

July 2019

Trust in water

# PR19 draft determinations

**Hafren Dyfrdwy – Targeted controls, markets  
and innovation actions and interventions**

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## PR19 Draft Determinations: Hafren Dyfrdwy – Targeted controls, markets and innovation actions and interventions

Following our initial assessment of plans, we categorised two types of actions for slow-track and significant scrutiny companies:

- required actions for companies which in general were required for draft determinations (or final determinations for some aspects of past delivery); and
- advised actions for companies to do by a specific date but that are not required for our draft determinations.

Table 1 below sets out the required and advised actions, a summary of the company’s response to the action, our assessment of the company’s response, and any further interventions we are making as part of the draft determination.

Each action has a unique reference. The prefix ‘HDD’ denotes the company Hafren Dyfrdwy. The central acronym references the test area where the action has been identified, please see the ‘PR19 draft determinations: Glossary’ for a key to these acronyms. Actions whose numbers are preceded with an ‘A’ denote required actions and actions whose numbers are preceded with a ‘B’ denote advised actions.

Table 2 below sets out any further interventions that are not resulting from an action which we are making as part of the draft determination.

Each further intervention that is not resulting from an action has a unique reference. The prefix ‘HDD’ denotes the company Hafren Dyfrdwy. The central acronym references the test area where the action has been identified, please see the ‘PR19 draft determinations: Glossary’ for a key to these acronyms. Intervention numbers are preceded with a ‘C’.

For all other documents related to the Hafren Dyfrdwy draft determination, please see the [draft determinations webpage](#).

**Table 1: Hafren Dyfrdwy’s response to required actions and interventions for draft determinations**

Test area	Action reference	Action type	Action	Date required	Summary of company response to action	Our assessment and rationale	Required interventions
Targeted controls, markets and innovation	HDD.CMI.A1	Required	The company should provide commitment to submit a work programme by end August 2019 explaining how the company will deliver appropriate drainage and wastewater management plans by 2022. The programme should include timelines engagement with stakeholders, consultation and finalisation of the plans in early 2023 to inform PR24 business plans	1 April 2019	The company has provided a commitment in its 1 April 2019 submission.	No intervention required.	N/A
	HDD.CMI.A2	Required	The company should revise its bid assessment framework to address our concerns around the lack of detail on the bidding process and lack of transparency.	15 July 2019	The deadline for the updated bid assessment framework document was 15 July 2019. We have not yet analysed the submissions.	N/A	N/A

	HDD.CMI.B1	Advised	The company should consider how it can collaborate with other companies to deliver innovation.	1 April 2019	The company mainly discusses working with third party stakeholders and this is largely related to drafting their business plan rather than collaboration to lead to innovation. There is one example of collaboration with Severn Trent Water but it is still in the planning stages. There is no evidence of collaboration with other water companies which has led to innovation. The examples given appear to be "business as usual" and potentially best practice rather than true collaboration on shared concerns across the sector which may lead to innovation.	No intervention required.  We remain concerned that the company is not maximising the opportunities available from collaborating to address common challenges. We will promote innovation in the sector as part of our on-going work on innovation.	N/A
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**Table 2: Further interventions for draft determinations**

Intervention reference	Our assessment and rationale	Interventions
N/A	N/A	N/A

Ofwat (The Water Services Regulation Authority) is a non-ministerial government department. We regulate the water sector in England and Wales. Our vision is to be a trusted and respected regulator, working at the leading edge, challenging ourselves and others to build trust and confidence in water.

Ofwat  
Centre City Tower  
7 Hill Street  
Birmingham B5 4UA

Phone: 0121 644 7500  
Fax: 0121 644 7533  
Website: [www.ofwat.gov.uk](http://www.ofwat.gov.uk)  
Email: [mailbox@ofwat.gov.uk](mailto:mailbox@ofwat.gov.uk)

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