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Dear Zaynub Akbar, Nick Carter and Dafydd Trystan,

Thank you for raising your concerns regarding Dŵr Cymru Welsh Water's environmental performance, governance, accountability and customer charges on behalf of your constituent. I appreciate you taking the time to set out their views and understand why these issues are of significant concern.

The Welsh Government shares the public's expectation that water companies should provide reliable services, protect the environment and be accountable for their performance. These concerns are central to the Welsh Government's wider programme of water reform. As set out in our manifesto commitments, we are pursuing reforms intended to take control of our water, strengthen accountability within the water sector, improve environmental outcomes and ensure that water companies are focused on delivering for customers, communities and the environment. This includes considering how regulatory arrangements can better support transparency, environmental protection and public confidence in the sector.

Natural Resources Wales and Ofwat are responsible for regulating environmental and economic performance respectively and have powers to investigate breaches, take enforcement action and impose penalties where appropriate.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn yr iaith honno ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

I share your constituent's concern about the deterioration in Dŵr Cymru Welsh Water's environmental performance in recent years. Recent regulatory assessments have highlighted challenges relating to pollution incidents and wastewater performance, and enforcement action has been taken where they believe standards have fallen below those required. At the same time, improving environmental outcomes will require sustained investment to address ageing infrastructure and increasing pressures from climate change, population growth and extreme weather events.

Through the 2025 to 2030 price review, Ofwat approved more than £6 billion of expenditure for Dŵr Cymru Welsh Water, representing its largest investment programme to date. This investment is intended to improve wastewater Infrastructure, reduce pollution and strengthen resilience. Customers are entitled to expect clear improvements in return, and regulators will continue to hold the company to account for delivery. Since forming the Government I have met with the Chief Executive of Dŵr Cymru Welsh Water and have been clear that I expect to see improvements as a result of this investment.

Appointments to Dŵr Cymru Welsh Water's Board are made independently by Glas Cymru, and are not made, approved or vetoed by Welsh Ministers. However, we expect the highest standards of governance, integrity and transparency, recognising that public confidence in essential public services is vital. For further information on Dŵr Cymru Welsh Water's Board, governance arrangements please see the [Glas Cymru Annual Report and Accounts 2025-26](#).

Despite concerns regarding Dŵr Cymru Welsh Water's recent performance, regulatory assessments do not identify the company as the worst-performing water company in England and Wales. Please see the most recent [Environmental Performance Assessment](#) for further detail. Nevertheless, regulators have identified significant shortcomings in several areas and are requiring substantial improvements.

In relation to customer bills, charges are set by Ofwat through the statutory price review process rather than by Welsh Ministers. Ofwat must balance the need for affordability with the investment required to maintain and improve essential infrastructure. While investment is necessary, we have been clear that customers should see tangible benefits from the funding they are being asked to provide.

Regarding executive bonuses, Welsh Ministers do not have a formal role in determining remuneration. However, we have consistently made clear that performance-related payments should reflect genuine performance. The Water (Special Measures) Act 2025 strengthened regulatory controls by giving Ofwat powers to restrict performance-related bonuses where companies fail to deliver for customers or the environment.

I recognise the concern that financial penalties and ongoing investigations may not, on their own, provide a sufficient response to poor performance. Decisions on enforcement action are matters for the relevant regulators, who have a range of powers available, including financial penalties, remedial action and requirements to deliver environmental improvements. The recent enforcement package from Ofwat in relation to Dŵr Cymru Welsh Water sets clear expectations for the company to take further action to address environmental harm and improve performance. Officials have worked with Ofwat to ensure, where appropriate, enforcement outcomes support environmental and community reparation, so that action taken in response to failures contributes to improvement in the places affected.

Although significant investment and increased regulatory scrutiny are now underway improvements at a substantial scale cannot be delivered immediately. Planning, designing and constructing major infrastructure projects takes time, and environmental improvements often take several years to become fully evident. That should not be interpreted as an excuse for poor performance. Customers are entitled to expect continued progress, and I expect regulators to be robust in monitoring progress closely.

The Welsh Government will continue to work with regulators, industry and stakeholders to improve water quality, strengthen accountability and restore public confidence in the water sector.

Yours sincerely,

Llyr Gruffydd AS/MS

Gweinidog Cabinet dros Wydnwch Gwledig a Chynaliadwyedd
Cabinet Minister for Rural Resilience and Sustainability