



guardians of drinking water quality

DRINKING WATER INSPECTORATE

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**To: Thérèse Coffey
Parliamentary Under Secretary of State for the Environment**

I am pleased to inform you that *Drinking water 2018* will be published on 11 July 2019. The report is the 29th published by the Drinking Water Inspectorate (DWI) and it covers both private and public water supplies.

Drinking water 2018 provides a record of the work of the Inspectorate in checking that water companies and local authorities have taken the appropriate action to maintain confidence in drinking water quality and to safeguard public health.

In 2018, the figure for public water supply compliance with the EU Drinking Water Directive was 99.95%. This figure is certainly good news and would indicate that the drinking water supply is excellent. It remains largely unchanged since 2004 but represents the high standards for compliance in England recorded since 1990.

In 2016, the Inspectorate introduced a new measure called the Compliance Risk Index (CRI), designed to allocate a numerical value to risk. Unlike Mean Zonal Compliance (MZC), it assigns a value to the significance of the failing parameter, the proportion of consumers potentially affected and the quality of the company's response. CRI is a measure designed to illustrate the risk arising from treated water compliance failures, and it aligns with the current risk-based approach to regulation of water supplies used by the Drinking Water Inspectorate. The measure has been introduced as a common performance commitment for the Periodic Review 2019 by the Financial Regulator (OFWAT), who are responsible for setting any financial measures through agreement with companies. The introduction of CRI recognises that the level of water quality in England remains one of the best in the world and new, innovative methodology was required to focus on the few areas which matter to the water industry and consumers alike.

In 2018, for companies wholly or mainly in England, the CRI in 2018 was 3.86. This is a marginal increase on 2017 which was 3.62. In England, failures of samples to meet EU, National, and indicator standards taken at treatment works, service reservoirs and taps, all contribute to the national CRI score. The common link between the majority of these failures is they are due to just a handful of assets which present the majority of risk and contribute greatest to CRI.

In 2017, a new drinking water quality measure called the Event Risk Index, (ERI), was introduced to illustrate the risk arising from drinking water quality events which also aligns with the current risk-based approach to regulation of water supplies used by the DWI. Like CRI, it assigns a value to the significance and duration of the event, the number of consumers potentially affected and the quality of the company's response. Similar to CRI, the Financial Regulator (OFWAT) has made this measure available as an asset health performance commitment for PR19, should companies wish to be measured by it. The industry ERI in 2018 was 783 and was higher than the 241 recorded in 2017. This figure was due to detections of *Cryptosporidium* at Knapp Mill Works (Bournemouth Water), and at works serving a large populations in London (Hampton and Coppermills operated by Thames Water) and repeated coliform detections at Testwood works (Southern Water) amongst 46 events classified as serious by the Inspectorate.

In 2018, the continuing strategy of innovative regulation introduced analysis of recommendations made to companies by the Inspectorate. The basis of the Recommendation Risk index is to build upon the concept of a recommendation as a first level regulatory intervention. The objective is to encourage companies to take action themselves before the need for formal enforcement action. As part of this, and since 2016, four companies have been identified as being at a higher risk of regulatory failure, (Severn Trent Water, United Utilities, Southern Water and Thames Water).

As part of progressive and better strategic regulation, we have worked with these companies to formalise a water quality improvement strategy through transformation programmes. The programmes comprise a set of legal instruments that set out agreed actions. I am pleased to report the positive response by the companies to these programmes and the evidenced improvements.

Completed in 2018, were two successful prosecutions and two Cautions of water companies for events. United Utilities were prosecuted for two separate incidents of inadequate disinfection of water at Sweetloves works and were also Cautioned for a similar occurrence at Buckton Castle where consumers were asked to boil their water for a short period. The second prosecution was for the supply of unfit water from Cooks Castle service reservoir in the Shanklin area of the Isle of Wight. This event occurred in 2013 and only came to light through investigations by my Inspectors who discovered the event retrospectively as the company had failed to report the matter. The final Caution was due to the provision of discoloured water from Seedy Mill works by South Staffs Water. A prosecution, while completed in January 2019 has also been included in my report due the serious nature of the incident. This occurred at South Moor service reservoir (Northumbrian Water). This was an event that should not have happened. Corners were cut in carrying out the work and inadequate scrutiny did not identify this. Consumers experienced water with an unpleasant taste and odour which is likely to have been detected had adequate checks been carried out before the reservoir was put back into service.

The picture in relation to private water supplies, while improving, continues to require keen focus with 4.8% of tests failing to meet the drinking water standards. Nonetheless, this figure represents an improvement when compared to the 9.6% of tests that failed in 2010, the year when reporting for private supplies was first introduced. Across England, the number of private supplies that had been risk assessed was 7,729, covering two-thirds (64%) of all relevant private supplies. In comparison with the previous two years, figures were very similar and indicate a stalling of progress towards completion of all required risk assessments. Additionally, in 2018 there were 362 supplies in England that were a potential danger to human health where local authorities had to require the owners to make improvements and take steps to protect public health. Over three-quarters (77%) of these failing private supplies are large supplies or supply commercial premises or premises where the public may access water e.g. B&Bs, cafés and tourist attractions.

During 2018, there were five private water supply events identified for wider learning.

Two relate to unfit supplies in horticultural premises growing salad products, both of which highlight the concerns of products produced in this way entering the food chain. A further example highlights the hazards of rainwater collection and solar panels where interconnections may present a risk of contamination to the drinking supply. Of particular note this year was a case concerning a private water supply which originates from a well and supplies a house and a downstream rented property. Occupants of the downstream property receive their supply of water granted by a 'Deed of Easement'. The threat of cutting off the supply was a result of a wider dispute between the neighbours requiring the local authority to serve a Notice to maintain supply whilst an alternative was enabled. This dispute went all the way to consideration for Judicial Review on the basis that the Deed provided a continuing and ongoing right to water. This case highlighted the complexity of private supplies when combined with private disputes, property law and rights of access which the Water Industry Act 1991 does not consider. The final case study relates to a private supply to a small village which was run on a semi-commercial basis until the point at which deteriorating pipework caused the supplier to abandon the network and start a new network with shareholder options. This left the village in a bitter dispute, with multiple notices and appeals, press involvement and legal threats which are still ongoing.

Yours sincerely



Marcus Rink
Chief Inspector of Drinking Water