

Guiding principles for drainage and wastewater management plans

Contents

Executive summary	2
Our Key Guiding Principles	3
Principle 1: Comprehensive, evidenced based and transparent	5
Principle 2: Resilient	7
Principle 3: Environment	9
Principle 4: Collaboration	12
Principle 5: Leadership	13
Principle 6: Customers	14
Conclusion	16

Executive summary

This guiding principles document sets out the priorities and expectations for Drainage and Wastewater Management Plans (DWMPs) of the UK and Welsh Governments' and the environmental and economic regulators' (including Natural Resources Wales (NRW), Environment Agency and Ofwat). These plans are currently in their first 5-year cycle and are being produced on a non-statutory basis for early 2023 in England and Wales.

This document also:

- complements the Water UK [framework for the production of Drainage and Wastewater Management Plans](#) which water and sewerage companies are using to develop their plans
- seeks to provide water and sewerage companies, other Risk Management Authorities (RMAs)¹ and drainage asset owners and managers with a general checklist document, which will assist them by setting out what the governments and regulators expect to be included in the plans
- sets out a vision of expectations for DWMPs to achieve their full potential and learning from the Water Resources Management Plans (WRMPs) and their successive planning cycles

We ask that all participants in the planning process including companies, local authorities (this includes their planning, highways and all other relevant departments) other RMAs and drainage asset owners and managers, participate fully in making the first, and then subsequent, cycles of DWMPs a success.

In doing so, we recognise that key stages of the first cycle of DWMPs have coincided with the COVID-19 pandemic and have presented some challenges, such as participants' availability to engage.

¹ Section 6(13) to (15) define a Flood Risk Management Authority as follows: (13) 'Risk management authority' means (a) the Environment Agency, (aa) the Natural Resources Body for Wales, (b) a lead local flood authority, (c) a district council for an area for which there is no unitary authority, (d) an internal drainage board, (e) a water company, and (f) a highway authority.

(14) 'English risk management authority' means (a) the Environment Agency, (b) a risk management authority within subsection (13)(b), (c) or (f) for an area that is wholly in England, (c) an internal drainage board for an internal drainage district that is wholly or mainly in England, and (d) a water company that exercises functions in relation to an area in England.

(15) 'Welsh risk management authority' means (a) the Natural Resources Body for Wales, (b) a risk management authority within subsection (13)(b), (c) or (f) for an area that is wholly in Wales, (c) an internal drainage board for an internal drainage district that is wholly or mainly in Wales, and (d) a water company that exercises functions in relation to an area in Wales.

This first cycle of DWMPs however remains a critical planning tool to inform the Price Review 2024 (PR24), so while opportunities for actions such as engagement and co-creation may have been limited in 2020, we ask the industry to consider innovative ways to engage with such participants and partners so some co-creation can take place.

This document can also help provide water and sewerage companies' executive boards with a high-level overview of the governments' and regulators' expectations against which to assess plans as part of their formal sign off processes.

The inclusion of this planning process in the Environment Act will make it statutory² in both England and Wales and underlines the importance that both the governments are placing on it as a current and future tool for drainage and wastewater management policy. The governments and regulators welcome companies' early collaboration with them as plans develop.

For Welsh companies³, the Welsh Government also asks that those companies demonstrate how they have developed their DWMPs in line with the [behaviours set out in the Wellbeing of Future Generations Act 2015](#), and how they will contribute towards the wellbeing outcomes, and their obligations under the [Environment \(Wales\) Act 2016](#).

Our key guiding principles

We expect DWMPs to meet these 6 key principles:

1. Be comprehensive, evidence based and transparent in assessing, as far as possible, current capacity and actions needed in 5, 10 and minimum 25 year periods considering risks and issues such as climate change. Plans should also align, as far as possible, with other strategic and policy planning tools.
2. Strive to deliver resilient systems - that will meet operational and other pressures and minimise system failures.
3. Consider the impact of drainage systems on immediate and wider environmental outcomes including habitats and in developing options for mitigation to include consideration of environmental net gain and enhancement
4. Be collaborative - recognising the importance of sectors working together to consider current and future risks and needs and to deliver effective solutions, setting out how they will do this, how they have engaged with and responded to stakeholders.
5. Show leadership - in considering the big picture for an organisation's operational capacity to develop and deliver the plan, and mindful of linkages with other strategic planning frameworks.

²The statutory term will be 'Drainage and Sewerage Management Plan (DSMP)', although the term used currently in the non-statutory framework (Drainage and Wastewater Management Plan (DWMP)) is expected to continue to be widely used in the industry. For this guidance therefore we are using the term 'DWMPs'.

³ Throughout this guidance 'Welsh companies' refers to water and sewerage undertakers whose appointment areas are wholly or mainly in Wales (Hafren Dyfrdwy and 'Dŵr Cymru Welsh Water), and 'English companies' refers to water and sewerage undertakers whose appointment areas are wholly or mainly in England.

6. Improve customer outcomes and awareness and that solutions and actions provide both value for money and consider societal benefits

For Welsh companies, DWMPs should also demonstrate how they have been developed in line with the behaviours set out in the Wellbeing of Future Generations Act 2015, and how they will contribute towards the wellbeing outcomes. DWMPs should also set out how they will help the water companies and their stakeholders deliver their obligations under the Environment (Wales) Act 2016.

Principle 1: Comprehensive, evidenced based and transparent

We expect companies to publish comprehensive, evidence based and transparent DWMPs for the 2024 price review.

Plans should use the guidance from the [National Flood and Coastal Erosion Risk Management Strategy for England](#) for DWMPs, developed by Water UK in collaboration with Defra, Welsh Government, The Water Services Regulation Authority (Ofwat), Environment Agency, Natural Resources Wales (NRW), Consumer Council for Water (CCWater), Association of Directors of Environment, Economy, Planning and Transport (ADEPT) and Blueprint for Water.

English companies' plans should address the priorities and expectations as set out in guidance from the UK government, such as:

- [Strategic Policy Statement to Ofwat](#)
- [Surface Water Management Action Plan 2018](#)
- the national [Flood and Coastal Erosion Risk Management \(FCERM\) Strategy for England](#)
- the [Flood and Coastal Erosion Risk Management Statement](#)
- regulators, such as the Environment Agency and Natural England Water Industry Strategic Environmental Requirements or the [National Infrastructure Commission's Assessment](#)

Welsh companies' plans should address the priorities and expectations as set out in these documents published by the Welsh Government and NRW:

- [Strategic Priorities and Objectives Statement to Ofwat issued under section 2B of the Water Industry Act 1991](#)
- [National Strategy for Flood and Coastal Erosion Risk Management \(FCERM\) in Wales](#)
- [Water Strategy for Wales](#)

Comprehensive and evidence based

In producing their plans, we expect all companies to:

- complete the stages as set out on page 14 to 15 of Water UK's [Framework for the production of Drainage and Wastewater Management Plans](#). The framework should be applied to secure consistency (in technical application and reporting) whilst maintaining some flexibility to facilitate innovation and external engagement with stakeholders.
- build on existing sewerage planning approaches undertaken by the industry. In the case of English companies this should reinforce the principles of the 2013 Drainage Strategy Framework (a joint Environment Agency and Ofwat document).
- demonstrate links with other companies, plans and programmes which could complement the DWMP such as the national flood and coastal erosion risk management strategy, River Basin Management Plans (RBMPs), Flood Risk Management Plans (FRMPs), the Water Industry National Environment Programme (WINEP) the NEP in Wales and local plans produced by local authorities (for example, local flood risk management strategies, local development

plans) in the interest of refining the DWMP Framework and developing common ways of working and efficiencies and sharing best practice.

- provide a clear and consistent planning approach, with enough agility and adaptability to respond to long-term drivers for drainage and wastewater services.
- demonstrate links to companies' business planning for the Price Review which will address base costs for asset maintenance, health, and resilience. It may also highlight where a change in a previous approach is considered necessary to address performance.
- consider, describe, and quantify any pressures in the catchment that will affect the achievement of outcomes such as population change, consumer priorities, urban creep, new development, climate change, water consumption and compliance with environmental legislation. The identification and quantification of these pressures will develop over successive cycles of DWMPs. For this first cycle of plans, we at least expect the focus to be on growth, climate change and urban creep reflecting the maturity of long-term forecasts for these parameters.
- show how the long-term plans facilitate economic growth, resilient communities and how they protect and enhance the environment, providing greater environmental resilience and long-term sustainability.
- facilitate innovation (instigated by identifying future challenges that will need new approaches to address them) and the development of affordable, sustainable investment plans. Like WRMPs, cycle 1 of DWMPs must be based on current technologies. The adaptive pathways approach should be used to indicate how those plans may change with technology advances and other sources of uncertainty.
- plans should be formed using robust evidence, whether this be bespoke survey, modelling or, for example, event duration monitoring (EDM) of storm overflows. Plans should focus on company assets including foul, combined and surface water sewers, ancillaries and sewage treatment works facilities. However, they can highlight through the contributions from, and co-creation with, other RMAs, where interventions across a multi owner asset base deliver multiple benefits in a cost-efficient manner. Plans should be used to inform discussions to shape companies' business plans, as well as influencing others' plans and through links to communications strategies, customer and product manufacturer and retailer behaviours, where these might impact on drainage and wastewater management performance.
- look for opportunities to enhance the local environment, economy, and wellbeing, for example by working with local authorities and other partners to deliver new and retrofitted sustainable drainage schemes in preference to traditional infrastructure, where appropriate and taking account of local environmental objectives.

Transparent

Transparent plans will help assure the governments, regulators and interested stakeholders of their robustness and that they are fit for purpose. Elements we would expect to see to illustrate transparency, as set out in the DWMP framework, are:

- the assessment of long-term drainage and wastewater capacity and the drivers, risks and scenarios being planned for being clearly set out, including impacts on water quality
- a structured and assured approach to identifying and developing options and presenting a robust investment plan
- consistent presentation of data such that national understanding of risk is enabled.
- informed debate about acceptability of different levels of risk
- provide greater confidence to customers, regulators and stakeholders in risk mitigation strategies identified, and resultant plans
- provide the basis for effective engagement with customers and stakeholders on levels of service, environmental performance and resilience, now and for the future, and on the choices and costs to customers in providing that service

Where Ofwat does not have assurance that companies are planning and investing appropriately as part of [their strategy to achieve long-term operational resilience](#), Ofwat will challenge companies to make sure that the needs of current and future customers will be met efficiently.

Principle 2: Resilient

Defra's [Enabling resilience in the water sector](#) report says that companies, other RMAs and drainage asset owners must work with each other and with government and regulators to lead the way in taking action to ensure that they can meet the pressures and needs of a growing population and economy, while at the same time valuing the environment and meeting the challenges of climate change.

The resilience map in the report also set out plans for English companies to help secure the long-term resilience of the water sector and enhance the resilience of the sewerage network.

In Wales, [Schedule 3 of the Flood and Water Management Act 2010](#) has been commenced and Welsh companies should actively work with RMAs and drainage asset owners to facilitate its effective implementation.

Identifying and assessing risks

DWMPs should clearly quantify and present (including visually through mapping) current and future risks:

- from sewerage assets to the environment
- possible flood risk to sewerage assets from climate change, urban creep and population growth

We expect to see risks presented in a consistent way across plans to permit a national understanding of risk for Welsh companies concerning risks within Wales and English companies concerning risks within England.

We would also propose that companies consider the [UK Climate Risk Independent Assessment \(CCRA3\)](#), and how the DWMP can help ensure drainage and wastewater systems remain resilient and able to cope with the changing climate.

Time frames and future trends

Where feasible, and to support prioritisation of investment decisions, 5 and 10 year intervals should be assessed in addition to the minimum 25 year period.

We recognise there will be limits to what can be achieved in the first cycle of plans, but it is expected that as a minimum all companies will carry out baseline and minimum 25 year assessments, with 5 year and 10 year assessments carried out if the level of change warrants it in specific catchments.

Impacts of existing maintenance and investment schedules, as well as changing customer and stakeholder behaviours should also be qualitatively assessed, where quantifying is not possible.

In planning for a minimum 25 year timeframe, we expect companies to consider all current and future trends. While challenges such as population growth are undoubtedly key drivers, it's important not to overlook other trends that could have a significant impact on planning.

A changing climate is perhaps the biggest of these other trends or factors. However, companies should not only factor in climate change in relation to increasing intensity of rainfall, but also carry out research, working with stakeholders where appropriate, so that in the second and future cycles of DWMPs it is possible to consider issues such as:

- how increased temperatures might affect the operation of treatment works
- the potential for dry summers reducing river base flows, with occasional intense rainfall, resulting in increased risks of environmental impact

Companies should also consider the impact of changing customer behaviour when preparing their plans, such as whether encouraging customers to use less water might affect flows. Equally, more sustainable drainage in new developments could have a similar impact. Thus, the flow regimes could alter differently in different locations.

Potential hazards and threats to sewerage assets

We expect companies, as with other RMAs, to assess the resilience of their sewerage systems and infrastructure against the full range of potential hazards and threats and to include risks associated with blockages resulting from sewer misuse and sewer condition or risks such as infiltration and take proportionate steps to improve operational resilience where required.

This should also include flooding of water and wastewater infrastructure, burst water mains or other infrastructure failures, and reduce the contribution to urban diffuse pollution from misconnections.

For English companies, relevant measures set out in the [National Flood and Coastal Erosion Risk Management Strategy](#), and for Welsh companies, [the Flood and coastal erosion risk management strategy](#) should be supported.

We expect companies to make links to their existing flood resilience planning to assess the extent to which their sewage treatment plants are appropriately resilient against extreme flood events (as described in the [National Flood Resilience Review](#)) and include provision for additional resilience where required.

We expect companies to consider green infrastructure, nature-based and low-carbon solutions to mitigating risk, such as sustainable drainage systems, where possible, as well as taking opportunities to reduce the pumping of wastewater around the drainage system.

Prioritising resilience upgrades to assets

Companies should prioritise resilience upgrades based on risk, achieving necessary improvements to high-risk sites first. [Ofwat's annual reporting guidance](#) gives some consideration to what is allowable under enhancement expenditure for resilience versus a base cost activity.

Plans should identify where companies can make greater use of technology available currently such as, for example, real time control to optimise use of the storage capacity within networks and give advance warning of potentially damaging spill events. In this way early preventative action can be taken, thereby making systems more resilient to the pressures on them and providing enhanced environmental protection.

Companies should also consider where environmental enhancement or improved flood risk performance could be delivered through changing existing asset maintenance activities. All this information should be taken account of in business planning for the Price Review.

Principle 3: Environment

The UK government's [25 Year Environment Plan for England](#) and the Welsh Government's [Water Strategy for Wales 2015](#) committed to clean and plentiful water and reducing the risks of harm from environmental hazards. Ambitions are for the water environment to be cleaner and healthier and managed in a way that is more resilient to floods and drought to support people, biodiversity, and the economy.

In England, the 25 Year Plan charts how we plan to improve our environment, and DWMPs are clearly signposted as a way in which we will do this. It is therefore important that DWMPs clearly assess impacts on the environment and how these can be reduced or improved over the 25 year period.

English companies' DWMPs should also take account of the current joint Environment Agency and Natural England document [Water Industry Strategic Environment Requirements](#) and future updates.

In Wales, the 2015 Water Strategy clearly set out actions to make sewerage and drainage systems fit for purpose for the 21st century and beyond. Reference should also be made to the [Welsh Government Natural Resources Policy](#) which focuses on the improvement of Natural Resources.

The inclusion of the drainage and wastewater management planning process in the Environment Act, making the process statutory⁴ for cycle 2 in both England and Wales, underlines the importance that both the governments are placing on DWMPs as a current and future tool for drainage and wastewater management policy.

Protecting and enhancing the environment

Actions arising from DWMPs should make a significant contribution to securing a healthier water environment, whilst protecting public health and wildlife by reducing pollution incidents, and the management of the water industry's contribution to reducing urban diffuse pollution.

For example, operational practices affecting water quality must be addressed, and we expect that DWMPs should make a positive contribution to this. Companies can also use data and engagement on the minimum 25 year planning horizon to consider the pressures from future housing development such as the effect on nutrients in wastewater.

English companies will be aware that in January 2021, the UK government announced that the [Storm Overflows Taskforce](#) for England made up of Defra, the Environment Agency, Ofwat, Consumer Council for Water, Blueprint for Water and Water UK had agreed to set a long-term goal to eliminate harm from storm overflows.

We expect English companies' DWMPs to set out how companies will achieve significant reductions in the frequency and volume of sewage discharges from storm overflows, so they operate infrequently and only in cases of unusually heavy rainfall as mentioned in the Environment Act 2021 and Defra's Strategic Policy Statement to Ofwat ahead of Price Review 2024.

⁴The statutory term will be 'Drainage and Sewerage Management Plan' (DSMP), although the term used currently in the non-statutory framework (Drainage and Wastewater Management Plan (DWMP)) is expected to continue to be widely used in the industry. For this guidance therefore we use the term DWMPs.

We expect overflows that do the most harm or impact on the most sensitive and highest amenity sites to be prioritised first.

Harm includes where it could occur to people (for example, in recreational waters) and the environment. Treatment of sewage discharges from storm overflows can also be considered.

The Storm Overflows Taskforce is considering a range of factors to achieve this goal, including the role of drainage issues in storm overflows, and possible actions to reduce or slow down surface water entering the sewerage system.

The UK government therefore anticipates issuing supplementary guidance for English companies by January 2022 on the ambition for storm overflows to accompany this guiding principles document.

This supplementary guidance should also be considered in time for the draft DWMPs on which companies will be consulting in summer 2022, and fully taken account of for their final plans in March 2023.

If English companies apply the guiding principles in this document now in advance of 2022, such as seeking to engage and collaborate with other organisations. They should have a good understanding of the pressures being placed on their networks by others, the challenges to resilience and the impacts of overflows on the environment, engaging also with the Environment Agency.

This should place companies in a good position to respond to the government's ambition on storm overflows.

Welsh companies' DWMPs should also set out long and short term plans to reduce the discharges from storm overflows and any environmental harm from them. This should include improved treatment of sewage, improved storage capacity and natural, environmentally friendly ways of reducing the volume of water entering the sewage system.

Nature-based solutions

In helping to protect and enhance the environment, we expect DWMPs to consider the use of nature-based solutions, where feasible, as part of their option development and assessment.

For example, multi-functional sustainable drainage systems present opportunities which may, in collaboration and partnership with stakeholders, have the potential to contribute to the creation of new habitats, as well as contribute to the industry's response to climate change mitigation and adaptation.

We expect the actions arising from plans to prevent environmental deterioration, enable sustainable development and seek out opportunities for environmental enhancement where possible. Plans should address the challenges of protecting the environment, support economic growth, and deal with the pressures of new development, climate change and population growth, and the resulting pressures on infrastructure.

Realising the DWMPs' full potential

We recognise that our ambitions for the environmental benefits of DWMPs will only be fully realised if all RMAs and drainage asset owners play their part in participating in their co-creation and co-funding. This will enable plans to take account of local environmental outcomes, where applicable, and potentially find solutions with multiple benefits. We expect to see collaboration and engagement from all parties.

Principle 4: Collaboration

Collaboration with other organisations and stakeholders is key to the development of comprehensive DWMPs. So, companies should do all they can to foster collaborative working.

The importance of collaboration

Whilst the responsibility for development and publication of DWMPs sits with companies, they cannot develop plans which deliver their full potential without the input of other stakeholders within and around the companies' areas of operation.

Plans need to be developed and co-created closely with other stakeholders, including those who have responsibility for other elements of drainage. Local authorities and the environmental regulators can be responsible for aspects of surface water drainage and management of flood risks, and other drainage assets which feed into companies' networks.

The [new FCERM strategy for England](#) was adopted by UK government on 25 September 2020 and provides the framework for all RMAs to improve the nation's resilience to the risk of flooding and coastal change.

It sets out the long-term delivery objectives the nation should take over the next 10 to 30 years as well as shorter term, practical measures risk management authorities should take now, working with partners and communities.

A [National flood and coastal erosion risk management strategy for England action plan](#) was published on GOV.UK in May 2021 on how the Environment Agency and national stakeholders will take forward measures in the strategy. The strategy emphasised the importance of working together on DWMPs and early engagement with beneficiaries to help unlock co-funding opportunities.

A key action is: 'The Environment Agency will work with Water UK and Ofwat to assess the degree to which all relevant RMAs are actively contributing to the production of Drainage and Wastewater Management Plans by May 2022'.

Other stakeholders, like environmental Non-Governmental Organisations (NGOs) could also have an interest, for example, in a habitat close to a company asset, and can share their knowledge about the requirements of the habitat and how any potential risks to it could be prevented or addressed.

A framework for collaboration

Plans should:

- be collaborative, demonstrate that collaboration, and strive to realise the multiple benefits from achieving best value to the economy, society, and the environment over the long-term. This is so it aligns with the [25 Year Environment Plan](#) in England (see page 96) and the [Water Strategy](#) in Wales
- provide a clear and practical framework for engagement and consultation with key stakeholders
- help articulate how the delivery of long-term plans will provide clear benefits for stakeholders, customers, and the environment

Our expectations for collaboration and its challenges

We expect to see collaboration leading to the co-creation and co-funding of solutions which can both further the delivery of the DWMP while also, where possible, delivering integrated solutions, to resolve issues such as surface water flooding risks or improving natural habitat.

As with leadership, we expect all collaboration partners in the DWMP process to familiarise themselves with Water UK's DWMP companion document [Working together to improve drainage and environmental water quality](#).

This document explains the DWMP process and sets out how organisations with interests or responsibilities relating to drainage, flooding and protection of the environment can make improvements by working together to create DWMPs.

Principle 5: Leadership

We expect companies to lead on the development of the plans and engagement with others, building on the leadership they have already shown in the DWMP Steering Group, the DWMP Implementation Group, and the Task and Finish groups that support this work.

Companies should also have regard to their statutory duties on drainage and flood risk management.

We also expect company boards to:

- ensure that plans are given sufficient resource for their development
- give a clear signal to their DWMP and regulation teams on the board's expectations for the plans
- take an active interest in their plan's development, challenging what is being done and considering how the plans can improve company operations and accountability
- be exemplars for encouraging multi-sector engagement on the plans and promoting them within the company and beyond

As effective drainage can make a significant contribution to managing surface water flood risk, we expect relevant RMAs to show appropriate leadership in meeting their flood risk management obligations by ensuring their organisations actively engage with the DWMP process.

Principle 6: Customers

Engage your customers

We expect companies to carry out meaningful and effective engagement with their customers in developing their draft plans, and through this be able to demonstrate that their final plans are acceptable to customers overall.

As with other complex planning processes such as WRMP and RBMP, the maturity and effectiveness of the consultation process are expected to develop over time as all parties become more familiar with the DWMP framework.

However, to try to maximise engagement and its effectiveness in this first cycle companies should consider how best to engage with customers to ensure that they include all groups of customers as far as possible. It would therefore be desirable to use a range of approaches to engagement, rather than only online.

If companies know that a large proportion of customers do not have online accounts and receive only paper bills. We recognise that this may be difficult for the first cycle of DWMPs given the ongoing impact of COVID-19.

Companies might also find it useful to consider, where appropriate, how engagement on DWMPs might fit with other engagement such as on WRMPs. Such engagement might provide customers with a greater understanding of the water cycle, and foster changes in customer behaviour, which might lead to a reduction in sewer blockages.

Explain clearly to your customers

The plans should:

- provide customers with confidence that existing service levels to current and future customers are maintained in the face of increasing population, economic growth, climate change, tightening environmental standards and rising expectations of customers
- clearly show the required improvements where the service levels are not currently good enough (such as, they do not meet customers' reasonable expectations)
- describe clearly where risks remain to long-term resilience for customers and make sure that they are acceptable to customers, as far as possible
- explain potential risks that can be created by customers such as the impact of the incorrect disposal of single use items, such as wet wipes, nappies and sanitary products

Show value for money and wider benefits

We expect companies to select options with a view to delivering the best value for money over the long term, considering the wider costs and benefits to the economy, society and the environment.

We expect plans to offer best value and be affordable whilst demonstrating legitimacy by taking due account of customers' priorities and appetite for risk.

Plans should also expose any conflict between affordability and the above objectives and clearly set out how such conflicts will be managed, and risks mitigated.

Regarding cost, partnership is key so that there is an integrated approach to managing drainage with fair apportionment of the burden of investment between water bill payers, taxpayers (local and central), highway users, riparian owners and any other relevant stakeholders.

Welsh companies

Welsh companies should set out how their plans will provide wider benefits to the community, environment, and economy. The plans will therefore need to evidence alignment with the principles of the [Well-being of Future Generations \(Wales\) Act 2015](#) and the [Environment \(Wales\) Act 2016](#). A key theme of the Environment (Wales) Act is the sustainable management of natural resources (SMNR).

The Welsh Government's natural resources policy advocates a place-based approach to deliver SMNR and water company plans should therefore be aligned with work on place-based Area Statements.

The plans should also set out how they will contribute to the Welsh Government's commitments to improve water quality in line with the [Water Environment \(Water Framework Directive\) \(England and Wales\) Regulations 2017](#).

This could include promoting, adopting, maintaining or working with partners to deliver retrofitted sustainable drainage systems or co-investing in flood risk management, working creatively with partners 'upstream' as a means of effectively draining their area and delivering multiple benefits where possible.

Conclusion

These guiding principles are being issued after companies have completed the Risk-Based Catchment Screening, Baseline Risk and Vulnerability Assessment (BRAVA) and problem characterisation phases of their DWMP development for this first planning cycle.

Now into the Options Development and Appraisal (ODA) phase, 2021 to 2022 will therefore see the focus being squarely on developing possible options for mitigating what has been identified and prioritising action.

We therefore consider that these guiding principles will help provide a timely reminder of the Governments' and regulators' expectations for your draft and final plans for this first cycle.

Our ambition for the management of our drainage and wastewater assets and networks must be high. As we are all aware, these critical assets face increasing challenges as we experience a changing climate and population growth. We must have comprehensive plans for addressing these challenges, including operational issues such as storm overflows.

The water industry has shown important leadership in collaborating on the development of this planning process, and we all want that collaboration to continue and evolve. The Governments and regulators welcome companies' early collaboration with them as plans develop. DWMPs must be a game-changer for managing drainage and sewerage, including wastewater, now and into the future.

Like WRMPs, these guiding principles will develop over time, especially as DWMPs transition into becoming a statutory planning process for the second cycle. With that in mind, Defra, Welsh Government and Ofwat welcome any feedback on this document and how it assists you as you progress through the ODA phase and develop your draft and final plans.