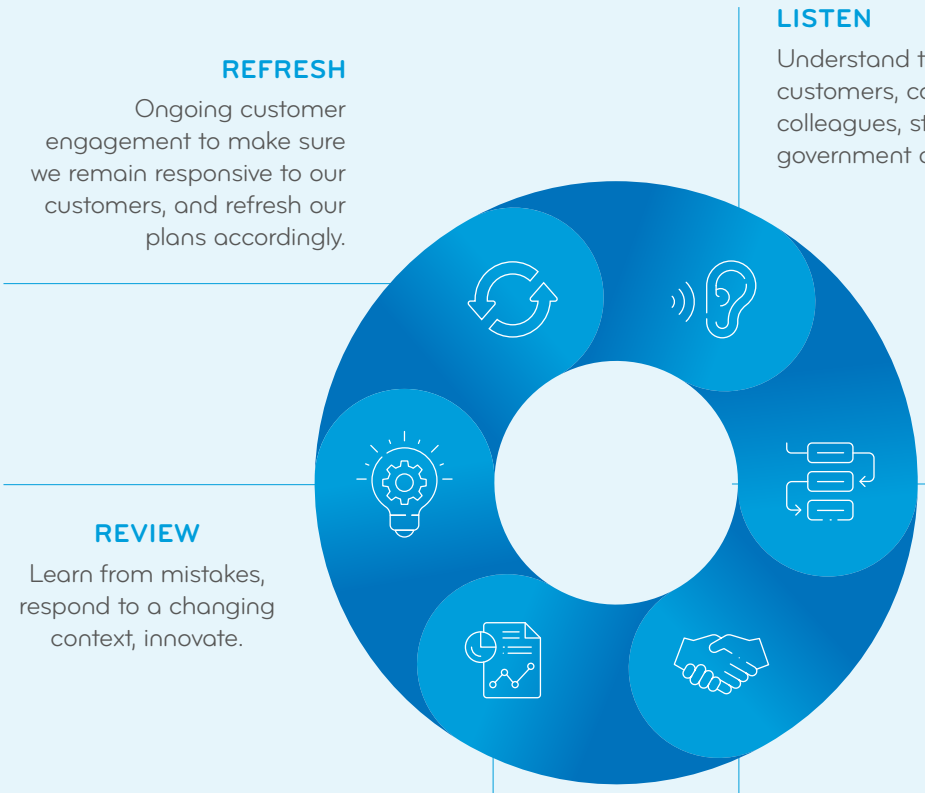
DELIVERY

Action plans to deliver investment and operational transformation to produce service outcomes. Reports progress against commitments.

CONTINUOUS

Keeping people involved and reporting progress

Engagement will continue beyond publication, with clear feedback loops and accessible evidence of delivery.



LISTEN

Understand the views of customers, communities, colleagues, stakeholders, government and regulators.

PLAN

Use evidence to shape pathways, priorities and trade-offs.

DELIVER

Explain Welsh Water's commitments and the role of partners.

REPORT

Show progress, outcomes, spend and emerging risks.

REVIEW

Learn from mistakes, respond to a changing context, innovate.

REFRESH

Ongoing customer engagement to make sure we remain responsive to our customers, and refresh our plans accordingly.

Share your views

Please click on the link below to complete a simple form to provide your feedback on this consultation document.

YOUR FEEDBACK

Or email us at strategy@dwrcymru.com with the subject line: "Strategy Consultation".

The deadline for responses is Sunday 15th November 2026.

dwrcymruplans.com

CONSULTATION QUESTIONS

1. **OVERALL DIRECTION**
   To what extent do you agree with the overall direction set out in the draft Strategy?

2. **STRATEGIC OUTCOMES**
   Have we identified the right long-term outcomes for customers, communities and the environment? If not, what would you change?

3. **DELIVERY PRINCIPLES**
   Do you support the delivery principles proposed in the Strategy? Are there any principles you would add, remove or change?

4. **BALANCE OF PRIORITIES**
   Does the Strategy strike the right balance between improving current performance and preparing for long-term challenges?

5. **PARTNERSHIP AND REFORM**
   Does the Strategy give the right emphasis to collaboration, partnership and regulatory reform where Welsh Water cannot deliver the outcome alone?

6. **CLARITY AND HONESTY**
   Does the Strategy provide a sufficiently clear and honest assessment of the challenges, constraints and trade-offs facing Welsh Water?

7. **WHAT IS MISSING?**
   What, if anything, is missing from the draft Strategy?

8. **ONE THING TO CHANGE**
   If you could change one thing before the Strategy is finalised, what would it be?



dwrcymru.com