

A National Success Story

The revitalisation of the water industry in England and Wales is one of the unsung business successes of recent years. Big improvements have been achieved in drinking water quality, bathing waters, the environment and customer service. Water bills have gone up, but nearly 70% of the additional cost of improvements has been covered by water company efficiency savings. The average cost of water and sewerage services in 2009 is 94p a day. However more still remains to be done.

The water industry post-privatisation has been successful in service and operational terms. Its achievements, summarised here, have been made mostly away from the glare of publicity and under strong regulatory regimes.

Between 1990 (the date of the main industry privatisation) and 2010, the industry will have invested £80 billion in improving drinking water quality, the water environment and customer service. That is almost £3,500 for every household in England and Wales. Investment is now running at some £4 billion each year, well over £10 million a day.

What has this investment bought us?

- Between 2005 – 2010 water and sewerage companies in England and Wales are in the process of laying, renewing or relining approximately 20,000km of water mains – more than enough pipes to stretch from London to Auckland.
- The proportion of properties at highest risk of sewer flooding has reduced by more than 75% in the last 10 years.
- Leakage is down by 35% since its peak in the mid-1990s.
- The number of beaches in England and Wales recommended for excellent water quality by the Marine Conservation Society's (MCS) Good Beach Guide has increased by almost 90% between 1998 – 2008. 380 beaches were recommended by the MCS in 2008.
- In 1990, only around 78% of England and Wales's bathing waters met the minimum standards. In 2008 this figure had risen to 97%.
- In 2007, 72% of English rivers were rated either good or excellent compared with 55% in 1990; 87% in Wales compared with 79% in 1990. Successes include the River Mersey, where breeding salmon have returned after a more than 80 year absence to what was once known as Western Europe's most polluted river.
- In 2008, overall compliance with the drinking water standards in England and Wales continued to be very high at 99.96%.

Customer service levels are now at their highest since 1990. For example, fewer than 1 in 1,000 properties is now likely to experience low water pressure compared with 18 in 1,000 in 1991. In addition, security of supply, i.e. the continuing availability of water supplies, has been greatly improved.

The need for investment continues

There is still more to do. Despite the investment and fundamental improvements these initiatives have focused on tackling statutory requirements. Other improvements are needed to meet customers' expectations, e.g. minimising the risk of flooding from sewers, improving long term security of water resources and addressing customers' concerns over the appearance, taste and smell of drinking water – the most important element of improving service in the joint customer survey ¹(before costs were taken into account).