



**Cyfoeth
Naturiol
Cymru**
**Natural
Resources
Wales**

Annual Performance Report for Hafren Dyfrdwy 2018

Prepared by Water Policy & Directives Implementation Team

Version 1

Contents

Section no.	Section	Page number/s
1	Introduction <ul style="list-style-type: none"> • Formation of Hafren Dyfrdwy 	3
2	Headline performance messages	3
3	Methodology <ul style="list-style-type: none"> • Performance assessment methodology we used • Future reporting 	4
4	Pollution incidents	5-6
5	Self-reporting incidents	7
6	Water discharge permit compliance <ul style="list-style-type: none"> • Water treatment works • Sewage treatment works • Flow 	8-9
7	Water resources <ul style="list-style-type: none"> • Water resources licence compliance • Security of Supply index • Drought planning and water resources management plans • Leakage and water use 	10
8	Other regulatory work <ul style="list-style-type: none"> • Enforcement • Delivery of the National Environment Programme as part of the Asset Management Programme • Sludge use and disposal • Reservoirs • Flood risk management 	11-12
9	Performance expectations for 2019	12

1. Introduction

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

We monitor the activities of water companies to minimise the impact that their assets and activities have on the environment. We do this by checking their environmental performance throughout the year in areas such as reducing pollution incidents, complying with permits and delivering environmental improvement schemes. We then publish an annual assessment of their performance.

As the environmental regulator we assess the performance of water and sewerage companies that operate within Wales to provide a picture of how companies are progressing against a range of measurable targets. This report focuses on Hafren Dyfrdwy¹'s environmental performance for 2018.

We also assess Dŵr Cymru Welsh Water's performance which you can find on our [website](#).

Formation of Hafren Dyfrdwy

Hafren Dyfrdwy, came into existence on 1 July 2018, forming a water and sewerage company that is wholly within Wales' political boundary. All² assets that were previously owned and managed by Severn Trent Water and Dee Valley Water in Wales have been transferred to Hafren Dyfrdwy.

2. Headline performance messages

In 2018 Hafren Dyfrdwy:

- had continued good performance in reducing pollution numbers;
- self-reported 100% of pollution incidents to us;
- were 100% compliance with their numeric permit conditions.

Given the complexities associated with forming a new company it is especially pleasing that Hafren Dyfrdwy have been able to maintain a focus on maintaining its assets and complying with environmental regulations during 2018.

On the following pages, we look at the data in more detail.

¹ Companies House information: HAFREN DYFRDWY CYFYNGEDIG, Company number 0352762, registered office address: Packsaddle Wrexham Road, Rhostyllen, Wrexham, Clwyd, LL14 4EH.

² 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. NRW will regulate this site and provide environmental performance data to the Environment Agency, so that it can be included in Severn Trent Water reporting.

3. Methodology

Performance assessment methodology we used

Water company performance reporting is carried out annually on a calendar year basis. However, Hafren Dyfrdwy was formed mid-way through the reporting period (1 July 2018). To maintain reporting frequency and to aid year-on-year comparisons, we have produced this report using a combination of Hafren Dyfrdwy data and the corresponding Severn Trent Water and Dee Valley Water data from the operating area Hafren Dyfrdwy are now responsible for. See table below for more information.

Source of data used in this report	2015, 2016 & 2017	2018	
		1/1/18 - 30/6/18	1/7/18 - 31/12/18
Incident and self-reporting data	Combined data from: ✓ Severn Trent Water in Wales ✓ Dee Valley Water	Combined data from: ✓ Severn Trent Water in Wales ✓ Dee Valley Water	Combined data from: ✓ Severn Trent Water in Wales ✓ Dee Valley Water ³ ✓ Hafren Dyfrdwy
Water discharge permit compliance data			
Water Resources licence compliance data			
<i>Used together for 2018 data in this report</i>			

Table 1: to explain the different water company sources of data used in this report as Hafren Dyfrdwy was formed midway through 2018

For the 10 largest water and sewerage companies in England and Wales, which includes Dŵr Cymru Welsh Water, we use Environmental Performance Assessment (EPA) metrics and a methodology we have agreed with the Environment Agency. This means we can consistently report and benchmark the performance of Dŵr Cymru against the rest of the water and sewerage companies in England and Wales.

Although we won't be reporting performance against the EPA metrics in full for Hafren Dyfrdwy in this report, we will use similar themes, for example pollution incidents and permit compliance. We will also look at how performance in 2018 compares to the preceding years, using data from the same operating area that Hafren Dyfrdwy are now responsible for (see Table 1 above for more detail).

Future reporting

We are currently working with the Environment Agency to review the EPA metrics for 2020 onwards. As part of this work we will be looking at the options for all water and sewerage companies in England and Wales – large and small.

Any changes to how we assess Hafren Dyfrdwy would be used in 2021, when we report the company's performance for 2020.

³ As permit transfers/variations were completed post-1 July 2018 we include all three companies to make sure all permit non-compliances and incidents are captured in this report.

4. Pollution incidents

As a regulator we respond to a wide variety of pollution incidents, some of which are from water company assets and networks. We report on how many incidents each water company is responsible for to drive continued reduction in their overall number of pollution incidents. The aim is to reduce incidents to zero.

In 2018 we saw the lowest number of Category 1-3 pollution incidents in the operating area that Hafren Dyfrdwy now manage, with only six. All six had a Category 3 (Low) impact to the environment. Four were sewerage related and two were clean water related. Clean water incidents relate to water supply services, including water treatment works and water distribution systems (potable water mains).

	Where did the pollution incident originate? (Asset type)	Does the asset hold an environmental permit?	No. of incidents from this asset type in 2018	Category of environmental impact
Sewerage	Foul sewer	No, not applicable	2	Low, category 3
	Sewage treatment works	Yes	1	Low, category 3
	Combined sewer overflow	Yes	1	Low, category 3
Clean water	Water treatment works	Yes	1	Low, category 3
	Water distribution system	No, not applicable	1	Low, category 3

Table 2: to show where the pollution incidents that occurred in 2018 originated from (asset type) and if they are permitted

We recommend that Hafren Dyfrdwy focus on reviewing whether the pollution incidents that were caused by permitted assets could have been avoided and take prompt action on any lessons learnt. And for the company to confirm that any telemetry and alarm data available for the sites are being used effectively to minimise the risk of reoccurrence.

Sewerage incidents

As the graph below shows, the number of pollution incidents since 2015 has seen a steady year-on-year reduction. We are pleased with the steady, consistent decrease showing to four sewerage incidents in 2018, which is the lowest number to date. We will be looking to see a continued reduction in 2019, aiming to reduce the number of sewerage pollution incidents to zero.

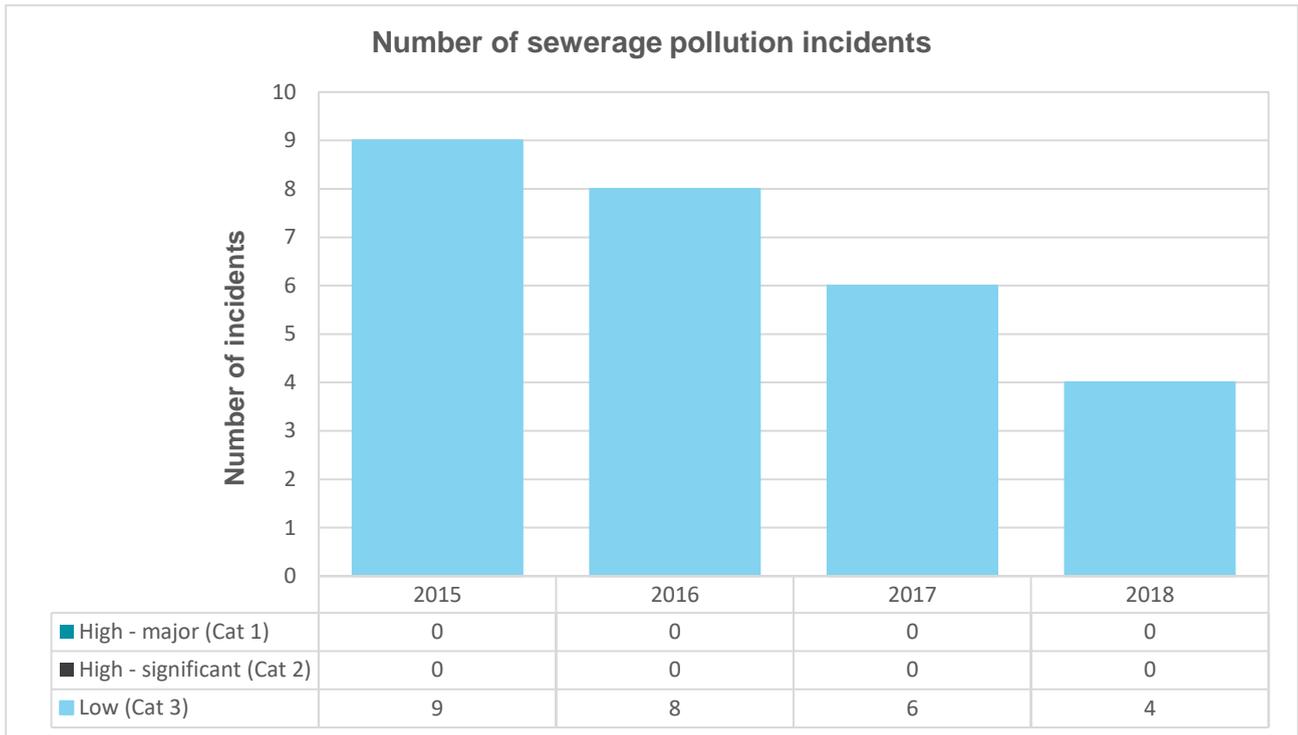


Figure 1: graph showing the number of sewerage incidents and their impact category 2015-2018

Clean water

As the graph below shows, clean water incidents have fluctuated between 1 and 3 since 2015. There have only been Low (Category 3) incidents, with no serious pollution incidents (Category 1 & 2) during this time.

There were two incidents in 2018, one from a permitted water treatment work and one from the water distribution system; both had a Low (Category 3) impact. We will be looking for stabilisation in these numbers in 2019, as shown with sewerage incidents above, aiming to reduce to zero.

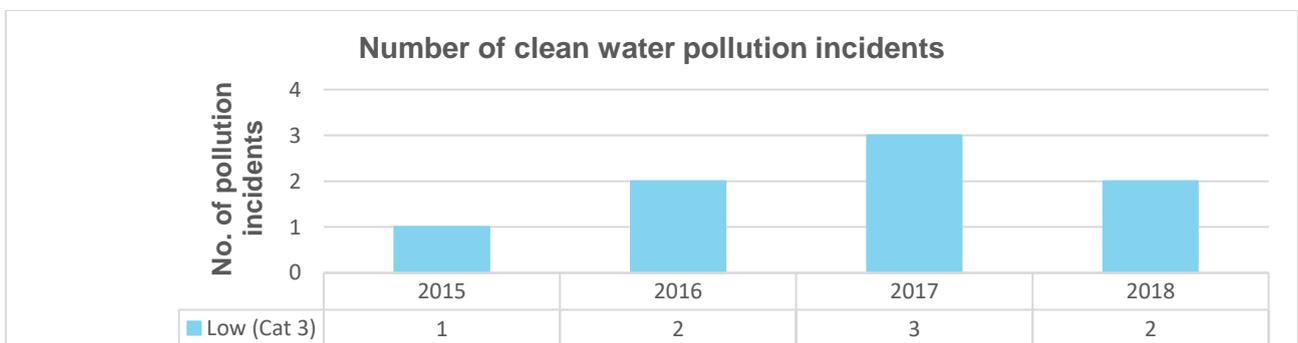


Figure 2: graph showing the number of clean water incidents and their impact category 2015-2018

5. Self-reporting incidents

We would like to see water companies self-report⁴ as many of their incidents as possible.

This means we can be more confident that the water company:

- understands their assets and networks better;
- continually looks for ways to improve how they predict pollution incidents, including using their own telemetry data to improve levels of self-reporting;
- use 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.

In 2018, we are pleased to report that 100% (6 out of 6) incidents were self-reported.

We will be looking for the company to push for all incidents to be self-reported again in 2019 and stabilise this performance trend at 100%

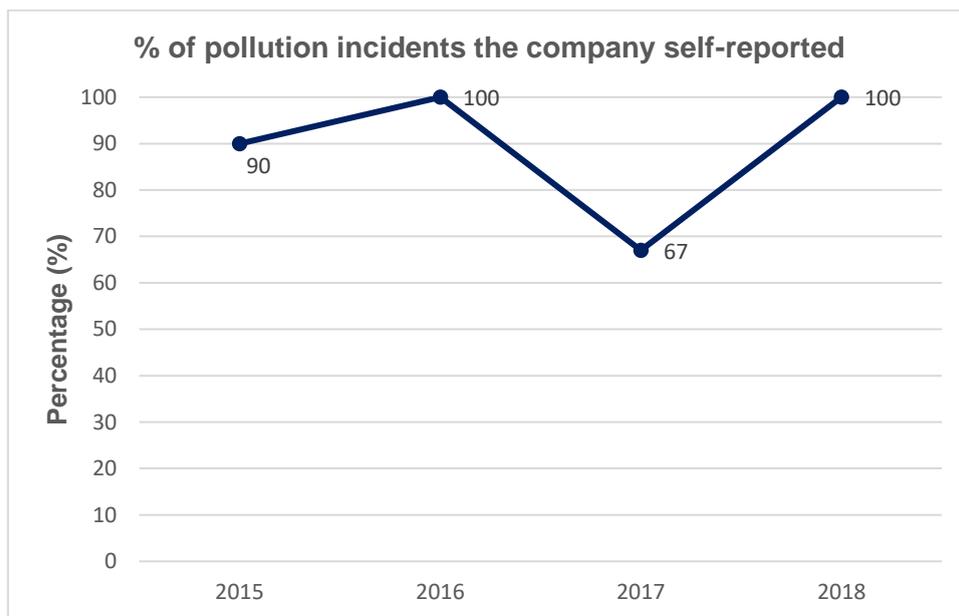


Figure 3: graph showing the percentage of clean water and sewerage incidents the company self-reported 2015-2018

⁴ To report an incident to us, call our Incident Hotline on 03000 65 3000

6. Water discharge permit compliance

As a regulator we issue permits for water discharges, which includes treated discharges from water company sewage treatment works and water treatment works. The permits will require the discharge to meet specific criteria to make sure there's no deterioration to the water environment. Water companies self-monitor their discharges and provide data to us which we assess for compliance. We would expect all permit conditions to be complied with.

As the two graphs below show, all sites complied with their numeric permit limits in 2018. This is reassuring to see and demonstrates that Hafren Dyfrdwy are managing their 39 numeric sewage treatment works, and five numeric water treatment works well.

Sewage treatment works

Sewage treatment works in the operating area Hafren Dyfrdwy now manage have been consistently compliant, with 100% compliance with numeric permit limits since 2015, as the graph below shows.

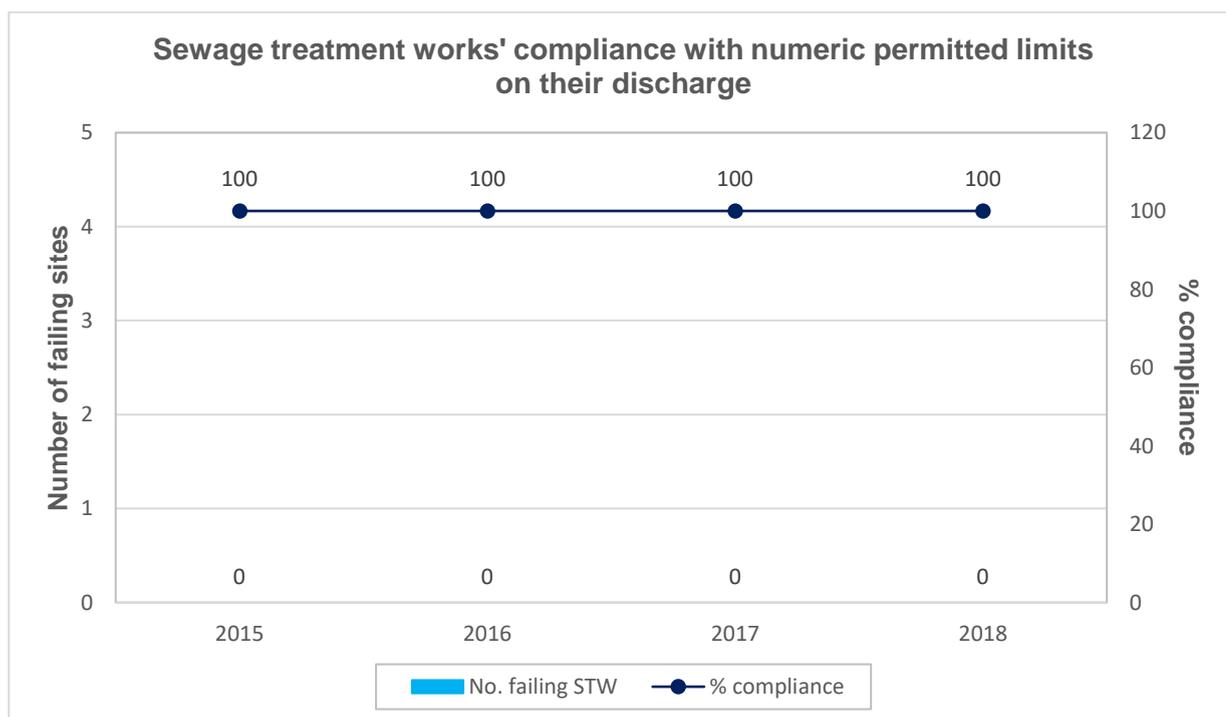


Figure 4: graph showing sewage treatment works' compliance with their permitted numeric limits 2015-18

Water treatment works

Water treatment works' compliance shows more variation, as the graph below shows. In 2015, 2017 and 2018 all water treatment works were compliant with their numeric permitted limits. However, in 2016 two water treatment works failed their numeric permitted limits. We would like to see the recent 100% compliance continuing into 2019, to demonstrate stabilisation in this area of performance.

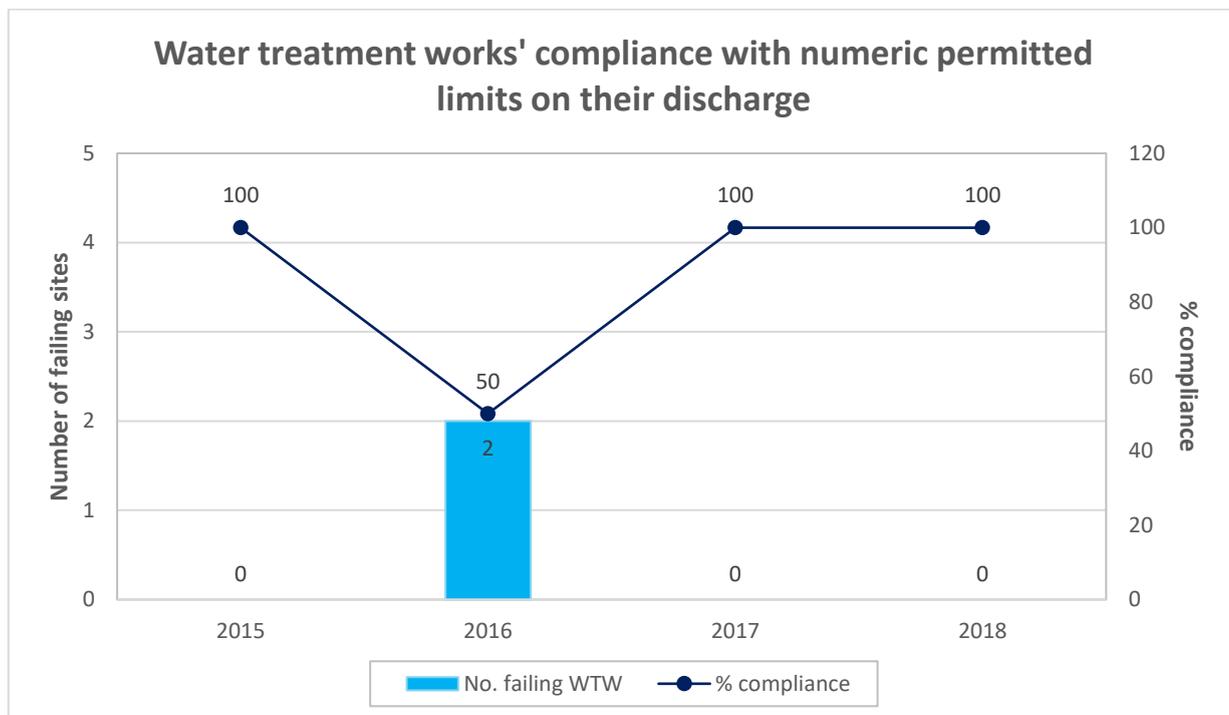


Figure 5: graph showing water treatment works' compliance with their permitted numeric limits 2015-18

We assessed compliance of the three permitted sites that caused pollution (as detailed on page 5). We identified breaches of permit condition at each site, which required action as appropriate; two sites were issued with a warning. We also carried out a proactive inspection of one of the company's large sewage treatment works, which was assessed as compliant.

Flow

Two sites exceeded their Dry Weather Flow (DWF) permitted limit, resulting in the sites receiving more sewage than permitted. Hafren Dyfrdwy are also investigating three of their sites they consider to be at risk of failing their flow to full treatment (FFT) permitted limits, which means they may not be treating the amount of flow required by their permits. The company have demonstrated that they are proactively investigating these sites with an aim of securing full compliance. They have also ensured an improved internal management system is in place for MCERTS re-certification and all sites are currently compliant.

7. Water resources

Water resources licence compliance

With the prolonged dry weather Wales experienced during Summer 2018, our regulatory work had a focus on water resources compliance assessments during this period. We undertook proactive water resources licence inspections and audits.

Six water resources inspections were carried out in 2018 at Hafren Dyfrdwy and Severn Trent in Wales licensed sites. Two were compliant with their licence conditions; four were non-compliant, with seven separate breaches identified. All the breaches were Category CCS3⁵ which means they are likely to have minor/low impact to the environment. Two of the non-compliant sites were issued with warnings, whilst the other two were provided with advice and guidance.

Security of Supply Index

The Security of Supply Index (SoSI) measures the extent to which the company can guarantee provision of its levels of service for restrictions of water supply (e.g. Temporary Use Bans) if the previous year had been dry. The SoSI index score for 2018 met the target at 100.

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 statutory requirement for water companies in Wales to prepare, maintain and publish water resources management and drought plans. These are published every five years.

For the latest information on Hafren Dyfrdwy's water resources management plans please refer to their website: www.hdcymru.co.uk/about-us/plan-and-strategy/water-resource-planning/water-resource-management-plan

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

- Water Resources Planning: naturalresources.wales/about-us/what-we-do/water/water-resource-management-planning
- Drought: naturalresources.wales/guidance-and-advice/environmental-topics/water-management-and-quality/drought

Leakage and water use

Due to different reporting timescales for water resources, we are unable to include the most up to date information in this report. However, we work with Ofwat to publish a wide variety of water company data which includes leakage rates and water use and will be available at discoverwater.co.uk.

⁵ CCS (Compliance Classification Scheme) categories are the way we categorise non-compliance breaches. They are on a scale between 1-4, CCS1 is most likely to have a serious impact on the environment to CCS4 which is likely to have little or no impact. CCS category 3 is likely to have minor impact to the environment.

8. Other regulatory work

Enforcement

In 2018 we took no enforcement action⁶ against Hafren Dyfrdwy, Dee Valley Water or Severn Trent Water for offences in Wales.

Delivery of the National Environment Programme (NEP) as part of Asset Management Programme (AMP)

Hafren Dyfrdwy have completed 100% of their expected Year 4 outputs from their Asset Management Plan 6 (AMP 6) National Environment Programme (NEP). The improvements delivered by the programme will mean assets achieve higher standards and deliver water quality improvements.

We will be changing management of Hafren Dyfrdwy's programme, which is currently included in Severn Trent Water's AMP6 NEP. In future we will be managing Hafren Dyfrdwy's programme separately. We will work with Hafren Dyfrdwy to ensure the remaining part of the AMP6 programme is delivered by 2020.

Sludge use and disposal

There are no sludge disposal activities within Hafren Dyfrdwy's operating area.

Reservoirs

Hafren Dyfrdwy manage 16 Large Raised Reservoirs (LRRs) in Wales with a raised capacity greater than 10,000m³ which we regulate under the Reservoirs Act 1975. The purpose of this law is to prevent an uncontrolled release of water and subsequent flooding of downstream communities. Every LRR must undergo statutory periodic inspection and implement the recommendations made by an independent Inspecting Engineer. These reservoirs must also always be supervised by a qualified civil engineer and records kept of principal information and monitoring activities.

We receive regular correspondence from Hafren Dyfrdwy's Dam Safety Team and compliance levels are high. At the time of this report there are no outstanding measures to be taken in the interests of safety.

⁶ Enforcement action includes formal caution, prosecution and enforcement undertaking. Warnings are not included here.

Flood Risk Management

Under the Flood and Water Management Act 2010, water and sewerage companies are defined as risk management authorities. They are required to act in a manner consistent with the National Strategy for Flood and Coastal Erosion Risk Management in Wales and have a duty to cooperate with other risk management authorities in Wales.

Every few years we produce a report for the Welsh Ministers about how flood risk and coastal erosion is managed across Wales and about the activities underway to raise awareness and increase resilience of those who are at risk. We do this on behalf of all Risk Management Authorities who operate in Wales, therefore we will include Hafren Dyfrdwy. Work is underway on the 2017/18 report – please refer to our [Flood and coastal erosion risk in Wales](#) webpage later in 2019 when it is published.

9. Performance expectations for 2019

We would like Hafren Dyfrdwy to:

- maintain 100% compliance with permitted numeric limits
- maintain self-reporting of all pollution incidents
- maintain the SoSI index score at 100
- continue to reduce pollution incident numbers, aiming for zero incidents
- continue to deliver Asset Management Plan (AMP) improvement schemes to deadline.



**Cyfoeth
Naturiol**
Cymru
**Natural
Resources**
Wales

Published by:
Natural Resources Wales
Cambria House
29 Newport Road
Cardiff
CF24 0TP

0300 065 3000 (Mon-Fri, 8am - 6pm)

enquiries@naturalresourceswales.gov.uk
www.naturalresourceswales.gov.uk

© Natural Resources Wales

All rights reserved. This document may be reproduced with prior permission of
Natural Resources Wales