

Our Ref: CX25-024

Rt Hon Mr Alistair Carmichael MP
Chair, Environment, Food and Rural Affairs Committee
House of Commons
Palace of Westminster
London
SW1A 0AA

By email only: efracom@parliament.uk

6 April 2025

Dear Alistair

NRW investigations into water companies in Wales

Thank you for your letter of 11 March regarding the Environment, Food and Rural Affairs Committee's inquiry into reforming the water sector. To support your current consideration on the performance, role, and culture of water companies in Wales, please find below our response to your questions.

In Wales, the primary water companies providing drinking water and wastewater services are Dŵr Cymru Welsh Water (DCWW) and Hafren Dyfrdwy (HD). NRW regulates DCWW's operations in Wales while the Environment Agency regulates their operations in England. All data reported in this response relates to our regulation of DCWW in Wales, unless otherwise stated. In addition, please note that HD came into existence on 1 July 2018.

In responding to your letter, we have taken the term 'investigations' to mean enforcement action. If you require information on NRW's compliance activities, we will be happy to provide this.

1. Investigations opened by NRW into water companies since 2015

Between 1 January 2015 and 11 March 2025, NRW opened 713 enforcement cases against water companies, with 661 against DCWW, as set out in the table below.

Year	Dŵr Cymru Welsh Water	Hafren Dyfrdwy Cyfyngedig	Dee Valley Water	United Utilities Water
2015	21	0	2	0
2016	59	1	10	0
2017	42	1	2	0
2018	65	5	4	2
2019	61	3	-	-
2020	72	0	-	-
2021	103	7	-	-
2022	82	3	-	-
2023	61	6	-	-
2024	86	6	-	-
2025	9	0	-	-
Total	661	32	18	2

2. The status and target reporting date for those investigations that remain open

As of 11 March 2025, we have 47 open enforcement cases against water companies. There are also six open notices, which we monitor to ensure the recipient stops an offence, restores or remediates an affected environment, or comes into compliance with regulatory requirements.

We are unable to provide details on specific ongoing enforcement cases, to prevent the risk of prejudice of ongoing proceedings. However, we have open enforcement cases against DCWW and HD, recommending actions across the full range of enforcement and sanctioning tools that are available to us. We recommend tools, in combination if necessary, that we believe will achieve the best outcomes for the environment and for people.

Water Company	Case status			Total
	Open	Open Notice	Closed	
Dŵr Cymru Welsh Water	44	5	612	661
Hafren Dyfrdwy	3	1	28	32
Dee Valley Water	0	0	18	18
United Utilities Water	0	0	2	2
Total	47	6	660	713

We do not set target reporting dates for our investigations, as each case has its own individual circumstances. These include the time it can take to investigate an incident or regulatory non-compliance, identify potential offenders, prepare a case file, obtain legal opinion and progress cases through the criminal justice process, as necessary. However, we have processes in place to ensure all open enforcement cases are reviewed every month.

3. The resource NRW allocates to each ongoing investigation

The financial and staff resource for each investigation depends on the circumstances and requirements of each case. For instance, whether the investigation requires incident response, the level and nature of evidence gathering, the length and complexity of the investigation, the level and nature of legal support, and the type of enforcement action. Therefore, we cannot calculate the resource we allocate to an investigation until a case has closed.

Our enforcement activity is funded through Welsh Government Grant in Aid, in accordance with the Welsh Government's *Managing Welsh Public Money* principles, though we can seek to recover costs through any prosecution action.

4. The outcome of those investigations which have concluded

We have a wide range of tools at our disposal, as highlighted in our [Offence Response Options](#) and [Enforcement and Sanctions Policy](#). These tools are tailored to specific situations and our choice of tool is based on factors such as the evidential threshold and public interest factors.

The table below shows the enforcement outcomes of cases concluded against water companies between 1 January 2015 and 11 March 2025.

Outcome	Dŵr Cymru Welsh Water	Hafren Dyfrdwy	Dee Valley Water	United Utilities	Total
No Further Action	70	9	8		87
Advice and Guidance	45	4	3	1	53
Caution	14		1		15
Warning	473	15	6	1	495
Notice	3				3
Civil Sanction	3				3
Prosecution - successful	3				3
Prosecution - unsuccessful	1				1
Total	612	28	18	2	660

The total court fines (1 January 2015 to date) for NRW-led enforcement on water company operations is £295,000. These fines are determined by the courts and the sum is returned to HM Treasury. In addition, enforcement undertakings' restorative payments made within the same period is £172,000.

Our data for 2024 also show that the total fines levied by the courts in 2024 reduced to £150,000 from over £650,000 in 2023, with the legal and other costs awarded to NRW also decreasing.

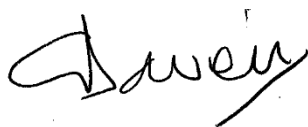
Our choice of enforcement tool depends on the severity and nature of the offence, as well as the willingness of the offender to comply with regulatory requirements. We adopt a risk-based approach to enforcement, acting where there is evidence of an environmental offence and where there is public interest.

For offences that are minor, our focus may be on intervention to support returning and maintaining compliance, and we may find greater efficacy in providing advice and guidance. The aim is to establish restorative actions and prevent the same thing happening again. By providing advice and referring to guidance, we aim to help water companies understand their obligations, proactively encourage voluntary compliance, and inspire initiative-taking steps in addressing the environmental impact of their actions. Also, these improvement actions can be delivered more effectively. We can also issue formal notices, such as improvement notices, requiring specific actions within specified time limits, or formal cautions and warning letters to emphasise compliance expectations.

When serious breaches or illegal activities occur, we will use our Enforcement and Sanctions Policy to utilise a justifiable, proportionate and necessary enforcement action to prosecute offenders. To ensure that these actions are successful, we follow stringent processes; we must be proportionate and test that our actions are in the public interest. Prosecution is a deterrent and protective approach for the most serious crimes and harms.

If you require further information and insight into the environmental regulation and performance of water companies within Wales, please feel free to get in touch.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ceri Davies', with a stylized flourish at the end.

Ceri Davies

Prif Swyddog Gweithredol Dros Do
Acting Chief Executive Officer

Croesewir gohebiaeth yn Gymraeg a byddwn yn ymateb yn Gymraeg, heb i hynny arwain at oedi.
Correspondence in Welsh is welcomed, and we will respond in Welsh without it leading to a delay.