Annual environmental performance report for Hafren Dyfrdwy 2024

Introduction

Our purpose is to pursue the sustainable management of natural resources in all our work. This means looking after Wales' air, land, water, wildlife, plants and soil to improve well-being and secure a better future for everyone.

As part of this, we monitor the environmental performance of water companies to help minimise the impact of their operations on the natural environment. This includes tracking pollution incidents, assessing compliance with permits and licences, and overseeing the delivery of improvement schemes.

In our role as the environmental regulator, we are responsible for holding water companies to account for meeting their legal obligations and environmental responsibilities. This includes verifying compliance and overseeing fulfilment of statutory duties under relevant legislation.

Hafren Dyfrdwy Cyfyngedig came into existence on 1 July 2018, forming a water and sewerage company that is wholly within Wales' political boundary.

All assets that were previously owned and managed by Severn Trent Water and Dee Valley Water in Wales were transferred to Hafren Dyfrdwy. The only exception is Elan Valley water treatment works which, although located in Wales, will continue to be owned and managed by Severn Trent Water. We will regulate this permitted discharge and provide environmental performance data to the Environment Agency, so that it can be included in Severn Trent Water reporting.

This report focuses on Hafren Dyfrdwy's environmental performance for 2024. We also assess Dŵr Cymru Welsh Water's performance which you can find on our website.

The Environment Performance Assessment (EPA) metrics used for the ten largest water and sewerage companies in England and Wales are not applicable to Hafren Dyfrdwy due to its small size. However, we use similar themes in this report, for example pollution incidents and permit compliance.

You can find more detailed insights on Hafren Dyfrdwy in our Pollution Incident Report and Storm overflow spill reports published in July 2025.

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Headline performance messages

In 2024, Hafren Dyfrdwy demonstrated strong performance across several key environmental indicators:

- **Serious pollution incidents:** No incidents were recorded in the serious category.
- **Compliance with numeric water discharge permit conditions:** Maintained at 100%.
- **Supply Demand Balance Index (SDBI):** Achieved a maximum score of 100.

However, there are areas where performance declined and will require targeted improvement:

- **Sewerage pollution incidents:** Increased from one in 2023 to two in 2024.
- **Water supply incidents:** Remained at three, showing no improvement.
- **Compliance with descriptive water discharge permit conditions**: Remained at 95%, with the most frequent issue relating to the operability of Event Duration Monitoring (EDM) on storm overflows, which are required to function for at least 90% of the time.

- **Self-reporting of incidents:** Declined to 60%, indicating fewer incidents were proactively reported to the regulator.

Pollution incidents

As the environmental regulator, we respond to a wide range of pollution incidents, some of which originate from water company assets and networks. We report on the number of incidents attributed to each water company to promote transparency and drive continuous improvement. Our aim is for a sustained reduction in pollution incidents, with the regulatory ambition that these are eliminated entirely. We expect water companies to prevent all serious incidents (Category 1 and 2).

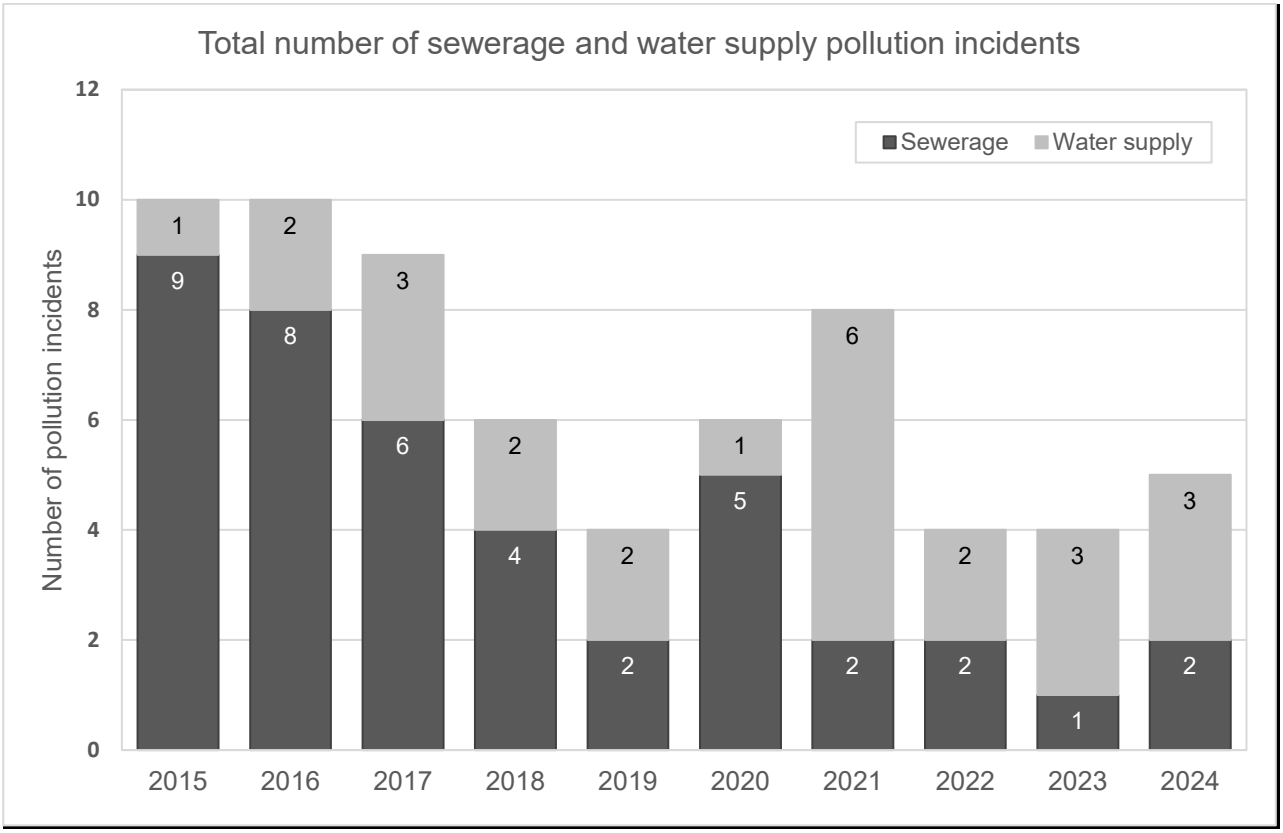
We use four categories to assess the impact of pollution incidents:

- **Category 1 – Major:** Major, serious, persistent and/or extensive adverse effect or damage to the environment, people or property, or to NRW's assets, operation or reputation.
- **Category 2 – Significant:** Significant adverse effect or damage to the environment, people or property, or to NRW's assets, operation or reputation.
- **Category 3 – Minor:** Minor or minimal adverse effect or damage to the environment, people or property, or to NRW's assets, operation or reputation.
- **Category 4 – No impact:** An incident/occurrence that had no environmental or organisational impact.

Hafren Dyfrdwy's pollution incident performance has declined in 2024 with a total of five Category 3 pollution incidents, which is an increase of one. However, the company maintained zero serious pollution incidents.

The graph below shows sewerage incidents increased from one to two in 2024. One was from a combined sewer overflow, the other from a foul sewer.

Pollution incidents from water supply assets remained at three. Two were from water treatment works. The third was from the water distribution system.

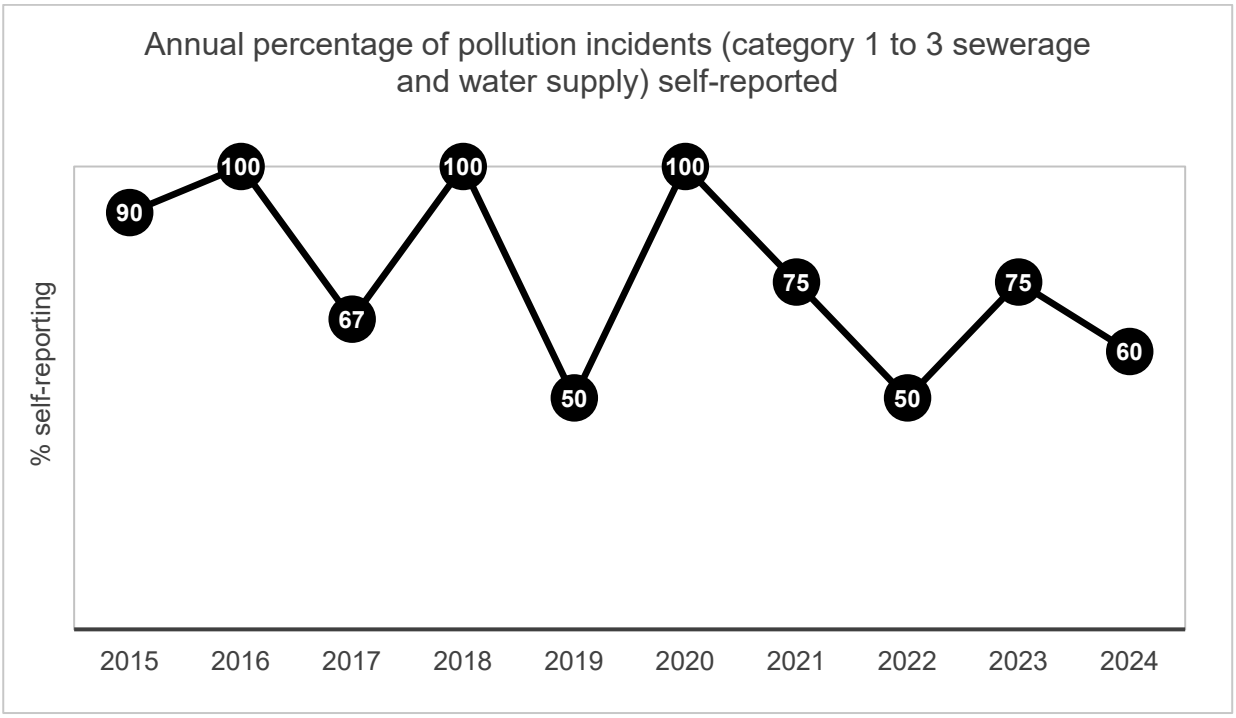


Self-reporting incidents

We expect water companies to self-report at least 80% of their pollution incidents to us. This means we can be more confident that the water company:

- understands their assets and networks
- continually looks for ways to improve how they predict pollution incidents, including using their own telemetry data to improve levels of self-reporting
- uses their data to identify hot spots and target high risk locations and specific asset types
- attends and reacts to incidents quickly to stop any impact as soon as possible.

Hafren Dyfrdwy's self-reporting performance has decreased to 60% (three out of five incidents self-reported) after achieving 75% in 2023. See graph below.



Their performance should have been stronger, particularly given that one of the Category 3 pollution incidents that was not self-reported originated from a combined sewer overflow (CSO). As CSOs are typically equipped with telemetry, we would expect incidents arising from these assets to be identifiable and self-reported. We encourage the company to explore and adopt good practice initiatives used across the industry to improve and stabilise its self-reporting performance.

Water discharge permit compliance

We issue permits for water discharges, including treated discharges from water company wastewater treatment works (WWTWs) and Water Treatment Works (WTWs). The permits require the discharge to meet specific criteria to make sure there is no deterioration to the water environment. Water companies self-monitor their discharges and provide data to us, which we assess for compliance. We have increased our compliance assessment activities, including site inspections and audits, and we expect all permit conditions to be complied with.

We use the following non-compliance categories 1 to 4 when we assess compliance with permit conditions:

- **C1 Major:** Potential to have a major, serious, persistent and/or extensive impact or effect on the environment, people and/or property
- **C2 Significant:** Potential to have a significant impact or effect on the environment, people and/or property
- **C3 Minor:** Potential to have a minor or minimal impact or effect on the environment, people and/or property
- **C4 No environmental impact:** Non-compliance at a regulated site that cannot foreseeably have any impact on the environment, people and/or property

When we categorise non-compliances, we must consider the potential impact based on what is reasonably foreseeable. All non-compliances are recorded on a Compliance Assessment Report (CAR) and issued to the permit holder. Where necessary we can set actions requiring the permit holder to bring the site back into compliance with the permit and consider our enforcement options.

For their wastewater operations, Hafren Dyfrdwy operates a total of 50 WWTWs. Of these, 39 have numeric quality limits on their collective 43 discharges. The remaining 11 have descriptive permits. For their water supply operations, Hafren Dyfrdwy manages six WTWs. Five of these have numeric quality limits, with three sites having a total daily flow exceeding 20 cubic metres per day. The sixth site has a descriptive permit.

Discharge permit compliance

Water quality numeric permit condition compliance

Using the principles of the EPA methodology, we assess the company's numeric compliance performance by looking at the percentage of discharges that failed their numeric quality limits. Therefore, we look at the 43 numeric WWTW discharges and the three larger numeric WTW discharges.

In 2024, there were no numeric permit non-compliances for any of the 46 discharges. This is the second year running that they have achieved 100%.

	Percentage compliant	Non-compliant sites
2020	100%	0
2021	97.9%	1
2022	97.8%	1
2023	100%	0
2024	100%	0

Water quality descriptive permit condition compliance

Descriptive conditions relate to non-numeric aspects such as maintenance, management and reporting. Overall, descriptive condition compliance at WWTWs and WTWs with numeric and descriptive permits in 2024 was 95%. There has been no improvement overall since 2023.

	Percentage compliant	Non-compliant sites
2020	96.7%	2
2021	91.8%	5
2022	98.2%	1
2023	95.0%	3
2024	95.0%	3

Flow compliance at wastewater treatment works

Dry Weather Flow (DWF) compliance

Dry Weather Flow (DWF) is the average daily volume of wastewater entering a treatment works during dry conditions, when there is no rainfall. It reflects normal flows from households and businesses. DWF is important for compliance because many discharge permits are based on this flow level. If the flow regularly exceeds the permitted DWF, it may indicate issues such as infiltration or overloading, which can affect treatment performance and lead to environmental harm.

Hafren Dyfrdwy provided DWF data for 2023 in accordance with their permit requirements. Three WWTWs experienced data issues in 2023 which the company worked to resolve. In 2024 no sites experienced data issues.

In 2023, three WWTWs were reported as exceeding their DWF permitted limits, resulting in the sites discharging more treated sewage than permitted. In 2024 five sites exceeded DWF permit limits. The company is required to carry out investigations and report the cause of exceedance to us, and where appropriate complete remedial action within an agreed timescale.

Flow to Full Treatment (FFT) compliance

Flow to Full Treatment (FFT) is the maximum flow rate that a treatment works is designed to fully treat before excess flows are diverted, usually during heavy rainfall. It ensures that wastewater receives proper treatment before being discharged into the environment. Compliance with FFT is important because it helps prevent untreated or partially treated sewage from entering the water environment, protecting water quality and public health.

Hafren Dyfrdwy continues to proactively investigate any sites they consider to be at risk of failing their FFT permitted limits. There were no reported FFT non-compliances recorded for 2023 and 2024 data.

Monitoring certification scheme (MCERTS) compliance

MCERTS is our monitoring certification scheme. It sets standards for equipment and systems used to measure and report environmental data, such as flow rates at treatment works. Compliance with MCERTS ensures that flow monitoring is accurate, reliable, and consistent with regulatory requirements. This helps us assess whether sites are operating within their permitted limits and protects the environment from potential harm.

All 32 Hafren Dyfrdwy sites were compliant with MCERTS re-certification requirements in 2023 and 2024.

Permitted storm overflows

Permit compliance assessment

Through our incident response and permit compliance assessment work carried out in 2024, we found twelve non-compliances at permitted storm overflows (sewage pumping stations, combined sewer overflows and storm discharges from WWTWs) for a variety of reasons.

Eight were due to assets operating below the required 90% operational time for Event Duration Monitoring (EDM). We expect the company to continue improving the completeness and accuracy of EDM datasets and to ensure assets consistently operate for at least 90% of the time.

Two overflows were caused by a build-up of fats, oils, and greases within the sewer network. One of these occurred at an asset without a screen, which had deteriorated due to corrosion. Both assets were found to be non-compliant with their permit conditions. Hafren Dyfrdwy has been instructed to implement remedial measures at these sites to prevent further avoidable spills.

Event Duration Monitoring

Hafren Dyfrdwy have installed event duration monitors (EDM) to monitor the number and duration of spills, on all their permitted storm overflows. This means EDM is installed on the following assets:

- storm overflows on the sewer network (combined sewer overflows)
- storm overflows from pumping stations
- storm overflows at WWTWs.

In this section, we share data on permitted storm overflows only. For storm overflows currently operating without a permit, we have a programme of work underway to bring them within our regulatory framework, where appropriate. More information on storm overflows can be found on our website: Storm overflows and Storm overflow spill reports.

Unusually wet periods have the potential to result in increased spill frequency and duration, whilst dry weather has the opposite effect. We are working on a robust method to identify when spills are occurring in dry weather that will allow us to better assess storm overflow performance.

Using analysis based on long term rainfall average in Wales (1991-2020), 2024 was an average year for rainfall.

Year	Wales rainfall
2021	Average year
2022	Dry year
2023	Wet year
2024	Average year

EDM data reported

The data presented below uses the 2024 EDM summary data submitted by the water company in their annual regulatory return to us.

Hafren Dyfrdwy listed 40 permits with 50 storm overflow discharges in their 2024 return.

In 2024, ten (20%) of the water company's EDMs were in operation for less than 90% of the year, which is below the agreed industry standard. We expect the water company to improve EDM operability so that all EDMs are operating for at least 90% of the time as soon as possible. We also expect the company to continue work to improve the data completeness and accuracy for the storm overflow data sets.

Number of spills

The number of spills from storm overflows is calculated using the 12/24 block counting methodology. The Environment Agency use this same approach so there is consistency across water companies in England and Wales when counting storm overflow spills.

The spill data from Hafren Dyfrdwy's 50 permitted storm overflows, tells us:

- 6% (3) had 0 spills
- 14% (7) spilled between 1 and 9 times
- 46% (23) spilled between 10 and 39 times
- 26% (13) spilled between 40 and 99 times
- 8% (4) spilled between 100 and 300 times
- 0 spilled over 300 times

Duration of spills

The duration data from Hafren Dyfrdwy's 50 permitted storm overflows, tells us:

- 6% (3) had 0 hours of spills
- 34% (17) spilled for more than 0 but less than 50 hours
- 30% (15) spilled for at least 50 hours but less than 250 hours
- 14% (7) spilled for at least 250 hours but less than 500 hours
- 4% (2) spilled for at least 500 or hours but less than 1,000 hours
- 12% (6) spilled for at least 1,000 or hours but less than 5,000 hours
- 0 spilled for over 5,000 hours

Water resources

Water resources licence compliance

In 2024 there were no planned compliance assessments of Hafren Dyfrdwy water resources licences.

Drought planning and Water Resources Management Plans

Water companies have a duty to maintain water supplies in their area, without damaging the environment or affecting the needs of other water users. There is a statutory requirement for water companies to prepare, maintain and publish Water Resources Management Plans (WPMPs) and Drought Plans. The latest WRMP was published in 2024. The draft Drought Plan 2025 was published for public consultation in early 2025. The company has recently published its Statement of Response to the comments it received during the consultation. The plans are published every five years. For the latest information on Hafren Dyfrdwy's WRMP and Drought Plan, please see their website:

- Water Resources Management plan 2024
- Drought Plan 2025 (draft)

Please also have a look at our webpages for more information on these topics:

- Water Resources Planning
- Drought
- Drought plan guidance

Supply Demand Balance Index

The Supply Demand Balance index (SDBI) metric measures how the actual supply demand balance has performed compared to what is set out in a water company's WRMP. We expect companies to have an SDBI score of 100, which Hafren Dyfrdwy achieved in 2024/25.

Leakage and water use

Water companies submit a wide variety of data to us and Ofwat, which includes leakage rates and water use. The revised leakage rates and water use information for 2024/25 should soon be available at www.discoverwater.co.uk

Wider regulatory work

AMP National Environment Programme delivery

2024 was the fifth and final year in Asset Management Plan (AMP) 7. After agreed alterations, Hafren Dyfrdwy delivered 34 schemes over the five-year period including 10 improvement schemes, 14 investigations and 10 monitoring schemes.

Looking ahead to AMP 8, 2025-2030, Hafren Dyfrdwy are committed to improvements totalling £60 million. This includes peatland restoration for drinking water catchments, storm overflow spill reduction, phosphorus schemes, septic tank upgrades, reservoir maintenance and safety and interruptions resilience. We will continue to work with Hafren Dyfrdwy to ensure the AMP 8 programme is delivered.

More information on the planned water company investment can be found here: Natural Resources Wales / BETA: Wales environmental information portal.

Enforcement

Our Enforcement and Sanctions Policy ensures that environmental offences are addressed fairly, firmly, and proportionately to prevent further harm. Enforcement actions are guided by our *Offence Response Options*, which include:

- Advice and guidance
- Formal warnings
- Civil sanctions
- Prosecution

The choice of response depends on; The severity of the offence, the offender's willingness to comply and the public interest.

Our enforcement interventions aim to:

- Cease ongoing offences
- Restore environmental harm
- Deter future breaches
- Promote sustained compliance

Minor or unintentional offences may be resolved through education or voluntary action. Prosecution is considered a last resort, pursued only when other enforcement tools have proven ineffective or where the offence is particularly serious. Please note that complex investigations may take time, and outcomes are often reported in subsequent years.

In 2024, all enforcement action taken against Hafren Dyfrdwy was limited to Warnings or lower, due to the nature of the offences.

Waste permit compliance

Water companies can operate a variety of waste activities ranging from biowaste treatment, landfill, biogas combustion, sludge incineration and transfer stations.

Hafren Dyfrdwy do not hold any waste permits.

Sludge

Hafren Dyfrdwy are a producer of residual sludge from their wastewater treatment works. The total they produced for 2024 was 950 tonnes of dry solids.

However, they do not dispatch sludge as defined under the satisfactory sludge metric. This is accepted because sludge trading occurs between the water companies. Hafren Dyfrdwy trade their sludge to another water company, and it is under that water company's sludge metric that the satisfactory use is reported.

Reservoir safety

Hafren Dyfrdwy manages 15 registered large, raised reservoirs; 13 of which have been designated as a "high-risk reservoir". High-risk reservoirs are large, raised reservoirs designated by us, where we think human life could be endangered in the event of a dam failure causing an uncontrolled release of water.

The company's compliance is high. We recorded 100% compliance with reservoir construction, inspection, supervision, maintenance and record keeping duties imposed by the Reservoirs Act 1975. Hafren Dyfrdwy has a corporate commitment to its Board to maintain this level of compliance.

Hafren Dyfrdwy shares its own annual Dams and Reservoirs Annual Review with us as a matter of transparency and diligence which we welcome.

Operator Monitoring Assessment (OMA)

We carry out these audits of operators' self-monitoring arrangements to check that WaSCs are performing the required monitoring to the monitoring standards in our permits and via our Monitoring Certification Scheme (MCERTS). The Operator Monitoring Assessment (OMA) is the systematic tool that we use to carry out these audits to highlight areas for improvement and promote best practice.

An OMA audit was conducted on 9 February 2024. This audit focused on numeric and descriptive compliance data for the 2022/2023 reporting periods. The company achieved ratings ranging from good to excellent across all assessed elements. Minor procedural adjustments were identified, and corresponding actions have been set. These will be reviewed during a future OMA audit to ensure completion and effectiveness.

There is no fixed schedule for conducting OMA audits; we undertake them based on our assessment of risk and operational priorities. While we do not currently have one scheduled for 2025, we intend to carry out an OMA audit in the near future, subject to our ongoing review of priorities.

Regulatory action

We are committed to driving improvements in water company performance through a robust and evolving regulatory framework. Our actions focus on the following key areas:

1. Pollution Incident Reduction Plans (PIRPs) – new legal requirement

The Water Special Measures Act has inserted provisions into the Water Industry Act 1991. These legally require all water companies to publish Pollution Incident Reduction Plans (PIRPs) and Implementation Reports. PIRPS must clearly explain how companies will

reduce pollution from all their assets, including storm overflows. Implementation Reports will be a retrospective review of how successfully the incident reduction measures were implemented.

- We are currently developing guidance describing the content we expect in a PIRP and Implementation Report, to be published by end of 2025.
- PIRPs must be in place by April 2026
- We will check that PIRPS have been published and review their content.

2. Drainage and Wastewater Management Plans (DWMPs)

We are working towards making DWMPs statutory in Wales, embedding them into long-term planning and investment strategies.

- DWMPs must be ambitious, evidence-based, and aligned with climate and environmental goals.
- They will support strategic planning over a 25-year horizon, addressing challenges such as population growth, climate change, and infrastructure resilience.
- We will assess DWMPs for regulatory compliance and effectiveness.

3. AMP 8 investment delivery and PR24 priorities

Water companies are required to deliver their AMP 8 investment commitments (2025-2030), aligned with performance targets set through PR24, led by Ofwat.

- Regulatory priorities include reducing pollution, improving water quality, enhancing climate resilience, and delivering better services.
- We will hold companies to account for timely, transparent delivery and ensure that investments result in tangible environmental improvements.

4. Permit compliance and regulatory service plan

We are increasing our focus on compliance monitoring of permitted discharges through our Regulatory Service Plan, supported by enhanced resources from 2025.

- Strengthening permit compliance is critical to preventing pollution incidents.
- We will conduct more frequent and rigorous assessments to ensure companies meet permit conditions.

5. Changes to environmental performance assessment

We will implement a revised Environmental Performance Assessment methodology for 2026-2030. Although this will not formally apply to Hafren Dyfrdwy, we will use similar themes to report their performance.

- This will include additional areas of focus to enhance scrutiny and accountability.

6. Risk-based incident response

We are transitioning to a risk-based approach for responding to pollution incidents.

- Responses will be guided by environmental risk and intelligence, ensuring resources are directed where intervention is most needed.
- Not all reports will receive immediate action; some may be addressed through routine regulatory or enforcement activity.

7. Collaborative regulation and sector improvement

We are working closely with Ofwat and other partners to drive sector-wide improvements.

- This includes reducing pollution incidents and promoting best practice across the industry.
- We will continue to hold water companies accountable at all levels, from frontline operations to senior leadership.

8. Data strategy and analytical capability

We are enhancing our data systems through our customer platform and IT strategy for 2030.

- We are exploring tools to maximise data analysis capability, collaborating with other regulators to adopt best practices.
- Improved data will support more effective regulation and compliance monitoring.

Performance expectations for 2025

In 2025, we expect Hafren Dyfrdwy to:

- Sustain strong performance on serious pollution incidents, maintaining zero serious pollution incidents
- Continue to achieve 100% compliance with water discharge numeric limits
- Deliver AMP improvement schemes in line with agreed deadlines.

To further enhance environmental performance, Hafren Dyfrdwy should prioritise the following:

- Reduce the total number of pollution incidents
- Achieve 100% self-reporting of pollution incidents, particularly where telemetry is available (e.g. Combined Sewer Overflows)
- Strive for 100% compliance with descriptive condition standards, with particular focus on achieving a minimum of 90% EDM time operational for storm overflows