

The Drinking Water Inspectorate Business performance report 2016/17



July 2017

A report by the Chief Inspector of Drinking Water





Business performance report 2016/17

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Foreword



Figure 1: Marcus Rink, Chief Inspector of Drinking Water

In 2015, on the 25th anniversary of the Drinking Water Inspectorate (DWI) I was pleased to take on the role as the fourth Chief Inspector of Drinking Water for England and Wales. The Inspectorate has developed over this time along with legislation, the industry it regulates and changing principles and practices of regulation. As part of evolving changes, this report develops the financial and operational responsibility for accountability, openness and transparency to the industry and people of England and Wales, together with the Chief Inspector's Report, which provides information on the quality of water.

I continue to be impressed by the professionalism of all those within the Inspectorate, a remarkably small team of 41, who regulate an industry which delivers 14.7 billion litres of wholesome water to consumers in England and Wales every day, and provide advice for local authorities to regulate 53,000 private supplies as well as other functions explained in this report. The challenge to ensure drinking water remains safe and for the public to continue to have confidence in this, as well as ensuring the Inspectorate is trusted and acts in consumers' interests requires innovation in data handling, expertise in the field and collaboration with those we regulate, advise and interact with on the national and international stage.

Innovation within the Inspectorate has resulted in the assessment of over four million pieces of analytical data, over 500 event investigations and 47 audits. Nearly 3,000 risk assessment reports have been evaluated, 153 legal Notices have been issued, 24 Notices have been closed and we have handled over 1,250 enquiries from local authorities, consumers and organisations. To achieve this, the Inspectorate applies the principles of better regulation by promoting self-regulation in the form of risk assessments for those we regulate, and identifying regulatory failure through risk analysis of the data we receive. We will continue to engage and promote constructive dialogue with our fellow regulators: Ofwat; local authorities; the Environment Agency; Consumer Council for Water; and the representative of the water industry, Water UK; as well as Defra and the Welsh Government.

The Inspectorate recovered the cost of its work in 2016/17 through the Water Quality and Supply (Fees) Order 2016. This was the fourth full year for cost recovery. The Inspectorate operates on a budget of under £2.5 million

(excluding overheads) and continues to improve efficiency. In 2015, this included a change in organisational structure to focus on delivery of the regulatory function.

A handwritten signature in black ink, appearing to read 'Marcus Rink', with a stylized flourish at the end.

Marcus Rink
Chief Inspector of Drinking Water

Introduction

Safe, clean drinking water is vital to public health and the wellbeing of our society. This is ever more important in the face of significant challenges to drinking water supplies from the impacts of climate change on the quality and availability of water resources. It is essential that good quality drinking water, and the investment by companies necessary to achieve it, is maintained into the future.

The presence of an independent regulator is fundamental to how we reassure the public about the safety of our drinking water when we turn on the tap. Our regulatory framework has resulted in some of the best drinking water quality in Europe, and governments around the world have adopted the basic principles of this successful approach.

In this document, the Chief Inspector of Drinking Water for England and Wales and his team outline the Inspectorate's strategic objectives, and their work and achievements during the financial year 2016/17.

The Inspectorate publishes detailed reports of the quality of the drinking water in England and Wales quarterly and annually. Those relating to 2016 can be found on the Inspectorate's website at:

<http://www.dwi.gov.uk/about/annual-report/index.htm>

The Drinking Water Inspectorate – An overview

The Inspectorate's main statutory duties

The Drinking Water Inspectorate (DWI) was established by Parliament in 1990 to provide independent assurance that the privatised water industry in England and Wales delivered safe, clean drinking water to consumers.

The regulatory framework for water supplies in England and Wales, including the powers and duties under which it operates and the duties of water suppliers, is established in legislation. The Chief Inspector of Drinking Water is appointed by the Secretary of State for Environment, Food and Rural Affairs, and Welsh Ministers, and acts on their behalf. Certain powers are also vested directly in the Chief Inspector which ensure clear independence in our work. In addition to the Inspectorate's regulatory role, the Chief Inspector and his inspectors are the appointed technical advisers to the Secretary of State and Welsh Ministers on all drinking water matters.

The primary legislation setting out the Inspectorate's functions and duties is contained in the Water Industry Act 1991 (WIA) (as amended by the Water

Act 2003 and the Water Act 2014). Water supply matters are also devolved to the Welsh Government by means of the Government of Wales Act 1998.

The Water Supply (Water Quality) Regulations 2016 (England) and The Water Supply (Water Quality) Regulations 2010 (as amended) made under the WIA – referred to collectively as the Regulations – set out the regulatory requirements for the quality of public drinking water supplies. Equivalent legislation and regulators exist in Scotland and Northern Ireland. The Regulations have been amended and were implemented in Wales in April 2016 and in England during June 2016.

The provisions in Section 68 of the WIA (concerning enforcement) have been formally delegated to the Chief Inspector by Ministers. The provisions in Section 70 of the WIA (concerning proceedings against undertakers and others who supply water unfit for human consumption) are vested directly in the Chief Inspector. Responsibility for supporting Ministers in some other requirements of the WIA is shared between the Inspectorate and policy officials in the Welsh Government and Defra.

The Inspectorate's main non-statutory functions

The Inspectorate's work is wide-ranging, covering all aspects of the quality of public water supplies. The collective technical expertise of its staff covers all aspects of the science, engineering and management of drinking water supply. Closely aligned with its statutory duties, the Inspectorate has responsibility for many other functions, including:

- Provision of advice and guidance to water companies¹ on all aspects of drinking water supply.
- Dealing with queries relating to drinking water quality from consumers, organisations and businesses.
- Provision of advice to Ministers and officials on drinking water supply issues, and on Parliamentary Questions and other queries arising.
- Working collaboratively with the other regulators in the water industry.
- Provision of advice to Ministers on private water supplies (i.e. those not supplied by a water company) and related issues.

¹Water companies include water and sewerage companies, water supply only companies, inset appointees and companies holding combined licences and retail licences as defined in the WIA. From April 2017 new licensing arrangements will apply, in accordance with the Water Act 2014. Companies holding authorisations as defined by this Act will fall within the Inspectorate's regulatory umbrella, insofar as their activities are governed by the drinking water quality regulations.

- Provision of advice and support to local authorities on all aspects of drinking water quality, including private water supplies.
- Management of Defra's Water Quality and Health research programme.
- Representing the United Kingdom Government and devolved administrations in Europe on matters relating to the European Directive on Drinking Water Quality, and the submission of drinking water quality data to the European Commission on behalf of the UK.

It is the responsibility of policy officials to advise their Ministers on policy matters arising in connection with drinking water supply.

The Inspectorate's strategic objectives

The Inspectorate aims to secure safe, clean drinking water for all consumers through the following four strategic objectives:

1. Water suppliers deliver water that is safe and clean.

The Inspectorate achieves this by:

- Scrutinising water suppliers' operational delivery from source to tap.
- Regulating for sustainable drinking water supplies through long-term resilience and maintenance of water supply systems by water companies.
- Conducting its regulatory functions using a risk management approach to water supply that is evidence based, and makes provision for managing emergencies and mitigating risk from the environment.
- Working with other water regulators in the exercise of their powers to support the delivery of safe, clean drinking water.
- Regulating to ensure that water suppliers use only approved and safe products and processes.

2. The public have confidence in their drinking water.

The Inspectorate achieves this by:

- Minimising the risk of the public being exposed to unsafe drinking water.
- Taking decisive and timely independent regulatory action when needed that is in the interests of consumers.

- Conducting independent verification of the arrangements for collecting and reporting drinking water quality data.
- Providing accurate and relevant drinking water quality information (including the actions taken to remedy deficiencies) that is tailored to the needs of local community representatives.
- Conducting fair and independent appraisal of consumer complaints about drinking water quality.
- Ensuring that everything the Inspectorate does has a sound evidence base which it proactively maintains and publishes.

3. Drinking water legislation that is fit for purpose and implemented in the public interest.

The Inspectorate achieves this by:

- Interpreting and applying current legislation in line with best regulatory practice.
- Providing timely technical advice and guidance to water suppliers, local authorities, health officials and other regulators at a national and international level.
- Scrutinising and influencing proposals that may impact on the supply of safe, clean drinking water.
- Engaging with legislators and consulting with stakeholders to ensure that legislation and regulatory powers and duties remain fit for purpose.
- Implementing its forward work programme as a World Health Organisation (WHO) Collaborating Centre for drinking water safety, and engaging with the global drinking water quality and health community, to develop and share international best practice and promote innovation in drinking water safety and regulation.

4. The Inspectorate is a progressive and trusted organisation.

The Inspectorate achieves this by:

- Publishing its actions and performance record, and being accountable to Ministers, to consumers, to water suppliers and to its other stakeholders.

- Conducting the way it works in accordance with the Regulators' Code, and the ethics of the professional organisations to which its staff belong.
- Being independent, accessible, consistent and transparent in all it does.
- Engaging with all its stakeholders, and especially consumers and local community organisations, to ensure that the services it provides continue to be fit for purpose.
- Employing and supporting staff capable of delivering those services efficiently.

The Inspectorate's activities during 2016/17 section of this report outlines the Inspectorate's performance against the delivery of these strategic objectives during the financial year 2016/17.

Our governance arrangements

The Inspectorate is a business unit in Defra's Water and Flood Risk Management Directorate. The Directorate has formal responsibility for sponsoring the Inspectorate in Defra.

The Inspectorate differs from other business units in Defra in that certain duties are vested directly in the Chief Inspector by statute. Other powers are delegated directly to the Chief Inspector by the Secretary of State and Welsh Ministers, and he reports on these matters directly to Ministers. The Chief Inspector is accountable to the Director for human resources and financial management matters. Inspectors, technical and support staff are civil servants.

As with other elements of Defra's programme expenditure, the Secretary of State is ultimately responsible for allocating resources to the Inspectorate, and is accountable to Parliament for that expenditure. As Principal Accounting Officer, the Permanent Secretary is the principal adviser to the Secretary of State on resource allocation and proper financial management. Those responsibilities are delegated through the Director General, Environment and Rural Group, to the Director, Water and Flood Risk Management, and on to the Chief Inspector insofar as they relate to the Inspectorate's expenditure.

The Inspectorate produces its own independent reports to Ministers in both England and Wales on the operational performance of the water companies that it regulates in both countries.

The Inspectorate's day-to-day operations are generally independent from the Directorate. For example, it manages its own evidence programme; its

Inspectors deal directly with consumers and the media seeking information about drinking water safety and regulation; and it has its own website. The Inspectorate's operational performance is monitored routinely by formal and informal liaison with Welsh Government and Defra officials, and is reported publicly in this business performance report.

How the Inspectorate is managed

The Inspectorate has a single office located in central London, but its staff work flexibly across England and Wales. The 41 staff comprises 31 warranted Inspectors and 10 technical and support staff (see *Annex 2*).

Inspectors are experienced professionals with strong technical, scientific or engineering backgrounds. The Inspectorate's technical and support staff include experts in data management, information and knowledge management, and business administration. The work requires a high level of expertise in all aspects of drinking water supply, the interpretation of law, fair and proportionate enforcement of legal requirements and the provision of sound advice and guidance to all levels of industry stakeholders and government.

The Inspectorate's Senior Management Team has overall responsibility for the management and strategic direction of the Inspectorate. Delivery of its day-to-day activities is the responsibility of its management team of Principal Inspectors.

For human resources (HR), recruitment and pay purposes, the Inspectorate management and staff are bound by Defra's policies and follow Civil Service guidelines.

The Inspectorate has in place a better regulation initiative whereby salaried staff from water companies join the Inspectorate for training and development purposes for a period of six months. While the secondees function as temporary assessors, and are authorised to carry out any of the Inspectorate's day-to-day functions, they are not paid by Defra and do not fill Inspector posts.

How the Inspectorate is financed

The Inspectorate's operating costs, including overheads, are approximately £3.5 million each year. The majority of these costs are funded by water companies through cost recovery for regulatory services. Costs are also recovered from commercial organisations for approval of their products for use in drinking water treatment and distribution. A summary of these charges is provided in *Annex 1* of this report.

The balance is funded by Defra and relates to work in support of policy advice; the functions the Inspectorate carries out in Europe and internationally; and for its work on private water supplies. This funding is classed as programme expenditure and falls within Defra's Water and Flood Risk Management Directorate's total programme allocation. The Inspectorate's needs are taken into account in the same way as other programme requirements for which the Directorate is responsible in its annual Business Planning and Resource Allocation exercises.

New fees Orders for the financial year 2016/17 came into force on 1 April 2016 (for England) and 8 September 2016 (for Wales). This was necessary because the existing primary legislation for England ceased to have effect early in 2017. The fees are now on the face of the Order complying with the requirements of HM Treasury. The 2016/17 fees are not substantially different from the 2015/16 fees.

Going forward, the Inspectorate will keep the fees under review to ensure it continues to recover the full cost of its regulatory activities. In particular, changes in staff salary and the sampling regime as a result of the 2016 Regulations and the revision to Annex II of the Drinking Water Directive will have to be taken into account. Any changes in fees will require a change to the Order.

The Inspectorate's activities during 2016/17

This section summarises some of the core activities that the Inspectorate has undertaken during the financial year April 2016 to March 2017 in the delivery of its strategic objectives. These matters are discussed in detail in the Chief Inspector's report, which covers public and private water supplies in England and Wales.

1. Water suppliers deliver water that is safe and clean.

During 2016/17:

- i. The Inspectorate scrutinised water suppliers' operational delivery from source to tap through the assessment of water companies' regulatory compliance data. During the year it assessed water company sampling and monitoring programmes, including all 4,120,299 compliance results, and investigated the circumstances and actions taken for all 1,177 failures of regulatory standards.
- ii. The Inspectorate assessed 500 events concerning water supplies reported to it by water companies, and it reported publicly on all of these, ensuring that consumers were protected and actions taken to

minimise the risk of recurring failures. Of these events, 200 were classified as significant or serious.

- iii. The Inspectorate carried out 47 technical audits of water company assets or operational management activities where risks to drinking water quality were identified, for example, through events reported to the Inspectorate and through assessment of compliance failures.
- iv. The Inspectorate evaluated 2,936 risk assessment reports submitted by water companies to ensure that action was taken to mitigate risks to public health and to wholesomeness of water supplies.
- v. The Inspectorate issued 153 legal instruments (Notices and Undertakings), as part of its enforcement procedures, that required companies to make improvements to fix problems and to reduce the risk of supplying unwholesome water to consumers.
- vi. The Inspectorate also issued five Final Enforcement Orders under Section 18 of the Water Industry Act to secure necessary improvements.
- vii. The Inspectorate approved 144 products for use in contact with drinking water, under Regulation 31 of the Regulations, as a service to suppliers and water companies:
 - New approvals – 37
 - Reapprovals – 72
 - Change to approval – 35
- viii. The Inspectorate responded to 302 requests for advice from local authorities in connection with private water supplies, and provided technical advice and training to local authorities on audit and risk assessments.
- ix. The Chief Inspector adjudicated on three disputes that required legal proceedings, concerning private water supplies.

2. The public have confidence in their drinking water.

The activities listed under strategic objective 1 also contributed to this strategic objective. In addition, during 2016/17:

- i. The Inspectorate investigated 29 complaints received from consumers who were dissatisfied with the way their water company had handled a complaint about drinking water quality.

- ii. The Inspectorate responded to 949 enquiries relating to drinking water quality from consumers, organisations and businesses. Of these, two were requests for information sought under the Freedom of Information Act 2000, and five were requests for information sought under the Environmental Information Regulations 2004.

3. Drinking water legislation that is fit for purpose and implemented in the public interest.

A key activity undertaken by the Inspectorate during the year involved working with Defra to amend the English public and private drinking water quality regulations to transpose the requirements of the Euratom Directive and introduce other changes. The Inspectorate also engaged with Welsh Ministers in the drafting of the necessary amendments to the Welsh Regulations (covering public and private supplies). Details are provided in the *Legislative changes* section.

The Inspectorate has also been closely involved with Defra, the Welsh Government, Ofwat, the Environment Agency, Consumer Council for Water (CCWater), Public Health England (PHE), the European Commission, water companies and a number of other key stakeholders on a range of matters that ensure its legislative framework and regulatory practices continue to be fit for purpose. These are covered in more detail in the *Working with others* section.

The Inspectorate continues to manage the national Drinking Water Quality and Health research programme on behalf of Defra. This programme contributes to the expert body of knowledge on drinking water science that is fundamental to its effectiveness as a regulator. In 2016/17, the programme spent £169,000. This evidence base also guides the Inspectorate's expert advice on the interpretation and setting of standards, and provides evidence-based information to government, Parliament and Welsh Government members, other regulators and stakeholders, water companies, the media and members of the public. All of the Inspectorate's research reports are made publicly available.

During 2016/17 the Inspectorate:

- i. commissioned three research projects on drinking water quality and health-related topics; and
- ii. published seven research reports and executive summaries for a further four collaborative projects.

4. The Inspectorate is a progressive and trusted organisation.

The Inspectorate applies the principles of Better Regulation, as set out in the *Regulators' Code* published by the Department for Business, Innovation and Skills (BIS), when exercising its regulatory functions. The Inspectorate adopts a risk-based approach to regulation, and its systems and procedures enable it to focus its activities on situations where the risks to drinking water quality and public health are greater.

The Inspectorate holds data that originates from water companies and local authorities in England and Wales, which is gathered in line with legislation. This drinking water quality data, along with the data from Scotland and Northern Ireland, is reported to the European Commission for the UK. Data provided by water companies and local authorities is published in summarised form in the quarterly Chief Inspector's reports and collated annually as well.

The Inspectorate's approach to regulation is transparent. The Inspectorate publishes all legal instruments (Notices, Undertakings and Enforcement Orders) on its website, together with its Enforcement Policy, guidance, information letters, research reports and press briefings.

In addition, during 2016/17:

- The Inspectorate engaged with the water companies it regulates through regular meetings with the companies to discuss issues that are a concern, enforcement matters and topical regulatory matters. It met regularly with Water UK (the organisation representing water companies in the UK), and attended meetings of its various members' groups, to consult with water companies about a wide variety of matters concerning drinking water quality and public health.
- The Inspectorate attended public meetings conducted by CCWater to discuss and share information with CCWater members and the public about matters that affect consumers as well as numerous other engagements with other water industry stakeholders.
- The Inspectorate made information available about compliance and risk for all water companies in the Chief Inspector's reports. Separate reports are produced for public and private water supplies, for both Wales and England, and the reports are published on the Inspectorate's website.
- This year the Inspectorate instigated a further phase in its change programme by introducing the publication of quarterly reports from July 2016.

- The Inspectorate provided information and advice to water companies and local authorities by means of information letters and guidance notes. In 2016/17:
 - The Inspectorate published six Information Letters providing guidance on various matters associated with the Regulations, the Inspectorate’s activities and drinking water quality issues. One of these (04/2016) provided information for water companies and local authorities on the four new statutory instruments relating to the regulation of public and private water supplies in England and Wales (see the *Legislative changes* section).

The Inspectorate continues to support the professional development of its staff by supporting attendance at conferences and seminars as appropriate to business needs, hosting internal training workshops and providing opportunities for external secondments with water companies and laboratories to develop knowledge of specific aspects of water supply operations and laboratory analysis. The Inspectorate encourages all inspectors to be members of a relevant professional organisation and to work towards attaining and maintaining chartered status through these bodies.

Legislative changes

During the year, the Inspectorate worked with others to amend the Drinking Water Quality Regulations for public and private supplies in both England and Wales. The reasons for these changes and the work carried out is outlined below.

Revisions to the Water Supply (Water Quality) Regulations 2000 and the 2016 amendment to the Water Supply (Water Quality) Regulations 2010 (Wales)

The primary purpose of the 2016 Regulations is to transpose the requirements of Council Directive 2013/51/Euratom of 22 October 2013 (known as the Euratom Directive) into the English Drinking Water Quality Regulations. In particular the Euratom Directive introduces a standard and monitoring requirements for radon in drinking water. The 2016 Regulations also clarify certain aspects of the 2000 Regulations, and the subsequent amending Regulations in 2007 and 2010, to improve alignment with the principles of better regulation aiming to reduce unnecessary regulatory burdens on water companies.

The revision of the English Regulations therefore included consolidation of the original Regulations (2000) and subsequent amendments, and introduced

some other changes to regulatory requirements, in particular relating to records to be made available to members of the public.

In Wales, the Euratom requirements have been transposed through the issue of amendment regulations.

The public consultation for the draft English Regulations was launched on 1 February 2016 and closed on 14 March 2016. The 2016 English Regulations² were implemented in June 2016, with the Welsh³ amendment coming into force in April 2016.

Summary of changes

- Radioactivity monitoring requirements have been amended to transpose the requirements of the Euratom Directive. A new parametric value for radon in drinking water (100Bq/l) is introduced with provision for Member States to set a level up to 1,000Bq/l provided water supply is not compromised, i.e. the level of health protection is maintained.
- Minimum monitoring frequencies are specified for tritium and indicative dose (ID)
- Monitoring is not required if it can be demonstrated that the radioactive parameters are not likely to be present or will be at levels well below the parametric value. This can be demonstrated based on representative surveys, monitoring data or other reliable information. Monitoring for tritium is required only where there is an anthropogenic source. The revised regulations include provision for monitoring exemptions where there is no risk of exceedance.

The following changes apply only to the English Regulations:

- Regulation 15 – Sampling new sources – has been amended so that when a water company wishes to introduce a new source into supply, it must now submit the required risk assessment report at least one month before using the source for public water supply. This has reduced the waiting time from a minimum of three months to one month.
- Regulations 27 and 28 have been amended to ensure that risk assessments consider the likelihood of water becoming unwholesome, as well as any potential risk to human health.
- Regulation 27(3) has been removed since the requirement for a risk assessment to be completed by 1 October 2008 is no longer relevant.
- Regulation 34 – Records and Information – now includes two new requirements for companies to retain, for a minimum of five years, the

² http://dwi.defra.gov.uk/stakeholders/legislation/ws_wq_regs_2016_eng.pdf

³ http://dwi.defra.gov.uk/stakeholders/legislation/ws_wq_regs_2016_wales.pdf

results of any electronic monitoring carried out in accordance with the Regulations; and particulars of all consumer contacts made in relation to discharge of duties under the Regulations.

- These amendments have resulted in some consequential changes to the numbering of other Regulations.

The Inspectorate consulted water companies on revised guidance to these Regulations and published the final version in April 2017. It covers both the English and Welsh Regulations. They have been published as individual documents for each Regulation for ease of reference.

Revisions to the Private Water Supplies Regulations 2009

The reasons for the revision of the Regulations included consolidation of the original Regulations (2009) and the subsequent amending Regulations in 2010, the requirement to transpose the Euratom Directive, and other changes to regulatory requirements.

Summary of changes

- The title has changed to Private Water Supplies (England) 2016.
- Regulation 11 now includes the new provisions for monitoring of radioactive substances. For radon, a representative survey must be carried out to determine the likelihood of a supply failing the standard. For ID, a screening method for gross alpha and gross beta activity may be used and if the trigger values are exceeded, further analysis must be carried out for specific radionuclides.
- Schedules 1 and 3 have been updated to include radioactivity parameters.
- Regulation 3 has been amended to more accurately reflect the Drinking Water Directive exemptions for water used for food production purpose where the competent authority (in this case the Food Standards Agency) is satisfied that the quality of water supplied cannot affect the wholesomeness of foodstuff in its finished form.
- Regulations 6, 9 and 10 have been amended to clarify that they apply where a supply is provided as part of a commercial or public activity.
- Regulation 5 (products or substances in contact with private supplies) now no longer refers to Regulation 31 of public water supply Regulations.

These changes apply to England only. In Wales, amendment Regulations have been published which transpose the requirements of Euratom. Guidance for both sets of regulations was updated accordingly in July 2016.

Guidance to the Euratom requirements

To facilitate implementation of the requirements relating to radon, the Inspectorate commissioned a research project, *Understanding the Implications of the European Requirements relating to Radon in Drinking Water*, which was published in 2015, supported with an Information Letter⁴. This report used information from geological surveys, water analysis and radon-in-air to identify areas of the UK where water supplies may be at risk of exceeding the new standard for radon, and to ensure that companies and local authorities carry out an appropriate level of monitoring before the revised Regulations are implemented in 2016. The full report is available on our website.

Full guidance for both sets of Regulations will be drafted and issued to coincide with the publication of the revised Regulations.

Revision to Annexes II and III of the Drinking Water Directive

In October 2015, the European Commission issued Commission Directive 2015/1787 introducing changes to Annexes II and III of the Council Directive 98/83/EC (the 'Drinking Water Directive') which member states have two years to transpose. This introduces changes to the monitoring programmes for all water intended for human consumption and to the specifications for the method of analysis of different parameters.

European Council Directive 98/83/EC 'Drinking Water Directive' Annex II and III changes

The European Commission has revoked the existing Annexes II and III of the Drinking Water Directive and issued revised annexes which must be in force by October 2017. The revisions to the annexes introduce a risk assessment approach to the selection of monitoring parameters and frequencies, and changes to the analytical techniques for measuring accuracy.

The Inspectorate continues to work with Defra, the Welsh Government and water companies to transpose the new requirements through further revisions to the Regulations.

To prepare for the variations to the monitoring programmes enabled by the Drinking Water Directive revisions, based on risk assessment approaches by water companies, the Inspectorate has completed required alterations to its IT systems to receive and process data based on the new prescribed criteria.

⁴ <http://www.dwi.gov.uk/stakeholders/information-letters/2015/05-2015.pdf>

Working with others

The Inspectorate works with a wide range of external organisations, other regulators, government departments, professional bodies and academic institutions in the delivery of its strategic objectives. Some of these activities have been outlined in *The Drinking Water Inspectorate – An overview* section. The Inspectorate has a memorandum of understanding in place with the other principal water industry regulators and Public Health England, which are available on our website⁵.

This chapter provides more detail on our engagement with our principal stakeholders.

1. Defra

The Drinking Water Inspectorate is a business unit in Defra's Water and Flood Risk Management Directorate. As the independent regulator for drinking water quality the Inspectorate is not directly responsible for development of policy. The Inspectorate does, however, actively engage with Defra on matters relating to water quality and sufficiency, resilience and water emergencies.

The Inspectorate works closely with Defra's Water Security and Resilience (WSR) team on all security and emergency issues that could directly or indirectly affect water quality and/or sufficiency. The Inspectorate participates in Defra's emergency meetings during serious water supply events where Defra is the lead organisation under the Security and Emergency Measures Directive (SEMD), and attends other Defra meetings as necessary, providing technical and regulatory advice.

This year, for example, the Inspectorate worked closely with WSR during the Lancashire *Cryptosporidium* water supply emergency, and participated in Defra's strategic communications group established for this event. The Inspectorate will continue to liaise with Defra about this event, to ensure that lessons learned are identified for incorporation into Defra's strategy for improving water supply resilience – Enabling Resilience in the Water Sector.

The Inspectorate also works closely with the Water Framework Directive and Agriculture team in Defra. Liaison here has been about a consultation on the targeted substitution of the pesticide metaldehyde to support water companies in their efforts to meet the drinking water standard for metaldehyde in drinking water. Additionally, the Inspectorate has been working to ensure that environmental and drinking water quality concerns are addressed in a review of pesticide registration conditions.

⁵ <http://www.dwi.gov.uk/about/working-with-others/index.htm>

Engagement with Defra during the year also included the area of water resources ensuring that water quality concerns are considered fully in the determination of options to meet future demand, and various matters relating to abstraction reform, water trading, and market reform.

2. Welsh Government

The Inspectorate continues to work with the Welsh Government on the changes to Annex II and Annex III of the Drinking Water Directive.

The Inspectorate is an active member of the Wales Water Forum, which was established to provide advice and guidance to Welsh Ministers on strategic matters relevant to water supplies and the environment in Wales. One of its activities is to report on progress with delivery of the Government's Water Strategy, into which the Inspectorate provides input on drinking water and water resources aspects.

The Inspectorate also supports a sub-group that has been established this year to oversee Periodic Review 2019 matters.

The Inspectorate continues to support the Water Health Partnership for Wales on both the steering committee and several task-and-finish groups, for example, private water supplies and lead in drinking water.

This year saw the acquisition of Dee Valley Water by Severn Trent Plc. The Inspectorate liaised with Welsh Government, the water companies and other stakeholders to ensure that supply arrangements and drinking water quality are not impacted adversely by these changes and that proposals for the reconfiguration of organisation arrangements maintain water quality compliance and service levels.

3. Water companies and Water UK

In addition to the Inspectorate's routine regulatory engagement with water companies, it has significant liaison and consultation with water companies and their representative body, Water UK, on the strategic issues that are relevant to the water industry. This is an important and ongoing process.

Water UK projects that the Inspectorate has been engaged with this year include:

- assessing long-term water resource sufficiency across England and Wales, ensuring that drinking water quality is not compromised in the pursuit of demand management; and

- contribution to the new DiscoverWater website to enable wider access to water industry data and facts. The website enables cross-company comparison over all areas that the companies manage.

4. Ofwat

The Inspectorate works closely with Ofwat to ensure that drinking water quality is fully considered in all work relating to the water market. This includes liaison over the forthcoming periodic price review including consultation about performance commitments and outcome measures, and liaison with Customer Consultation Groups.

Additionally this year the Inspectorate has been involved in awarding Water and Sewerage Supply Licences for retail services to facilitate the opening up of the retail market in April 2017. Its role has been to ensure that new retailers have processes that comply with the relevant statutory codes of practice (especially with reference to the management of an unplanned incident affecting drinking water supply).

The Inspectorate has also liaised on a change of licence application by Cholderton Water.

5. The Environment Agency

The Inspectorate has been engaging with the Environment Agency (EA) on the interaction of the Water Framework Directive and Drinking Water Directive, working to support water companies in their catchment management activities for metaldehyde and nitrate. The Inspectorate is also working on arrangements to share data (where possible) to assist the EA in delineating drinking water protected areas to ensure that the EA can provide appropriate protection to public and private supplies, as well as the provision of raw water data, where available, that may be useful in pollution incident investigations.

The Inspectorate is represented on the Metaldehyde Stewardship Group which is an agrochemical industry-led group established to address the issue of metaldehyde contamination of water supplies. Its membership includes representatives from farming, agronomy and pesticide manufacturers as well as water companies, the EA and Defra.

6. UK Regulators

The Inspectorate has a memoranda of understanding with its equivalents from Northern Ireland, Scotland and the Republic of Ireland. Meetings are held three times a year and the group are joined by the regulators responsible for drinking water quality in Jersey, Guernsey, Gibraltar and

the Isle of Man for general support, knowledge sharing and capacity building.

During this reporting period, transposition of Commission Directive 2015/1787 was discussed, as well as reporting on the calendar year of 2016. Outputs of research programmes and developing enforcement cases were shared. The Drinking Water Inspectorate in England and Wales shared proposals for several new water quality indices which will replace the published Mean Zonal Compliance figures currently reported. This is accompanied by a wider Change Programme within the team to standardise procedures and quality assure assessment outcomes to support the new indices.

7. The Isles of Scilly

During 2016, the Inspectorate continued to support the project to find a sustainable future management arrangement for drinking water supplies on the Isles of Scilly. The project, which saw South West Water express an interest in extending its area of appointment to cover the Isles of Scilly, is progressing in parallel to work by Defra to implement the legislative framework for the islands. The Drinking Water Inspectorate's role is in facilitating the process and assessing the technical merits of proposals put forward by South West Water and continuing to support the Council of the Isles of Scilly, the Duchy of Cornwall and residents in establishing and running safe drinking water supplies.

8. The European Commission

The informal 'Drinking Water Directive Expert Group' meets to discuss Drinking Water Directive matters two to three times per year.

The Commission provided an update on the position across all Member States concerning transposition of the Directive 2015/1787 amending Annexes II and III to Council Directive 98/83/EC and took the opportunity to present on drinking water-related research.

The Commission presented the results of a project on the revision of article 10 of the Directive. The study is entitled Support to the Implementation and Further Development of the Drinking Water Directive (98/83/EC): Study on Materials in contact with Drinking Water. It is accompanied by a user guide for water systems practitioners and users, *Materials coming into contact with drinking water: What to watch out for at home*.

The Commission also reported on other aspects of its current evaluation and revision of the Drinking Water Directive including parameters monitored and drinking water safety planning.

9. European regulators

The European Network for Drinking Water Regulators (ENDWARE) meets three times a year to discuss matters concerning implementation and compliance with the Drinking Water Directive. As transposition of the Directive requires some interpretation to take account of each Member State's particular water industry arrangements, there is some variation in how compliance is achieved. It is therefore possible to learn about these different approaches and determine if improvements can be made in the UK. Research outcomes are shared and aspirations for future revisions of the Directive are discussed. A representative from the Commission is present for the meetings and issues or concerns are taken forward if appropriate.

10. Public Health England

Fluoride

Water supplies may be artificially fluoridated at the request of local authorities. The Inspectorate has worked with Public Health England (PHE) to ensure the target concentration in water supplied to consumers is achieved. The Inspectorate's support for PHE included reviewing and commenting on fluoride results that fall outside the target range. In 2016/17 it assessed 366 such results. The Inspectorate has also co-operated in considering aspects of chemical delivery and the operation of dosing plants.

Chromium

As detailed in last year's report, the Inspectorate provided guidance to water companies on the steps they should take in relation to chromium in Information Letter 04/2015. During 2016/17, the Inspectorate collated the data gathered by water companies as a result of Information Letter 04/2015. Overall, the monitoring conducted by water companies was reassuring. At no water treatment works was the concentration of chromium in water leaving the site above 10µg/l, which is the most stringent standard set to date. Information letter 02/2017⁶ summarising

⁶ <http://www.dwi.gov.uk/stakeholders/information-letters/2017/02-2017.pdf>

the results and providing further guidance was issued in May 2017.

11. The World Health Organisation

The Inspectorate has been designated (until January 2018) as a World Health Organisation (WHO) Collaborating Centre for Drinking Water Safety (Ref UNK-232). This recognises our knowledge of implementing risk-based regulation in the field of drinking water supply, practically implementing the WHO water safety plan approach that was first promulgated as drinking water policy globally in 2004. An important function of our Collaborating Centre role is to provide support in the form of regulatory and technical knowledge through WHO-organised workshops, training programmes, benchmarking projects and research studies.

The UK supports the universal and equitable access to sufficient amounts of safely managed drinking-water and works with a number of governments to ensure the microbiological safety of water.

The Drinking Water Inspectorate in the UK as a WHO Collaborating Centre actively partakes in supporting the provision of protocols, training, instruction and the provision of experts to support WHO in the objective for drinking water.

For instance, the Inspectorate attended a national capacity building workshop on the United Nations Economic Commission for Europe (UNECE)/WHO (Europe) Protocol on Water and Health for Albania in September 2016. The Inspectorate presented at a country level, the implementation of Water Safety Plans (WSPs) covering the difference in application between public and private supplies, the regulatory framework, governance and oversight and the risk assessment tool used in England and Wales for private supplies.

The Inspectorate attended a strategic workshop on the Protocol for Water and Health in March 2016. The objective of the consultation was to identify priorities and inform future work under the Protocol, and specifically to:

- discuss and confirm the rationale for and relevance of the current areas of work as well as of possible new thematic areas for the pan-European Region, including interlinkages and synergies with relevant regional and global policy frameworks;
- discuss and identify the scope of possible activities to be included in the programme of work for 2017–2019 that would add value to the regional agenda; and

- identify possible partnerships for the implementation of the programme of work for 2017–2019

The Inspectorate also attended a meeting of the parties under the Protocol for Water and Health in November 2016. The purpose of the meeting was to review activities over the past three years and confirm the work programme for 2017 to 2019. Particular emphasis for the Inspectorate was on taking policy action to improve small-scale water supply and sanitation systems using tools and good practices from the pan-European region and the status of small-scale water supplies in the WHO European region. The strategy going forward is to share water safety planning and a risk assessment methodology to improving drinking-water safety in small communities.

12. Consumer Council for Water

The Inspectorate shares and exchanges information with the Consumer Council for Water (CCWater) on drinking water quality issues, with an emphasis on issues that directly affect consumers, through attending meetings and providing reports. The Inspectorate attends CCWater's regional meetings as necessary, where drinking water quality features on the agenda.

13. Consumer Consultation Groups

Consumer Consultation Groups (CCGs) were established by water companies to improve companies' engagement with customers as part of their meeting Ofwat requirements for the Periodic Review 2014 (PR14) process. The Inspectorate provided strong support for this initiative as part of PR14. All companies have renewed CCG appointments post-PR14, with an emphasis on assurance on delivery of AMP6 commitments. The Inspectorate is not a member of the current CCGs, but will continue to support their work as resources permit by providing advice on drinking water quality matters. Arrangements for the role of CCGs in the PR19 process are now established. The Inspectorate had meetings with the CCG Chairs Group during the year to brief them on Inspectorate-related issues for PR19 and longer term business planning.

14. United Kingdom Accreditation Service

The Department for Business Energy and Industrial Strategy (BEIS) has appointed the United Kingdom Accreditation Service (UKAS) as the sole accreditation body in the UK for the purposes of assessing drinking water testing facilities and sampling arrangements in accordance with ISO/IEC

17025 and the Drinking Water Testing Specification (DWTS). Information Letter 05/2013⁷ dealt with requirements for all companies to obtain UKAS accreditation under ISO/IEC 17025 to DWTS for all sampling, transport and analysis of drinking water that falls within the scope of the Regulations. In 2016/17, many companies extended the scope of their sampling accreditation under the ISO standard to comply with these requirements. The Inspectorate and UKAS worked closely to ensure the required progress was made.

The Inspectorate is consulting UKAS in developing a scheme for certification of individuals who carry out water sampling activities. This new measure of competence is being developed as part of a scheme under the ISO/IEC 17024 standard.

15. Standing Committee of Analysts

The Standing Committee of Analysts (SCA) comprises a series of working groups of experts in their fields, who provide guidance on methods of sampling and analysis for determining the quality of environmental matrices. Guidance is published as Blue Books within the series *Methods for the Examination of Waters and Associated Materials*. The guidance can be found on the Standing Committee of Analysts website: <http://standingcommitteeofanalysts.co.uk/>

The Chief Inspector is the current SCA strategic board chairman, which provides strategic direction for the organisation's forward programme of work.

In March 2018, the Standing Committee of Analysts is planning a conference in collaboration with the Society of Chemical Industry (SCI) and jointly sponsored by RSC-WSF and SCI-EHS. This conference will develop the future strategy direction of the SCA as well as reflecting on its history.

16. British Standards Institute

The Inspectorate assists and participates in the writing of British, European and International standards that are associated with drinking water. This includes the analysis of drinking water, including quality control, drinking water products such as taps and thermostatic mixing valves, treatment chemicals and products as well as general guidance standards such as temporary supplies.

⁷ <http://dwi.defra.gov.uk/stakeholders/information-letters/2013/05-2013.pdf>

Standardisation meetings may require attendance, but membership can be by email correspondence and comment. A committee meeting is generally held either annually or biannually.

This year has seen the publication of two drinking water product standards (BS5834-1 and BSEN13618), eight treatment chemical/filter media standards (BSEN887, BSEN878, BSEN937, BSEN12671, BSEN939, BSEN902, BSEN938 and BSEN882) and one drinking water analytical test method standards (ISO9308-1). In addition to this, the Inspectorate participated in the revision, confirmation and writing of new standards where there is a requirement for regulatory, or specific expertise in certain aspects of drinking water.

17. Local authorities in England and Wales

In 2016, the Inspectorate published revised guidance on the Private Water Supplies (England) Regulations 2016 to clarify the revisions and approaches to be taken. In September, the Inspectorate undertook a series of regional workshops across England to communicate those changes, with support from Public Health England on the new radioactivity requirements.

18. Supply chain

The Drinking Water Inspectorate continued to take an active part in the four Member States group (4MS), consisting of the UK, France, Germany and the Netherlands, to develop common acceptance criteria for materials and products in contact with water. The Inspectorate also met with trade bodies representing suppliers of materials and products and with the Water Regulation Advisory Scheme (WRAS) to discuss progress.

The Commission has undertaken a review of Article 10 of the Drinking Water Directive (which deals with the effects of construction materials on drinking water) and is now considering what, if any, changes it may make at an European Union (EU) level. The Commission has also withdrawn Mandate M136 to European Committee for Standardization (CEN) which requested the development of harmonised standards in this area and has published a series of replacement draft mandates. The Inspectorate has engaged, through the 4MS, with the Commission on this process.

19. Research organisations

The Drinking Water Inspectorate manages the drinking water quality and health research programme for Defra.

The rationale for publicly funded research is the provision of credible and authoritative information on the health aspects of drinking water quality to ensure that standards and regulations protect public health. The Drinking Water Quality and Health (DWQH) research programme allows Defra and the Welsh Government to discharge their obligations in respect of ensuring the safety of drinking water based on credible scientific evidence

Between 1 April 2016 and 31 March 2017, the Inspectorate provided funding for three projects: independent expert advice on drinking water quality health and regulation matters; chlorate in drinking water; and disinfection by-products from advanced oxidation processes. Since its last business report the Inspectorate has published reports on:

- *Comparison of Private Water Supply and Public Water Supply Ultraviolet (UV)* (DWI 70/2/306).
- *Assessing the effect of water meter installation on exposure to lead in water* (DWI 70/2/282).
- *Identification of High Risk Sites for Iodinated DBP Formation* (Ref DWI 70/2/291).
- *Measurement of ptaquiloside concentrations at a few of the most vulnerable sources and final waters* (Ref DWI 70/2/271).
- *A review of the risks to drinking water quality at rural public buildings in England and Wales* (Ref DWI 70/2/307).
- *Investigation of the Potential Formation of 2,4D from Fluoranthene* (Ref DWI 70/2/307).
- Technical definition of wholesomeness in relation to water used for toilet flushing in private water supplies (Ref DWI 70/2/303).

In addition, the Inspectorate published the executive summaries of two collaborative projects with the United Kingdom Water Industry Research Ltd (UKWIR) on Stage 3 of *Brass Fittings – A Source of Lead in Drinking Water* (ref 70/2/309) and two phases of a project on pesticide risk mapping and catchment interventions (Ref DWI 70/2/302)

Further to this, the Inspectorate published the executive summaries of two collaborative projects with the Water Research Foundation (WRF) on *Cryptosporidium Genotyping Workshop and Round Robin* (Ref: DWI 70/2/247) and *Fate of Non-Regulated Disinfection By-Products in Distribution Systems* (Ref: DWI 70/2/248).

Establishing a sound evidence basis underpins everything the Inspectorate does. It provides reassurance to consumers, contributes to drinking water legislation, is fit for purpose and helps the Inspectorate ensure water suppliers deliver water that is safe and clean.

Regulatory developments

The context in which the Inspectorate operates is constantly evolving. The European Commission, Ministers and other regulators regularly update their policy and strategic objectives for water supply arrangements, and these developments have an impact on what the Inspectorate does. Wider governmental aspirations and initiatives, for example, for better regulation, also need to be adapted for its circumstances and implemented.

Other generic issues, such as climate change and industry-level organisational change through mergers and acquisitions, affect everyone. Specific developments, for example, the development of competition in the water industry, together with economic and technical innovation, have had an impact the Inspectorate's work during the past year.

This section discusses the Inspectorate's recent engagement on some of these issues.

- **Market reform**

The Water Act 2014 established the framework to create a market that will allow 1.2 million businesses and other non-household customers of providers based mainly or wholly in England to choose their supplier of water and waste water services from April 2017. Retail services include services such as billing and enhanced customer services.

The Inspectorate has worked with key organisations to design and deliver the new market, to develop a suite of statutory codes governing the relationships between customers, wholesalers and retailers to ensure that this market change does not allow a reduction in confidence that non-household customers have in their drinking water supply.

The Inspectorate has also worked with Ofwat to assess retail licence applications received in the lead up to, and post, market opening in April 2017.

Additionally, the Inspectorate has advised retailers and wholesalers of its operational arrangements to manage any non-routine events that arise that may have an impact on drinking water quality.

- **Better regulation**

The Regulators' Code came into force in April 2014 as part of the Legislative and Regulatory Reform Act 2006. This replaced the Regulators' Compliance Code. It requires regulators to adhere to a set of principles for engagement with those they regulate. There are six key areas:

- i. Regulators should carry out their activities in a way that supports those they regulate to comply and grow.
- ii. Regulators should provide simple and straightforward ways to engage with those they regulate and hear their views.
- iii. Regulators should base their regulatory activities on risk.
- iv. Regulators should share information about compliance and risk.
- v. Regulators should ensure clear information, guidance and advice is available to help those they regulate meet their responsibilities to comply.
- vi. Regulators should ensure that their approach to their regulatory activities is transparent.

Regulators are expected to give regard to these principles when developing policies and procedures for carrying out their regulatory activities. The code can be found at:

<https://www.gov.uk/government/publications/regulators-code>

The Inspectorate was previously audited by BIS (now known as BEIS) on its level of compliance with the Regulators' Compliance Code, and was found to be an exemplar organisation in its implementation of the Code requirements.

Since the time of the audit the regulatory landscape has changed dramatically. Many of the initiatives were previously non-mandatory, however, in 2017 the coming into force of a number of pieces of legislation, including The Enterprise Act 2016 and The Deregulation Act 2015 now comprise statutory obligations for regulators.

The acts require regulators to be mindful of impacts to business on all regulatory activities and a key feature of these is the encouragement of

continued appraisal of impact on business growth, reduction of regulatory burden and visibility and proportionality.

As part of the new measures, the Inspectorate completed a mandatory activity with its other regulatory counterparts to assess all regulatory changes which may have impacted those they regulate since the beginning of the last Parliament. An economic assessment was also made of those measures deemed to be contributory to the Government's business impact target (known as the BIT). A table of measures that Drinking Water Inspectorate assessed can be found on the Inspectorate's website: <http://www.dwi.gov.uk/about/better-reg/dwi-measures.pdf>

The Inspectorate continues to embed and strengthen work to demonstrate continued compliance with other new government initiatives for better regulation such as the Small Business Enterprise and Employment (SBEE) Act requirements, and the small business appeals champion requirements.

The acts also introduced reporting requirements and the Inspectorate continues to provide information for all stakeholders through its website, Chief Inspector's reports and through key groups such as Water UK who are regularly consulted on likely changes impacting business requirements and changes to legislation.

- **Enforcement policy**

The Inspectorate's enforcement policy, as published on its website, was reviewed during 2015 and republished for the period up to 2020. Defra published its own enforcement policy in October 2015 and the Inspectorate ensured its policy aligned with this and any updates or changes to the various codes and conventions its

policy is based upon. Changes were predominantly made to provide better clarity concerning the Inspectorate's core enforcement activities and processes.

During 2017 the policy is being reviewed as part of the organisation's commitment to better regulation and to assess the impacts of the legislative changes to both businesses and consumers. The aim being to ensure maximum visibility of the Inspectorate's internal processes and equality in the handling of all enforcement activities.

- **Risk assessment reporting**

In October 2015, a project was completed which transformed how the Inspectorate collects, stores and reacts to information produced by water

companies delivering risk assessment and risk management obligations in accordance with the Regulations. The two-year project involved reviewing the data gathering requirements, testing proposals for standardising data submissions using a pilot group of companies, and the development of a new IBM database.

During 2016 and 2017, the Inspectorate has engaged with the industry and worked to understand the methodology and processes used by businesses for undertaking Regulation 27 and 28 activities. The Drinking Water safety plans are now becoming more dynamic and integrated into water companies' day-to-day operations. There is a requirement for companies to now report significant changes to assessments on a monthly basis and each October the companies make a full submission of all reports.

A workshop was held in quarter four of 2016 to update on Inspectorate findings relating to the content of submissions and how this data is used. At the end of 2016, the Inspectorate held 1.2 million lines of data showing hazards associated with water supplies. Ideas were shared at the workshop about the way forward for these records and potential changes to format for submissions.

With new plans for revised industry performance metrics and indices, the Inspectorate is in the process of further consultations with the industry as to the likely impact on their businesses of any changes for the reporting of risk assessments. This consultation continues and there will be further advice on the scope and timescales for this work during the third quarter of 2017.

- **Information Direction 2017**

The Water Industry (Suppliers' Information) Direction 2017 was amended and came into effect on 1 April 2017. It supersedes the Water Industry (Suppliers' Information) Direction 2012. The Direction has been updated:

- a) to make changes necessary due to the commencement of competition with respect to non-household supplies;
- b) to update requests for data to reflect needs of the Inspectorate – main provision being the bringing forward of the reporting of compliance data to five weeks in arrears; and
- c) to formalise arrangements already in place for the provision of risk assessment reports.

The 2017 Direction also incorporates minor amendments and additional information requirements.

Annex 1 – Cost recovery

Company	Amount recovered for checking sample results	Amount recovered for conducting audits, events and complaints
Affinity Water	£101,915	£15,470
Albion Water	£220	£780
Anglian Water	£212,905	£33,345
Bournemouth Water	£20,240	£3,185
Bristol Water	£67,100	£10,270
Cambridge Water	£14,465	£8,840
Cholderton and District Water	£550	£2,600
Dee Valley Water	£15,565	£4,940
Dŵr Cymru Welsh Water	£122,815	£38,480
Essex and Suffolk Water	£57,090	£7,605
Hartlepool Water	£2,090	£1,625
Independent Water Networks	£440	£1,755
Leep Water Networks	£275	£0
Northumbrian Water	£100,595	£18,330
Portsmouth Water	£20,295	£4,875
Severn Trent Water	£292,160	£91,520
SES	£21,670	£10,240
South East Water	£127,765	£46,865
South Staffordshire Water	£45,155	£9,685
South West Water	£107,745	£22,945
Southern Water	£133,705	£63,115
SSE Water	£6,545	£390
Thames Water	£264,385	£46,215
United Utilities	£223,465	£102,570
Veolia Water Projects	£1,705	£3,835
Wessex Water	£127,490	£32,305
Yorkshire Water	£194,755	£23,790
Sub total	£2,283,105	£605,605

	Costs recovered
Product approval	£60,300
Total costs recovered	£2,949,010

Annex 2 – Structure of DWI



