August 2026

Notification of the PR24 cost change process draft determination for Wessex Water

Ofwat

Ruth Jefferson
Chief Executive Officer
Wessex Water Services Limited
Claverton Down Road
Claverton Down
Bath
BA2 7WW

Dear Ruth

Cost change draft determination 2026

13 August 2026

I enclose in Appendix 1, the cost change draft determination by the Water Services Regulation Authority (Ofwat), including proposed changes to Price Controls for the period from 1 April 2027 to 31 March 2030.

This draft determination is published on our website. We also publish the following documents, which support our cost change draft determination for Wessex Water:

- Cost change draft determinations 2026 - Sector Overview;
- Cost change draft determinations 2026 – Price control deliverables appendix;
- Cost change draft determinations 2026 – Asset health cross cutting issues appendix;
- Cost change draft determinations 2026 PCD files for asset health and PFAS; and the suite of
- Cost change draft determinations 2026 models for PFAS and Asset health.

In accordance with sub-paragraph 15ZA.1 of Condition B: Charges of Wessex Water Services Limited's appointments as a water and sewerage undertaker, Ofwat now gives notice of its intention to determine the questions set out in sub-paragraph 15ZA.3 of Condition B in relation to the following Eligible Item(s):

- 2. Per- and poly fluoroalkyl substances (PFAS)
- 3. Asset health

I enclose the following additional information relevant to our decisions within the appendices of this document:

Appendix 2: the impact of our draft determination on Wessex Water's customers' bills from 1 April 2027 to 31 March 2030 and price controls.

Appendix 3: Our draft determination on how Wessex Water's expenditure allowances are funded.

Appendix 4: Our detailed assessment of, and decision on, Wessex Water's submitted claims.

Wessex Water should ensure that it reads all the information referred to above before responding to this consultation. The closing date for responding to this draft determination consultation is 24 September 2026. Wessex Water has published its cost change submission on its website. We include a link to this publication on our website.

Yours sincerely,

Helen Campbell

Executive Director, Delivery

Contents

Appendix 1: Cost change draft determination

In Wessex Water's 2026 cost change submission, we received 4 claims across the following cost areas:

- PFAS
- Asset health: Boreholes
- Asset health: Gravity sewers inspections
- Asset health: Gravity sewers rehabilitation

Table 1 below provides a summary of our draft determination total cost change expenditure allowance compared to the cost change expenditure you requested in your submission. We explain our decisions in Appendix 4 of this document.

Table 1: Breakdown of the difference between Wessex Water's view and Ofwat view of costs (£million, 2022-23 FYA CPIH prices)

	2025-30 period	2030-35 period
Company total cost change claim	80.5	0.2
Ofwat 'insufficient evidence of need' or 'out of scope of cost change process' assessment[1]	-0.2	0.0
Company total 'in scope' cost change claim[2]	80.3	0.2
Ofwat 'best option' challenge[3]	0.0	0.0
Ofwat efficiency challenge[4]	0.0	0.0
Ofwat draft determination cost change allowance	80.3	0.2

Our draft determinations include price control deliverables (PCDs) to hold Wessex Water to account for delivery. Our approach to PCDs is set out in the Cost change draft determinations 2026 – Price control deliverables appendix.

The impact of our draft determination for revenue and regulatory capital value (RCV) adjustments by price control are set out in tables 2 and 3 below.

[1] Details of costs excluded are set out in Appendix 4.
[2] The company's total eligible cost claim that demonstrates the need for the required step change in investment and is within the scope of the cost areas.
[3] Our review of the company's evidence of optioneering and associated cost benefit analysis and that the options put forward are the best option for customers.
[4] Our review of the company's evidence of efficient unit costs and associated methodology.

Table 2: Wessex Water's draft determination revenue adjustments by price control and when they apply (£million, 2022-23 FYA CPIH prices)

	Water resources	Water network plus	Waste-water network plus	Bio-resources	Total
Total in-period revenue adjustment for 2027-28	0.096	1.599	3.425	0.000	5.120
Total in-period revenue adjustment for 2028-29	0.301	-0.867	-2.516	0.000	-3.082
Total in-period revenue adjustment for 2029-30	0.608	2.744	4.550	0.000	7.903
Total end of period revenue adjustment at PR29	0.000	0.000	0.617	0.000	0.617

Table 3: Wessex Water's draft determination RCV adjustments by price control (£million, 2022-23 FYA CPIH prices)

	Water resources	Water network plus	Waste-water network plus	Bio-resources	Total
Total end of period RCV adjustment at PR29	8.125	20.975	46.131	0.000	75.231

Table 4 sets out the impact of our draft determination on the company's last determined price controls[5].

Table 4: Draft determination changes to price controls for Wessex Water

Price control		2025-26	2026-27	2027-28	2028-29	2029-30
Water resources (K factors)	Last determined	3.66	13.81	-7.10	6.34	6.45
	Revised	3.66	13.81	-6.69	5.89	6.45
Water network plus (K factors)	Last determined	13.36	-6.32	3.67	6.55	6.62
	Revised	13.36	-6.32	4.60	5.64	6.62
Wastewater network plus (K factors)	Last determined	22.36	8.06	7.23	5.99	6.10
	Revised	22.36	8.06	8.18	5.09	6.10
Bioresources (unadjusted revenue, UR_t £m, 2022-23 FYA CPIH prices)	Last determined	44.770	45.017	48.033	48.374	48.706
	Revised	44.770	45.017	48.033	48.374	48.706

[5] For Wessex Water, the last determined priced controls are those redetermined by the Competition and Markets Authority.

Appendix 2: Impact on Wessex Water's customers' bills and price controls

The average bill increase for customers of Wessex Water, in absolute and relative terms, is set out in table 5. This is the average bill increase for all customer classes as a result of our cost change decisions. The bill increase for each customer class will be different.

Table 5: Average bill increase above the CMA redetermination due to cost change process[6]

Company	2027-28 £	2029-30 £
Wessex Water	4	7

[6] This is the average bill increase for all customer classes as a result of our cost change decisions when compared to the average bill as redetermined by the Competition and Markets Authority. The bill increase for each customer class will be different.

Appendix 3: Our decisions on how we fund Wessex Water's expenditure allowances

Wessex Water requested in-period funding for its cost change allowances in its submission.

We must determine whether expenditure allowed in the cost change process requires a change to company price controls to allow in-period funding. The cost change guidance notes set out our approach to assessing whether to provide in-period or end of period funding for allowed expenditure. The factors we consider are summarised in section 5 of PR24 Cost change draft determinations 2026 – Sector overview document. Where we provide in-period revenue adjustments, this consists of:

- any pay as you go expenditure reflecting opex allowances;
- allowed return on any committed additions to RCV, based on the allowed return in companies' PR24 determination;
- run-off on any committed additions to RCV based on the final determination RCV run-off rates for the relevant wholesale controls; and
- where applicable, we will also provide issuance costs for additional required equity identified within the financial model at the same rate as for the final determinations of 2.5% of new equity.

For Wessex Water we allow in-period funding for some of the allowed expenditure. Details of the revenue adjustments are set out in appendix 1 of this document. Our decision reflects our consideration of the relevant factors in the round.

- We provide in-period revenue funding for £24.5 million allowed expenditure during the 2025-30 control period related to PFAS. This funding will allow Wessex Water to progress this work during the current price control period. We will make an adjustment to RCV at 31 March 2030 for allowed totex not recovered in-period.
- We provide in-period revenue funding for £55.8 million allowed expenditure during the 2025-30 control period related to asset health. This funding will allow Wessex Water to progress this work during the current price control period. We will make an adjustment to RCV at 31 March 2030 for allowed totex not recovered in-period.
- We do not provide in-period funding for £0.6 million of allowed expenditure for Wessex Water's gravity sewers inspections claim. We set out in our PR24 Cost change guidance for gravity sewers, that any adjustments to allowances for increased gravity sewer inspections would be funded through an end-of-period adjustment.[7] Funding for the gravity sewer inspections allowances will be provided

[7] Ofwat, 'PR24 Cost change process: Gravity sewers investment assessment guidance' February 2026, p.9

through an adjustment to RCV at 31 March 2030 and an adjustment to revenues over the 2030-35 price control period.

In our assessment we carefully considered the financial impact of the additional expenditure we allow and how a company is progressing against delivery of its existing investment programme. We set out our assessment of these below.

Our assessment did not identify a financeability constraint for Wessex Water. However, we consider the company has provided evidence that the company remains on-track to deliver its commitments over the 2025-30 price control period. Wessex Water also provided evidence that customers supported paying for the additional investment during the current price control period. Consequently, our draft determination is to provide in-period funding for the allowed asset health expenditure.

We expect Wessex Water to set out, or update, its consideration of the impact of both the cost change and outcome delivery incentives (ODI) payment processes in its response to the draft determination[8]. This should take account of our draft determinations and its view of this and any other factors or changes since it submitted its claims during the March to May window. This should take account of the latest view on progress on delivering existing investment programmes.

A3.1 Delivery assessment

2025-30 delivery

We reviewed the company's May 2026 delivery plan update. On balance, although we have concerns about the company's output forecasts, overall, we consider that the company provides sufficient and convincing evidence to demonstrate that it remains on track to deliver its PR24 commitments by the end of 2025-30 period. We provide a summary of our assessment below for water and wastewater.

Water

In its May 2026 delivery plan update, the company showed the following positive indicators in relation to 2025-30 delivery progress:

- The company showed good progress in relation to water price control deliverables (PCD outputs), delivering its baseline target in 2025-26 (see section below on delivery in 2025-26).
- The company reported meeting nearly all of its water interim milestones (94%) in 2025-26.

[8] see cost change guidance, IN 26/01 Submission of cost change applications.

- The company is forecasting to have 67% of its capital projects in construction or delivered by the end of 2027-28.
- The company remains confident that it will deliver 100% of its PCD outputs by the end of the 2025-30 period.

However, there are still some indicators that raise concerns in relation to the company's delivery forecasts:

- The company is expecting to have 52% of schemes released to the supply chain by the end of 2026-27. This is below the sector average and so we have concerns that this could lead to slippage later in the 2025-30 period. However, we understand that most of the company's capital schemes are due in 2030-35.
- The company underspent its water PCD allowances by 39% in 2025-26. This suggests there may be some slippage in the delivery plan. The company is forecasting to slightly underspend by the end of the 2025-30 period.

Wastewater

In its May 2026 delivery plan update, the company showed positive indicators in relation to 2025-30 delivery progress:

- The company showed good progress in relation to wastewater PCD outputs, delivering more than its baseline target in 2025-26 (see section below on delivery in 2025-26).
- The company met most of its wastewater interim milestone targets (88%) in 2025-26.
- The company spent most of its wastewater PCD allowances in 2025-26 and is forecasting to slightly overspend PCD allowances by the end of 2025-30 period.
- The company remains confident that it will deliver all of its PCD outputs by the end of the 2025-30 period.

However, the company is only expecting to have released around 49% of its capital schemes to the supply chain by the end of 2026-27. This is below the sector average and so we have concerns that this could lead to slippage later in the period.

Delivery in 2025-26

Based on its May 2026 delivery plan update, the company has demonstrated that it is not behind delivery in 2025-26:

- On water, the company reported delivering 11% more PCD outputs (in value terms) in 2025-26 compared to baseline target.

- On wastewater, the company reported delivering 13% more PCD outputs (in value terms) in 2025-26 compared to baseline target.

A3.2 Financeability assessment

Wessex Water requested in-period funding within its cost change submission. Wessex Water provided analysis of the impact of the cost change process on its financeability in the absence of in-period revenue, The analysis set out that the financial ratios, gearing, adjusted interest cover (AICR), and funds from operations to net debt (FFO/net debt) all showed unfavourable movements. However, the company also set out that it considered that in-period revenue adjustments should be the default option, rather than an end-of-period revenue award.

Wessex Water argued that in-period revenue adjustments are in the long-term interests of customers as it would minimise the whole life costs to the customer and would maintain the smoothest bill profile for customers between price control periods. It also argued that in-period revenue adjustments most closely replicate the natural profile of allowed revenues, had the totex claim been allowed at PR24, reducing any lag between expenditure, financing costs and their associated revenues.

The company argued that earlier payment of costs offered the best value for customers based on analysis of the present value of future cash outflows. This is based on discounting future payments to present value using the social time preference rate (STPR), which at 3.5% is lower than the allowed return on capital.[9] We address these issues in the PR24 cost claim draft determinations 2026 sector overview report.

We have set out our approach to assessing financeability in annex A2.2 of the PR24 cost claim draft determinations 2026 sector overview report. We have assessed Wessex Water's financeability on the basis of the notional capital structure within a copy of the CMA's final determinations financial model by adding in the additional cost allowances in our draft determination. We have maintained other assumptions, including the allowed return on capital, in line with the final determinations that applied to Wessex Water. Our financeability assessment assumes the company spends its totex allowances according to the profile set out in the final determinations and has no under- or out-performance.

In the round, we consider that Wessex Water remains financeable without the provision of in-period revenue adjustments. AICR on average over 2025-30 remains significantly above the guidance for a Baa1/BBB+ rating, and for the remaining years of this price control period. FFO/net debt is marginally below guidance on average at 9.6% versus 10.0% but this is driven by a low ratio in the first year. FFO/net debt is above guidance

[9] The STPR reflects how society values present consumption versus future consumption. The STPR is current set at 3.5% in real terms for the first 30 years of a proposal in HM Treasury's Green Book.

for all years from 2026-29 but falls to 9.7% in 2029-30. We consider that on average the financial ratios support the target credit rating, with an opportunity to address the lower ratio for 2029-30 at the next price review.

Appendix 4: Our assessment of and decision on Wessex Water's submitted claims

This appendix sets out our detailed assessment of, and decision on, each of the company's 2026 cost change claims. It should be read alongside the documents specified in the first paragraph of this draft determination.

In its response to the draft determination, the company should confirm, to the extent that it has not already done so, which proposed schemes could impact sites of special scientific interest (SSSIs) or land in National Parks, or areas of outstanding natural beauty.

A4.1 Asset health

4.1.1 Boreholes

Assessment criteria	Assessment	Decision	
		Criteria	Adjustment (applied and/ or conditional)
Summary of request	Wessex Water has requested £7.156 million of additional funding for the 2028-30 period to deliver improvements at 20 borehole assets. This includes interventions to clean and deep clean 18 assets and redrill two boreholes. The company states that the interventions are targeting assets which have asset deterioration and no longer able to yield abstraction levels in line with the required licenced level and present water availability and outage risks.		
Need for a step change in investment	**Decision summary** - We exclude £0.204 million of investment items as these are out of scope of the asset health cost change process. **Pass.** For the £1.998 million of the proposed investment, relating to refurbishment interventions, the company provides sufficient and convincing evidence for a 'Need for step change in investment'.	**Conditional Pass**	**£0.204 million excluded as out of scope**

Assessment criteria	Assessment	Decision	
		Criteria	Adjustment (applied and/ or conditional)
	Conditional Pass. For the remaining £4.958 million of expenditure request related to borehole redrill interventions, the company provides evidence to show that the assets are deteriorating and that the yield from the boreholes is dropping below the current licenced level. However, the company does not provide clear evidence to demonstrate that the licence level of abstraction is required. To achieve a pass, the company, in its response to the draft determination should provide sufficient and convincing evidence to demonstrate the licence level requirements for the redrill assets are required based on Water Industry National Environment Programme (WINEP) studies and align with the Environment Agency requirements. **Company evidence** - The company provides evidence to show that around 17% of its borehole assets are considered life expired. Over an asset base of 155 boreholes, 17% are assessed to be in condition grade 4 or 5[10]. Over the last 10 years, there has been 1 replacement and 82 refurbishments per 5 year investment period (2015-2020 and 2020-2025)[11]. The company states that existing base funding allowance is insufficient to address the structural backlog and major redrills required to maintain the asset base. The company provides detailed deterioration information for the two redrill sites, including the rationale for prioritising these sites for redrill intervention. The company highlights external pressures that increase the importance of maintaining borehole capability, including expected groundwater abstraction licence reductions that could reduce deployable output by around 54 megalitres per day (approximately 18%) by 2035, alongside growing water quality and resilience challenges. The company provides information relating to Water		**£4.958 million conditional pass**

[10] Wessex Water Cost Change Submission – Asset Health – Boreholes, p 20 Table 5.
[11] Wessex Water Cost Change Submission – Asset Health – Boreholes, p 10 Table 2.

Assessment criteria	Assessment	Decision	
		Criteria	Adjustment (applied and/ or conditional)
	Industry National Environment Programme (WINEP) studies at the redrill sites, regarding the future allowable abstraction licence levels. **Our assessment** - We accept the company's view of 'what base buys' (implicit allowance) across its asset proposals, which is clear and in line with a view of what base buys based on historical sector expenditure rates. This provides reassurance that the requested investment is incremental to base allowances, and that customers are not paying twice for investment.[12] We exclude costs (£0.204 million) associated with two refurbishment interventions, which are out of scope due to the assets being out of service[13]. This value is calculated based on the average cost of refurbishment intervention. The company should exclude these costs in response to the draft determination based on the exact costs assumed for the sites detailed below. Further information about the general rationale behind exclusions is provided in the Cost change draft determinations 2026 – Asset health cross cutting issues appendix, section 4 Scope Boundaries. The sites, costs and associated exclusions by investment period, from the company's request are as set out below. [redacted]		

[12] Our assessment and further detail can be found in 'Cost change draft determinations 2026 – Asset health cross cutting issues appendix'

[13] Costs of sites excluded have been calculated using number of interventions provided in Query Response ref OFW-WSX-CCP-002 – Operational sites query table

Assessment criteria	Assessment	Decision	
		Criteria	Adjustment (applied and/ or conditional)
	[redacted] [redacted] [redacted] Source Data: Query Response ref, OFW-WSX-CCP-008– response (for date out of service), Wessex Water- PR24 Cost Change Submission – Asset Health - Boreholes- Page 37 for cost information used in the average cost of refurbishment calculation. For £1.998 million of the proposed investment, relating to refurbishment interventions, the company provides sufficient and convincing evidence to demonstrate that it meets the "Need for step change in investment". The company identifies a high number of boreholes in unsatisfactory condition (grades 4 or 5). The company also provides historical expenditure showing investment and intervention levels over the last 10 years at a high level relative to the implicit allowance[14]. The company evaluates the investment in recent years to be 'sufficient to prevent further decline and impact on service' but still leaving a high number in 'poor structural condition' (25 assets / 17% of their asset base). It also identifies a need to replace or refurbish 20 assets during the 2025-30 period via "expired life" analysis, these interventions appear to be met by base funding. The evidence presented demonstrates the need for investment for the refurbishment activities. The need for investment is supported by our assessment that there is a sector-wide health issue for boreholes. This indicates that poor health of boreholes reflects a broader, systemic challenge which may require additional allowances.[15]		

[14] Wessex Water Cost Change Submission – Asset Health – Boreholes CONFIDENTIAL.pdf, section 2.1.1, pp.9-10, Table 1, Table 2.
[15] Further detail can be found in the 'Cost change draft determinations 2026 – Asset health cross cutting issues appendix'

Assessment criteria	Assessment	Decision	
		Criteria	Adjustment (applied and/ or conditional)
	For the £4.958 million of the proposed investment relating to redrill interventions, we consider there to be evidential gaps in demonstrating sufficient and convincing evidence to meet the requirement for a "need for a step change in investment". To achieve a Pass for the conditional pass figure of £4.958 million at final determination, the company should provide sufficient and convincing evidence to demonstrate that the WINEP studies show that the licence levels proposed are required and supported by the Environment Agency for the two redrill sites. If this evidence is not provided in response to our draft determination, we may conclude that the company has not demonstrated sufficient and convincing evidence for this proportion of the investment to meet the criteria for the 'Need for a step change in investment' for the proposed investment		
Best option for customers	**Decision summary – Conditional Pass** The company demonstrates that optioneering has been undertaken but has not provided sufficient and convincing evidence that the selected interventions represent the best option for customers. **Company evidence** - The company presents a long list of potential intervention types to meet the identified need. There is a description for each option and detailed information for selection of the chosen sites for redrill interventions.	**Conditional Pass**	**10%**

Assessment criteria	Assessment	Decision	
		Criteria	Adjustment (applied and/ or conditional)
	The unconstrained long list and screened options are described against considerations for hydrogeological, environmental, outage, deliverability, supply chain and whole-life value before selecting a refurbishment and renewal programme.[16] The company applies an option assessment process for the chosen sites through an assessment matrix. Assessment considerations include CCTV asset condition, asset performance and water quality issues, criticality, historic rehabilitation performance, viability of refurbishment or replacement, failure mode and stakeholder agreement.[17] For option selection, standard or enhanced cleans are proposed where rehabilitation can extend asset life, with redrills limited to sites where cleaning no longer provides the required improvement. **Our assessment** - A credible high-level optioneering framework is presented for the selected sites. However, the company does not provide sufficient and convincing evidence at asset level to demonstrate that the selected programme represents best value for customers. There is no clear linkage between individual interventions and quantified costs, benefits or risk reduction. Benefits are also only described qualitatively and only for limited example schemes. In addition, the intervention decision hierarchy appears relatively simplistic and is		

[16] Wessex Water Cost Change Submission - Asset Health - Boreholes - CONFIDENTIAL.pdf, sections 3.2, 3.4 and 3.5.1, pp.25-28, Table 6, Figure 7.
[17] OFW-WSX-CCP-BH-1 – Options assessment matrix.xlsx, Summary and Options assessment sheets; OFW-WSX-CCP-006 - Response.docx, Query 2, lines L24-L27

<table>
<tr><th rowspan="2">Assessment criteria</th><th rowspan="2">Assessment</th><th colspan="2">Decision</th></tr>
<tr><th>Criteria</th><th>Adjustment (applied and/ or conditional)</th></tr>
<tr><td></td><td>not clearly informed by quantified cost, performance benefit or wider value considerations.[18].

Decision: To achieve a Pass at final determination, the company should provide sufficient and convincing evidence of:
• Site selection justification for sites listed for intervention; and
• Asset-level optioneering evidence, demonstrating that selected interventions outperform credible alternatives (e.g. refurbishment vs replacement) and represent best value.
If this evidence is not provided, we may apply a 10% cost challenge to reflect insufficient evidence that the proposals represent the best option for customers.</td><td></td><td></td></tr>
<tr><td>Robust and efficient costs</td><td>Decision summary – Pass
The company provides sufficient and convincing evidence that the proposed costs are broadly robust and efficient.

Company evidence - The company applies a structured costing methodology using external contractor quotations and recent historic costs for comparable schemes. The company also provides independent technical and commercial assurance from a reputable third party, which included a thorough assessment of cost methodology and cost efficiency. Costs are developed separately for refurbishment and redrill interventions. A breakdown of fixed and</td><td>Pass</td><td>0%</td></tr>
</table>

[18] Wessex Water Cost Change Submission - Asset Health - Boreholes - CONFIDENTIAL.pdf, section 3.5.2, pp.28-32, Figures 8-10; OFW-WSX-CCP-006 - Response.docx, Query 3, lines L28-L33

Assessment criteria	Assessment	Decision	
		Criteria	Adjustment (applied and/ or conditional)
	variable costs per activity type is provided for refurbishment activities, as well as cost breakdowns by intervention for redrills. A full breakdown of costs for redrill schemes has also been provided. The company also provides benchmarking evidence for selected intervention types, including independent benchmarking of redrill costs by a third-party consultant. **Our assessment** - The company provides sufficient and convincing evidence to demonstrate that it has adopted a structured and evidence-based approach to cost estimation. The use of external contractor quotations, recent historic delivery data and independent assurance provides confidence that costs are grounded in current delivery experience and market evidence. The company also provides sufficient and convincing evidence that some intervention types are efficient. Redrill costs have been independently reviewed by a third party and reported to be within expected ranges, c.9.5% more efficient than the external benchmark across both redrill sites. While benchmarking is referenced for other intervention types, detailed benchmarking outputs are not provided. The company has however provided third party assurance based on the invoices from two completed borehole interventions and concluded that costs were broadly reasonable and efficient (c.93% and 104% of the modelled costs respectively). Given the modelled costs were found to be closely aligned with the rebased outturn costs this provides confidence that estimates are representative of efficient delivery. Taken together, the structured costing methodology, benchmarking, assurance and outturn validation provide sufficient and convincing evidence to demonstrate that costs are robust and efficient, and no cost challenge is applied at draft determination.		

Assessment criteria	Assessment	Decision	
		Criteria	Adjustment (applied and/ or conditional)
Customer protection	**Decision summary – Adequate.** The company provides sufficient and convincing evidence to demonstrate that customers will be protected if the company under-delivers against the proposed investment. **Company evidence** - The company proposes Price Control Deliverables (PCDs) jointly covering both the investment to be delivered through existing PR24 base expenditure allowances and the investment delivered through the requested additional allowance. There is however a gap of around £230,000, which Wessex Water has stated is related to programme management resources. Non-delivery PCDs are split across borehole cleaning (standard method, enhanced clean) and borehole redrilling. **Our Assessment** - The company's proposed base PCD is in line with our expectations set out in the Asset Health assessment guidance. However, we propose an expenditure-based PCD for base allowances to provide flexibility and ensure consistency across all companies. The company's proposed non-delivery PCD tied to the requested additional investment is also reasonable and provides appropriate protection for customers against under-delivery. To address the gap between the proposed PCD and the requested additional allowance (programme management resources), we propose a PCD that closes this gap.	**Adequate**	

Assessment criteria	Assessment	Decision	
		Criteria	Adjustment (applied and/ or conditional)
	To enable us to protect customers , we propose to apply a PCD on the requested additional allowance which is tied to named schemes. Further detail on this PCD can be found in the Cost change draft determinations 2026 – Price control deliverables appendix.		
Investment delivery plan	**Decision summary – Adequate.** The company provides sufficient and convincing evidence to demonstrate that the programme is deliverable. **Company evidence** - The company provides a comprehensive risk register for the delivery of the interventions within the programme including mitigating actions[19]. There is evidence of engagement with supply chain for the larger interventions. Previous track record of delivery is demonstrated. High-level programme and delivery phasing is provided[20]. **Our assessment** - The company provides sufficient evidence to demonstrate that its proposed investment is deliverable in the timescales outlined. The company demonstrates: identification of key risks (e.g. operational, delivery capacity, material availability and environmental permitting); appropriate mitigation plans for any delivery risks; and a risk register detailing the impact and likelihood of the risks, with risk owners. The delivery of the redrill assets is dependent upon studies within the company WINEP programme and the timing of these redrills realistically reflected in the programme.	**Adequate**	

4.1.2 Gravity sewers inspections

Assessment criteria	Assessment	Decision

[19] Wessex Water Cost Change Submission - Asset Health - Boreholes - CONFIDENTIAL.pdf, section 6.2, pp.46-48, Table 14.
[20] WSX-CC26-BH-4 – Boreholes supporting information and summary delivery plan CONFIDENTIAL.xlsx

Approach and Robust and Efficient Costs	**Decision summary** The company has provided sufficient and convincing evidence that its sampling approach is appropriate and that its costs are efficient. We propose to provide the full allowance.	**Pass**
Customer Protection	**Decision – Adequate**. The company provides sufficient and convincing evidence that customers will be protected if the company under-delivers against the investment. **Company Evidence** - The company proposes a price control deliverable (PCD) for the investment funded by the requested additional allowance. The additional allowance will fund a programme of random and representative inspections covering 0.5% of the company's gravity sewer network. This PCD consists of a single element to ensure delivery of gravity sewer inspections. The company proposes a unique non-delivery PCD rate for sewer inspections. **Our assessment** - The company's proposed non-delivery PCD is in line with our expectations, as set out in the asset health guidance document, and aligns to the approach set out in the PR24 Final Determination. If the company under delivers, the funding will be returned to customers.	**Adequate**

4.1.3 Gravity sewers rehabilitation

Assessment criteria	Assessment	Decision	
		Criteria	Adjustment (applied and/ or conditional)
Summary of request	Wessex Water is requesting an **additional £48.8 million of funding** for the 2025-30 period to deliver a 100km gravity sewer rehabilitation programme to maintain its asset health caused by structural deterioration. The preferred solutions include: 8% open-cut replacement for sewers exhibiting CG5 deterioration or severe defects (or if material condition precludes effective rehabilitation); and		

Assessment criteria	Assessment	Decision	
		Criteria	Adjustment (applied and/ or conditional)
	92% relining for CG3 and CG4 gravity sewers over the three-year period. The programme is focused solely on structural deterioration and is underpinned by extensive CCTV data and deterioration modelling.		
Need for a step change in investment	**Decision summary- Pass.** The company provides sufficient and convincing evidence that the proposed investment meets the 'Need for step change in investment' criteria for additional asset health investment for its gravity sewer assets. **Company evidence** - The company provides evidence to support the need for investment, drawing on historical trends, current asset condition, and deterioration modelling. It uses long-term CCTV inspection records, supported by repeat survey evidence and deterioration modelling to show that intrinsic ageing and defect progression have been driving an increasing proportion of the network into poor structural condition since 2008. Its CCTV inspection records and risk modelling also show that 18% of gravity sewers are in CG4 and CG5 conditions. The evidence suggests that without additional investment, the number of poor-condition assets and associated risks will continue to grow, with 1.7% of the network transitioning into condition grade 4 or 5 per 5-year period, compared to approximately 0.5% addressed by current rehabilitation rates. This indicates that base allowance-funded activity has not stabilised risk and a targeted uplift in investment is required to offset deterioration. **Our assessment** - We accept the company's view of 'what base buys' (implicit allowance) across its asset proposals, which is clear and in line with our view of what base buys based on historical sector expenditure rates. This provides	**Pass**	**0%**

Assessment criteria	Assessment	Decision	
		Criteria	Adjustment (applied and/ or conditional)
	reassurance that the requested investment is incremental to base allowances, and that customers are not paying twice for investment.[21] The company provides detailed descriptions of its processes (e.g. the use of long-term inspection data, forward-looking scenario analysis) and a modelling framework for projecting future deterioration and risk instead of using service performance as proxy indicators. The company explains in detail that base allowance-funded intervention has not kept pace with deterioration. However, the evidence is largely qualitative, as the submission mainly focuses on describing the analysis that has been performed and demonstrating the robustness of its process, rather than presenting quantified data. There is limited detail on the composition of rehabilitation activities, such as breakdown of interventions within the overall programme to address the identified risks. On balance, the company provides sufficient and convincing evidence that there is a need for a step change in investment. However, for any future cost change process submissions, we would expect the company to present more quantitative outputs from its analyses to demonstrate its submission is supported by data-driven evidence. We would also expect the company to provide more clarity on the activities that will be carried out under base allowances compared to the additional requested investment. It should also provide better detail on the breakdown of types of activity proposed.		
Best option for customers	**Decision – Pass.** There are shortcomings in the level of evidence provided, particularly in terms of how the company arrived at the preferred solution. We	**Pass**	**0%**

[21] Our assessment and further detail can be found in Cost change draft determinations 2026 – Asset health cross cutting issues appendix

Assessment criteria	Assessment	Decision	
		Criteria	Adjustment (applied and/ or conditional)
	have assessed the evidence holistically considering the scale of the proposed investment; that there are a limited number of options for rehabilitating sewers; the preferred solution is reasonable in engineering terms; the costs are efficient against indicative benchmarks and have satisfied ourselves that there is sufficient and convincing evidence that the proposed option is likely to be the best option for customers. **Company evidence** - The company outlines its structured optioneering approach and states that it has identified a comprehensive long-list of intervention options to address the structural deterioration and risk. It states that it uses a long list of options spanning a full range of technically feasible responses, but only five options are provided in its submission. The company also lists the four screening criteria used to assess options and concludes that its 'proactive structural rehabilitation' is the only viable approach capable of materially slowing the accumulation of poor-condition assets identified in the risk assessment and deterioration model. The company describes its decision-making methodology and operational prioritisation and scheme development. The company explains that the preferred option is split between Cured-In-Place Pipe (CIPP) as the primary intervention (92%) and open cut replacement as secondary (8%). The company also suggests that repair would be considered as an alternative to the proposed rehabilitation approach. **Our assessments** - The company submission is largely a qualitative description of its methodology and process. It lacks substantial quantitative evidence to demonstrate that the preferred option is cost beneficial. For example, it is not clear what the shortlisted options are, and it does not provide whole life cost analysis between the shortlisted options for comparison. Additionally, the		

Assessment criteria	Assessment	Decision	
		Criteria	Adjustment (applied and/ or conditional)
	company states that intervening at condition grade 3 or 4 is the most cost-effective approach but there is no comparable cost-benefit analysis included to evidence this. There is limited evidence to demonstrate how the proposed solutions e.g. 92% CIPP relining would improve gravity sewers' asset health compared to alternative solutions such as open cut (8%). Therefore, the long-term benefit of the preferred option is unclear. While there are shortcomings in the level of evidence provided, particularly in terms of how the company arrived at the preferred solution. We acknowledge that there are a limited number of options for rehabilitating sewers, and that the preferred solution appears to be a reasonable solution in engineering terms. We also note that the company's unit cost is highly efficient. As a result, considering the proposal holistically, we consider that the proposed option is likely to be the best option for customers, and so do not make any adjustment on the basis of best option for customers. In response to the draft determination, and for future cost change process submissions, we would expect the company to provide quantified cost benefit analysis and detailed descriptions of other options that were considered and reasons why they were not taken forward.		
Robust and efficient costs	**Decision Summary – Pass** The submission provides sufficient and convincing evidence that the proposed costs are robust and efficient. The submission is supported by historical delivery data and benchmarking evidence demonstrating that costs are materially below wider industry comparator levels.	**Pass**	**0%**

Assessment criteria	Assessment	Decision	
		Criteria	Adjustment (applied and/ or conditional)
	Company Evidence - The submission derives costs using historical 2015-20 and 2020-25 outturn unit rates for principal structural interventions, including CCTV surveys and rehabilitation activities. Costs are developed using unit rates expressed on a £ per metre basis and are informed by historical delivery experience. The submission includes benchmarking against wider sector data-share information and provides a programme-level reconciliation of costs by intervention type and sewer category. The submission states that the proposed rehabilitation rate is approximately £490 per metre, compared to an industry benchmark average of approximately £1,000 per metre. The submission also provides a total programme cost of approximately £60.7 million and includes third-party assurance on both the cost methodology and cost efficiency. **Our assessment** - The submission provides sufficient and convincing evidence that the costing methodology is robust. The use of historical 2015-20 and 2020-25 outturn costs demonstrate that estimates are informed by actual delivery experience and are consistent with Ofwat's expectation that costs should be based on the delivery of comparable interventions. The methodology also provides a clear basis for developing programme costs through established unit rates. Third party commercial assurance ranked the submission highly on the use of an established and transparent cost methodology, use of historical delivery costs, consideration of all capital costs and cost benefit analysis, all of which are part of the Ofwat assessment criteria. The submission provides sufficient and convincing evidence that costs are efficient. The company has not undertaken comprehensive external benchmarking as part of this submission. The lack of comprehensive external benchmarking has also been highlighted by third party assurance and resulted		

Assessment criteria	Assessment	Decision	
		Criteria	Adjustment (applied and/ or conditional)
	in an 'Amber' ranking on cost efficiency for their submission. However, the company has assessed their unit rates with their historical delivery data and compared their unit cost against implied rates derived from Ofwat's data-share. Although this does not qualify as comprehensive external benchmarking as it does not involve a detailed like-for-like assessment of scope, costs components and delivery assumptions, it provides supplementary assurance that proposed costs are broadly consistent with wider sector experience. The results of this comparison indicate that the proposed rehabilitation rates are materially below comparator levels. The proposed rehabilitation rate of approximately £490 per metre, together with the assessed unit cost of approximately £271 per metre, is significantly below the cited industry benchmark average and provides assurance that costs are consistent with efficient delivery assumptions. The submission provides programme-level cost breakdowns by intervention type and sewer category, enabling the overall cost position to be understood. While there is limited visibility of the detailed cost build-up beneath the unit rates, including the split between direct costs, indirect costs, overheads and project management costs, this does not materially undermine confidence in efficiency given the favourable benchmark position and comparatively low unit costs. The submission therefore provides sufficient and convincing evidence that costs are robust and efficient, and no cost challenge is applied at draft determination.		
Customer protection	**Decision** - The company provides a reasonable framework to protect customers in the event of under-delivery of the proposed investment. **Company evidence** - The company proposes Price Control Deliverables (PCDs) covering both the investment to be delivered through existing PR24 base expenditure allowances and the investment delivered through the requested	**Adequate**	**N/A**

Assessment criteria	Assessment	Decision	
		Criteria	Adjustment (applied and/ or conditional)
	additional allowance. The investment delivered through both base and additional allowances is defined by km of sewers rehabilitated. Following a query, the company has also provided further detail on the work delivered through the requested additional allowance, in terms of diameter. The company proposes two rehabilitation programmes; one delivered through the base allowance and one through the additional allowance. It provides the same non-delivery PCD unit rates for each programme; each aligned to the allowance for that activity. **Our assessment** - The company's proposed base PCD is in line with our expectations set out in the Asset Health assessment guidance. However, we intend to impose an expenditure-based PCD for base allowances to provide flexibility and ensure consistency across all companies. The company's proposed non-delivery PCD tied to the requested additional investment is also reasonable and provides appropriate protection for customers against under-delivery. We consider that for asset health submissions, a PCD linked to specified named schemes is generally appropriate. For gravity sewer rehabilitation, because there are not necessarily distinct schemes at this stage, we instead propose to link the PCD to intervention type, pipe diameter and location classification. The proposed structure is set out in the Cost change draft determinations 2026 – Asset health cross cutting issues appendix.		
Investment delivery plan	**Decision summary – Adequate.** The company provides sufficient and convincing evidence to demonstrate that the programme is deliverable.	**Adequate**	**N/A**

Assessment criteria	Assessment	Decision	
		Criteria	Adjustment (applied and/ or conditional)
	Company evidence - The company provides detailed descriptions of its delivery plan, dependencies and interfaces, and identified risks and mitigation for gravity sewer rehabilitation programme[22], demonstrating that risks are considered throughout the planning and delivery phases. The company also provides a phased delivery programme for the 2025-30 period supported by output measures and PCDs and It describes the delivery programme and sequencing approach[23] that aims to align with the proposed PCDs. **Our assessment** - The company provides sufficient and convincing evidence that its proposed investment is deliverable in the timescales proposed. The company demonstrates clear identification of key risks across different phases; appropriate mitigation strategies for any delivery risks; and alignment between programme scope and delivery capacity / materials availability. It also provides sufficient and convincing evidence that the delivery timescale of its gravity sewer rehabilitation is realistic, considering the risks of design and delivery includes appropriate protections for customers from any further delays.		

[22] Wessex Water (2026), PR24 Cost Change Submission – Asset Health – Gravity Sewers, Page 39 Section 6.1
[23] Wessex Water (2026), PR24 Cost Change Submission – Asset Health – Gravity Sewers, Page 49 Section 6.8

A4.2 Additional schemes to ensure the safety of drinking water with respect to PFAS

Assessment criteria	Assessment	Decision	
		Criteria	Adjustment
Summary of request	Wessex Water is requesting **£24.532 million**[24] of additional in-period funding to deliver a temporary and permanent PFAS treatment solution at [redacted] water treatment works (WTW) [WTW1]. The proposal includes both PFAS treatment elements (principally [redacted] as well as non-PFAS treatment process, including [redacted], delivered through a new relocated treatment facility. The scheme is intended to address PFAS concentrations in the treated water. This comprises: • £3.7 million for a temporary treatment solution (already in delivery); and • £21.6 million for a permanent treatment solution, accelerated from 2030-35 into 2025-30. The request total has been adjusted to reflect pre-frontier shift values provided by the company under OFW-WSX-CCP-11, aligning with the values in the submission document and all other assessments across all other water companies. It should be noted that values used in considering bill impacts, use the original values submitted and thus should be regarded as indicative. Values for bill impact evaluation, will be amended for final determination to reflect the pre-frontier shift request. **Our conclusions on the scope of the assessment / requested allowance** - Final value of request from which any deductions for investment need, best option and cost efficiency are based; £25.355 million. This represents an adjustment of +3.4% (c.£0.82 million)		

[24] Values as reported in 'Query Response, REF: OFW-WSX-CCP-011', June 2026, pp. 3-4 and data table resubmission received as part of OFW-WSX-CCP-003

Assessment criteria	Assessment	Decision	
		Criteria	Adjustment
Need for a step change in investment	**Decision summary - Pass** The company provides sufficient and convincing evidence that the proposed investment meets the eligibility criteria for PFAS funding under the cost change process. **Company evidence** -The company provides evidence of a Tier 3 PFAS exceedance at [redacted] supported by current monitoring data and regulatory engagement with the Drinking Water Inspectorate (DWI).[25] The company states that existing mitigation measures, including blending and temporary treatment, are insufficient to consistently achieve Tier 1 compliance requirements associated with tightened PFAS thresholds.[26] The company provides further evidence that the proposed investment is required to meet regulatory expectations under the DWI PFAS strategy. The company states that the proposed works have not been funded through Price Review 2024 (PR24) base allowances. In response to Ofwat's query, the company has provided further evidence on site constraints and regulatory requirements, which supports the need for co-delivery of PFAS treatment and treatment processes.[27] The company explains that limited space at the existing site necessitates the relocation of treatment processes and delivery of a new treatment facility incorporating both PFAS and non-PFAS treatment elements. **Our assessment** - The company provides sufficient and convincing evidence that the proposed investment meets the requirements for PFAS funding under the cost change process. Monitoring data and regulatory engagement with the DWI demonstrate that current PFAS levels at the site exceed Tier 3 thresholds and that existing mitigation is insufficient to achieve Tier 1 compliance requirements.	**Pass**	**0**

[25] Wessex Water, 'PR24 cost change submission – PFAS at [redacted] WTC', May 2026, pp. 5-6
[26] Wessex Water, 'PR24 cost change submission – PFAS at [redacted] WTC', May 2026, p. 6
[27] Wessex Water, 'Query Response, REF: OFW-WSX-CCP-007', June 2026

Assessment criteria	Assessment	Decision	
		Criteria	Adjustment
	The requirement to install permanent PFAS treatment is therefore driven by a clear regulatory expectation to meet tighter drinking water standards by 2031. The company demonstrates that both temporary and permanent treatment solutions are required to manage short- and long-term compliance risk, and the proposed timing of the intervention is consistent with the regulatory driver. Whilst the company provides evidence that delivery of PFAS treatment necessitates associated treatment processes, namely [redacted] and that site constraints influence how these elements can be delivered. This supports inclusion of these treatment processes within the proposed scope.		
Best option for customers	**Decision summary – Pass.** The company provides sufficient and convincing evidence to demonstrate that the proposed solution represents the best option for customers, given the constrained set of feasible PFAS treatment solutions and the regulatory requirement to achieve compliance. **Company evidence** - The company provides evidence that it considered a range of temporary and permanent solutions, including blending, alternative treatment technologies and infrastructure-based interventions, with detailed options appraisals set out in supporting appendices.[28] These options were assessed against feasibility, deliverability and the ability to achieve the required PFAS outcomes, with [redacted] treatment identified as the preferred solution for both temporary and permanent phases.[29] While the company undertook limited quantitative cost–benefit analysis, it provides evidence that alternative options were considered and screened out where they could not reliably achieve the required outcomes or were not considered sufficiently deliverable.[30]	**Pass**	**0**

[28] Wessex Water, 'PR24 cost change submission – PFAS at [redacted] WTC', May 2026, pp. 6-8; Appendices 1-2
[29] Wessex Water, 'PR24 cost change submission – PFAS at [redacted] WTC', May 2026, pp. 6-7
[30] Wessex Water, 'PR24 cost change submission – PFAS at [redacted] WTC', May 2026, p. 8

Assessment criteria	Assessment	Decision	
		Criteria	Adjustment
	Our assessment - The company provides sufficient and convincing evidence to demonstrate that the proposed solution is the best option for customers. As outlined in our assessment of need, the company explains that [redacted] affects residual chlorine and therefore requires downstream disinfection. The proposed co-delivery of PFAS, [redacted] within a new treatment facility therefore provides an integrated and operationally deliverable solution.[31] The option selection is supported by technical feasibility and deliverability considerations. While the cost–benefit assessment is largely qualitative, with limited quantified comparison of costs and benefits across options or whole-life cost scenarios, the company explains that only one viable option was identified given the site-specific and regulatory constraints. The company provides sufficient and convincing evidence that the preferred option is the best value option for customers.		
Robust and efficient costs	**Decision summary – Pass.** The company provides sufficient and convincing evidence that the proposed costs are robust and efficient. **Company evidence** -The company provides evidence of a technical interaction between PFAS treatment [redacted] and disinfection, noting that [redacted] removes chlorine and therefore requires downstream disinfection. It explains that disinfection upgrades are required as part of delivery on a new treatment site and in line with internal policy requirements, including the introduction of [redacted] [32] The company states that delivering PFAS and disinfection elements together enables an integrated site configuration and avoids duplication, identifying potential efficiencies from co-delivery, including reduced design,	**Pass**	**0**

[31] Wessex Water, 'Query Response, REF: OFW-WSX-CCP-007', June 2026, pp. 2-5
[32] Wessex Water, 'Query Response, REF: OFW-WSX-CCP-007', June 2026, p. 3

Assessment criteria	Assessment	Decision	
		Criteria	Adjustment
	construction and overhead costs.[33] The company also provides evidence that costs have been developed using multiple estimation approaches, including internal models, contractor benchmarks, supplier quotes and industry comparisons.[34] **Our assessment** - The company provides sufficient and convincing evidence that the proposed costs are robust and efficient. The company identifies efficiencies associated with economies of scope, including reductions in design, construction and overhead costs. While the evidence on these efficiencies is primarily qualitative and not fully quantified, and there is limited quantified assessment of cost attribution between PFAS and non-PFAS elements, the rationale for co-delivery is consistent with the technical and site-specific constraints. Independent assurance identified some uncertainties regarding the sizing and design basis of certain elements of the proposed solution. However, these did not materially alter the assurer's overall conclusion that the proposed scope was appropriate and that the costs were efficient.[35]		
Customer protection	**Decision summary – Some gaps** **Company evidence** - The company proposes that customer protection will be provided through an update to the unit cost and delivery timelines of an existing Price Control Deliverable (PCD). Proposed changes would be to PCDW14 to reflect additional allowance requested for PFAS at [redacted] and a version update of a DWI notice created in accordance with Regulation 28 (4) of the Water Supply (Water Quality) Regulations 2016 (as amended).[36] [37] The original PCD (set at PR24) was set using version 1 of notice WSX-	**Some gaps**	

[33] Wessex Water, 'Query Response, REF: OFW-WSX-CCP-007', June 2026, pp. 3-4
[34] Wessex Water, 'PR24 cost change submission – PFAS at [redacted] WTC', May 2026, p.7
[35] Aqua Consultants, 'Wessex Water PFAS cost change submission Independent scope and cost assurance', May 2026, sections 4.3, 6, 9
[36] Wessex Water, 'PR24 cost change submission – PFAS at [redacted] WTC', May 2026, p.10
[37] DWI,' [redacted] June 2025

Assessment criteria	Assessment	Decision	
		Criteria	Adjustment
	2024-00005 and the original output deliverable, was for the design and planning of the permanent PFAS solution at [redacted] **Our assessment** - The company's proposed approach to setting a PCD is in line with the existing design component and approach for other similar schemes adopted at PR24. If the company under-delivers (i.e. fails to meet the relevant DWI Notice), the funding will be returned to customers. The proposal by the company, brings forward the output delivery date and extends the allowance under the existing PCD. The result of the proposal is one PCD output value (satisfaction of notice), covering three components, the temporary, permanent and the existing design solution (which had an original date of 2036, accelerated to 2032). It is unclear, how challenging the new date may be and if the profiling of funding requested is appropriate for the delivery of these three components. 2032 would be two years after the funding had ceased. To achieve an adequate rating at final determination, the company should provide both the new version of the notice and some supporting commentary to provide more clarity on these elements. With this additional data, the use of PCDs linked to regulatory compliance and following existing PCD arrangements, provides a clear and enforceable mechanism to protect customers from non-delivery.		
Investment delivery plan	**Decision summary – Some gaps** **Company evidence** - The company provides a high-level delivery approach for both temporary and permanent treatment solutions. It states that temporary PFAS treatment is already being delivered, with one [redacted] pod operational and additional temporary treatment	**Some gaps**	

Assessment criteria	Assessment	Decision	
		Criteria	Adjustment
	planned to meet regulatory milestones. The permanent solution involves acquisition of a new site and construction of a new treatment facility incorporating PFAS treatment as well as [redacted] treatment.[38] The company identifies land acquisition, planning permission and power supply as key dependencies for the permanent solution. It confirms that site selection has been narrowed to two options and that engagement with landowners is underway.[39] The company references original plans for build and commissioning in 2030-3540, and that the programme has been accelerated. Appendix 2, sets out a timeframe of 4 years to build, commission and operate and CAPEX profiling concludes in 2030 in their data table submission. Milestones set in the DWI notice, include completion of design, land acquisition and planning approval by March 2029 and operation of the permanent solution by March 2031.[41] The delivery completion for the latest DWI notice is 30 April 2032, and the proposed PCD milestone set to the year after. **Our assessment** - The company has provided evidence of a delivery approach aligned with the regulatory requirement and demonstrates an understanding of the key stages required to deliver both the temporary and permanent PFAS solutions. However, land acquisition, planning permission and power supply remain on the critical path and are not yet secured. Whilst the company considers these risks to be manageable, they represent important dependencies for successful delivery of the permanent solution.		

[38] Wessex Water, 'PR24 cost change submission – PFAS at [redacted] WTC', May 2026, p.3, p.6
[39] Wessex Water, 'Query Response, REF: OFW-WSX-CCP-007', June 2026, p.4
[40] Wessex Water, 'PR24 cost change submission – PFAS at [redacted] WTC', May 2026, p.5
[41] DWI, '[redacted] October 2025

Assessment criteria	Assessment	Decision	
		Criteria	Adjustment
	The company has not provided a detailed programme or critical path demonstrating how delivery risks will be managed. In particular, key dependencies such as land acquisition and planning permission are scheduled relatively late in the programme, with limited evidence on how the company will maintain delivery confidence between these milestones and the planned commissioning of the permanent solution. With a provisional four-year timeframe to delivery, the timescales to complete the build in 2025-30 are aligned to CAPEX profiling, though commissioning is not set to occur until 2030-35, and PCD recovery/profit share not set to deliver until 2033. There are some gaps therefore related to confidence in the plan underpinning acceleration, with tight timescales between land acquisition and build completion, as well as some concern in lag times linked to recovery. To close the gap and achieve an adequate rating for Investment Delivery plan, the company would need to supply a delivery schedule for the work, setting out the key milestones. This should align with the CAPEX profiling for delivery.		

Ofwat (The Water Services Regulation Authority) is a non-ministerial government department. We regulate the water sector in England and Wales.

Ofwat
Centre City Tower
7 Hill Street
Birmingham B5 4UA
Phone: 0121 644 7500

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Any enquiries regarding this publication should be sent to mailbox@ofwat.gov.uk.