

## Agenda

**Consumer Council for Water Board  
Meeting in Public  
Tuesday 4 June 2019 - 11:00 - 14:30  
Room 101  
Library of Birmingham  
Centenary Square  
Broad Street  
Birmingham, B1 2ND**

*10:30 - refreshments and welcome ahead of public meeting at 11:00*

**30/19P 11:00 Welcome and apologies for absence**

**31/19P Declarations of interest**

### **Stakeholder Session**

The session is intended to be an opportunity to explore common issues that are causing complaints in the UK Non Household water market and what is/can be done to resolve these and work together more effectively; including the wholesaler/retailer working relationship.

**32/19P 11:05 Introduction to the public session** Phil Marshall, CCWater  
To receive a short presentation from CCWater to introduce the session including details of complaint statistics and themes.

**33/19P 11:15 UK Water Retailers Council (Phill Mills)**

To receive a short presentation from the UK Water Retailers' Council on current issues around the non-household retail water market in England.

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**34/19P    11:30   Scottish Water (Richard Lavery)**

To receive a short presentation from Scottish Water reflecting on the NHH water market in Scotland.

**35/19P    11:45   Ofwat - response to the issues raised (Emma Kelso)**

To hear Ofwat's reflections on the issues currently affecting the non-household retail water market in England.

**36/19P    12:00   General discussion**

Group discussion on the topic for the meeting and the issues raised in the earlier presentations.

***12:45 - 13:15 - lunch***

**Governance and Reporting**

**37/19P    13:15 - Minutes of the public meeting held on 16 April 2019 and any matters arising** (attached)

**38/19P    13:20 - Chief Executive's report** T Smith  
Paper to note (attached)

**39/19P    13:35 - Finance Reports:-**

(i) year to end March 2019 M Perry  
Paper to note (attached)

(ii) to end April 2019 M Perry  
Paper to note (attached)

**40/19P    13:40 - 2018/19 Annual Report and Accounts** M Perry  
Paper for decision (attached)

**41/19P    13:50 - CCWater Welsh Language obligations - Annual Report** P Marshall  
Paper for decision (attached)

**42/19P    14:00 - Annual Review of Scheme of Delegation** A Townsend/M Perry  
Paper for decision (attached)

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**43/19P** 14:10 - **Regional/Wales roundup**  
Paper for discussion/note

Regional/Wales Chairs  
(attached)

**44/19P 14:25 - Other business (public)**

## 45/19P Future Meetings

The next regional meeting in public will be on 16 July 2019 in the Northern Region.

**Public meeting close 14:30**

Attending:-

Board: Alison Austin, Bernard Crump, David Heath, Julie Hill, Robert Light, Tony Redmond (Deputy Chair), Tony Smith, Rob Wilson

CCWater: Amanda Caton, Mike Keil, Phil Marshall, Carl Pegg, Marie Perry, Alison Townsend



**Consumer Council for Water  
Minutes of the Board meeting in Public  
11:00 on Tuesday 16 April 2019, 11:00  
Bath Cricket Club  
North Parade Road  
Bath, BA2 4EX**

**Present:-**

**CCWater Board:** Alison Austin  
Bernard Crump  
David Heath  
Julie Hill  
Rob Light  
Tony Smith

**CCWater:** Amanda Caton, Head of External Communications  
Mike Keil, Head of Policy and Research  
Phil Marshall, Deputy Chief Executive  
Carl Pegg, Head of Consumer Relations  
Marie Perry, Head of Finance and Procurement  
Alison Townsend, Board Secretary

**Stakeholders  
Presenting:** Stephen Bird, South West Water  
Dave Elliott, Wessex Water  
Iain McGuffog, Bristol Water  
Sally Mills, South West Water  
Phil Wickens, Wessex Water

**Stakeholders/  
Public:** In addition to the stakeholders presenting outlined above,  
approximately 20 stakeholders/members of the public joined  
the meeting to hear and discuss the presentations summarised  
in the minutes that follow.

- 15/19P **Election of Chair, welcome and apologies for absence**  
Election of Chair
- 15.1P The position of Board Chair was currently vacant and the Deputy Chair had sent apologies for absence and so the Board was required to elect one of its members to Chair the meeting.
- The Board agreed that Julie Hill be elected to chair this meeting.**
- Introduction and apologies for absence
- 15.2P The Chair welcomed board members and stakeholders to the meeting. Apologies for absence had been received from Tony Redmond and Rob Wilson.
- 16/19P **Declarations of interest**
- 16.1P There were no declarations of interest.
- 17/19P **Introduction/overview of the public session**
- 17.1P The Board received a brief introduction to the stakeholder session from the Western Chair. The meeting was an opportunity to hear about and discuss a number of topics with companies including how the companies acted as good corporate citizens and the interrelationship between this work and issues around legitimacy and transparency. There would also be an opportunity to explore the PR19 process with the companies present.
- 18/19P **Stakeholder session - Corporate citizenship - legitimacy/transparency**
- 18.1P The Board received a short presentation/update from each of the companies on issues around corporate citizenship.
- Bristol Water
- 18.2P Bristol Water (BW) explained that it had spent a lot of time looking at issues associated with corporate citizenship and that the company could trace these initiatives back through to its formation. BW had published its Social Contract in January 2019 and the Board noted that BW staff were currently talking to customers about the organisation's social purpose.
- Wessex Water
- 18.4P The Board heard about the background to the development of a Community Commitment by Wessex Water (WW). The initiative translated national policy objectives into local commitments within a 25-year timescale. The Board heard that WW proposed to share outperformance with the Community via the WW community foundation.

### South West Water

- 18.5P South West Water (SWW) recognised that it needed to do more than just provide its core/vital services to its customers. SWW had engaged with its customers to develop its WaterSure Plus tariff and share ownership scheme that had been put forward in its PR19 business plan. SWW explained that it planned to link its executive pay arrangements to the organisation's customer facing performance.

### Discussion

- 18.6P The Board went on to discuss the issues raised in the presentations including:-

- If the Social Contract was a new concept or the repackaging of existing initiatives. There was a recognition within the companies that the concept included both new and existing initiatives. WW explained how it was changing its business model to respond to new challenges including climate change and resilience, and to work more closely with customers. SWW explained how it wanted to be part of the solution to the region's social challenges;
- What WW meant by 'sharing outperformance'. The Board heard that WW Marketplace, an online collaboration tool for organisations inside and outside of the water industry, had gone live that day. The system supported WW's aim to be more transparent with its customers, supply chain and the rest of the industry. The Board heard that WW had also been operating its EnTrade system for a number of years; EnTrade had led to reduced costs but also produced additional local benefits for example improved soil quality;
- How the SWW customer share scheme would work. SWW explained that there was still work to do before the share scheme could be launched and all customers would be offered a rebate and given the option to take that value as a Pennon tradeable share. A nominated shareholder would be in place to act on behalf of customer shareholders and there would be no admin costs for customers wishing to sell shares held in the scheme;
- How companies would know if the social initiatives had been a success and who would hold them to account for this performance. The Board heard that the companies planned to measure the impact of this work in a number of ways including satisfaction measures and performance commitments. The companies outlined a number of ways that customers could hold companies to account including at public meetings (WW) and customer panels (SWW and WW).
- If the use of performance metrics could drive change for example around value for money and fairness. The Board heard how the companies tracked these measures and how they were reported. The Board heard that social contracts should be about more than value for money; companies needed to move the relationship with customers to be more than supplier/consumer;
- What companies were doing around customer perceptions of fairness, CCWater explained that its research had found that customers that

were less connected to their water company were less likely to think their water charges were fair. Companies suggested that acting in a more transparent manner would increase customer understanding around what they were paying for and help them understand that charges were fair. CCWater pointed out that SWW bills were the highest and questioned if those customers would see that as fair. SWW recognised the need to address fairness and affordability and suggested this was not just about how SWW supported its customers; customers had a duty to use water efficiently;

- If social contracts should be about how customers perceive the company or about how companies behaved. BW indicated that it considered it to be about how it operated. WW explained that it had changed its business model to enable it to keep up with emerging issues that it had not fully addressed to date, and to ensure the business remained relevant and could meet customer expectations. SWW explained how it was involving customers in the design of the customer journey to understand how they wanted to receive a service.

**19/19P PR19 - discussion**

19.1P The Regional Chair (Western) explained that the Board was keen to hear from the companies present on their position in the PR19 process.

South West Water

19.2P SWW had received its Draft Determination the previous week and briefly outlined the adjustments that had been made to its plan since the initial submission. The Board was advised that the company felt that the changes had been positive for customers and SWW was currently giving consideration to the draft determination.

19.3P The Board enquired about the £50 rebate and was concerned that if this was removed there would be a considerable impact on customers. SWW explained that it had an ambition to eliminate water poverty by 2025 and that it had indicated that if the rebate was removed by Government it stood by its previous commitment to fund it differently. CCWater suggested that the rebate could be invested differently to support vulnerable customers; SWW recognised this was an option and explained that there were a number of ways the rebate could be used to address particular challenges.

19.4P The Board enquired if there were any areas of the Draft Determination that SWW was still discussing with Ofwat and was advised that discussions were ongoing in relation to the data to be used to determine what was upper quartile performance.

Bristol Water

19.5P BW indicated that it was currently in the process of transforming the business and so was not surprised to be awarded slow track status. BW explained that in time it was hoping to become industry leading in due

course and that there had been some concerns from Ofwat about the ambition/deliverability of its plan. The Board heard that the bill impact had not changed in BW's revised plan and that discussions were underway with Ofwat about its cost of debt.

- 19.6P CCWater enquired about the Sharpness Canal negotiation and if this would affect the BW business plan. BW explained that it obtained water from the Canal and River Trust and the contract included a price mechanism. The Board noted that the negotiations would not be concluded during the PR19 process.

Wessex Water

- 19.7P WW indicated that it believed it had responded constructively to the comments made by Ofwat on its initial submission but emphasised that there had been a 96% level of customer acceptability on the initial plan. The areas where WW and Ofwat had differing views were outlined to the Board together with the changes that had been made including a 6% real terms reduction in bills by 2025.

- 19.8P CCWater asked what priority customers had placed on reducing sewer flooding and pollution; WW had reduced these targets in its resubmitted plan. WW explained that these issues had been high priorities for customers and the board remained committed to minimising events of pollution and sewer flooding.

- 19.9P CCWater asked if WW would be publishing details of its performance against the commitments made and how it would be held accountable if it didn't meet these. WW confirmed that it would be publishing details of its performance and that it was responsible to a number of regulators on aspects of its performance as well as to its own Board.

- 19.10P WW emphasised that it had set out a challenging plan that would require it to innovate. WW indicated that it was an environmental services company as well as a water company and the targets in its plan reflected that. Performance against targets would be recorded on the WW website.

- 19.11P CCWater pointed out that the WW business plan set out demanding performance commitments around leakage and also water quality and questioned whether, if work to address leakage resulted in more intrusive work on the network that could affect water quality, how this would be mitigated. WW recognised that this was a potential challenge but it was focussed on both issues.

CCG Chair views of PR19 process

- 19.12P The Regional Chair (Western) explained that the Chairs of two of the CCGs in the region had joined the meeting and asked if they would share their experiences of the PR19 process including any improvements that could have been made.



(i) Bristol Water

The BW CCG Chair briefly outlined the aims of the Challenge Panel which were generally in line with Ofwat's priorities. The Board heard that the process leading up to the submission of the business plan had been generally smooth although there had been some time challenges towards the end of the process when the last items of customer research were being delivered and also around the publication of the Initial Assessment of Plans. The Chair explained that the panel was voluntary and so it was challenging to maintain membership throughout the process.

(ii) South West Water

The SWW CCG Chair briefly outlined the background to the Water Futures Panel. The Board heard that the panel had received good support from SWW and had good interactions with its executive team and its non-executive directors. The panel had used an independent report writer, which had been valuable. The SWW CCG Chair generally agreed with points made by the BW Chair around continuing membership and also suggested that thought should be given to panel diversity going forward.

19.13P The Chair thanked the stakeholder representatives for their input to both discussions.

20/19P **General Discussion**

20.1P No further issues were identified for discussion.

21/19P **Minutes of the meeting in public held on 5 March 2019**

21.1P The Board approved the minutes of its meeting held in public on 5 March 2019 as a true record. There were no matters arising to be dealt with in this session.

22/19P **Wales/regional committee minutes**

22.2P The Board noted the minutes of the Regional/Wales Committee meetings set out below and received a brief update from each Region

Wales Committee - 28 September 2018

22.1P The Board noted that discussions at this meeting of the Wales Committee had included a discussion on the Wales Act 2017 (the Act). The Board was advised that the work to implement the Act had been paused as a result of EU Exit and was likely to restart later this year.

22.2P The Board enquired about the reference to a charge of £1 per bottle of water supplied by Hafren Dyfrdwy during the water supply interruptions in Summer 2018. It was thought that this was a charge to the Local Authority and would be clarified.

**Action: P Marshall**

- Northern Committee - 25 October 2018
- 22.2P The Northern Chair gave a brief overview of the meeting which had included:-
- a question and answer session on company finance and transparency; and
  - company responses to Ofwat in relation to the 2018 freeze/thaw event.
- Central and Eastern Committee - 7 November 2018
- 22.3P The Board received a brief overview of Central and Eastern Committee meeting.
- 23/19P **Chief Executive's Report**
- 23.1P The Board considered and noted a paper that outlined CCWater's key activities and achievements since the Board last met in public in December 2018. The Board was updated on aspects of the report including:-
- PR19;
  - the Queen Margaret University independent review of the final two stages of the water industry's complaints handling process; and
  - levels of complaints to CCWater.
- 23.2 The Board went on to discuss non-household complaints and noted that these were still at a high level; some retailers were working better with wholesalers than others and complaints often took a long time to address which was impacting CCWater's complaint levels. CCWater had put in additional resource in order to bring down complaint numbers and was seeing an improvement in its performance in this area. The Board asked if CCWater considered the NHH market retail had been a success. CCWater indicated that it was too early to make a judgement on this, there were some promising signs but also a number of problems including the accuracy of historic data, failures of wholesalers and retailers to resolve issues and mixed levels of awareness amongst NHH customers of the opportunity to switch. The Board heard that research showed that customer experience of the switching process was generally good. The Board was advised that there would be a review of the market by Defra and that this would take place ahead of any decision to open the household market to retail competition.
- 24/19P **Finance report (to February 2019)**
- 24.1P The Board considered and noted a paper that presented a summary of the financial performance of CCWater to end February 2019. The Board was advised that the budget agreed by the Board in March had now been

approved by Defra and Welsh Government; the forecast year end outturn was still in line with that set out in the paper.

**25/19P Communications & Stakeholder Engagement Update - Q4 2018/19**

25.1P The Board considered and noted a paper that presented an update on the progress made against the 2018-19 communications and stakeholder engagement strategies. The highlights from the paper were briefly outlined to the Board and it was noted that consideration was being given to outcome measures for 2019/20. The Board enquired if the 322m 'opportunities to see' was a large number and CCWater recognised that it was difficult to judge impact from this number and no comparative information was available; consideration was being given to how CCWater's influence could be measured more accurately.

**26/19P CCWater Register of Board Member interests - annual review**

26.1P The Board considered a paper that presented the register of interests for the CCWater Board for the 2018/19 reporting period. The Board was advised that the register would be referenced in the 2018/19 Annual Report and Accounts.

**The Board approved the Register of Board Member interests for the 2018/19 reporting period for publication.**

**27/19P Regional/Wales round up**

27.1P The Board considered and noted a paper that updated it on key strategic matters in each of the English Regions/Wales. Each Chair gave a brief supplementary verbal update and key points raised included:-

- a Yorkshire Water team working in Bradford had withdrawn from the site because of threats from the Community. The Board noted that Community leaders had helped address the situation;
- the large fatberg that had been present in a sewer in Sidmouth, Devon had been removed;
- Severn Trent and United Utilities were parties in the new World Water Innovation Fund together with companies from America and Australia. The fund aimed to find, develop and accelerate innovations and the parties had given a commitment that the intellectual property arising from the work would be made publically available; and
- Welsh Government had drawn up a timetable for the process to appoint a new Wales Chair that would be restarted shortly. The Board was briefly updated on the process.

**28/19P Other business**

**21<sup>st</sup> Century Drainage Programme**

28.1P The Board enquired about the position with the 21<sup>st</sup> Century Drainage Programme that CCWater had been a member of. The Board heard that

the programme had ended. CCWater had been an active member, particularly in the sewer misuse sub-group. However, the equivalent Water UK group is only for water companies; other organisations could join but would be guests and not full members. There was concern that the work the sub-group had previously done around sewer misuse would not continue. Consideration would be given to any gaps that may need to be covered now the group had changed. **Action: M Keil**

**29/18P Date of next meeting**

**29.1P** The next regional meeting in public would be on 16 July 2019 in Liverpool.

There will be a meeting in public with Non-Household retailers and wholesalers on 4 June 2019 in Birmingham.

**The meeting closed at 14:30**

**Consumer Council for Water Board**  
**4 June 2019**  
**Agenda Item 38/19P**

**Title:**  
Chief Executive's Report

**Report by:**  
Tony Smith, CEO

**Responsible Lead:**  
Tony Smith, CEO

**Paper for information**

**Appendix: Yes (1) Performance Scorecard**

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**Purpose**

1. This report provides customers and other stakeholders with an update on the Consumer Council for Water's (CCWater) activities and achievements since the Board last met in public on 16 April 2019. This report summarises activity conducted year-to-date in 2019-20 (unless otherwise stated), together with complaint and performance data for Q4 and the 2018-19 year totals.

**Recommendations**

2. The Board is asked to note the paper.

**2019 Price Review**

3. On 11 April, Ofwat published its initial view on what Severn Trent, United Utilities and South West Water should be allowed to charge their customers from 2020 to 2025, in return for a five-year package of investment in the essential services they provide. This stage of the price review process is known as 'draft determinations'.
4. These three water companies received 'fast track' status as a reward for submitting the strongest business plans to Ofwat in January. All other water companies will receive their draft determinations in July.
5. Ofwat made some adjustments to these three plans: firstly, to change the level of ambition in the Performance Commitments companies have pledged to deliver for customers, and secondly to adjust the potential financial impact of incentives intended to drive companies to achieve their commitments. Ofwat is expected to

intervene to a greater degree when the other water companies receive their draft determinations in July.

6. Initially, CCWater responded publicly to call for greater clarity on the potential impact of inflation and regulatory rewards on customers' bills - which are not clearly reflected in current proposals. We also suggested that Ofwat itself could also go slightly further in reducing bills, without eating into the essential investment that every company in England and Wales has promised.
7. CCWater has now carried out research with customers of all three companies to see whether they think the regulator's proposals are acceptable.
8. Those water companies receiving their draft determinations in July were required to resubmit their business plans to Ofwat on 1 April to reflect changes required as a result of Ofwat's initial assessment in January. In these revised versions, many companies have increased the level of ambition in their Performance Commitments and reduced their proposed costs (and customers' bills as a result).
9. Throughout the process of analysing and responding to Draft Determinations - both now and in July - CCWater will continue to challenge companies - and Ofwat - to demonstrate that their proposals reflect customers' expectations, have ambitious performance targets and are shown to be acceptable to customers.

#### **Water company bills announcement**

10. In early February, the water industry announced a 2% rise in the average water and sewerage bill in England and Wales, which equates to around £8 extra a year and came into effect on 1 April 2019.
11. Responding to this announcement, CCWater continued its campaign to secure more help for consumers in vulnerable circumstances by calling for more water companies to contribute their own cash to social tariff schemes. Most of these schemes are currently subsidised through other customers' bills, which heavily constrains their ability to reach everyone that needs them. At present assistance for customers struggling to afford bills only reaches about a quarter of those who say they need it.

#### **Alternate Dispute Resolution (ADR) and customer complaints about water companies**

12. Following the recommendations made by the review of CCWater and the Water Redress Scheme (WATRS) conducted by the Consumer Dispute Resolution Centre at Edinburgh's Queen Margaret University (QMU), CCWater has worked with the Centre for Effective Dispute Resolution (CEDR, which operates the WATRS scheme) as well as Resolving Water Disputes (which manages the tender for WATRS) and its impartial ADR Oversight Panel to plan a pilot of a more investigative process.
13. Under this new process, WATRS adjudicators will be able to ask questions of customers or companies if they find inconsistencies, discrepancies or missing

evidence from the paper file. We will look to pilot this process in summer 2019 and will consider its impact on customer satisfaction and case outcomes before deciding if it should be a permanent feature of the scheme.

**Affordability and vulnerability**

Guaranteed Standards Scheme

14. In April, we publicly praised the seven water companies who have made changes to their Guaranteed Standards Scheme (GSS) to boost compensation for people that are left without running water - and called on the rest of the industry to follow suit. We used this opportunity to call upon Ofwat for a much wider review of compensation, to go beyond just the loss of water supply to consider the full range of guaranteed standards that consumers have a right to expect from their water company.

Benefits entitlement calculator

15. Our online benefits calculator and grant search tools, which we launched in January 2016, continue to provide useful support to consumers. In April 2019, 230 customers used the benefits calculator to identify a total potential annual benefit entitlement of about £340k. The grant search tool was used by 73 customers during the month.

Water meter calculator

16. Our online water meter calculator helps customers to consider whether switching to a meter might save them money, by comparing their current unmetered bill with a likely metered bill.
17. In March 2019, 44,000 consumers used our water meter calculator and recorded potential savings of £4 million. For the 2018-19 year, over 300,000 visitors recorded potential savings of over £19.6 million. Around 30,000 told us that they would consider switching to a meter as a result of their findings.

**Getting water companies to resolve customer problems: Right first time**

Overall complaints to CCWater (household and non-household)

18. Between January and March 2019, the last quarter of the financial year, CCWater received 3,228 complaints about water companies (wholesalers and retailers). This is 20% more than the 2,695 we received across the same period in 2017-18, and continues the trend of higher complaint numbers since the non-household retail market opened in April 2017. Billing and charges continued to be the most common cause of complaints, accounting for half of all the complaints we received. For the 2018-19 year we received over 11,000 complaints from household and non-household customers, around 17% more than the c.9,500 we received across 2017-18. We will publish more detail about them in our end of year report on complaints and performance.

CCWater's Complaint Handling

19. In Q4 2018-19 (January to March 2019), we acknowledged 99.9% of cases within five working days (0.4 percentage points above our target of 99.5%). This brings our

performance for the 2018-19 year to 99.7%, above OBP target by 0.2 percentage points. In the same quarter, we closed 86.3% of cases within 20 working days (6.3 percentage points above our target of 80%) and closed 93.0% of cases in 40 working days (2.0 percentage points above our target of 91%). These strong performance results in Q4 meant that we have improved our end of year performance from where we were at the end of Q3, but still did not achieve our annual OBP targets. The work we undertook in securing flexible resourcing to help us through busy periods enabled us to continue this performance improvement throughout Q4. We end the 2018-19 year having closed 76.4% of cases in 20 working days (3.6 percentage points below target) and 88.7% of cases within 40 working days (2.3 percentage points below target).

20. After our complaint handling performance measures dipped in Q1 2018-19 - due to high complaint volumes and a focus on resolving cases which were delayed by issues with some retailers and wholesalers, we managed a continuous improvement in our performance throughout the rest of the year. Now that we are back to exceeding our targets, we enter 2019-20 in a strong position to meet and exceed them.
21. In Q4 2018-19, 77% of customers were satisfied with the quality of our service, two percentage points above our target of 75%. 60.7% of customers were happy with the outcome of their case following our mediation (0.3 percentage points below our target of 61%), and 75.3% were happy with the speed of our service (4.7 percentage points below our target of 80%). 97.0% were happy with our courtesy (against a target of 93%).
22. We end the 2018-19 year having exceeded our target for satisfaction with our courtesy (93.7%) but short of our targets for satisfaction with speed (66.4%), outcome (54.7%) and overall quality of our service (67.9). Clearly, we are disappointed with this. As with our case acknowledgment and closure times, we saw a notable decrease in customer satisfaction with all elements of our service in Q1 2018-19 due to the high number of complaints and sometimes lengthy delays getting some wholesalers and retailers to resolve problems. Whilst satisfaction with case outcome and our speed improved in Q2, satisfaction with the quality of our service unfortunately decreased further. But month-on-month since September we have seen satisfaction with this measure - arguably the most important measure of customer satisfaction - increase steadily. Our Q4 result shows us ahead of target for this measure, and an improvement of some seven percentage points compared to our Q3 performance. We are heartened to see our satisfaction results close to or above our targets at the end of Q4 2018-19 and feel that this puts us in a positive position as we enter 2019-20.

**Risk-based complaint and cyclical debt assessments**

23. Each year we visit water companies to assess how they have handled a sample of written customer complaints, if their performance in our annual water industry complaints report has given us cause for concern. We also visit one company in every English region to look at a sample of cases involving customers that have



accounts in arrears. While we recognise companies need to collect payment from customers effectively, we also expect them to show sensitivity and offer assistance to people in genuine financial difficulty. In Wales, we assess both companies' complaint handling and debt management through a separate arrangement with both suppliers.

24. Our complaint assessments identified two areas of good practice, including:
  - a) A 'one hit' visit for when contractors visited customer properties and completed the task on the same day, avoiding half-finished work for weeks on end; and
  - b) An 'in their shoes campaign' where company staff consider how they would like the problem resolved if they were in the customer's position.
25. Our assessment panels also made two recommendations for improvement: firstly, for the company to tighten up its complaint processes as customers were getting lost between departments, and secondly, to pre-empt customer contact and be proactive in contacting them rather than waiting for the customer to get in touch.
26. In our debt management assessments, we identified nine areas of good practice, including:
  - a) Dual billing in areas where the company plans to install meters at unmeasured customer properties, to show what they would pay if they chose to have a meter;
  - b) Text-to-pay initiative where customers can pay charges securely through text; and
  - c) The offer of assistance much earlier in the collection process.
27. Our panels put forward three recommendations including:
  - a) Increase the number of contact channels to customers, such as visits or text messages;
  - b) Avoid pushing customers back into the automated system when they default, consider using manual intervention; and
  - c) Learn more about the circumstances for the customers struggling to pay.
28. In most cases, companies intend to implement our suggestions on how they can improve, from which we'll take the best examples of good practice and share them with the rest of the industry.

**Non-household (NHH) water retail market**

29. Non-household customer complaints against water retailers in April saw a slight improvement, with CCWater receiving slightly fewer complaints against Water Plus and Castle but Anglian Water Business' area of Wave remains poor. Although they are much fewer in number, we are still receiving a disproportionate number of

complaints from some of the smaller retailers: Everflow, Clear Business Water and SES Water.

Financial redress

30. In March 2019 we secured £420,000 in compensation and rebates for customers who had complained about their water or sewerage service. This brings the total redress secured for consumers in 2018-19 to over £2 million.

**A resilient water supply and sewerage system**

Resilience

31. Ensuring that there are sufficient water resources to deliver a safe, reliable supply into the future is a top customer requirement of their water company. In the south and east of England this customer priority needs urgent action. We continue to be fully engaged in a number of groups being led by Defra and the Environment Agency that are steering water resources planning policy and management in both the short and longer term. We have also responded to a number of public consultations by Defra and National Infrastructure Commission on water policy and resilience.
32. The water companies are waiting for notification from Defra that they can go ahead and publish their 2019 Water Resources Management Plans, which set out their approach to water resource management for a minimum of the next 25 years. Affinity Water is currently consulting on its revised draft plan and CCWater will be submitting a response to this. For the most part though, our earlier concerns have been addressed.

**Speaking up for and informing consumers**

33. We use a range of communication channels to inform consumers about issues that are important to them, and developments within the water industry that may affect them. For many journalists - including broadcasters such as the BBC and national and local newspapers - we have become the trusted source of opinion and insight on water consumers' views of the sector, as well as the performance of water companies and the regulator.
34. In 2018-19, we received an unprecedented level of media coverage, capitalising on increased political and media interest in the water sector to highlight CCWater's key campaigns. As a result, we have set the bar high and are aiming to increase our media coverage further in 2019-20.

Media and social media

35. In the first month of 2019-20, CCWater featured in 50 individual pieces of media coverage with the potential to reach an audience of more than 20 million people (a 158% increase compared to last year).
36. Money-saving expert, Martin Lewis, also featured our Water Meter Calculator in his April newsletter, which was circulated to 7 million subscribers.

## Chief Executive's Report

37. In the same period, our social media and online activity has attracted a total of 251,950 visits, likes and shares across all platforms (13% of our annual target for 2019-20).
  38. Since our last public Board meeting, our external communications have focused on responding to Ofwat's announcement of its draft determinations for the three fast-track water companies (see paragraphs 3-9 above). We issued a national statement giving an overall perspective on the announcement, and also drafted company-specific regional statements that were used both proactively and reactively in appropriate local and regional media.
  39. As mentioned in paragraph 14 above, we publicly praised seven water companies for boosting the compensation available to consumers through their Guaranteed Standards Scheme (GSS).
  40. Regionally, we have also promoted the opportunity for consumers to engage with CCWater on a local level, at our Northern Regional meeting on 13 May, which secured us local newspaper coverage.
- CCWater website
41. Over 45,000 people visited our website in April 2019, with Severn Trent Water and Yorkshire Water referring the most visitors to our site.

**TONY SMITH**  
Chief Executive

## Consumer Council for Water: Performance ‘Scorecard’ (year to the end of March 2019 / YTD 2019-20)

### Benefits for Customers

- In 2018-19 we secured over £2 million in compensation and rebates for customers who had complained about their water or sewerage service.
- During the same period our water meter calculator generated potential customer savings of £19.6 million.

### Our complaint handling performance and customer satisfaction:

Performance	Actioned within 5 days	Closed within 20 days	Closed within 40 days
<i>Target*</i>	99.5%	80%	91%
<b>Q4 2018-19</b>	100%	80.3%	89.4%
<b>Q4 2017-18</b>	99.7%	83.3%	93.2%
<b>2018-19 YTD</b>	99.6%	72.6%	87.1%

Customer satisfaction	Service	Outcome	Speed	Courtesy
<i>Target*</i>	75%	61%	80%	93%
<b>Q4 2018-19</b>	77.0%	60.7%	75.3%	97.0%
<b>Q4 2017-18</b>	72.6%	62.1%	67.4%	95.3%
<b>2018-19 YTD</b>	67.9%	54.7%	66.4%	93.7%

\*Operational Business Plan target

### Governance and Financial Performance

#### **Financial**

- Between April 2018 and March 2019 we spent £5.553m, compared to a budget of £5,691m. Our outturn at the financial year end is underspend of £138k.
- By sharing some of our office space with Government bodies and departments, we have contributed £49,650 in public sector savings so far since April this year.

#### **Governance**

- CCWater complies fully with all Government spending restrictions.
- As part of our Board’s focus on different regional issues and stakeholders in each part of England and in Wales it holds meetings in public in each of CCWater’s regions/Wales. We are meeting today in Birmingham to discuss issues around the non-household retail market for water. The next regional meeting in public will be on 16 July in Liverpool.
- These meetings give us the chance to hear directly from water companies in our English regions and in Wales, and raise issues of importance on behalf of consumers.

### Employees

- Absence due to sickness from 1 April to 8 May – 27 days for the period. This was an average of 7.31 days per person for the period, compared to the public sector average of 8.5 days per annum.
- One employee has left CCWater since 1 April 2019. We have provided one individual training session in this new financial year. PDPs are being received, we will collate requirements to identify training and development needs for the coming year.

### Reputation and External Activities

- In April 2019, our media messages have potentially reached 50 million people through print and broadcast channels.
- Our website attracted over 45,000 visitors in April 2019.
- Our posts on social media were viewed, liked and shared by 251,950 people in April 2019.

## Consumer Council for Water Board

4 June 2019

Agenda Item 39(i)/19P

**Title:** Finance Report (to March 2019)

**Report by:**

Usha Nayyar, Finance Manager

**Responsible Lead:**

Marie Perry, Head of Finance & Procurement

**Paper for noting**

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### **Purpose**

1. The purpose of this report is to provide a summary of financial performance for the full year to 31 March 2019.

### **Recommendations**

2. The Board is asked to note the contents of this report.

### **Summary Financial Performance**

3. In month spend for the month of March was £630k compared to a budget of £687k, a variance of £57k (8%).
4. The year to date spend is £5.553m compared to a budget of £5.691m, a variance of £138k (2%).
5. Our budget for 2018-19 was agreed at £5.6m. Following approval from Defra and the Board, the carry forward budget from 2017-18 of £91k has increased the budget to £5.691m.
6. The forecast outturn at the financial year end (31 March 2019) was forecast between £5.510m and £5.550m, an underspend of £141-181k. The year to date spend is £5.553m compared to a budget of £5.691m, a variance of £138k (2%). This is made up of £87k unallocated budget, £39k depreciation and £12k on various small underspends across other budget heads.
7. It is expected that the £99k (£138k less £39k depreciation which is non-cash) will be carried forward to 2019/20, subject to Defra approval.
8. CCWater have prepared the financial statements for the 2018-19 and Ernest and Young and NAO as external auditors have completed the audit of these statements. There have been no adjustments to the financial statements to date and all audit queries have received a response.

**In month performance against budget**

9. In March, actual spend was £630k, an underspend of £57k (8%) compared to a budget of £687k. The in-month variances are as follows:
- Staff costs underspend of £87k (21%), due to the unallocated budget held here.
  - Research services underspend £14k (12%) mainly due to the underspend on the Customer Representation project.
  - Personnel overheads overspend £7k (24%) which is offset by under spends in previous months - this is possibly staff submitting expenses at the year end.
  - Training overspend £14k (82%) due to training courses brought forwards as agreed by Executive Team.
  - Publicity, library and parliament overspend of £18k (257%) due to Brand refresh as agreed by the Executive Team.
  - Computer services overspend £8k (35%) as agreed by Executive Team.
  - Office support costs overspend £21k (124%), mainly due to maintenance (floor box and cable tidy exercise) in the Birmingham office.
  - Depreciation & Non-cash items underspend of £9k (47%) due to lower capital spend than was originally planned in year.
  - Capital underspend £12k (100%) due to electronic board papers not going ahead in year.

	Month Actual Mar 19 £	Month Budget Mar 19 £	Variance in Month £	Var %
TOTAL STAFF COSTS	327	414	87	21%
RESEARCH SERVICES	100	114	14	12%
TOTAL PERSONNEL OVERHEADS	36	29	-7	(24%)
TRAINING	31	17	-14	(82%)
PUBLICITY, LIBRARY & PARLIAMENT	24	7	-17	(243%)
COMPUTER SERVICES	31	22	-9	(41%)
OFFICE SUPPORT COSTS	39	17	-22	(129%)
ACCOMMODATION	32	36	4	11%
DEPRECIATION & NON CASH ITEMS	10	19	9	47%
CCWATER REVENUE TOTAL	630	675	45	7%
CAPITAL	-	12	12	100%
CCWATER GRAND TOTAL	630	687	57	8%

**Full Year Performance against budget**

10. The table below shows the original budget to the end of March of £5.6m, compared to the revised budget at the end of March of £5.691m.

### Budget Transfers

11. Budget transfers are common practice within the public sector, both as a means of ensuring financial control, as cost centre managers always have a clear and up to date budget to work within, and to assist managers to fully utilise financial resources where in year underspends are identified, enabling budgets to be reallocated to other service areas or projects.
12. The overall budget remains at £5.691m, with transfers reflecting either changes to the planned timing of spend, allocation of budgets which are not known at the beginning of the year (e.g. carry forward budgets or pay awards) or movement of under - utilised budgets between budget heads (e.g. staff vacancy underspend being re-allocated to additional research projects). Once budgets are issued at the start of the financial year, budget transfers are considered by Executive leads at each quarter end.

### Full Year Financial Summary to 31 March:

	Original Budget to Mar 19 £	Forecast Budget to Mar 19 £	Budget movement £	Year to Date Actual to Mar 19 £	Variance Actual to Revised Budget £	Va r % %	Budget Remainin g £	Forecas t Budget Total £
TOTAL STAFF COSTS	3,625	3756	131	3,665	91	2%	91	3,756
RESEARCH SERVICES	519	565	46	545	20	4%	20	565
TOTAL PERSONNEL OVERHEADS	252	245	-7	234	11	4%	11	245
TRAINING	42	60	18	80	-20	(33%)	-20	60
PUBLICITY, LIBRARY & PARLIAMENT	86	88	2	102	-14	(16%)	-14	88
COMPUTER SERVICES	281	245	-36	247	-2	(1%)	-2	245
OFFICE SUPPORT COSTS	181	178	-3	189	-11	(6%)	-11	178
ACCOMMODATION	466	400	-66	396	4	1%	4	400
DEPRECIATION & NON CASH ITEMS	72	108	36	69	39	36%	39	108
CCWATER REVENUE TOTAL	5,523	5,645	122	5,527	118	2%	118	5,645
CAPITAL	77	46	-31	26	20	43%	20	46
CCWATER GRAND TOTAL	5,600	5,691	91	5,553	138	2%	138	5,691

13. The actual expenditure for the year to date is £5.553m compared to the revised budget of £5.691m, an underspend of £138k (2%). This is largely in line with the forecast of £141k to £181k.

### Budget v Actual Outturn

14. The table below shows the forecast outturn compared to the revised budget: -

	Budget Total £	Actual Outturn £	£	
TOTAL STAFF COSTS	3,669	3,665	4	Vacant post
RESEARCH SERVICES	565	545	20	Due to Customer Representation being less than anticipated.
TOTAL PERSONNEL OVERHEADS	245	234	11	Small number of underspends on various cost centres and no parliamentary sessions.
TRAINING	60	80	-20	Training courses brought forwards as agreed by Executive Team.
PUBLICITY, LIBRARY & PARLIAMENT	88	102	-14	Brand Refresh agreed by Executive Team
COMPUTER SERVICES	245	247	-2	
OFFICE SUPPORT COSTS	178	189	-11	Maintenance (floor box moves, lighting and cable tidy exercise) in the Birmingham office
ACCOMMODATION	400	396	4	
UNALLOCATED(IN STAFF COSTS)	87	0	87	£50k original budget, plus underspends transferred from savings on accommodation (£37k) previously reported in risk and opportunities.
SUB TOTAL (LICENCE FEE)	5,537	5,458	79	
DEPRECIATION & NON CASH ITEMS	108	69	39	Relates to expected depreciation on ICT Infrastructure due to the new contract being treated as a Finance lease.
REVENUE TOTAL	5,645	5,527	118	
CAPITAL	46	26	20	Document Management system will not be completed by March 19.
BUDGET TOTAL	5,691	5,553	138	

15. Staff costs are underspent by £91k mainly due to £87k held in the unallocated fund, £50k of this was set aside at the start of the year to act as a buffer against unexpected expenditure, and further under spends from accommodation savings were added during the year.
16. Research services is underspent by £20k mainly due to spending less on the Consumer Representation project.
17. The Personnel overheads budget is underspent by £11k, due to a number of small under spends across the organisation, coupled with some planned parliamentary sessions being postponed due to EU exit preparations.
18. Training budget is overspent by £20k, due to training courses brought forwards as agreed by Executive Team.
19. Publicity budget is overspent by £14k due to Brand refresh as agreed by the Executive Team.
20. Office support services are overspent by £11k mainly due maintenance (floor box, lighting upgrade and cable tidy exercise) in the Birmingham office



## Finance report (year to end March 2019)

21. Depreciation and non-cash budget is underspent by £39k due to mainly due to lower than expected depreciation due to ICT Infrastructure lease contract now accounted for as a Finance Lease.
22. Capital underspend of £20k due to electronic board papers not going ahead in 2018-19.
23. Other variances against budget were less than £5k or 10%. A detailed breakdown can be found in Annex one (by cost centre) and two (by activity).

### **Carried forward to 2019/20**

24. It is expected that the £99k (£138k less £39k depreciation) will be carried forward to 2019/20 with Defra approval.

## Annex One

COST CENTRE TITLE	SPEND TO March 19	PROFILE TO March 19	VAR March 19	VAR %	FULL YR BUDGET	OFFICE %
OFFICE OF CHIEF EXECUTIVE	215,608	217,807	2,199	1%	217,807	4%
BOARD	315,862	319,412	3,550	1%	319,412	6%
GOVERNANCE	306,086	304,372	-1,714	(1%)	304,372	5%
ICT SERVICES	431,019	415,948	-15,071	(4%)	415,948	7%
HUMAN RESOURCES	285,737	264,579	-21,158	(8%)	264,579	5%
WALES LCAs	30,398	31,444	1,046	3%	31,444	1%
WALES POLICY	87,163	87,697	534	1%	87,697	2%
<b>TOTAL OFFICE OF DEPUTY CHIEF EXECUTIVE</b>	<b>1,671,873</b>	<b>1,641,259</b>	<b>-30,614</b>	<b>(2%)</b>	<b>1,641,259</b>	<b>29%</b>
POLICY	138,650	138,125	-525	(0%)	138,125	2%
SOCIAL POLICY	206,765	204,951	-1,814	(1%)	204,951	4%
ENVIRONMENT	211,212	213,712	2,500	1%	213,712	4%
REGULATION	405,876	431,265	25,389	6%	431,265	8%
MARKET INTELLIGENCE	600,275	601,332	1,057	0%	601,332	11%
CENTRAL AND EASTERN LCAs	25,373	27,310	1,937	7%	27,310	0%
NORTHERN LCAs	17,725	17,764	39	0%	17,764	0%
WESTERN LCAs	21,688	22,450	762	3%	22,450	0%
LONDON & SOUTH EAST LCAs	37,423	33,946	-3,477	(10%)	33,946	1%
<b>TOTAL POLICY AND RESEARCH</b>	<b>1,664,987</b>	<b>1,690,855</b>	<b>25,868</b>	<b>2%</b>	<b>1,690,855</b>	<b>30%</b>
FACILITIES AND PROCUREMENT	493,977	492,419	-1,558	(0%)	492,419	9%
FINANCE AND RESOURCES	186,232	185,961	-271	(0%)	185,961	3%
<b>TOTAL FINANCE AND PROCUREMENT</b>	<b>680,209</b>	<b>678,380</b>	<b>-1,829</b>	<b>(0%)</b>	<b>678,380</b>	<b>12%</b>
COMMUNICATIONS	312,209	304,643	-7,566	(2%)	304,643	5%
<b>TOTAL COMMUNICATIONS</b>	<b>312,209</b>	<b>304,643</b>	<b>-7,566</b>	<b>(2%)</b>	<b>304,643</b>	<b>5%</b>
CONSUMER RELATIONS	378,321	379,338	1,017	0%	379,338	7%
BIRMINGHAM - CRM, SCC	269,915	271,213	1,298	0%	271,213	5%
BIRMINGHAM - CRM, CC	297,357	299,596	2,239	1%	299,596	5%
CARDIFF - CRM, SCC	221,468	220,310	-1,158	(1%)	220,310	4%
<b>TOTAL CONSUMER RELATIONS</b>	<b>1,167,060</b>	<b>1,170,457</b>	<b>3,397</b>	<b>0%</b>	<b>1,170,457</b>	<b>21%</b>
UNALLOCATED	0	87,101	87,101	100%	87,101	2%
DEP'N & NON CASH ITEMS	30,351	72,127	41,776	58%	72,127	1%
<b>CCWATER REVENUE TOTAL</b>	<b>5,526,690</b>	<b>5,644,822</b>	<b>118,132</b>	<b>2%</b>	<b>5,644,822</b>	<b>99%</b>
CAPITAL	25,821	46,178	20,357	44%	46,178	1%
<b>CCWATER GRAND TOTAL</b>	<b>5,552,511</b>	<b>5,691,000</b>	<b>138,489</b>	<b>2%</b>	<b>5,691,000</b>	<b>100%</b>

Annex Two

Annex 3	MONTH		YEAR TO DATE				BUDGET	
	Actual	Budget	Actual to	Budget to	Variance	Var %	Remaini	Total
	March 19	March 19	March 19	March 19			ng	
TOTAL STAFF COSTS	327,211	413,805	3,664,754	3,755,770	91,016	2%	91,016	3,755,770
RESEARCH SERVICES	100,355	114,402	545,208	565,501	20,293	4%	20,293	565,501
TOTAL PERSONNEL OVERHEADS	36,020	28,644	233,901	245,103	11,202	5%	11,202	245,103
(Excluding Training)								
TRAINING	30,741	17,119	79,719	59,780	-19,939	(33%)	-19,939	59,780
PUBLICITY, LIBRARY & PARLIAMENT	24,238	7,469	101,628	87,630	-13,998	(16%)	-13,998	87,630
COMPUTER SERVICES	31,437	21,900	246,876	244,820	-2,056	(1%)	-2,056	244,820
OFFICE SUPPORT COSTS	38,633	17,004	189,353	177,765	-11,588	(7%)	-11,588	177,765
ACCOMMODATION	31,691	35,773	396,193	400,326	4,133	1%	4,133	400,326
SUB TOTAL	620,325	656,116	5,457,633	5,536,695	79,062	1%	79,062	5,536,695
DEPRECIATION & NON CASH ITEMS	9,883	18,642	69,057	108,127	39,070	36%	39,070	108,127
CCWATER REVENUE TOTAL	630,208	674,758	5,526,690	5,644,822	118,132	2%	118,132	5,644,822

CAPITAL	0	12,500	25,821	46,178	20,357	44%	20,357	46,178
CCWATER GRAND TOTAL	630,208	687,258	5,552,511	5,691,000	138,489	2%	138,489	5,691,000

## Consumer Council for Water Board

4 June 2019

Agenda Item 39(ii)/19P

**Title:** Finance Report (to April 2019)

**Report by:**

Usha Nayyar, Finance Manager

**Responsible Lead:**

Marie Perry, Head of Finance & Procurement

**Paper for noting**

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**Purpose**

1. The purpose of this report is to provide a summary of financial performance for the month of April 2019.

**Recommendations**

2. The Board is asked to note the contents of this report.

**Summary Financial Performance**

3. In month spend for the month of April was £449k compared to a budget of £457k, an underspend of £8k (2%).
4. Our budget for 2019-20 was agreed at £5.813m; however, once our accounts are completed and approved, we will seek approval from the Board for the carry forward budget from 2018/19 of £99k increasing the budget to £5.912m. We will seek approval from DEFRA for this carry forward, as they have previously advised that in future years, the licence fee should be reduced by the value of the expected under spend.

**In Month Performance against budget**

5. In April, actual spend was £449k, an underspend of £8k (2%) compared to a budget of £457k, the in month variances are as follows:
  - a. Staff costs underspend of £9k (3%), mainly due to the vacancies for the Chair and Wales Chair, two Northern LCA's and Team project and administration support for Consumer Relations Team. Publicity overspent by £4k (126%) is mainly due to profiling which is offset by a small under spend in training costs £4k due to budget being profiled equally for the year.

	Month Actual Apr 19 £	Month Budget Apr 19 £	Variance in Month £	Var %
TOTAL STAFF COSTS	322	331	9	3%
RESEARCH SERVICES	43	43	0	0%
TOTAL PERSONNEL OVERHEADS	14	15	1	7%
TRAINING	-	4	4	100%
PUBLICITY, LIBRARY & PARLIAMENT	8	4	-4	(126%)
COMPUTER SERVICES	13	13	0	0%
OFFICE SUPPORT COSTS	9	8	-1	(13%)
ACCOMMODATION	32	31	-1	(3%)
DEPRECIATION & NON CASH ITEMS	8	8	0	0%
CCWATER REVENUE TOTAL	449	457	8	2%
CAPITAL	-	-	-	0%
CCWATER GRAND TOTAL	449	457	8	2%

6. Other variances against budget were less than £5k or 10%. A detailed breakdown can be found in Annex one (by cost centre) and two (by activity).
7. The table below sets out the risks which may arise during the year and the likely outturn against each.

Service Area	Range		Likelihood (Low / Med / High)	Most Likely Outcome	Description
	Low (Upper case)	High (Lower case)			
Corporate	0	10	High	0	Potential for the annual leave accrual to change. This could be a risk or opportunity, and will be monitored quarterly.
Total Risks	0	10		0	

8. The table below sets out the opportunities which were may arise during the year and the likely outturn against each.

## Finance Report (to April 2019)

Service Area	Range		Likelihood (Low / Med / High)	Most Likely Outcome	Description
	Low (Lower Case)	High (Upper Case)			
Consumer Relations	10	20	Medium	10	Possible reduction of Service Charge for Wales Office could vary against budget; this cost is not yet known.
Corporate	0	10	High	0	Potential for the annual leave accrual to change. This could be a risk or opportunity, and will be monitored quarterly.
Consumer Relations/DCEO	10	20	High	10	Vacancy's
Board	5	20	High	15	Council Chair and Wales Chair Vacancy
Corporate	0	50	High	50	Unallocated budget of £50k
N/A	99	99	High	99	Carry forward budget from 2018/19
Total Opportunities	124	219		184	

<b>Net (Risk) / Opportunity</b>	<b>174</b>	
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<b>Forecast under / (over) spend</b>	<b>174</b>	
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Annex One

COST CENTRE TITLE	SPEND TO April 19	PROFILE TO April 19	VAR April 19	VAR %	FULL YR BUDGET	OFFICE %
OFFICE OF CHIEF EXECUTIVE	17,811	17,622	-189	(1%)	213,633	4%
BOARD	20,348	29,149	8,801	30%	331,101	6%
GOVERNANCE	21,537	22,355	818	4%	290,154	5%
ICT SERVICES	26,114	26,791	677	3%	334,817	6%
HUMAN RESOURCES	15,657	19,336	3,680	19%	249,509	4%
WALES LCAs	2,780	2,370	-410	(17%)	29,319	1%
WALES POLICY	8,072	8,080	8	0%	102,057	2%
<b>TOTAL OFFICE OF DEPUTY CHIEF EXECUTIVE</b>	<b>112,318</b>	<b>125,703</b>	<b>13,385</b>	<b>11%</b>	<b>1,550,590</b>	<b>27%</b>
POLICY	11,677	12,013	336	3%	154,717	3%
SOCIAL POLICY	16,866	17,296	430	2%	211,137	4%
ENVIRONMENT	17,156	17,577	421	2%	218,751	4%
REGULATION	37,587	36,473	-1,114	(3%)	466,808	8%
MARKET INTELLIGENCE	51,995	51,639	-356	(1%)	665,059	11%
CENTRAL AND EASTERN LCAs	1,806	1,802	-4	(0%)	23,610	0%
NORTHERN LCAs	1,158	1,549	391	25%	19,764	0%
WESTERN LCAs	2,664	1,786	-878	(49%)	24,450	0%
LONDON & SOUTH EAST LCAs	2,286	3,079	793	26%	38,825	1%
<b>TOTAL POLICY AND RESEARCH</b>	<b>143,197</b>	<b>143,214</b>	<b>17</b>	<b>0%</b>	<b>1,823,121</b>	<b>31%</b>
FACILITIES AND PROCUREMENT	40,135	39,051	-1,083	(3%)	522,122	9%
FINANCE AND RESOURCES	13,717	13,737	20	0%	202,809	3%
<b>TOTAL FINANCE AND PROCUREMENT</b>	<b>53,851</b>	<b>52,788</b>	<b>-1,063</b>	<b>(2%)</b>	<b>724,931</b>	<b>12%</b>
COMMUNICATIONS	27,956	22,519	-5,438	(24%)	334,346	6%
<b>TOTAL COMMUNICATIONS</b>	<b>27,956</b>	<b>22,519</b>	<b>-5,438</b>	<b>(24%)</b>	<b>334,346</b>	<b>6%</b>
CONSUMER RELATIONS	28,800	32,324	3,524	11%	393,859	7%
BIRMINGHAM - CRM, SCC	33,185	33,329	144	0%	303,621	5%
BIRMINGHAM - CRM, CC	28,239	25,047	-3,192	(13%)	359,451	6%
CARDIFF - CRM, SCC	19,850	20,086	236	1%	241,422	4%
<b>TOTAL CONSUMER RELATIONS</b>	<b>110,073</b>	<b>110,786</b>	<b>713</b>	<b>1%</b>	<b>1,298,353</b>	<b>22%</b>
UNALLOCATED	0	0	0	0%	50,918	1%
DEP'N & NON CASH ITEMS	1,899	1,899	-0	(0%)	30,741	1%
<b>CCWATER REVENUE TOTAL</b>	<b>449,296</b>	<b>456,909</b>	<b>7,614</b>	<b>2%</b>	<b>5,813,000</b>	<b>100%</b>
CAPITAL	-0	0	0	0%	0	0%
<b>CCWATER GRAND TOTAL</b>	<b>449,296</b>	<b>456,909</b>	<b>7,614</b>	<b>2%</b>	<b>5,813,000</b>	<b>100%</b>

Annex Two

Annex 3	MONTH	Budget	YEAR TO DATE Actual to	Budget to	Variance	Var %	BUDGET	
	Actual April 19						Remaining	Total
TOTAL STAFF COSTS	322,025	331,438	322,025	331,438	9,413	3%	3,609,804	3,931,829
RESEARCH SERVICES	42,944	42,944	42,944	42,944	0	0%	573,056	616,000
TOTAL PERSONNEL OVERHEADS	14,115	15,271	14,115	15,271	1,157	8%	239,586	253,701
(Excluding Training)								
TRAINING	255	3,650	255	3,650	3,395	93%	43,449	43,704
PUBLICITY, LIBRARY & PARLIAMENT	7,608	3,367	7,608	3,367	-4,242	(126%)	78,192	85,800
COMPUTER SERVICES	13,397	13,362	13,397	13,362	-35	(0%)	201,866	215,263
OFFICE SUPPORT COSTS	9,568	8,445	9,568	8,445	-1,123	(13%)	172,254	181,822
ACCOMMODATION	31,689	30,737	31,689	30,737	-952	(3%)	352,898	384,587
SUB TOTAL	441,600	449,214	441,600	449,214	7,614	2%	5,271,106	5,712,706
DEPRECIATION & NON CASH ITEMS	7,695	7,695	7,695	7,695	-0	(0%)	92,599	100,294
CCWATER REVENUE TOTAL	449,296	456,909	449,296	456,909	7,614	2%	5,363,704	5,813,000

CAPITAL	0	0	-0	0	0	0%	0	0
CCWATER GRAND TOTAL	449,296	456,909	449,296	456,909	7,614	2%	5,363,704	5,813,000



## Consumer Council for Water Board

4 June 2019

Agenda Item 40/19P

**Title:**

2018-19 Annual Report and Accounts

**Report by:**

Marie Perry, Head of Finance & Procurement

**Responsible Lead:**

Marie Perry, Head of Finance and Procurement and Amanda Caton, Head of External Communications

**Paper for decision**

**Annex:** yes (1)

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**Purpose**

1. To present the 2018-19 Annual Report & Accounts to the Board for approval.

**Recommendations**

2. The Board is recommended to approve the 2018-19 Annual Report and Accounts.

**Background**

3. The Audit and Risk Management Committee reviewed an earlier draft of the 2018-19 Annual Report and Accounts (ARA) at its meeting on 20 May; that document was also circulated to Board members, Defra and Welsh Government for review and comment.
4. The attached document reflects amendments and comments made by the Board members, officials from Defra and Welsh Government and the National Audit Office.
5. The document must be cleared by the Minister before it can be laid before Parliament; dates have been agreed for this.

6. The document also requires a House of Commons (HC) number from the Journal Office before it can be published. The Journal Office will issues this 4 weeks before the laying date of 20 June.
7. The next steps to finalise the ARA and lay it before Parliament are:-

4 June	Audit and Risk Management Committee reviews ARA and recommends it to the Board for approval
4 June	Board approves ARA
TBC	Minister clears ARA
w/c 11 June	ARA to print
20 June	ARA laid in House of Commons

**Annex list:-**

Annex A - 2018-19 Annual Report and Accounts

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# **Consumer Council for Water**

## **Annual Report and Accounts 2018-19**

**For the year ended 31 March 2019**

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# Consumer Council for Water

## Annual Report and Accounts 2018-19

**For the year ended 31 March 2019**

Presented to Parliament pursuant to Schedule 3a of the Water Industry Act 1991  
as amended by the Water Act 2003.

*Ordered by the House of Commons to be printed on XX June 2019*

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## PERFORMANCE REPORT

### Chief Executive's Statement

In 2018-19, the Consumer Council for Water (CCWater) continued to speak up for water consumers, challenging the water industry and working with influential stakeholders in order to secure the best possible outcomes on behalf of consumers. Some of our key achievements from the past year are highlighted below.

The 2018-19 year began shortly after Storm Emma and the 'Beast from the East' wreaked havoc across England and Wales, leaving over 200,000 people without water for up to four hours. To understand the impact this had on consumers, CCWater conducted research in the worst affected areas, contributing its analysis and conclusions to Ofwat's wider review of the incident. This research revealed that consumers felt badly let down by water companies' poor communication, insufficient supply of alternative water supplies and inadequate support for consumers in vulnerable circumstances. CCWater challenged water companies to take on board its recommendations in the action plans they were required to submit to Ofwat in September, and called for Ofwat to take strong action should any of the company plans fail in future.

Further extreme weather brought the water industry under the spotlight once again in summer 2018, with high temperatures and low rainfall bringing issues like leakage, water consumption and resilience to the forefront of political and media scrutiny. CCWater was a vocal advocate for the consumer throughout, using the increased public focus on the industry to shine a light on its recently-published research, including the Water Matters annual tracker survey and a resilience report entitled *Water, water everywhere? Delivering resilient water & waste water services*. During the heatwave, we received extensive media coverage, putting spokespeople forward to appear in national and regional media to discuss the impact that dry weather, hosepipe bans, leakage and shareholder dividends have upon consumer perceptions. Coverage for CCWater included appearances on BBC Breakfast, BBC 5Live Breakfast and *Wake Up to Money*, BBC Radio 4's *Today Programme*, and BBC's *Newsnight*.

Our quick response to unfolding events enabled us to secure unprecedented media coverage for CCWater and its consumer advice in 2018-19, with a total potential audience reach of more than 322 million. In 2018-19, more than 3 million people also interacted with CCWater online by visiting our website or liking and sharing our content on social media. Our online tools have continued to attract a large number of visitors to our website in 2018-19, providing essential help to those who may be struggling financially. Our water meter calculator attracted over 300,000 visits, generating potential customer savings of over £19.7 million since April 2018. In addition to this, our Benefits Calculator helped 3,282 users identify a total of £10.1 million in potential benefit entitlements during the 2018-19 period.

Against the backdrop of increased levels of scrutiny around the legitimacy of the water industry, the 2019 Price Review (PR19) continued to provide an opportunity for CCWater to affect real change on the future of the water sector's consumer landscape, and we have actively participated in this process at both regional and national levels to ensure that consumers' voices are heard as key decisions are made. Supported by its wealth of independent research and bespoke customer acceptability testing, CCWater is able to provide an important consumer perspective to Ofwat on the potential impact of bill levels, financial incentives, affordability schemes and resilience, challenging water companies to show more ambition in delivering the aspects of service customers care about most.

Looking ahead to the next financial year – as this price review draws to a close – CCWater will continue to influence key milestones in the process as part of its overarching mission to ensure that future pricing and investment reflects true value for money for bill-payers.

The end of the 2018-19 year marked the approach of the second anniversary of the opening of the retail water market in England. CCWater has continued to monitor the progress of the market in terms of customer awareness and complaint levels, and has publicly challenged poor performing retailers to improve their marketing – particularly to small, medium and micro businesses – while resolving the root causes of customer complaints. Non-household complaints handled by CCWater more than tripled during the first year of the market and have shown little sign of receding in the past 12 months, with the increase being driven by a small number of poor performing larger retailers. Despite these challenges, almost nine out of ten business customers in England who have switched supplier expressed satisfaction with the process, showing that once retailers reduce complaints and improve customer awareness, confidence and activity in the market should continue to grow.

Securing more help for consumers struggling to pay remains a top priority for CCWater, and our campaign to eradicate water poverty continued through 2018-19 and beyond. We have maintained our pressure on water companies to expand the help available and increase consumer awareness of this assistance. Latest figures from 2018-19 show that the number of customers supported through social tariff schemes increased by 17% to more than 460,000, with around £100m worth of support now being delivered through those schemes on an annual basis. This is encouraging progress, however we still believe that water companies can do more to help those struggling to pay, so as we look ahead to 2019-20, we're calling on them to contribute some of their own funds towards these schemes, rather than relying on funding from other customers' bills.

In addition to holding water companies accountable for delivering value for money, CCWater applies the same high standards to its own operations. On average, CCWater's own cost increases have remained below the retail price index (RPI) for the past eleven years. We have continued to run our operations at a cost of just 21p per bill payer for the eighth consecutive year.

As we look ahead to 2019-20, we are reaffirming our position as a campaigning organisation by focusing our efforts on five key campaigns which address fundamental customer detriments across the water industry in England and Wales. These are: continuing pressure on poor performing water companies; getting companies to share their estimated £500m windfall from financial outperformance<sup>1</sup> with customers to improve service levels or reduce bills; a price review (PR19) that delivers for consumers; securing more help for consumers in vulnerable circumstances and a non-household retail market that works better for customers. We look forward to maintaining a strong industry presence in the coming year, to ensure that the decisions we're influencing today deliver tangible results for all water consumers, now and in the years to come.

**Tony Smith**  
**Chief Executive**  
**4 June 2019**

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<sup>1</sup> This figure relates to the first three years of the current five-year period – April 2015 to March 2018



## Statement of purpose, objectives and activities of CCWater

The objective of this Performance Report within the Annual Report and Accounts is to give a balanced and comprehensive analysis of:

- the development and performance of the business of CCWater during the financial year;
- the main trends and factors underlying the development, performance and position of the business of CCWater during the financial year; and
- the main trends and factors that are likely to affect CCWater's future development, performance and position, including the risks and uncertainties facing us.

CCWater is a non-departmental public body (NDPB) in England and a statutory body in Wales, sponsored by Defra and Welsh Government respectively. We were established on 1 October 2005 under the Water Industry Act 1991 as amended by the Water Act 2003, to represent consumers of water and sewerage services in England and Wales. It replaced the WaterVoice committees, which were part of the industry economic regulator, Ofwat, to become an independent statutory consumer body.

The Water Act 2003 gives CCWater the following functions and duties:

- to have regard to the interests of consumers of water and sewerage services in England and Wales, including certain vulnerable consumers and customers that are not able to switch suppliers under the Act's competition measures;
- to handle and investigate consumer complaints in respect of water and sewerage companies;
- to obtain, and keep under review, information about consumer matters and the views of consumers on such matters;
- to make proposals, provide advice and information and represent the views of consumers to public authorities, water and sewerage companies and others whose activities may affect the interests of consumers;
- to provide advice and information to consumers;
- to publish statistical information about complaints to and about water companies; and
- to investigate any matters of interest to consumers that are not necessarily the subject of a complaint.

The Water Act 2014 gave CCWater some additional responsibilities, which involve being consulted on:

- the development of market codes and some charging issues in the lead up to the opening of the non-household retail market to greater competition;
- the development of regulations that will set the conditions upon which an incumbent water company will be able to exit the non-household retail market;
- requests by incumbent water companies to exit the non-household retail market;
- charging guidance issued by both the Department for Environment, Food and Rural Affairs (Defra) and Welsh Government;
- water companies' charges schemes;
- the supply of water to water companies by third parties, such as farmers;
- changes to water company licences to allow redress schemes. The Water Redress Scheme, known as WATRS, came into being on 1 April 2015; and
- the UK and Welsh Governments' strategic priorities for Ofwat.

We must also represent the interests of consumers supplied by new entrants to the market; require, when necessary, information from the water supply or sewerage licensee; and deal with complaints from customers of water supply and sewerage licensees. CCWater also has super-complainant status under the Enterprise Act 2002.

Under the Water Industry Act 1991, as amended by the Water Act 2003, the Secretary of State for the Department for the Environment, Food and Rural Affairs (Defra), with the consent of HM Treasury, has directed CCWater to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of CCWater and of its income and expenditure, statement of financial position and cash flows for the financial year.

## Alignment with UK Government and Welsh Government strategies

To ensure we play our part in helping deliver on government objectives, CCWater's activities in 2018-19 were aligned with the strategies set out by both Defra and the Welsh Government. These include the [25-year environment plan](#)<sup>2</sup>, [Defra Group Strategy](#) (*Creating a great place for living: together we are building a green and healthy future*)<sup>3</sup> and in particular the two over-arching priorities of protecting consumers and securing long-term resilience, set out in the Government's Strategic Policy Statement for Ofwat, included in the Government's [Strategic Priorities and Objectives for Ofwat 2017](#)<sup>4</sup>.

### About Defra's Strategic Priorities and Objectives for Ofwat:

#### 1. **Protecting customers**

The water sector to go further to identify and meet the needs of customers who are struggling to afford their charges.

**CCWater activity:** Our strategic priority 'Advocate for affordable charges that all current and future consumers see as fair and value for money', ensures we have a focused look at the needs of customers who are struggling to pay, so we can identify and champion improvements. For example, one of our campaigns focuses on our view that the current social tariff arrangements mean customers face a 'postcode lottery' on whether they are eligible for help to pay.

#### 2. **Assistance**

Companies to improve the availability, quality, promotion and uptake of support to low income and other vulnerable household customers.

**CCWater activity:** We deliver on this through two of our strategic priorities; the one mentioned above and 'Challenge water companies to provide their service right first-time, protect household and business consumers when things go wrong, and provide an easy-to-access service for all'. We campaign to improve the quality of support for low income and vulnerable household consumers. One way is by holding our successful industry 'affordability and vulnerability' seminars, where we share good practice and innovations. We also publish information to allow companies and wider stakeholders to consider what works, and where some companies need to do more, such as helping transient vulnerable consumers (as identified in our consumer research following the Beast from the East water supply interruptions). The number of people registered with their water company to receive priority services increased by 14.6% from 2016/17 to 2017/18 and we have already seen an additional increase of 8.1%<sup>5</sup> from April 2018 to September 2018. We also campaign for more companies to input some of their profits into their social tariff pot, so the help can go further. United Utilities, Dŵr Cymru / Welsh Water and Yorkshire Water have all responded to this call, and we are urging others to follow their example.

#### 3. **Securing long-term resilience**

The water sector should plan, invest and operate to meet the needs of current and future customers, in a way which offers best value for money over the long term.

**CCWater activity:** We primarily help deliver this through our strategic priority 'Press water companies for safe, reliable water and wastewater services that all consumers can trust now, and in the long term'. This last year, our efforts to support this objective have been through our work with water companies on their five-year business plan development. We have focused on ensuring they have considered future consumers, as well as meeting the priorities and expectations of consumers now. We have reviewed and challenged water companies' acceptability testing to ensure the results give a fair picture of whether customers think the price is acceptable for the services that will be received. There was mixed acceptability by customers of companies' plans, but we do not think any of the plans are the finished article, and continue to work on this.

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<sup>2</sup> Defra's 25 year environment plan can be accessed online here:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/693158/25-year-environment-plan.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/693158/25-year-environment-plan.pdf) (13/05/19)

<sup>3</sup> Defra's Group Strategy can be accessed online here:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/753513/defra-group-strategy-2018.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/753513/defra-group-strategy-2018.pdf) (13/05/19)

<sup>4</sup> Defra's Strategic Priorities and Objectives for Ofwat can be accessed online here:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/661803/sps-ofwat-2017.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/661803/sps-ofwat-2017.pdf) (13/05/19)

<sup>5</sup> These figures are unaudited

#### 4. **Small Business**

Water companies should have an enhanced focus on the needs of small business customers that may struggle to access the best deals.

**CCWater activity:** We help deliver this work through our strategic priority 'Shape the water sector by ensuring consumers' voices are at the heart of decision making and inform consumers about issues that affect them'. We have used our research and complaints intelligence and first hand experiences of customers and their representative groups to respond to all relevant consultations from government, the regulator and market operator that look at how customers are protected and the market incentivises performance. Following CCWater's advice, the regulator has sought to strengthen protection for retail exit customers and the market operator has increased its focus on how customers ought to benefit from retail performance.

We continue to use channels like the business customer forum and our close working relationship with membership bodies to make sure that we can maintain a dialogue with small businesses.

#### 5. **Making markets work**

The sector should drive innovation and achieve efficiencies in a way that takes account of the need to further: (i) the long-term resilience of water and wastewater systems / services and / or (ii) the protection of vulnerable customers.

**CCWater activity:** We help deliver this work through our work described above about our challenges to water companies during the price review and on the protection of vulnerable consumers.

#### 6. **Water supply**

The sector should further a reduction in the long-term risk to water supply resilience from drought and other factors, including through new supply solutions, demand management and increased water trading.

**CCWater activity:** We primarily help deliver this through our strategic priority 'Press water companies for safe, reliable water and wastewater services that all consumers can trust now, and in the long term'. We have a history of campaigning on leakage levels, and this year argued that Ofwat's 15% leakage marker meant most companies would only use that base level in their business plans, rather than showing greater ambition. Seven companies have responded to our call and committed to leakage reductions of greater than 15% during the period 2020-2025, but there is more to do. We also engage in water efficiency research and education, often partnering with Waterwise and others.

#### 7. **Wastewater**

Companies should improve planning and investment to meet the wastewater needs of current and future customers.

**CCWater activity:** We primarily help deliver this through our strategic priority 'Press water companies for safe, reliable water and wastewater services that all consumers can trust now, and in the long term'. We were part of the Water UK-led '21st Century Drainage Programme Board' – which is made up of all 12 sewerage companies in the UK and representatives of governments, regulators and environmental groups (see page 20 for more information) – and have used platforms such as conferences to encourage wastewater companies to improve their wastewater planning for current and future consumers. This was also part of our work with wastewater companies during the price review. We have challenged business plan proposals that have not sufficiently considered adequate maintenance, future investment planning or the views of consumers. There was mixed acceptability by customers of companies' plans, but there is still time in the process for companies to revisit their plans, so we continue to work on this.

#### 8. **Resilience**

Water companies should make sure that they assess the resilience of their system and infrastructure against the full range of potential hazards and threats and take proportionate steps to improve resilience where required.

**CCWater activity:** We deliver this through our strategic priority 'Press water companies for safe, reliable water and wastewater services that all consumers can trust now, and in the long term'. This was also part of our work with wastewater companies during the price review. We have challenged business plan proposals that have not sufficiently considered resilience in the face of potential hazards.

We have also argued that companies should further the resilience of ecosystems that underpin the water and wastewater systems, by encouraging the sustainable use of natural capital and by having appropriate regard to the wider costs and benefits to the economy, society and the environment.

## About the Welsh Government's objectives

In Wales, we work with the Welsh Government to ensure we play our part in helping it deliver [the Water Strategy for Wales](#)<sup>6</sup>, the Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016. In the next few years we will work closely with Defra and the Welsh Government, and water companies in Wales, on the commencement of the Wales Act 2017 provisions, which will realign the water industry regulatory boundaries in Wales from companies which are wholly or mainly in Wales or England to companies which are Wales-only or England-only.

In 2018/19 our Wales region had some specific areas of work that required additional attention and resources from our Wales team:

1. Active participation in PR19 discussions in Wales.  
**CCWater activity:** we have attended all customer challenge groups (CCGs) and Welsh Government PR19 forum meetings, and participated in discussions outside these forums. Our Wales team provided detailed written feedback throughout the process and we held our own bilateral meetings with both companies.
2. Supporting customers during the transition to Hafren Dyfrdwy from July 2018.  
**CCWater activity:** In addition to our regular liaison we had additional meetings to help the new company prepare to make the transition as smooth as possible for its customers. Through our involvement there has been more clarity on communications with customers and we have identified data and reporting issues which the company has agreed to resolve. Through our liaison and PR19 work we have been successful in getting the company to work towards understanding customer issues and needs within its new geographical boundaries with a view to improving their services. When problems have arisen through the transition, the company has been more transparent in its root-cause analysis and mitigation.
3. Managing an increased number of debt management related complaints relating to Dŵr Cymru.  
**CCWater activity:** We have monitored the increase in debt management related complaints from Dŵr Cymru customers to our team and worked with the company to help improve the way the company talks to its customers about debt issues.
4. Advising Hafren Dyfrdwy on the implementation of Welsh Government (non-owner) occupier (bad debt) regulations.  
**CCWater activity:** We have provided detailed feedback on customer communications content, worked with external stakeholders and provided recommendations of good practice to the company in process of the regulations' implementation. Our last meeting in public for 2018/19 was dedicated to raising awareness on the regulations in the company's area.

We have continued to provide quarterly reports to Welsh Government on our activity relating to issues important to water and sewerage customers in Wales.

We also continue to work guided by the Water Strategy for Wales as it outlines an action plan for water resources and water and sewerage services in Wales and provides the context for our work in Wales (see below).

1. Leading on advice on affordable water bills and debt management.  
**CCWater activity:** We work with both water companies in Wales in relation to their social tariffs and affordability assistance. In particular, we have begun a review of assistance schemes and offerings in both company areas triggered by the introduction of a new Wales only company (Hafren Dyfrdwy) and Dŵr Cymru reaching the limit of the cross-subsidy acceptable to its customers in the past. We have commented on and challenged all social tariff related research for both companies.
2. Working with Welsh Government and others on its plan to develop consistent messages to aid customer education on water debt management, water efficiency, and how consumers can engage with their water company.

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<sup>6</sup> The Water Strategy for Wales can be accessed online via the following link: <https://gweddill.gov.wales/docs/desh/publications/150521-water-strategy-for-wales-en.pdf> (13/05/19)

**CCWater activity:** We worked with both companies and other stakeholders in Wales – for example, Natural Resources Wales, Waterwise and the Welsh Government – to help promote appropriate messages to consumers. We have succeeded in getting Dŵr Cymru to acknowledge the importance of raising awareness of the metering option in Wales. We have raised the importance of reviewing a Waleswater efficiency action plan as part of the Water Strategy for Wales review. We continue to offer to collaborate on the establishment of a Water Efficiency Roundtable in Wales.

3. Ensuring good quality information is available to business customers about who is eligible to participate in the retail market, particularly for those customers in cross-border areas.

**CCWater activity:** We continue to work with Dŵr Cymru to ensure that it provides appropriate information to business customers and with Hafren Dyfrdwy to inform customers about the new company, which came into effect from 1 July 2018. We commented on most of the letters and material which were circulated to non-household customers by Hafren Dyfrdwy before 1 July 2018. As both companies remain responsible for non-household customers in Wales we continue to monitor non-household customer contact through our quarterly reports and we have incorporated updates from the relevant company teams in our quarterly liaison meetings. We continue with our requests to establish a similar relationship with Cambrian Water.

4. Working closely with the Welsh Government to help:

- a. Monitor the effectiveness of social tariffs
- b. Monitor the costs and benefits of market reform to inform future policy
- c. Understand the options, cost and benefits of transferring ownership of customers' water supply pipes to water companies

**CCWater activity:**

- a. We provide company performance data including take-up of social tariffs, WaterSure and other assistance and providing quarterly updates on the non-household retail market in England including how retailers are performing on complaints. Uptake on tariffs has increased for both companies in Wales, but we are planning analysis in collaboration with Hafren Dyfrdwy understand the needs of their new customer base in Powys.
- b. Our Regulation and Consumer Relations teams have been reporting on the increase of non-household complaints following the market opening in England to inform the Welsh Government's view on future market reform policy changes. Our Wales team informed the Welsh Government on any feedback identified from the non-household customer data we receive on a quarterly basis.
- c. Through our liaison we understand that there is still intention to explore the option of supply pipe transfer in Wales in the future. No additional data or input has been required by CCWater.

5. Working with other stakeholders to help deliver the aims and review the actions of the Water Strategy

**CCWater activity:** We participate in the Welsh Government's Wales Water Forum with other stakeholders to identify how best to deliver aspects of the Water Strategy for Wales through collaboration and cooperation. In addition to that our Local Consumer Advocates, Senior Policy Manager and Chair continue to regularly participate in discussions at the Water Health Partnership for Wales and its lead reduction task & finish group, the newly established Wales Water Management Forum (which replaced river basin management panels in Wales), Consumer Protection Partnership meetings and meetings of the Competition and Market Authority in Wales. Our team also delivered an annual stakeholder event and an awareness raising event at the National Assembly for Wales.

## Performance Summary

A summary of CCWater's performance during 2018-19:

### Challenging companies to provide their service right first time

- We dealt with over **13,000 customer complaints** and enquiries about water companies in 2018-19. This brings the total number of complaints and enquiries we have handled since 2005 to over 400,000. We met our case acknowledgement target but fell short of our case closure targets. This had a knock-on effect on customer satisfaction with various aspects of our service (see table on page 19).
- We continued to press water companies to **improve their performance and to get things 'right first time'** for customers. In September 2018 we reported only four of the water companies in England and Wales had seen an increase in written complaints from household customers. However, nine companies reported an increase in the number of telephone calls made by customers to companies to resolve issues. Although it was 10,000 fewer than the previous year at 2.13 million, there is no evidence of substantial improvement over the last two years. During 2018-19 we put pressure on three companies whose performance was particularly poor to take action to improve and by the end of March 2019 these companies were showing signs of improvement.
- Through direct involvement with non-household membership bodies and the media, we helped raise **awareness of the non-household retail market towards a target of 50%**. Following an initial increase in awareness amongst small and medium enterprises (SMEs), this has plateaued and remains at around 4 in 10 customers.

### Advocating for affordable charges that are fair and value for money

- We secured **£2 million in compensation and financial redress** for customers during 2018-19. This brings the total amount we have helped return to household and non-household customers to more than **£29 million** since we were established in 2005.
- Our work to ensure all water companies offer social tariffs and promote these effectively to customers continues to help increase the number of customers receiving assistance. The number of customers supported through social tariff schemes **increased by a further 17% to 460,613** in the first six months of 2018/19. The value of the support being delivered through those schemes is now around **£100 million per annum**.
- Our benefits calculator and grants search tool continued to help low-income customers identify additional income to which they may be entitled. During 2018-19, 3,282 people used our benefits calculator to identify more than **£10.1 million** in potential benefit entitlements. A further 829 people used the grant search tool to find financial help.
- We also helped customers save water and money, with **over 300,000** visits to our water meter calculator in 2018-19. The total potential saving for these customers was estimated at over **£19.7 million**.
- We objected to the proposed licence variation following Severn Trent's takeover of Dee Valley Water because of the detriment to some of the customers affected. Severn Trent subsequently made commitments to Ofwat to keep wastewater bills for the **39,000 customers in parts of Wales flat** indefinitely. The proposed licence variation was approved and the new company, Hafren Dyfrdwy, which serves customers in Wales must now honour those commitments.
- This year, for the eighth consecutive year, our work cost each water bill payer just **21p**. Recent figures show that, on average, CCWater's own cost increases have remained below the retail price index (RPI) for the past ten years, with a keen focus on efficiency and value-generating cost increases that are below the rate of inflation.

### Informing and engaging all consumers and stakeholders

- Customer research plays a key part in helping us to reflect customers' views on a wide range of issues. This year we published **4 research reports** which we used to develop our policy lines, to advise or influence the water industry, regulators and governments, and to inform stakeholders about customers' views on water issues, including retail competition and resilience in the water industry.

- Consumers had opportunities to see our messages in print, broadcast and online media with a total reach of more than **322 million** – an unprecedented level of media coverage for CCWater. For national media outlets including BBC TV and radio, The Times and the Financial Times, we have been the ‘go to’ commentator on water consumer issues.

## Performance Analysis

CCWater continued to advocate for water and sewerage consumers in England and Wales, providing specialist support across a wide range of sectors. We helped ensure water consumers' views were central to the way the water industry was managed and regulated. Our key performance indicators were set out in our Operational Business Plan (OBP) for 2018-19. This performance analysis shows how we achieved our measures of success for each strand of work.

As part of our Forward Work Programme for 2018-21, we refreshed our strategic aim, which is supported by four strategic priorities, as follows:

Updated strategic aim: **Securing the best outcomes for all water consumers, present and future.**

The strategic priorities are:

- Advocate for **affordable charges** that all current and future consumers see as fair and value for money
- Challenge companies to provide their service **right first time**, protect household and business consumers when things go wrong and provide an easy-to-access service for all
- Press companies for **safe, reliable water and wastewater services** that all consumers can trust now, and in the long term
- Shape the water sector by **informing and engaging** all consumers so that consumers' voices are acted upon by decision-makers and the industry

### **ADVOCATE FOR AFFORDABLE CHARGES THAT ALL CURRENT AND FUTURE CONSUMERS SEE AS FAIR AND VALUE FOR MONEY.**

#### **Affordability**

Around half a million low-income households are now receiving lower water bills following CCWater's work with all water companies to establish social tariff schemes and improve the promotion of these to the hardest to reach customers. Take-up of the schemes rose by 49% in 2017-18 and by a further 17% in the first half of 2018-19.

Our report: 'Water for All', published in October 2018 highlighted the progress that has been made by companies in addressing both financial and non-financial vulnerability, and in rising to the challenges we have set them on those issues.

We continue to promote the availability of social tariffs through media campaigns and our online social tariff guide. We have also worked with companies to identify opportunities to widen the scope of their tariffs through increased funding and to press for the adoption of our best practice recommendations, including those that emerged from the cross sector study undertaken by Sheffield Hallam University on behalf of CCWater.

Our affordability and vulnerability seminar in November 2018 brought together stakeholders including water companies, consumer bodies, and organisations which support the financially vulnerable, to share good practice and innovative techniques for delivering and promoting help.

Customers continued to benefit from using two online tools we launched in 2016 in partnership with poverty relief charity Turn2us. Our Benefits Calculator and Grant Search Tool enable consumers to discover whether they are entitled to further welfare benefits or assistance through grants. In 2018-19 3,282 consumers used the Benefits Calculator and identified that they may be eligible for annual benefits totalling more than £10.1 million. 829 customers used our Grants Search Tool to identify other potential sources of financial assistance.



## WaterSure

WaterSure is a statutory tariff scheme<sup>7</sup> that can cap the bills of some metered customers if they are on benefits and need to use a lot of water, either for medical reasons or because their household has a certain number of school-aged children. Our work with companies and our own promotion of the scheme has helped ensure a continued increase in take-up of this assistance.

Take-up of the scheme increased by 16% in 2017-18, and by a further 7% in the first half of 2018-19. More than 148,000 metered customers are now registered for help across England and Wales. Over the last five years the increase of customers registered on the WaterSure scheme has been 65.5%.

## Fair charging

In line with the recommendations of the 2011 Review of Ofwat and Consumer Representation in the Water Industry (Gray Review), we continued our work with companies as they developed their annual charges to help ensure their policies were fair and did not lead to significant bill shocks for customers.

In February 2019, water companies announced that the average household water and sewerage bill in England and Wales would rise by £8 to £415 in 2019-20. This includes inflation and is in line with the price limits set by Ofwat, the industry regulator, in 2014. In most cases, companies are cutting bills or increasing them below inflation.

Our campaigning to raise awareness of the options for customers to save money on their bills continued to attract widespread national and regional media coverage, helping households to take more control of their charges. Customers using our meter bill calculator identified potential savings of over £19.7 million if they were to switch to a meter.

## Supporting consumers in vulnerable circumstances

Making sure customers in vulnerable circumstances get the support they need from their water company remained high on our agenda in 2018-19. We continued to work closely with water companies to increase the consistency and levels of support that are available to customers with a wide range of additional needs. We also supported the industry's efforts to raise awareness of these schemes.

Our collaboration led to all 21 water companies branding their non-financial assistance scheme 'Priority Services'. Priority Services aim to provide additional, free support to customers who need extra help in accessing a company's services or to provide emergency assistance to vulnerable customers during periods of limited water supply.

The number of consumers registered for water companies' Priority Services rose from 344,164 in 2017-18 to 372,250 in the first half of 2018-19 - an increase of more than 8.2%

A wide range of stakeholders attended our inaugural Vulnerability and Affordability Seminar in November 2018, where we explored issues including good practice and new ideas in informing, supporting and protecting consumers in longer term and transient vulnerable circumstances, utility companies' roles in safeguarding customers and a project led by the UK Regulators Network to inform utility companies of when a power of attorney is in place.

We published two reports specifically focused on supporting customers in vulnerable circumstances. These were:

- [Water for all: affordability and vulnerability in the water sector 2017-2018](#)<sup>8</sup>
- [Vulnerability in the water sector – informing, supporting and protecting consumers](#)<sup>9</sup>

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<sup>7</sup> Water Sure is the brand name for The Water Industry (Charges) (Vulnerable Groups) Regulations 2015, which can be found online at: <http://www.legislation.gov.uk/ukxi/2015/365/made>

<sup>8</sup> This report can be accessed online at the following URL: <https://www.ccwater.org.uk/research/water-for-all-affordability-and-vulnerability-in-the-water-sector-2017-18>

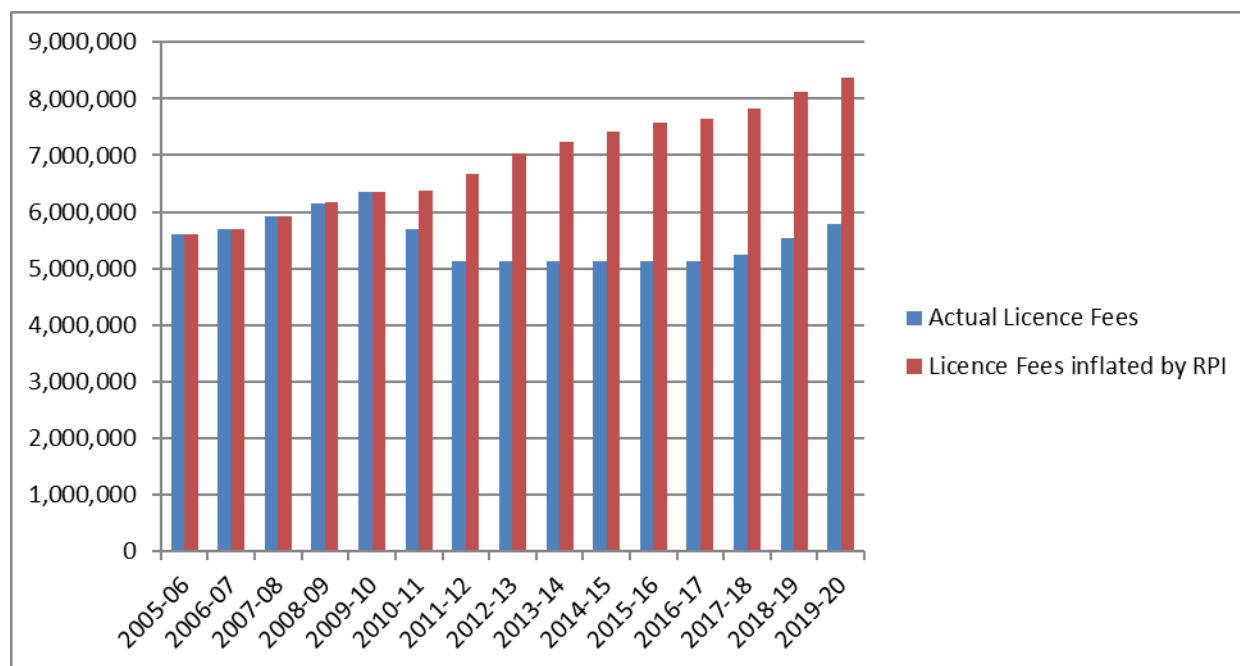
<sup>9</sup> This report can be accessed online at the following URL: <https://www.ccwater.org.uk/research/vulnerability-in-the-water-sector-informing-supporting-and-protecting-consumers>

The severe freeze/thaw weather event of March 2018 impacted on many customers, and CCWater was quick to react to the water supply incidents suffered by many. We were in contact with companies and their customers during and after the incidents, and conducted research on customers' experiences of the communication and service they received from their water company both during and after the incidents. Our report<sup>10</sup> revealed that customers who self-identified as facing vulnerable circumstances felt they did not have access to the support they needed during the incidents. The report also highlighted several key service improvements that companies need to make.

We will use the recommendations set out in the report to encourage the industry to make improvements to the planning and preparations needed to ensure consumers are not left 'high and dry' again during a major incident.

### Our Costs

We believe that keeping our costs to a minimum is important, as they are charged to consumers through water companies' bills. For 2018-19 our licence fee was £5.53m. This cost each bill payer 21p and has remained the same since 2011/12. We have consistently kept our costs low by identifying savings that help us to avoid inflationary pressures, whilst still investing in our services. The graph below shows our actual licence fee year-on-year, compared to an inflation increase at the Retail Price Index (RPI) rate. The increase in our costs is less than RPI by an average of 3.3% per year. This means that in 2018-19 it was £2.6m lower than if we had applied the RPI inflation in each year.



### **CHALLENGE COMPANIES TO PROVIDE THEIR SERVICE RIGHT FIRST TIME, PROTECT HOUSEHOLD AND BUSINESS CONSUMERS WHEN THINGS GO WRONG AND PROVIDE AN EASY-TO-ACCESS SERVICE FOR ALL.**

In 2018-19, we continued to press companies to improve their service and reduce the number of complaints they receive from customers. Based on data from our Household Complaints Report, published in September 2018, we identified concerns with three companies relating to how they compared to the rest of the industry for their written complaints and unwanted telephone contacts and their lack of improvement since the previous year. Our Regional Chairs asked Southern Water, SES Water and Bristol Water to provide us with quarterly updates on what actions they were taking to reduce their complaints or unwanted contacts. At the end of the year all companies reported improvements.

<sup>10</sup> This report can be accessed online at the following URL: <https://www.cewater.org.uk/research/customers-experiences-of-water-supply-interruptions-following-the-freeze-thaw-events-of-march-2018>

By the end of quarter 4, we had received more than 13,000 consumer complaints and enquiries about water companies and retailers. This is a decrease of 24% compared to 2017-18 and gives the impression of a quieter year, but this is not the case.

### Complaints

Looking at complaints, we received 17% more complaints in 2018-19 than the year before. Most of this has been driven by sustained high complaint numbers from non-household customers, with complaints about retailers increasing by 45% compared to 2017-18. We saw these customer complaint numbers increase in the latter half of 2017-18 and there has not been a decline in the increased contact levels. The majority of complaints are from a handful of retailers, with whom we have worked throughout the year to address root causes of issues and help the retailers resolve customer issues directly at first point of contact. We have also seen an increase, albeit smaller, from domestic customers about wholesalers, with numbers increasing by 4.5% year on year.

### Enquiries

Turning to enquiry contacts, the number of enquiries we have registered in 2018-19 is notably lower than that of 2017-18; some 7,000 fewer enquiries (-78%). We changed our telephone reporting capabilities early in 2018-19 so no longer record transactional enquiries (such as asking for company contact details) on our CRM system. Last year, over 80% of our enquiries were received by telephone (7,678 enquiries), this year only 40% of our enquiries have been received by telephone (812 enquiries). However, our incoming telephone traffic has not decreased; we took 25,700 calls in 2017-18 and 28,000 in 2018-19. So whilst we have not created cases for brief enquiries, we have still taken the telephone calls that led to them in previous years.

Contacts to CCWater from Customers	2018-19	2017-18	2016-17	2015-16
Enquiries	2,019 <sup>11</sup>	9,165	10,699	8,453
Complaints	11,254	9,650	8,715	9,991
Formal Investigations <sup>12</sup>	66	29	7	18

Our performance against our OBP targets in dealing with complaints about water companies (wholesale and retail companies) is shown in the table overleaf.

We exceeded our complaint acknowledgement target but failed to meet our targets for closing complaints in 20 and 40 working days. The sustained, increased complaint levels that we experienced throughout 2018-19 left us with a backlog of complaints that, despite bringing in additional resource, took us until Q3 to catch up with. This had an inevitable effect on our closure targets and also on customer satisfaction with our service. We have enhanced our reporting and forecasting to allow us to better plan for high levels of contact – be they predicted or not. We have also improved our ability to deploy additional resource at short notice to enhance both our telephony and complaints handling, through contracts and secured additional funding. We ended the 2018-19 year with no complaint backlog and achieving the 20 and 40 day targets. This puts us in a strong position going into 2019-20.

	2018-19		2017-18		2016-17		2015-16 <sup>13</sup>	
Percentage of complaints	OBP target	Achieved	OBP target	Achieved	OBP target	Achieved	OBP target	Achieved
Acknowledged in 5 working days	99.5%	99.7%	99.5%	99.7%	99.5%	99.6%	99%	99.9%
Closed in 20 working days	80%	76.4%	80%	80.0%	80%	80.4%	78%	82.4%
Closed in 40 working days	91%	88.7%	91%	92.4%	91%	92.1%	90%	92.6%

During the year we surveyed up to 100 customers a month to find out how satisfied they were with all aspects of our service. We exceeded our target for customer satisfaction with our courtesy but fell short of our targets for

<sup>11</sup> Substantial decrease due to a change in reporting rather than a decrease in contact. Please see commentary for details.

<sup>12</sup> We conduct a formal investigation into a complaint if it has exhausted a company's complaints procedure but we are unhappy with the outcome and see an avenue for challenge.

<sup>13</sup> We reduced our OBP targets in 2015-16 slightly from the previous year to reflect potential disruption and skills loss during the restructure of our complaints handling function. We increased our targets again in 2016-17

overall satisfaction with service, complaint outcome and speed, Naturally, we are disappointed with this performance.

A combination of factors across the first half of the year, including higher than expected complaint contact and getting additional resource in place to meet business need, resulted in low satisfaction levels in quarters one and two. However, work that we undertook during that period, to better forecast contact levels and in having greater flexibility to adjust resource quickly and appropriately, have meant that satisfaction with our service has increased month on month since September 2018. We ended Q4 exceeding our OBP target for satisfaction with the quality of our overall service (77% satisfaction against a 75% target). We have also seen improvement across our other satisfaction measures.

We believe that the changes we have made during 2018-19 puts us in a stronger position to meet and/or exceed our OBP performance and satisfaction targets in 2019-20.

	2018-19		2017-18		2016-17		2015-16 <sup>14</sup>	
Customer satisfaction with all aspects of CCWater's complaint handling	OBP target	Achieved	OBP target	Achieved	OBP target	Achieved	OBP target	Achieved
Outcome of the complaint	61%	54.7%	61%	63.5%	61%	62.5%	58%	60.4%
Speed	80%	66.4%	80%	69.1%	80%	77.2%	79%	81%
Service	75%	67.9%	75%	73.3%	75%	75.9%	72%	73.8%
Courtesy	93%	93.7%	93%	93.5%	93%	93.6%	90%	92.8%

### Complaints to the Parliamentary and Health Service Ombudsman

If a consumer remains dissatisfied about the way CCWater has dealt with a complaint they can, with the support of their MP, refer the matter to the Parliamentary and Health Service Ombudsman (PHSO). The PHSO has not informed us of any investigations it has made into our case handling in 2018-19.

### Water Redress Scheme (WATRS)

If a case has exhausted a water company complaint procedure and CCWater feels there is nothing further it can achieve, a consumer who remains dissatisfied with the outcome can refer their complaint to the Water Redress Scheme (WATRS). This is an independent adjudication scheme. At the end of 2018-19, 451 consumers had approached WATRS. This is around 4% of all complaints that we closed in the year. Consumers have six months from the time we close their case to go to WATRS, so this number may increase over the coming months. Of the applications received and closed by WATRS, 122 customers (27% of cases) received a decision that required their company to take further action to resolve the case.

### **PRESS COMPANIES FOR SAFE, RELIABLE WATER AND WASTEWATER SERVICES THAT ALL CONSUMERS CAN TRUST NOW, AND IN THE LONG TERM.**

#### Helping consumers to use water wisely

For the second consecutive year, we were one of the sponsors of Water Saving Week, a week-long campaign organised by Waterwise every Spring to encourage people to value water and use it wisely. This year, we sponsored Toilet Tuesday and were active on social media, providing advice on increasing water efficiency by checking for leaks.

Working alongside other industry stakeholders including water companies, academics and environmental organisations, CCWater has actively participated in the development of an industry-wide 'LoveWater' campaign, which is jointly led by the Environment Agency and Water UK, and aims to encourage people to change behaviour in relation to the way they value, consume and protect water. The partnership will develop and implement an umbrella communications campaign using a shared identity and common messaging to maximise reach and impact. The campaign is due to be launched in summer 2019, with CCWater represented on several workstreams.

<sup>14</sup> We reduced our OBP targets in 2015-16 slightly from the previous year to reflect potential disruption and skills loss during the restructure of our complaints handling function. We increased our targets again in 2016-17

**Leakage**

Our water resilience report – entitled *Water, Water, Everywhere: delivering resilient water and waste water services* – was published in August 2018 and revealed that the amount of water lost through leaky pipes had risen for the second consecutive year during 2017-18. This was a 1.5% increase compared to the previous year, with water companies in England and Wales losing 3.17 billion litres of water every day. We used the publication of the report to challenge the companies to start making changes to reduce leakage immediately, rather than waiting until 2020, the start of the next price review period. Our report also warned water companies that they risked dampening consumers' enthusiasm to use water wisely unless they did more to address this issue. We will continue to keep pressing companies to reduce leakage.

**Supply interruptions**

The average amount of time consumers were left without running water rose to 22 minutes per property in 2018-19 (from 10 minutes 45 seconds in the previous year), primarily because of the widespread supply interruptions experienced during the 'Beast from the East' weather event in early 2018. We worked with Ofwat on their review of water companies' responses to this, carrying out customer research to find out how consumers were affected, and conducting analysis for Ofwat in the areas of compensation and vulnerability. Our input highlighted the importance of water companies providing support to all consumers, looking beyond the Priority Services Register to include those who found themselves in vulnerable circumstances either temporarily or unexpectedly. As a result, Ofwat called for all water companies to publish 'action plans' outlining how their approach to preparing for operational failures has improved, and we shall continue to challenge companies to deliver on these plans.

While interruptions to supply still occur, we will continue to:

- Push companies to keep this to a minimum;
- Monitor the poorer performing companies and challenge any upward trends; and
- Press companies to communicate effectively with customers to avoid unnecessary disruption.

**Wales Water Forum & PR19 Forum**

We contributed to both Wales Water Forum events which the Welsh Government held in 2018-19. There were fewer meetings this year because of Government officials' increased workload associated with EU Exit and Ofwat's 2019 Price Review. Matters discussed included the weather events of 2018 (Storm Emma and the dry summer); catchment management; Drainage & Wastewater Management Plans (DWMPs); Natural Resources Wales' Area Statements and State of Natural Resources Report; climate change adaptation; the Welsh Government's national flood strategy; and the role of the new National Infrastructure Commission for Wales.

With regard to Ofwat's 2019 Price Review, we contributed to the Welsh Government's PR19 Forum, which took place on three occasions during 2018-19. There were two events in July, examining with each of the water companies in Wales the ongoing development of their business plans. In August we took part in a follow-up event, which afforded an opportunity for key stakeholders including ourselves and the quality regulators – the Drinking Water Inspectorate and Natural Resources Wales – to compare notes and discuss any outstanding concerns about the companies' business plans, without them being present. The companies' plans – and the reports of their Customer Challenge Groups – were to be submitted to Ofwat in early September.

**Sewer flooding**

We were part of the Water UK-led '21st Century Drainage Programme Board' which is made up of all 12 sewerage companies in the UK and representatives of governments, regulators and environmental groups. In October 2017 the group set out how it proposes to ensure that the UK's drainage systems will meet the twin challenges of climate change and population growth over the next 25 to 50 years. We were encouraged by the progress made by this group across several areas that would benefit consumers and those customers who are affected by flooding from sewers. We are therefore very disappointed that the Board was disbanded in 2019.

We were helping to lead the strand of work to reduce sewer misuse, which can lead to flooding. Water and Sewage companies (WaSCs) spend around £90 million per year unblocking sewers and drains that had clogged up because of inappropriate items being flushed down the toilet or poured down the sink. During 2018-19 we continued to press for a national campaign, involving water companies as well as environmental and customer groups. We are disappointed that little progress has been made in this area but we will continue to press companies. We are however, pleased that there has been progress in developing a Water Industry Standard and test for wet wipes. One manufacturer has already been awarded the "Fine to Flush" standard and we hope that many more will begin giving consumers the choice to purchase products that do not block sewers and drains.

We are also pleased with the progress companies have made in developing a framework for Drainage and Wastewater Management Plans. We will continue to work with the steering group during 2019-20.

We again worked with Southern Water on their 'The Unflushables' campaign, which helps consumers understand the impact of flushing wet wipes and sanitary products and the simple steps they can take to help stop it. The campaign won an award last year and we hope this year it will receive similar plaudits.

As part of our work on Ofwat's Price Review we have reviewed water companies' business plans for 2020-25, and are generally encouraged by the overall commitment to sustainable drainage systems, innovation such as smart sewer schemes and that some companies are leading on groups to work in partnership with other stakeholders. We will continue to press companies to work harder to eradicate sewer flooding and the misery it causes to the families and communities that it affects.

### **Sustainable drainage systems (SuDS)**

SuDS offer a way to reduce the volume of surface water entering sewerage systems by directing it to, for example, specially built ponds and grassed swales. They can also reduce the risk of sewer flooding. The UK Government's strategic priorities and objectives for Ofwat (covering water companies wholly or mainly in England) set out how companies are expected to develop a mix of solutions to meet current and future water management needs. Water and sewerage companies have committed to delivering SuDS projects as part of their PR19 business plans.

There are actions in the UK Government's 25 Year Environment Plan for England (entitled *A Green Future: Our 25-year plan to improve the environment*<sup>15</sup>) to amend the National Planning Policy Framework, the Planning Practice Guidance and in the longer term, consider how amendments to the Building Regulations in England could encourage the uptake and long term maintenance of multiple benefit SuDS. Welsh Government announced that the Commencement Order for the implementation of SuDs on new developments was signed on 1 May 2018. This means that Schedule 3 of the Flood and Water Management Act 2010 became law as from 7 January 2019. From this date local authorities will act as SuDs Approving Bodies (SABs) and national standards for SuDs design will be mandatory. A revised National Planning Policy Framework was also published in July 2018.

### **Sustainable Development**

CCWater has a statutory requirement to address sustainable development. This means that we actively encourage water companies to develop policies and approaches that aim to meet the needs of the current generation without compromising the ability of future generations to meet their own needs. Over the past year, we have taken this approach in all areas of our work but especially as follows:

- In our affordability work, we try to ensure that future generations will not have to pay too much for water by asking water companies to plan for the long term and to phase investments. We have challenged companies to develop their business plan proposals for 2020-25 within the context of a long-term strategy that will serve the needs of both current and future customers.
- Through our work with companies on their water resource and drought management plans, we ask them to consider how to meet the needs of customers in the future without having an unacceptable impact on the environment.
- By actively encouraging customers to use water wisely, this will help to secure water supplies for the future as we face growing pressures on our available water resources.
- By promoting customer behavioural change in the way that they dispose of fats, oils and grease, we aim to ensure that the sewerage system is used appropriately and will remain fit for purpose for the next generation and beyond.
- By actively encouraging water companies to adopt more sustainable ways of working. We support their increasing use of renewable energy as a means to reduce their greenhouse gas emissions, and encourage partnership working with other sectors to help reduce pollution in water sources.

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<sup>15</sup> The Government's 25-year environment plan can be accessed online here:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/693158/25-year-environment-plan.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/693158/25-year-environment-plan.pdf) (13/05/19)

**SHAPE THE WATER SECTOR BY INFORMING AND ENGAGING ALL CONSUMERS SO THAT CONSUMERS' VOICES ARE ACTED UPON BY DECISION-MAKERS AND THE INDUSTRY****Non-household retail competition**

On 1 April 2019, retail competition for non-households in England marked its second anniversary. Our assessment of the market so far is that it has yet to convince many business customers, small and medium sized enterprises (SMEs) in particular, that it has benefits to offer.

Of those customers who have switched supplier, nine out of ten expressed satisfaction with the process, however after non-household (NHH) complaints to CCWater tripled in the first year of the market, they increased again by more than 50% in 2018-19. The number of complaints to the largest retailers was disproportionately higher than their market share, which has done little to improve market reputation. Some complaints are taking too long to resolve as some retailers and wholesalers rely too heavily on the completion of standard forms rather than entering into open dialogue.

While we targeted some of the worst performers in our July 2018 NHH complaints report and in the trade media, we think some retailers (and wholesalers) could be straying close to breaching the codes that underpin the market.

Our research has revealed that few customers have realised any significant benefits. As yet, added value services, particularly around water efficiency have not been offered, or taken up by most customers. Positively, we have seen a commitment from most trading parties to work toward greater consistency. Wholesalers have welcomed our advice on moving to policies that would mean that retailers and customers across England all receive a similar service. We have been working to get the industry to adopt good practice.

The market operator, MOSL, and CCWater continue to work together. CCWater has been calling on MOSL to put out more market intelligence around trading parties who aren't meeting performance requirements, such as reading meters in a timely manner.

**Engaging stakeholders to produce benefits for customers**

In 2018-19, we revised our Stakeholder Engagement Strategy to support CCWater's external communications activity and to strengthen the organisation's influence with key contacts in Parliament, local government, the water sector and the wider business community. The revised plan segments and prioritises key stakeholder groups and defines key objectives for each, to allow the impact of our engagement activity to be evaluated periodically. We have also taken proactive steps to further cement our strong relationships with key industry stakeholders – including Ofwat, the Drinking Water Inspectorate, company Customer Challenge Groups and the Environment Agency – for the benefit of water consumers.

Despite our opportunities to engage directly with Parliamentarians being limited by EU Exit, we have held several productive meetings with MPs and members of the House of Lords. Similarly, we have restricted our engagement with sponsorship teams in Defra and Welsh Government because of their workloads relating to EU Exit. On a number of occasions, we have assisted by providing information directly to Ministers and other Government departments in order to help Defra manage its additional workloads.

In July 2018, we provided written and oral evidence to the Environment, Food and Rural Affairs Select Committee in response to its inquiry into the regulation of the water industry. The committee's report reflected our views on the need for water companies to show more ambition in tackling leakage – as well as the scope for shortening the complaints process – while the Government's response supported CCWater's calls for a phased approach to compulsory metering.

We undertook a programme of meetings with key stakeholders, including Age UK, the Local Government Association (LGA), and our counterparts in Scotland and Northern Ireland to explore options for working more closely together on issues affecting consumers. We have also invited key water industry stakeholders along to our private Board meetings to discuss matters of common interest, and have hosted networking sessions for Board members of Ofwat and the Environment Agency to learn more about the others' work.

Additionally, because of the increased focus on the water industry in relation to its transparency and credibility in the eyes of consumers, we have engaged with a range of stakeholders including Government, HM Opposition, Water UK, campaigning organisations and trade unions.

CCWater's direct engagement with the public increased in 2018-19, with the introduction of 'vox pops' allowing members of the public to submit questions for water company leaders to answer during our public Board meeting in March 2019. Earlier in the year, we participated in a public engagement exercise on the Isles of Scilly, visiting five islands alongside other key stakeholders – including the Duchy of Cornwall and the Council of the Isles of Scilly – to discuss South West Water's plans to extend its licence area to adopt the current public water and wastewater infrastructure on the islands.

In Wales, we continue to maintain close links with Welsh Assembly Members, some of whom have attended our Wales Committee Meetings in Public. We also met privately with Welsh Government Ministers to discuss a range of topics including the 2019 Price Review, the transition from Dee Valley Water to Hafren Dyfrdwy and regulations that apply to landlords in Wales.

### Communication

We used a mix of communication channels to inform consumers about issues that are important to them:

**Media:** In 2018-19 CCWater, our consumer advice and messages featured in media with a total potential audience reach of more than 322 million. This was spread across more than 2,158 pieces of media coverage online, in print and broadcast. This was the most media coverage CCWater has secured in a single year since our inception in 2005, surpassing the previous year's record of 218 million.

**Website:** We provide consumer support and information via our website and in 2018-19, the site attracted more than 436,000 visitors, exceeding our target of 400,000. Our increased presence on social media and TV coverage of our Water Meter Calculator helped our website to attract 22% more visitors than the previous year.

**Water meter calculator:** Our water meter calculator remains an invaluable tool in helping customers to identify whether they can save money by paying for their water by meter. Extensive media exposure and campaigning helped drive 300,000 visits to the online tool, helping customers identify potential savings of £19.7 million, £5.2 million more than in the previous year.

**Social media:** We continued to increase our activity and engagement across social media during the year in line with our social media strategy. In 2018-19, 2.58 million people interacted with our messages on social media through visiting our pages, liking or sharing our content. Our largest social media footprint remains on Twitter, where we attracted more than 1,470 new followers during the year.

In April 2018, we launched a new Instagram channel, which has continued to make steady progress, attracting more than 260 followers over the course of the year. Our messages on Instagram have reached more than 119,150 people and have been liked or shared over 3,037 times.

**Stakeholder events:** In 2018-19, we hosted two customer issues workshops, which enabled us to engage with a wide range of stakeholders from the water sector, Governments, regulators, and environmental and consumer bodies in England and Wales. London's event incorporated presentations from Defra, Ofwat and the National Infrastructure Commission, with a breakout session facilitating open discussion about a range of issues including water industry legitimacy and lessons learned by water companies on how best to support consumers in vulnerable circumstances during supply interruptions such as the 'Beast from the East'.

In Cardiff, the discussion also explored what, if any, impact the opening of the retail water market in England had upon non-household complaints in Wales, and how service for business customers in Wales compares. Stakeholders' views helped to shape our Forward Work Programme for 2019-22, which we published in March 2019.

In addition to this activity, CCWater representatives have delivered key presentations at a number of industry conferences including WWT Wastewater Conference, Future of Utilities: Water 2018 and Credit Strategy's Household Credit Conference.

### STRATEGIC RISK

Information about the link between our performance outcomes and the strategic risks facing CCWater during 2018-19 is highlighted in the 'Managing risk' section of the Governance Statement on page 38.



## Financial Summary

The main financial highlights are summarised below:

<b>Operating Cost Summary</b>	<b>2018-19</b>	<b>2017-18</b>
	<b>£000s</b>	<b>£000s</b>
<b>Income</b>		
Operating Income	-	-
	-	-
<b>Expenditure</b>		
Operating Costs	5,527	5,160
<b>Net Operating Cost</b>	<b>5,527</b>	<b>5,160</b>

The revenue budget for CCWater during 2018-19 was £5.69m. In addition to the £5.527m of revenue expenditure, we spent £26k on new assets, bringing our total in-year spend to £5.552m. CCWater managed this by delegating the budget to individual budget holders, based on our Forward Work Programme priorities and activities. Expenditure is monitored against budget on a monthly basis with formal quarterly budget holders' meetings.

Tony Smith  
Chief Executive and Accounting Officer  
Consumer Council for Water

4<sup>th</sup> June 2019

Consumer Council for Water  
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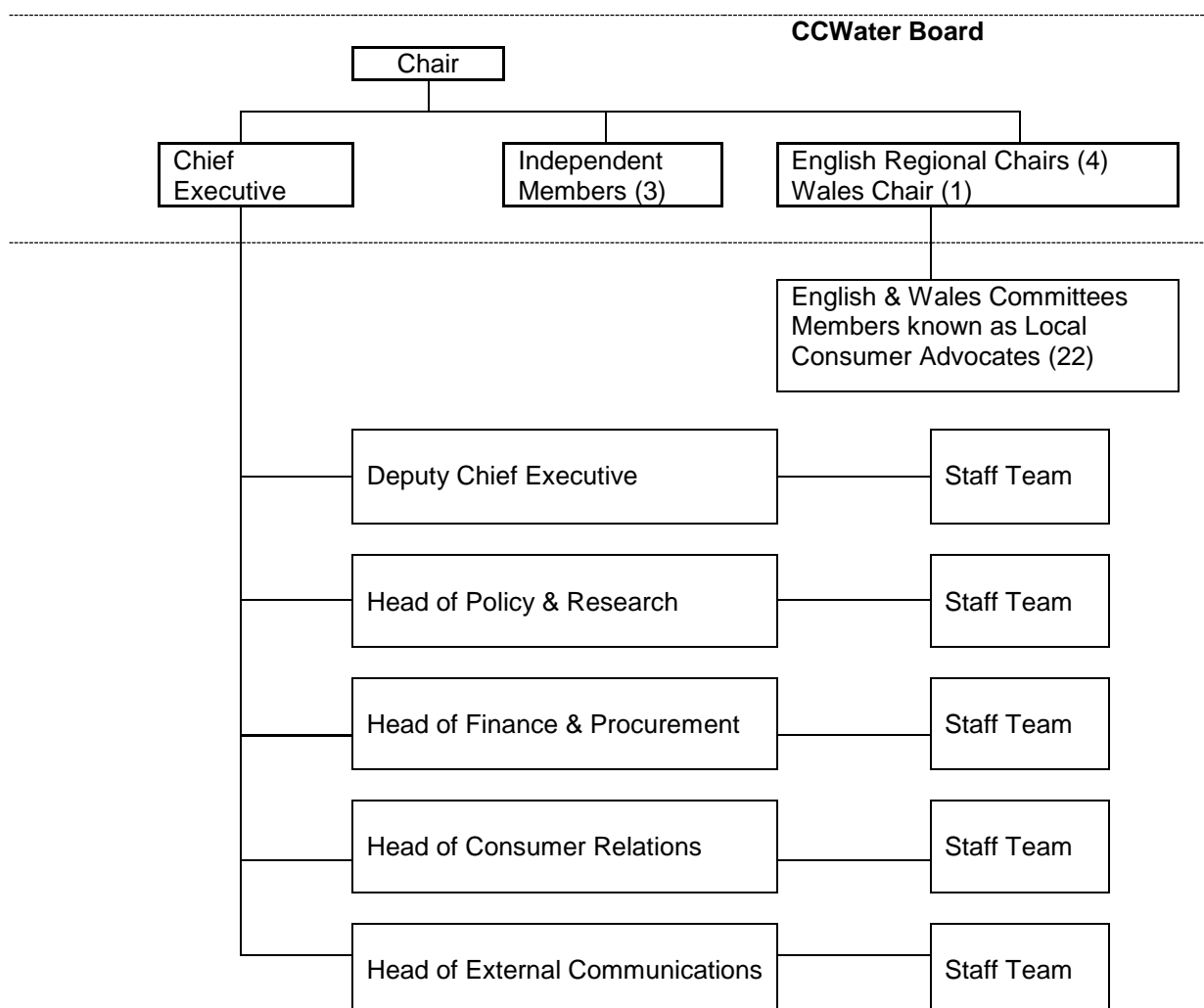
# ACCOUNTABILITY REPORT

## Corporate Governance Report

### Directors' Report

#### Organisational structure

CCWater consists of a national Council, known as the Board, four committees for England and a committee for Wales. Each committee has between three and five members, known as Local Consumer Advocates. The chart below shows the structure of the organisation at the year end.



**Board Appointments**

The membership of the Board during 2018-19 was:

Council Chair	Alan Lovell	Appointed: 1 April 2015	Re-Appointed:	Expires: 31 March 2019
Chief Executive	Tony Smith	1 December 2005	1 December 2009 1 December 2013 1 December 2017	30 November 2021

**England Regional Committees Chairs:**

Northern	Robert Light	1 July 2015		30 June 2019
Western	David Heath	1 July 2015		30 June 2019
Central and Eastern	Bernard Crump	1 February 2013	1 February 2017	31 January 2021
London and South East Chair and Vice Council Chair	Tony Redmond	1 March 2013	1 March 2017	28 February 2021

**Wales Committee:**

Wales Chair	Tom Taylor	1 October 2015	30 September 2019	31 December 2018 (resigned)
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**Independent Members:**

Julie Hill	1 February 2014	1 February 2018	31 January 2021
Philip Johnson	1 February 2014	1 February 2018	30 May 2018
Alison Austin	1 July 2018		30 June 2022
Robert Wilson	1 July 2018		30 June 2022

During 2018-19 Defra appointed two new independent members, Alison Austin and Robert Wilson. These appointments were made in line with the Code of Practice issued by the Commissioner for Public Appointments.

**Board register of interests**

CCWater maintains a register of Board members' interests which is reviewed annually and is available on CCWater's website [www.ccwater.org.uk](http://www.ccwater.org.uk). CCWater also maintains a register of interests for its Local Consumer Advocates and Executive Team which are also updated on an annual basis.

**The senior management team**

The composition of the senior management team, known as the Executive Team, during 2018-19 was:

Tony Smith	Chief Executive
Phil Marshall	Deputy Chief Executive
Mike Keil	Head of Policy & Research
Carl Pegg	Head of Consumer Relations
Marie Perry	Head of Finance & Procurement
Amanda Caton	Head of External Communications

The Chief Executive was appointed by the Secretary of State as a member of the Board. His contract as Chief Executive is a standard open-ended contract with a six-month notice period. Defra reappoints the Chief Executive to the Board every four years. The Chief Executive, on his appointment, was designated as CCWater's Accounting Officer by Defra. The Human Resources and Remuneration Committee, based on performance assessment, decides on any annual increases to the Chief Executive's basic salary and performance bonus.

The contracts of Phil Marshall, Carl Pegg, Mike Keil, Marie Perry and Amanda Caton are standard open-ended contracts with a three-month notice period. Senior managers have declared that they held no company directorships or other significant interests that might have caused a conflict with their CCWater responsibilities.

**Support services & spending control compliance**

Since April 2010, with the exception of information technology (IT), internal audit and payroll, all support services have been provided in-house. IT infrastructure services were tendered during the year and Capita were re-appointed. Our web-based complaints management system is provided by Capventis. Our website and intranet are hosted by DXW. Payroll services are provided by CGI. In 2018-19, we have continued to operate within the Government's spending controls. Our CEO has delegated authority to approve external staff recruitment.

**Payment of suppliers**

CCWater achieved 100% against the Government target for paying agreed invoices within 30 days of receipt during 2018-19 (99.86% in 2017-18). 85% were paid within 5 working days compared to a target of 80% (87.6% in 2017-18). Creditor days were 2.77 days at 31 March 2019 and 1 day at 31 March 2018.

**Health and Safety**

CCWater is committed to the health and safety of its staff, visitors and any contractors working on its premises. We follow and encourage an open participative approach and staff are invited to take any concerns on health and safety matters direct to the Health and Safety manager or a Staff Council representative. We continue to promote safe and effective working practices for our home working colleagues during the year. We comply with the Health and Safety at Work Act 1974 and all other relevant legislation as appropriate. We are committed to the positive promotion of accident prevention and the elimination of accidents involving personal injury, illness or damage. At Board level, our Chief Executive is responsible for Health and Safety. Our Board sub-Committees and Staff Council meetings regularly discuss Health and Safety. There were no RIDDOR reportable incidents in 2018-19 and no working days lost to occupational illnesses or injuries. There were four internal accident forms completed.

**Important events affecting CCWater**

The industry's trade body, Water UK, appointed the Consumer Dispute Resolution Centre at Queen Margaret University (QMU) in Edinburgh to undertake an independent review of the final two stages of the industry's complaints handling process, namely CCWater and the Water Redress Scheme (WATRS).

CCWater has considered the report's specific recommendations to improve the customer experience in the post-company complaints process. On the whole we found the recommendations to be sensible and aimed at improving things for customers, which will continue to be CCWater's priority. We have commenced discussions with the body that oversees WATRS, Resolving Water Disputes (RWD), WATRS provider the Centre for Effective Dispute Resolution (CEDR) and water sector trade body, Water UK, to look to begin implementing the report recommendations in 2019-20.

**Political donations**

During the financial year 2018-19 CCWater made no donations to political parties.

**Personal Data Related Incidents**

There were no ICO reportable personal data breaches during the year.

**Directors' statement and going concern**

The Directors at the time of the approval of this report confirm that:

- so far as they are aware, there is no relevant information of which the Auditor is unaware; and
- all steps have been taken in order to make the Auditors aware of any relevant information and to establish that the Auditor is aware of that information.

The accounts for 2018-19 have been prepared on a going concern basis. Defra and the Welsh Government have agreed CCWater's 2019-20 revenue budget. CCWater is in a net asset position and there is no reason to believe that future approvals will not be forthcoming.

Tony Smith  
Chief Executive and Accounting Officer  
Consumer Council for Water

4th June 2019

Consumer Council for Water  
1st floor, Victoria Square House  
Victoria Square  
Birmingham  
B2 4AJ

## Statement of Accounting Officer's Responsibilities

The Consumer Council for Water (CCWater) is a non-departmental public body established on 1 October 2005 under the Water Act 2003 to represent consumers of water and sewerage services in England and Wales. It replaced the WaterVoice committees, which were part of the industry economic regulator, the Office of Water Services (Ofwat), to become an independent statutory consumer body.

This Annual Report and Accounts covers the period 1 April 2018 to 31 March 2019.

Under the Water Act 2003, the Secretary of State for the Environment, Food and Rural Affairs, with the consent of HM Treasury, has directed CCWater to prepare, for each financial year, a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of CCWater and of its income and expenditure, statement of financial position, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the '2018-19 Government Financial Reporting Manual' (FReM), and in particular to:

- observe the Accounts Direction issued by HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgments and estimates on a reasonable basis;
- state whether applicable accounting standards, as set out in the FReM, have been followed, and disclose and explain any material departures in the accounts;
- prepare the accounts on a going-concern basis; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Principal Accounting Officer for Defra has designated the Chief Executive of CCWater as the Accounting Officer for the organisation. The Accounting Officer is responsible for the propriety and regularity of the public finances. This includes keeping proper records and for safeguarding CCWater's assets, as set out in *Managing Public Money* published by the HM Treasury.

## Accounting Officer's statement and going concern

The Accounting Officer at the time of the approval of this report confirms that:

- so far as he is aware, there is no relevant information of which the Auditor is unaware; and,
- all steps have been taken in order to make the Auditors aware of any relevant information and to establish that the Auditor is aware of that information.

## Governance Statement

This statement explains CCWater's governance arrangements, describes how risk is managed, and outlines our system of internal control and the stewardship of resources. It describes the effectiveness of these arrangements and how they support the Accounting Officer's responsibilities for the use of resources by CCWater.

## Funding and classification

The joint sponsors of the organisation are Defra and the Welsh Government. CCWater is funded by water customers through a charge by Ofwat to water and sewerage companies in England and Wales. The charge is passed to Defra and the Welsh Government and CCWater draws its funds through grant-in-aid from Defra.

For policy and administrative purposes, CCWater is classified both as an executive non-departmental public body of Defra and a statutory body in Wales. For national accounts purposes, CCWater is classified as part of the central government sector.

The organisational structure and Board appointments are shown in the Directors' report.

## Board responsibilities

The CCWater Board is the governing body of the organisation and carries responsibility for setting strategic priorities and for promoting the efficient and effective use of staff and other resources, while ensuring that it fulfills the aims and objectives of Defra and the Welsh Government, as set out in the agreed Framework Document. The Board is specifically responsible for:

- establishing and taking forward the strategic aims and objectives of CCWater consistent with its overall strategic direction and within the policy and resources framework determined by the Secretary of State and the Welsh Ministers;
- ensuring that the responsible UK Minister and the Welsh Ministers are kept informed of any changes which are likely to impact on the strategic direction of CCWater or on the attainability of its targets, and determining the steps needed to deal with such changes;
- ensuring any statutory or administrative requirements for the use of public funds are complied with; that the Board operates within the limits of its statutory authority and any delegated authority agreed with the sponsor departments of Defra and the Welsh Government, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the Board takes into account guidance issued by Defra and the Welsh Government;
- ensuring that the Board receives and reviews regular financial information concerning the management of CCWater; is informed in a timely manner about any concerns about the activities of CCWater; and provides positive assurance to Defra and the Welsh Government that appropriate action has been taken on such concerns;
- demonstrating high standards of corporate governance at all times, including by using the Audit and Risk Management Committee to help the Board to address key financial and other risks;
- setting performance objectives and remuneration terms linked to these objectives for the Chief Executive, which give due weight to the proper management and use of public resources; and
- conforming with CCWater's Welsh Language obligations in line with the Welsh Language Standards under the Welsh Language (Wales) Measure 2011.

## Board membership

During 2018-19 the Board consisted of the Chair, four regional Chairs for England (one of whom has been appointed as Deputy Chair), a Wales Chair, three independent members and the Chief Executive. Appointments to the Board are made by the Secretary of State for Environment, Food and Rural Affairs; the Wales Chair is appointed by the Welsh Assembly Ministers. All appointments are for terms no longer than five years and Board members may be reappointed as their terms expire, but there is no automatic right to this.

Board members, the Board Committees that they served on and their attendance during the year are set out in the following table:

Name	Date of appointment	Board & Committee membership/attendance (number of meetings attended / eligible to attend)			
		Board	Audit and Risk Management Committee	Human Resources and Remuneration Committee	Advisory Committee
Alison Austin**	1/9/18	7/7	3/3 (Ch)		0/0
Bernard Crump	1/2/17	10/10		4/4	
David Heath	1/7/15	10/10		4/4	
Julie Hill****	1/2/18	10/10	4/5	4/4	1/1
Philip Johnson*	1/2/18	2/2	1/1 (Ch)		0/0
Robert Light	1/7/15	10/10	5/5		
Alan Lovell	1/4/15	10/10			
Tony Redmond****	1/3/17	10/10	2/2****	4/4 (Ch)	1/1 (Ch)
Tony Smith (Chief Executive and Accounting Officer)	1/12/05	10/10			
Tom Taylor***	1/10/15	6/8	2/3		
Robert Wilson**	1/9/18	7/7	2/3	3/3	0/0

## Ch – Committee Chair

- \* Philip Johnson's appointment to the Board and as Chair of the Audit and Risk Management Committee finished on 31 May 2018 (four month extension to previous appointment ending 31/1/18).
- \*\* Alison Austin and Robert Wilson were appointed to the Board from 1 July 2018 for four years
- \*\*\* Tom Taylor resigned from the Board on 31 December 2018, his appointment to the Audit and Risk Management Committee finished at the same time.
- \*\*\*\* Tony Redmond was appointed to the Audit and Risk Management Committee and left the Advisory Committee on 1 January 2019. At this time Julie Hill replaced by Tony Redmond as Chair of the Advisory Committee.

The Chair and Chief Executive are not members of any Board Committee but are invited to attend relevant meetings. Members of the Executive are invited to attend all Board meetings and relevant committee meetings. All Board members are required to declare potential conflicts of interest on appointment and at the beginning of each meeting they attend. They must also confirm annually that the register of their interests is up to date. Where actual or potential conflicts of interests are identified, Board members take no part in any discussion and are not involved in any decisions that relate to those interests.

The Register of Interests is published online at

<https://www.ccwater.org.uk/aboutus/our-people/board/boardregisterofinterests/>

### **Board discussions**

Notwithstanding general customer service and affordability issues and the performance and legitimacy of the water companies and regulation, the Board's primary focus during 2018-19 has been on: the 2019 Price Review (PR19), oversight of the performance of the non-household retail water market, reinforcing customer priorities in tariff setting, long term water resources planning, oversight of CCWater's research programme and oversight of the CCWater governance arrangements.

### **Board Committees: responsibility and work**

During the year ending 31 March 2019 the Board had the following committees:-

#### Audit and Risk Management Committee

The role of the Audit and Risk Management Committee is to:

- promote the highest standards of propriety in the use of public funds and encourage proper accountability for those funds;
- advise on matters that affect the financial health, probity or external reputation of the organisation;
- ensure the system of internal control complies with HM Treasury requirements; and
- ensure the internal systems promote a climate of financial discipline and internal control that help reduce the opportunity for financial mismanagement, will satisfy the organisation that it will meet its key objectives and targets and is operating in a manner that will make the most economic and effective use of resources available.

#### Human Resources and Remuneration Committee

The role of the Human Resources and Remuneration Committee is to:

- advise the Board on the initial appointment, remuneration terms and performance objectives of the Chief Executive;
- receive from the Chair recommendations in relation to performance objectives, salary changes and performance bonus of the Chief Executive and to determine on behalf of the Board if the Chief Executive should receive an increase in salary or performance bonus and the amount of any such increases
- act on the Board's behalf in relation to staff remuneration; and
- carry out monitoring and provide oversight of human resources matters.

#### Advisory Committee

The role of the Advisory Committee is to provide advice and assurance on national matters that form part of the Board's responsibilities and to undertake independent reviews of CCWater's complaint handling that may be required.

### **Regional and Wales Committees**

During the year CCWater had four Regional Committees for England and a Committee for Wales. The Committees for England have between three and six members known as Local Consumer Advocates, one for each company within their respective regions. The Committee for Wales has five members to reflect the greater interaction with Government and stakeholders in Wales.

The primary role of the Local Consumer Advocates is to:

- advise and inform the Board on consumer matters in their local area;
- work at the local level, to develop implementation plans on key issues within a framework of priorities and policy positions established by the CCWater Board;



- liaise with and influence water companies on behalf of consumers to put consumers at the heart of their strategies and operations;
- engage with customers, consumers and communities at the local level to ensure their interests can be fully represented; and,
- develop local stakeholder relationships with those key agencies and organisations (including planning forums) whose decisions will have an impact on water consumers.

<b><u>Local Consumer Advocates 2018-19</u></b>				
<b>Central &amp; Eastern</b>	<b>London &amp; South East</b>	<b>Northern</b>	<b>South West</b>	<b>Wales</b>
Graham Dale	Claire Keatinge	Bhupendra Mistry	Mike Bell	Ronnie Alexander
Yvonne Davies	Penny Shepherd	Susan Waterson (appointed 3 September 2018)	Veronica O'Dea	Angela Davies-Jones
Gill Holmes	Ingrid Strawson	Colin Wilkinson (resigned 31 December 2018)	Gudrun Limbrick	Robert Gilchrist
Paul Quinn	Doug Thomas (appointed 15 October 2018)		Mike Short	Lee Gonzales
	Alison Thompson			Sian Phipps
	Caroline Warner			

Local Consumer Advocates are recruited in line with best practice in public appointments via fair and open competition and serve a maximum of ten years. They are expected to give a time commitment of four days per month and receive an annual remuneration of £4,510.

In 2018-19 CCWater undertook a total of two fair and open recruitment processes for Local Consumer Advocates. The recruitment panels included a Committee Chair and a CCWater Independent member.

### **Executive Team**

The Executive Team is chaired by the Chief Executive and comprises CCWater's Deputy Chief Executive, the Head of Policy & Research, the Head of Consumer Relations, the Head of External Communications and the Head of Finance & Procurement. The role of the Executive Team is to assist the Chief Executive in the day-to-day running of the business. The Executive usually meets weekly and decides, subject to the overall direction and control of the Board, on all matters relating to management and resources, as well as implementing the strategy and policy agreed by the Board.

### **Board's performance**

For 2018-19, the Board set itself six key objectives, as distinct from the organisation's objectives set out in our Forward Work Programme and Operational Business Plan. The objectives and the Board's assessment of its achievement against them is set out in the table below:-

<b>Objective</b>	<b>Achievement</b>
<b>1) Demonstrate strategic leadership and direction by:</b> <ul style="list-style-type: none"> <li>- in line with CCWater's strategic objectives and bearing in mind the views, priorities and</li> </ul>	<ul style="list-style-type: none"> <li>- The Board held two half day strategy events that covered topics including PR19, the approach to company challenge at CCWater's Board meetings in public, trust in the water sector,</li> </ul>

<p>expectations of water consumers and other stakeholders and taking account of known and potential future challenges affecting water consumers, CCWater and/or the water sector:-</p> <ul style="list-style-type: none"> <li>• Set the vision, aim and strategic policy direction for CCWater</li> <li>• Check that CCWater's Forward Work Programme can deliver outcomes that will benefit water consumers while keeping CCWater costs affordable;</li> </ul> <ul style="list-style-type: none"> <li>- provide effective oversight of CCWater's governance arrangements;</li> <li>- individually, provide oversight and challenge to the specialist area allocated [see table at end]</li> </ul> <p><u>OUTCOME: CCWater is evidence-based and forward-looking, with clear strategic objectives and priorities, backed up by sound governance arrangements.</u></p>	<p>priorities for stakeholder management, the future of CCGs and CCWater's response to Ofwat's strategy refresh. The Board also carried out horizon scanning to inform its work planning and prioritisation.</p> <ul style="list-style-type: none"> <li>- The Board agreed the 2019/22 Forward Work Programme that was drawn up taking into account the findings of CCWater research in relation to customer priorities and expectations. The programme was subject to formal consultation, and comments received during the consultation processes were taken on board in the final draft which was subject to challenge from the Board before approval.</li> <li>- The Board approved CCWater's research and consultancy programme.</li> <li>- Throughout the year the Board maintained oversight of CCWater's governance arrangements including:- an update in on its financial position at each of its meetings, consideration of issues around PR19 at each meeting, the annual review of the Code of Governance and oversight through its Audit &amp; Risk Management and Human Resources &amp; Remuneration Committees. The Board also received regular updates on non-household complaints to CCWater and progress against the stakeholder engagement plan.</li> <li>- In its deliberations the Board places an emphasis on the long term.</li> <li>- Individually board members have supported the work areas allocated to them, including providing advice and challenge to the research programme and attendance at research events, through membership of the Market Reform Strategy Group and PR19 Steering Group, IT Project Steering Group and working with WATRS.</li> </ul>
<p><b>2) Further improve our relationships with stakeholders, both nationally in England and Wales and regionally</b></p> <p>While acting at all times in line with CCWater's corporate values and behaviours:</p> <ul style="list-style-type: none"> <li>- represent CCWater to stakeholders to deliver consumer outcomes in particularly:- <ul style="list-style-type: none"> <li>• positively influence their views and perceptions of CCWater and its work.</li> <li>• hear about and address any relevant concerns raised by them.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>- The Board approved the 2018-19 stakeholder engagement plan</li> <li>- During the year the Board held five meetings in public (one in each of the four English regions and one in Wales) to engage with stakeholders on a range of topics including: the relationship between the water industry, tourism and agriculture, the challenges of pollution in the northern region, legitimacy and transparency in the water sector, issues around to water transfers for Welsh water companies and issues around social tariff harmonisations.</li> </ul>

<ul style="list-style-type: none"> <li>• articulate our aims and priorities and seek to achieve greater buy-in to our Forward Work Programme.</li> <li>• promote CCWater's consumer advocacy role and its successes for water consumers.</li> <li>• build our regional and local stakeholder network and seek to identify suitable opportunities for partnership working.</li> <li>• promote innovation in the water sector.</li> <li>• influence the approach to any alternative industry model to deliver positive benefits for consumers.</li> <li>• maintain oversight of issues around the legitimacy of the water sector.</li> <li>• emphasise the national and regional focus of CCWater.</li> </ul> <ul style="list-style-type: none"> <li>- Regional/Wales Chairs add value to the Board's work through the delivery of their local engagement plans and engagement with water companies</li> <li>- Independent members check that any apparent variations across regions are reasonable/justified</li> </ul> <p><u>OUTCOME: CCWater is seen as a professional consumer body operating both nationally in England and in Wales and regionally that delivers outcomes for water consumers</u></p>	<ul style="list-style-type: none"> <li>- Customers joined the Board meetings in public in the London and South East Region to ask a question of their water company and a 'vox pops' session at the Central and Eastern meeting gave customers the opportunity to put questions to companies by video.</li> <li>- During the period a number of initiatives have taken place to improve CCWater's relationships with stakeholders nationally and regionally including for example:- <ul style="list-style-type: none"> <li>• national stakeholder events;</li> <li>• Regional Committee meetings;</li> <li>• quarterly reporting to Defra and Welsh Government;</li> <li>• Welsh Government liaison meetings; and</li> <li>• attendance at the Wales Water Forum.</li> </ul> </li> <li>- The Board met with the Chief Executive of Ofwat and the Chief Inspector of Drinking Water and some of the EA Board.</li> <li>- The Chair and Wales Chair met with Hannah Blythyn AM, Deputy Minister for Environment (Welsh Government).</li> <li>- The Chair and Chief Executive have met with a number of stakeholders including with the Ofwat Chair and Chief Executive; Luke Pollard, Shadow Minister for Flooding and Coastal Communities and Parliamentary Private Secretary to Shadow Environment, Food and Rural Affairs Secretary and the Chair and Chief Executive of Water UK.</li> <li>- The Chief Executive appeared before the Efra Committee to talk about the regulation of the water industry.</li> <li>- Regional/Wales Chairs have been interviewed by the media on a number of occasions including on several BBC local and independent commercial radio and TV stations in relation to the annual Customer Complaints Report, a fine for Thames Water for polluting of a tributary of the Thames and a fine for Northumbrian Water for water quality breaches.</li> </ul>
<p><b>3) Provide support to the Executive Team by:</b></p> <ul style="list-style-type: none"> <li>- providing guidance, advice, suggestions and critical challenge in relation to matters of policy development and practice.</li> <li>- acting as 'critical friend' to individual Executive Team members or senior managers.</li> <li>- providing feedback on the performance and behaviours of Executive Team members and other senior managers where appropriate.</li> </ul>	<ul style="list-style-type: none"> <li>- The Board has considered and challenged significant policy matters during the year providing insight and guidance for the organisation.</li> <li>- Issues considered at the Board's meetings in private in this period included non-household retail complaints to CCWater, freeze/thaw, water company financial performance, operation of the non-household market, water companies'</li> </ul>

<ul style="list-style-type: none"> <li>- supporting the Executive team in its review of the results of the Staff Survey and implementation of any actions.</li> <li>- encourage Executive Team members to empower senior managers.</li> </ul> <p><u>OUTCOME CCWater Executive and Senior Managers are empowered and supported when developing policy positions and ideas.</u></p>	<p>Charges Schemes; and the post company complaints process.</p> <ul style="list-style-type: none"> <li>- Board members provide critical friend support to members of the Executive Team as necessary throughout the year.</li> <li>- The Board considered the findings of the annual employee survey and monitored the implementation of the action plan arising from it. The Human Resources and Remuneration Committee also provided oversight to this matter.</li> </ul>
<p><b>4) Achieve high-class Board behaviours by:</b></p> <ul style="list-style-type: none"> <li>- act at all times in line with CCWater's corporate values and behaviours.</li> <li>- adapt communication styles to reflect the preferences of others.</li> <li>- afford other Board Members and attendees at Board meetings the opportunity to speak openly and contribute fully.</li> <li>- contribute to robust Board debate and challenge in a courteous and respectful manner.</li> <li>- close out discussions, coming to firm conclusions and agreeing actions with realistic timescales that can be monitored and reported.</li> <li>- take collective responsibility for agreed Board outcomes and decisions.</li> <li>- Board members elevate interesting, unusual or controversial issues, with significant customer implications to the Board for discussion.</li> <li>- where they see and/or hear of concerns or possible problems, independent members challenge the Regional Chairs' relationships with water companies to avoid capture.</li> <li>- promote equality, diversity and inclusion at all levels of the organisation.</li> </ul> <p><u>OUTCOME: The Board is seen by CCWater staff and Executive as a cogent, high-performing team and not as a group of individuals.</u></p>	<ul style="list-style-type: none"> <li>- The Board's membership is drawn from a wide range of relevant backgrounds.</li> <li>- Board members act in line with CCWater's corporate values and behaviours and the seven principles of public life.</li> <li>- Board members offer other members and those attending Board meetings to speak openly and contribute fully.</li> <li>- The Board takes collective responsibility for agreed outcomes and decisions.</li> <li>- The Board has carried out an annual review of its effectiveness and an action plan has been drawn up to address the issues arising from it.</li> <li>- Regional/Wales Chairs raise issues for Board discussion through their regional roundups.</li> </ul>
<p><b>5) PR19</b></p> <ul style="list-style-type: none"> <li>- Help deliver CCWater's objectives for the 2019 price review, agreed at the September 2017 Board meeting, through: <ul style="list-style-type: none"> <li>• Influencing Ofwat, governments and companies by articulating the need for customers' priorities to drive decisions;</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>- The Board has agreed CCWater's priorities and objectives for PR19.</li> <li>- The Regional Chairs and Wales Chair are members of CCGs and challenge companies' business plan proposals and check that they reflect the priorities and expectations of customers.</li> </ul>

<ul style="list-style-type: none"> <li>• Playing a leading role in contact with each water company and through membership of the CCGs so that companies are challenged to demonstrate that their proposals are reflective of customers' priorities and expectations;</li> <li>• Influencing statutory programmes so that they are delivered in an efficient and sustainable way; and</li> <li>• Ensuring CCWater is well-equipped to deliver its PR19 objectives.</li> </ul> <ul style="list-style-type: none"> <li>- Provide guidance, advice, suggestions and critical challenge to the Policy &amp; Research Team in respect of:             <ul style="list-style-type: none"> <li>• PR19 specific customer research;</li> <li>• Cost of Capital assessments/reports; and</li> <li>• Other regulatory issues for which CCWater might commission papers.</li> </ul> </li> </ul> <p><u>OUTCOME: CCWater is able to deliver its objectives for the 2019 price review.</u></p>	<ul style="list-style-type: none"> <li>- The Regional and Wales Chairs have submitted reports to the Board each month reflecting PR19 progress and any issues arising in their areas. After Ofwat published its Initial Assessment of Plans the Regional/Wales Chairs reported to the Board on any issues arising from this for their companies.</li> <li>- The Regional and Wales Chairs maintained oversight of company PR19 plans particularly how they will deliver for customers, identifying any issues for CCWater where further consideration was needed.</li> <li>- The Board has received and discussed PR19 updates and reports, and has reviewed the PR19 dashboard on a monthly basis.</li> <li>- When signing off the CCWater 2019/22 Forward Work Programme the Board took into consideration the pressures of PR19 and ensured that these could be accommodated in the plan.</li> </ul>
<p><b>6) Market Reform</b></p> <ul style="list-style-type: none"> <li>- Set CCWater's objectives for engagement with governments, regulators, the Market Operator, wholesalers and retailers about:             <ul style="list-style-type: none"> <li>• The non-household retail market, operative in England from 1 April 2017;</li> <li>• The potential development of a household retail market; and</li> <li>• Upstream competition, including the development of markets for water resources and bio-resources (sludge).</li> </ul> </li> <li>- At a local level, represent customers' interests to those wholesalers and retailers allocated to Committees</li> <li>- Assist the Market Reform Team in monitoring the operation of the non-household retail market through:             <ul style="list-style-type: none"> <li>• Customer research</li> <li>• Complaints – received by retailers and by CCWater.</li> </ul> </li> </ul> <p><u>OUTCOME: CCWater delivers its objectives in relation to market reform.</u></p>	<ul style="list-style-type: none"> <li>- The Board has agreed arrangements for liaising with non-household (NHH) retailers.</li> <li>- Individual Regional Chairs have taken responsibility for liaising with retailers largely based in their areas.</li> <li>- The Board has received NHH retail complaints updates and reports regularly.</li> <li>- The Board has agreed a process for taking escalated action against those retailers performing poorly on complaints.</li> <li>- The Board has agreed to hold a meeting in public with NHH retailers to explore the retailer/wholesaler working relationship in the NHH retail market in England, common issues that are causing complaints and what is / can be done to resolve these and work together more effectively.</li> </ul>

### Board performance and assessment of its own effectiveness

In 2018-19, in line with good practice, a review of the effectiveness of the CCWater Board was completed. The review examined the Board's performance against recognised good practice for public sector boards.

The review found that the Board was regarded as effective by its members. Identified strengths were:

- The Board has developed a strategy for the organisation that is central to the way it is managed and aligned to its remit and resources. The strategy is updated to respond to changes to the organisation's remit or the external environment.
- The collective responsibility taken by the Board for the performance of the organisation;
- The arrangements in place to allow the Audit and Risk Management Committee to discharge its monitoring and oversight role effectively; and
- the cohesive behaviour of the Board that combines support to management with appropriate challenge.

Areas for improvement identified included:

- awareness of the performance of CCWater relative to other bodies;
- awareness of the CCWater scheme of delegation;
- reporting of post-evaluation reviews for major projects and programmes to the Board; and
- Board diversity.

The Board has agreed a number of actions to address the areas for improvement identified.

## **Audit assurances**

### **Internal audit**

CCWater's internal auditors, RSM, undertake a work programme to review risk management, internal control and governance. The Head of Internal Audit, a role fulfilled by RSM's Risk Assurance Director produces periodic reports on Internal Audit's findings, their assessment of risk management, corporate governance and control standards in the key corporate risks and delivery areas, and areas where action is required to address shortcomings. The Head of Internal Audit or a nominated deputy meets the Audit and Risk Management Committee quarterly to discuss the reports and consider progress in addressing major concerns. The internal auditors prepare an annual report which includes a professional opinion on the effectiveness of the overall systems of internal control and risk management within CCWater. The internal audit opinion is that 'The organisation had an adequate and effective framework for risk management, governance and internal control.'

RSM has been CCWater's Internal Auditor since 2012-13 and were re-appointed during 2017-18 following a competitive tender process. They provide an independent appraisal service for management by measuring and auditing the adequacy, reliability and effectiveness of management and financial control systems. During 2018-19, RSM reviewed the following areas of work:

- Governance – Policy Review;
- Value for Money;
- GDPR & FOI;
- Forward Plan Delivery;
- Key Financial Controls; and
- IT Project Management

Across all Audits there were 14 medium recommendations and six low recommendations. The cost of the internal audit for 2018-19 was £16,128 (2017-18, £17,702).

### **External audit**

The accounts have been audited by the Comptroller and Auditor General in accordance with the Water Industry Act 1991, as amended by the Water Act 2003. The Audit Certificate is on pages 48 to 49. The cost of providing audit services in respect of the Annual Report and Accounts 2018-19 was £24,000 (2017-18, £23,000). There was no external auditor remuneration for non-audit work.

### **Operational assurances**

The Chairs of the Board Committees (Audit & Risk Management Committee, Advisory and Human Resources and Remuneration) have all confirmed that they are satisfied that, to the best of their knowledge, the highest standards of corporate governance have been observed at all times.

Each Executive Team member has confirmed that, to the best of their knowledge, they and their teams have complied with CCWater's policies and procedures relating to planning, finance and staff management.

## Corporate Governance

### Code of Governance

CCWater's Code of Governance sets out the Board's responsibilities regarding proper conduct of business, strategic planning, monitoring performance, finance, staffing, health and safety, and whistleblowing. The HMT Code of Good Practice has been followed and there have been no departures.

### Counter fraud, bribery and corruption

CCWater continues to take positive action to prevent fraud, bribery and corruption. During 2018-19, policies and procedures relating to procurement have been updated to ensure that the opportunity for fraud in this area of the organisation is minimised. Training on fraud, bribery and corruption is mandatory for all CCWater staff, Board members and LCAs. Staff have also been reminded about the need to be alert to these issues and what to do in the event of suspicion of fraud and the Finance team have received specific training on counter fraud and cyber security.

### Effectiveness of whistleblowing arrangements

CCWater has had a Whistleblowing policy in place since 2011 and the policy was last updated in 2015. In 2018-19 no complaints were made under this policy. The policy is freely available to all staff via the intranet pages and forms part of the staff handbook. Staff were reminded about the policy and the protections in place for those who 'blow the whistle' on two occasions in 2017.

### Ministerial Directions

There have been no Ministerial Directions in 2018-19.

### Managing risk

CCWater has adopted a risk assurance approach to the management of risk. The assurance framework helps to increase the visibility of the assurance being provided in respect of key risks, to evaluate more effectively the appropriate level of assurance needed and to ensure that the internal audit programme focuses on the right things. In 2016-17 the Board agreed a risk appetite for CCWater and reviewed its risk management policy. The risk register is a live document that is reviewed regularly by the Executive Team. The register considers strategic, operational, financial, staffing and external risks. The risk register is reviewed regularly by the Audit and Risk Management Committee and the highest risks are considered by the Board annually.

### Strategic risks for CCWater

In 2018-19 the most significant risks facing CCWater related to:

- a risk that CCWater does not demonstrate to Government the need for an effective, robust and independent representative body for water consumers;
- a risk that CCWater becomes marginalised by other bodies or other organisations encroach on its remit causing it to be less influential;
- external industry factors result in increased consumer contacts to CCWater that impact Consumer Relations performance; and
- changes in Government create uncertainty over CCWater's role

CCWater managed all of its risks effectively in 2018-19 and they did not impact on the organisation's ability to deliver its Forward Work Programme or its relationship with stakeholders. During the year the Audit and Risk Management Committee was content with the way the organisation managed its risks and did not identify any areas of concern.

### Information management and data security

CCWater's approach to information and data security is proportionate to the nature of the risks and the level of sensitive information held.

CCWater carried out a project in 2018 to identify any areas where it was not compliant with the General Data Protection Regulation (GDPR). This included a gap analysis undertaken by an external consultancy which identified various actions that we have addressed to ensure compliance.

In line with the Data Protection Act 2018, all known data breaches and near misses have been recorded. None of the breaches were considered to have put the data subject at any risk. None of the incidents required reporting to the Information Commissioner's Office (ICO).

Our policies and procedures are designed to ensure that all personal and sensitive information is safeguarded and kept securely. Our IT security is reviewed on an ongoing basis and audited on a periodic basis to ensure that it is robust and fit-for-purpose. Our ICT policies and procedures are reviewed at least every three years.

We also have a number of controls in place to help ensure that information risks are identified and managed and that personal and other sensitive information is protected:

- The corporate risk register includes an operational risk relating to the accidental disclosure of personal or business data, and this identifies the gross and net risk scores, controls and three levels of assurance. The risk register is normally reviewed by our Executive Team every six weeks, by the Audit & Risk Management Committee every quarter and by the Board annually;
- Managing information risks is incorporated within our Human Resources processes and all members of HR staff are made aware of their responsibilities. The induction process for new starters includes training on their responsibilities under the GDPR;
- We have a Data Protection Officer who is our point of contact to the ICO and advises staff of our obligations under the GDPR, assesses potential data risks within the organization and advises staff accordingly. Our Information Team deals with all Freedom of Information Act (FOIA) requests, Subject Access Requests (SARs) and requests under the Environmental Information Regulations (EIR).
- Our Privacy Policy explains how we handle personal data, together with our Freedom of Information Policy and Procedure and our Publication Scheme on our website;
- The personal information we hold is identified, marked and subject to controlled storage and disposal; and
- All members of staff undertake mandatory Civil Service Learning (CSL) e-learning on information and data handling and risk awareness, and must complete an assessment to pass the course. Training on GDPR will be carried out annually for all staff.

#### **The Accounting Officer's review of effectiveness**

As the Accounting Officer, I am responsible for reviewing the effectiveness of our governance system. I base my review on the work of the internal auditors and the Executive Team who are responsible for developing and maintaining the governance system, and on the comments the external auditors make in their management letter and other reports.

This year, we have continued to monitor and improve our governance system. The internal audit opinion of RSM was that our organisation had an adequate and effective framework for risk management, governance and internal control. The Board and Audit & Risk Management Committee reviewed and agreed our strategic risks. The Executive Team regularly reviews resources and progress made towards objectives. It also regularly identifies and evaluates the associated risks. No problems with our governance system have been identified during the financial year.

**Tony Smith**  
**Chief Executive and Accounting Officer**  
**Consumer Council for Water**

4 June 2019



## Remuneration and Staff Report

### Staff remuneration

Pay progression for staff is performance related. It is assessed annually using CCWater's personal appraisal system. The percentage increase to CCWater's pay bill that is available for individual performance awards is agreed by Defra in line with Treasury's pay remit guidance. The percentage increase awarded for each of CCWater's four performance bandings is agreed by the Remuneration Committee.

Performance Related Pay (PRP) is contractual and is determined by the appraisal performance banding and is a proportionate share of the total sum available. It is awarded as a percentage increase on basic salary. Performance rated as "not achieved objectives" does not receive a performance-related pay award. The senior management team oversees the consistency and fairness of the PRP process.

New pay awards are based on salaries at 31 July and take effect from 1 August. All staff receive notification of performance pay awards that should be retained with their Statement of Particulars.

All staff and public appointees (Board members and Local Consumer Advocates) are paid through CCWater's payroll.

### Pension liabilities

The main pension scheme for CCWater staff is the Principal Civil Service Pension Scheme (PCSPS). This is an unfunded, multi-employer, defined benefit scheme in which CCWater is unable to identify its share of the underlying assets and liabilities. The payments of benefits from the scheme are borne by the Civil Service Superannuation Vote. The pension liabilities arising from CCWater's employees' membership of the PCSPS are not provided for in these accounts in accordance with the Treasury's instructions and as described below. CCWater's public appointments, Board and Local Consumer Advocates, are non-pensionable.

### Remuneration of Board members

These tables are subject to audit.

The following sections provide details of the remuneration of CCWater's Board Members.

Remuneration (salary and benefit in kind)

Single total figure of remuneration						
	Salary (£'000)		Benefits in kind (to nearest £100)		Total (£'000)	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
<b>Council Chair</b>						
Alan Lovell Left 31/3/19	50-55	50-55	3300	3,200	50-55	50-55
<b>Regional and Wales Chairs</b>						
Bernard Crump	35-40	35-40	800	900	35-40	35-40
David Heath	35-40	35-40	-	-	35-40	35-40
Robert Light	35-40	35-40	-	-	35-40	35-40
Tony Redmond	35-40	35-40	-	-	35-40	35-40
Tom Taylor Left 31/12/18	25-30	35-40	1500	2400	25-30	35-40
<b>Independent members</b>						
Philip M. Johnson Left 31/5/18	1-5	5-10	1400	2,100	0-5	5-10
Julie Hill	5-10	5-10	450	200	5-10	5-10
Alison Austin Started 1/7/18	5-10	-	800	-	5-10	-
Robert Wilson Started 1/7/18	5-10	-	500	-	5-10	-

**fye = full year equivalent**

Board member positions are non-pensionable.

**Remuneration of Senior Managers**

Disclosure of remuneration and pension interest of senior management (subject to audit). Whilst these posts are not civil service staff, we are required to disclose the equivalent civil service band.

<b>Single total figure of remuneration</b>										
Name, Role and Senior Civil Service Band Equivalent	Salary (£'000)		Bonus and Performance Payments (£'000)		Benefits in kind (to nearest £100)		Pension Benefits (to nearest £'000)		Total (£'000)	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Tony Smith Chief Executive SCS2	110-115	110-115	10-15	10-15	100	100	24,000	5,000	145-150	125-130
Phil Marshall Deputy Chief Executive SCS1	85-90	85-90	0-5	0-5	-	-	34,000	35,000	120-125	120-125
Deryck Hall Head of Policy & Research SCS1 Leaver May 2017	-	10-15	-	--	-	-	-	1,000	-	10-15
Carl Pegg Head of Consumer Relations SCS1	70-75	65-70	-	0-5	-	-	10,000	9,000	80-85	75-80
Marie Perry Head of Finance & Procurement SCS1	45-50*	40-45*	0-5	0-5	-	-	19,000	18,000	65-70	60-65
Mike Keil Head of Policy & Research SCS1 Started May 2017	70-75	60-65	-	-	100	100	29,000	25,000	100-105	85-90
Amanda Caton – Head of External Communications SCS1 Started March 2018	70-75	0-5**	-	-	-	-	29,000	-	100-105	0-5

\*FTE of this post is 70-75, the post is 0.6 FTE

\*\* Full year effect of this salary is £70-75k

The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus the real increase in any lump sum (classic and classic plus only) less the contributions made by the individual in the period. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

**Salary**

'Salary' includes gross salary, overtime, London weighting or London allowances, recruitment and retention allowances, private office allowances, and any other allowance to the extent that it is subject to UK taxation. Salary disclosures are based on accrued payments made by CCWater and thus recorded in these accounts.

**Benefits in kind**

The monetary value of benefits in kind covers any benefits provided by CCWater and treated by the HM Revenue and Customs as a taxable emolument. Payments to the Board members for home to office expenses were paid gross of tax and the tax amounts were paid over to HM Revenue and Customs. Items that fell into this category were travel and subsistence incurred whilst attending meetings at their normal place of work.

**Bonuses and Performance Payments**

The Chief Executive is entitled to a contractual bonus payment. This relates to the achievement of his objectives. The bonus reported in 2018-19 relates to the achievements of performance targets in 2017-18. The comparative bonuses reported for 2017-18 relate to the performance in 2016-17.

**Pay multiples**

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce. The banded remuneration of the highest paid director in CCWater in the financial year 2017-18 was £120,000 – £125,000 (2017-18, £120,000 – £125,000). This was 4.3 times (2017-18, 4.6 times) the median remuneration of the workforce, which was £28,629 (2017-18, £26,699). In 2018-19, nil (2017-18, nil) employees received remuneration in excess of the highest paid director. Remuneration ranged from £17,400 to £123,914 (2017-18 £17,271 to £122,949).

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value (CETV) of pensions. These tables have been subjected to audit.

**Senior managers disclosure of pension information 12 months ended 31 March 2019**

Name	Accrued pension at pension age as at 31 March 2019 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31 March 2019	CETV at 31 March 2018	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Tony Smith – Chief Executive	40-45	0-2.5	824	753	24
Phil Marshall – Deputy Chief Executive	15-20	0-2.5	234	183	19
*Deryck Hall – Head of Policy & Research leaver May 2017	-	-	-	679	-
Carl Pegg – Head of Consumer Relations	40-45	0-2.5	827	734	9
Marie Perry – Head of Finance & Procurement	0-5	0-2.5	34	20	9
Mike Keil – Head of Policy	0-5	0-2.5	35	14	13
Amanda Caton – Head of External Communications	0-5	0-2.5	15	0	9

CETV – Cash Equivalent Transfer Value

\* These figures are gross value at 31/5/17 and will be reduced due to early retirement

**Contingent labour - temporary staff**

During 2018-19 CCWater spent £178k (2017-18, £276k) on temporary staff to cover vacancies and consultancy costs.

**Civil Service Pensions**

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: three providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with

Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into alpha sometime between 1 June 2015 and 1 February 2022. All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for employees show pension earned in PCSPS or alpha – as appropriate. Where the employee has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes). Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% of pensionable earnings for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for employees show pension earned in PCSPS or alpha – as appropriate. Where the employee has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages).

Further details about the Civil Service pension arrangements can be found at the website [www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk)

### **Cash Equivalent Transfer Values**

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

### **Real increase in CETV**

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Staff numbers and related costs (this information has been subject to audit).

**Analysis of Board members and staff, by gender and ethnicity**

As a public body CCWater ensures equal opportunity for employment, regardless of race, sex, sexual orientation, gender reassignment, age, marriage or civil partnership, disability, pregnancy and maternity and religion or belief. CCWater operates a guaranteed interview scheme, which guarantees an interview to anyone with a disability whose application meets the minimum criteria for the post. Once in post, employees with disabilities are provided with reasonable adjustments they may need to carry out their role. All permanent staff are recruited on merit through fair and open competition.

As at 31 March 2019:

Number of :	Staff (incl. SCS grades)	Board (excl CEO)	Local Consumer Advocates	SCS Equivalent
<b>Total</b>	76	8	21	6
<b>Women</b>	48	2	12	2
<b>Ethnic minority</b>	11	0	1	0
<b>Disability</b>	6	1	1	0

As at 31 March 2018:

Number of :	Staff (incl. SCS grades)	Board (excl CEO)	Local Consumer Advocates	SCS Equivalent
<b>Total</b>	71	8	22	6
<b>Women</b>	44	1	13	2
<b>Ethnic minority</b>	10	0	1	0
<b>Disability</b>	3	1	1	0

**Salary**

Salary includes gross salary; performance pay or bonuses; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances and any other allowance to the extent that it is subject to UK taxation. Board members and CCWater Local Consumer Advocates are included in the others column in the table above.

**Pension**

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme but CCWater is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2012. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservice.gov.uk/pensions](http://www.civilservice.gov.uk/pensions)).

For 2018-19, employers' contributions of £486,860 were payable to the PCSPS (2017-18, £448,461) at one of four rates in the range 20% to 24.5% of pensionable pay, based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2018-19 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a **partnership** pension account, a stakeholder pension with an employer contribution. Employers' contributions of £8,862 (2017-18, £8,718) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £296 (2017-18, £292), 0.8% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were £1,131 (2017-18, £730). Contributions prepaid at that date were nil.

There were no compensation scheme payments made for early departure in this year or the previous year. There were no early retirements on ill health grounds during 2018-19 (Nil in 2017-18). Ill health retirement costs are met by the pension scheme.

#### Average numbers of persons employed

The average number of whole-time equivalent persons employed during the year was as follows. These figures exclude CCWater Local Consumer Advocates and Board members.

	2018-19	2017-18
<b>Number</b>		
Directly Employed	73	70
Total	<b>73</b>	<b>70</b>

#### Average number of public appointees

	2018-19	2017-18
<b>Number</b>		
Board	8	8
Local Consumer Advocates	21	22
Total	<b>29</b>	<b>30</b>

#### Sickness absences

CCWater encourages a culture where good attendance by staff is expected and valued. However, it recognises that from time to time absences for medical reasons may be unavoidable. CCWater aims to treat its staff who are ill with sympathy and fairness whilst, where possible, providing support which will enable them to recover their health and attend work regularly. CCWater has an occupational health service and an employee assistance programme.

During 2018-19 the number of working days lost was 7.58 per annum per employee compared to 5.18 days for 2017-18. This compares to the Chartered Institute of Personnel and Development (CIPD) average of 8.5 days for the public sector (CIPD Health & Wellbeing at Work 2018).

#### Employee involvement

CCWater attaches great importance to managing, developing and training its staff in accordance with best practice. A Staff Council exists within the organisation. All new employees recruited into the organisation received induction training, and a programme of specialist training is given to all staff to develop appropriate skills.

#### Reporting of Civil Service and other compensation schemes - exit packages

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Ill-health retirement costs are met by the pension scheme and are not included in the table.

The following information was subject to audit.

Exit package cost band	Number of compulsory redundancies	2018-19 Number of other departures agreed	Total number of exit packages by cost band	2017-18 Total number of exit packages by cost band
<£10,000	-	-	-	-
£10,000 - £25,000	-	-	-	-
£25,000 - £50,000	-	-	-	-
£50,000 - £100,000	-	-	-	-
£100,000- £150,000	-	-	-	-
£150,000- £200,000	-	-	-	-
<b>Total number of exit packages</b>	-	-	-	-
<b>Total resource cost /£000</b>	-	-	-	-

### Off-payroll engagements

Following the Review of Tax Arrangements of Public Sector Appointees published by the Chief Secretary to the Treasury on 23 May 2012, CCWater is required to publish information on our highly paid and/or senior off-payroll engagements.

There were no off-payroll engagements as of 31 March 2019, for more than £245 per day and that had lasted for longer than six months. (2017-18 Nil)

There were no new engagements of over six months in duration, for more than £245 per day in the period between 1<sup>st</sup> April 2018 and 31<sup>st</sup> March 2019. (2017-18 Nil)

There were no off payroll engagement of Board members or senior officials with significant financial responsibility, during the financial year. (2017-18 Nil)

The total number of individuals on payroll that have been deemed Board members and / or officials with significant financial responsibility is 15 (15 in 2017-18)

### Compensation for loss of office (this section was subject to audit)

#### Voluntary exits

There were no voluntary exits during 2018-19. (2017-18 Nil)

#### Compulsory exits

There were no compulsory exits in 2018-19. (2017-18 Nil)

## Parliamentary Accountability and Audit Report

The following notes were subject to audit:

### Regularity of Expenditure

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding CCWater's assets, are set out in the Non-Departmental Public Bodies' Accounting Officer Memorandum and *Managing Public Money*, issued by HM Treasury.

### Losses and Special Payments

There were no losses or special payments reportable during the year (nil during 2017-18).

### Remote Contingent Liabilities IAS 37

In addition to contingent liabilities reported within the meaning of IAS 37, the NDPB also reports liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of contingent liability. CCWater does not have any remote contingent liabilities as at 31 March 2019.

**Tony Smith**  
**Chief Executive and Accounting Officer**  
**Consumer Council for Water**

4 June 2019



## THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSE OF COMMONS

### Opinion on financial statements

I certify that I have audited the financial statements of the Consumer Council for Water for the year ended 31 March 2019 under the Water Industry Act 1991 as amended by the Water Act 2003. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of the Consumer Council for Water's affairs as at 31 March 2019 and of the net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Water Industry Act 1991 as amended by the Water Act 2003 and Secretary of State directions issued thereunder.

### Opinion on regularity

In my opinion, in all material respects the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

### Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Conclusions relating to going concern

I am required to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consumer Council for Water's ability to continue as a going concern for a period of at least twelve months from the date of approval of the financial statements. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern. I have nothing to report in these respects.

### Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Chief Executive as Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

### Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Water Industry Act 1991 as amended by the Water Act 2003.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consumer Council for Water's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

### **Other Information**

The Chief Executive as Accounting Officer is responsible for the other information. The other information comprises information included in the annual report, but does not include the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

### **Opinion on other matters**

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with HM Treasury directions made under the Water Industry Act 1991 as amended by the Water Act 2003;
- in the light of the knowledge and understanding of the entity and its environment obtained in the course of the audit, I have not identified any material misstatements in the Accountability Report; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements and have been prepared in accordance with the applicable legal requirements.

### **Matters on which I report by exception**

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

## **Report**

I have no observations to make on these financial statements.

**Gareth Davies**  
**Comptroller and Auditor General**

Date June 2019

National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

## FINANCIAL STATEMENTS

### Statement of Comprehensive Net Expenditure

for the period ended 31 March 2019

	Note	2018-19	2017-18
		£000s	£000s
Staff costs	2.1	3,665	3,439
Purchase of goods and services	3	1,804	1,700
Depreciation, amortisation and impairment charges	3	58	21
<b>Total operating costs</b>		<b>5,527</b>	<b>5,160</b>
		5,527	5,160
<b>Net operating expenditure</b>		<b>5,527</b>	<b>5,160</b>
<b>Comprehensive net expenditure for the year</b>		<b>5,527</b>	<b>5,160</b>

There is no other comprehensive net expenditure.

The notes on pages 53 to 61 form part of these accounts.

**Statement of Financial Position**

as at 31 March 2019

	Note	2018-19 £000s	2017-18 £000s
<b>Non-current assets</b>			
Property, plant and equipment	4	180	64
Intangible assets	5	191	-
<b>Total non-current assets</b>		<b>371</b>	<b>64</b>
<b>Current assets</b>			
Other current assets	6	129	77
Cash and cash equivalents	7	517	572
<b>Total current assets</b>		<b>646</b>	<b>649</b>
<b>Total assets</b>		<b>1,017</b>	<b>713</b>
<b>Current liabilities</b>			
Trade and other payables	8,9,11.2	(518)	(467)
<b>Total current liabilities</b>		<b>(518)</b>	<b>(467)</b>
<b>Total assets less current liabilities</b>		<b>499</b>	<b>246</b>
<b>Non-current liabilities</b>			
Provisions	9	(75)	(69)
Lease Liability	11.2	(246)	-
<b>Total non-current liabilities</b>		<b>(321)</b>	<b>(69)</b>
<b>Total assets less total liabilities</b>		<b>178</b>	<b>177</b>
<b>Taxpayers' equity and other reserves:</b>			
General fund		178	177
<b>Total equity</b>		<b>178</b>	<b>177</b>

The financial statements on pages 49 to 60 were approved by the Board on 4 June 2019 and were signed on its behalf by;

*Tony Smith*  
Chief Executive and Accounting Officer

4 June 2019

The notes on pages 53 to 61 form part of these accounts.

**Statement of Cash Flows**

for the period ended 31 March 2019

	Note	2018-19	2017-18
		<u>£000s</u>	<u>£000s</u>
<b>Cash flows from operating activities</b>			
Net operating cost		(5,527)	(5,160)
Adjustments for non-cash transactions	3	67	23
(Increase)/decrease in trade and other receivables	6	(52)	28
Increase/(decrease) in trade and other payables	8	(10)	(160)
Increase/(decrease) in provisions	9	2	8
<b>Net cash outflow from operating activities</b>		<u><b>(5,520)</b></u>	<u><b>(5,261)</b></u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	4	-	(9)
Purchase of intangible assets	5	(26)	-
<b>Net cash outflow from investing activities</b>		<u><b>(26)</b></u>	<u><b>(9)</b></u>
<b>Cash flows from financing activities</b>			
Capital element of payment in respect of finance lease		(36)	-
Grants from sponsoring department		5,527	5,240
<b>Net financing</b>		<u><b>5,491</b></u>	<u><b>5,240</b></u>
<b>Net increase/(decrease) in cash and cash equivalents in the period</b>		<b>(55)</b>	<b>(30)</b>
<b>Cash at the beginning of the period</b>	7	<u>572</u>	<u>602</u>
<b>Cash at the end of the period</b>	7	<u><b>517</b></u>	<u><b>572</b></u>

The notes on pages 55 to 63 form part of these accounts.

## Statement of Changes in Taxpayers' Equity

for the period ended 31 March 2019

	<b>General Fund</b>
	<b>£000s</b>
<b>Balance at 31 March 2017</b>	<b>95</b>
Grant from sponsoring department	5,240
Comprehensive net expenditure for the year	(5,160)
Non-cash adjustments	
Notional charge and other non cash items	2
<b>Balance at 31 March 2018</b>	<b>177</b>
Grant from sponsoring department	5,527
Transfers between reserves	-
Comprehensive net expenditure for the year	(5,527)
Non-cash adjustments	
Notional charge and other non cash items	1
<b>Balance at 31 March 2019</b>	<b>178</b>

The notes on pages 55 to 63 form part of these accounts.

## Notes to the Accounts

### 1 Statement of accounting policies

These financial statements have been prepared in accordance with the 2018-19 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Consumer Council for Water for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Consumer Council for Water are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

#### 1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment and intangible assets.

#### 1.2 Property, plant and equipment

As permitted by the FReM, non-current assets are no longer re-valued on an annual basis using indices. Depreciated historical cost is now used as a proxy for current fair value as this realistically reflects consumption of the assets. Revaluation would not cause a material difference. Leased assets are valued at the net present value (NPV) of future lease payments. The minimum level for the capitalisation of tangible fixed assets and intangible assets is £2,000.

Tangible non-current assets consist of furniture, fixtures and fittings, office machinery, leasehold improvements and leased and owned IT equipment. Intangible non-current assets comprise of leased or purchased software licences. Website developments are no longer capitalised.

#### 1.3 Depreciation

Depreciation is provided at rates calculated to write-off the value of tangible non-current assets by equal installments over their estimated useful lives, to their estimated residual values. Asset lives are within the following ranges:

<u>Asset classification</u>	<u>Asset life</u>
Furniture, fixtures and fittings	10 years
IT equipment	3 to 5 years
Office machinery and telecoms	5 years
Leasehold improvements	Life of the lease

Software licences are amortised over the shorter of the term of the licence or the useful economic life from the date the asset is brought into service.

#### 1.4 Leases

CCWater has one finance lease as at 31 March 2019 (nil at 31 March 2018). The finance lease liability is recognised as the net present value (NPV) of future lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability.

Rentals due under operating leases are charged over the lease term on a straight-line basis, or on the basis of actual rental payable where this fairly reflects usage.

#### 1.5 Grants receivables

CCWater is financed by grant-in-aid from Defra and the Welsh Government and is accounted for as it is received. The grant-in-aid received is used to finance activities and expenditure which support the statutory and other objectives of the organisation and is treated as financing, which is credited to the General Reserve.



**1.6 Value added tax**

CCWater is not registered for VAT. VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets.

**1.7 Provisions**

CCWater provides for legal or constructive obligations, which are of uncertain timing, or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the Treasury discount rate.

**1.8 Contingent liabilities IAS 37**

In addition to contingent liabilities disclosed in accordance with IAS 37, CCWater discloses for Parliamentary reporting and accountability purposes statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but has been reported to Parliament in accordance with the requirements of Government Accounting.

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to Parliament separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to Parliament.

**1.9 Pensions**

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS). This is an unfunded multi-employer defined benefit scheme, and CCWater is unable to identify its share of the underlying assets and liabilities. The Scheme Actuary valued the scheme as at 31 March 2012. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation [www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk).

There were no compensation scheme payments for early departure in this year or previous year.

**2 Staff costs**

Full details of staff costs and numbers and relevant disclosures are shown in the Remuneration and Staff Report.

**2.1 Staff costs comprise:**

	2018-19			2017-18
	Permanently Employed Staff**	Others***	Total	Total
	£000s	£000s	£000s	£000s
Wages and salaries	2,434	464	2,898	2,725
Social security costs	249	25	274	256
Other pension costs	493	-	493	458
Total net costs*	3,176	489	3,665	3,439

\* Of the total, no charge has been made for capital projects

\*\* Includes Casual staff

\*\*\* Includes Public Appointees, Local Consumer Advocates and Agency costs

**3 Programme Costs**

	2018-19	2017-18
	<u>£000s</u>	<u>£000s</u>
<b>Rentals under operating leases:</b>		
Accommodation	270	323
IT software	76	158
Office equipment	3	2
	<u>349</u>	<u>483</u>
<b>Non cash items:</b>		
Depreciation	36	21
Amortisation	22	-
(Profit)/Loss on disposal of assets	8	-
Notional charge	3	2
Increase/(decrease) in Provision	-	8
	<u>69</u>	<u>31</u>
<b>Other expenditure:</b>		
Research & consultancy	545	461
Personnel Overheads	234	243
Training	80	35
Publicity, Library & Parliament	102	97
Computer Services	171	68
Office Support costs	162	148
Auditors' remuneration*	24	23
Other accommodation costs	126	132
	<u>1,444</u>	<u>1,207</u>
<b>Total</b>	<u>1,862</u>	<u>1,721</u>

\* During the year there was no remuneration for non-audit work (nil 2017-18).

**4 Property, plant and equipment**

	Leased IT Hardware £000s	Furniture fixtures and fittings £000s	Leasehold improvements £000s	IT equipment £000s	Total £000s
<b>Cost or valuation</b>					
At 1 April 2018	-	11	287	89	387
Additions	160	-	-	-	160
Disposals	-	(9)	(2)	(89)	(100)
<b>At 31 March 2019</b>	<b>160</b>	<b>2</b>	<b>285</b>	<b>-</b>	<b>447</b>
<b>Depreciation</b>					
At 1 April 2018	-	1	233	89	323
Charged in year	17	1	18	-	36
Disposals	-	(2)	(1)	(89)	(92)
<b>At 31 March 2019</b>	<b>17</b>	<b>-</b>	<b>250</b>	<b>-</b>	<b>267</b>
<b>Carrying value at 31 March 2019</b>	<b>143</b>	<b>2</b>	<b>35</b>	<b>-</b>	<b>180</b>
<b>Carrying value at 31 March 2018</b>	<b>-</b>	<b>10</b>	<b>54</b>	<b>-</b>	<b>64</b>
<b>Asset financing:</b>					
Owned	-	2	35	-	37
Finance Leased	143	-	-	-	143
<b>Carrying value at 31 March 2019</b>	<b>143</b>	<b>2</b>	<b>35</b>	<b>-</b>	<b>180</b>

	Leased IT Hardware £000s	Furniture fixtures and fittings £000s	Leasehold improvements £000s	IT equipment £000s	Total £000s
<b>Cost or valuation</b>					
At 1 April 2017	-	11	278	89	378
Additions	-	-	9	-	9
Disposals	-	-	-	-	-
<b>At 31 March 2018</b>	<b>-</b>	<b>11</b>	<b>287</b>	<b>89</b>	<b>387</b>
<b>Depreciation</b>					
At 1 April 2017	-	-	215	87	302
Charged in year	-	1	18	2	21
Disposals	-	-	-	-	-
<b>At 31 March 2018</b>	<b>-</b>	<b>1</b>	<b>233</b>	<b>89</b>	<b>323</b>
<b>Carrying value at 31 March 2018</b>	<b>-</b>	<b>10</b>	<b>54</b>	<b>-</b>	<b>64</b>
<b>Carrying value at 31 March 2017</b>	<b>-</b>	<b>11</b>	<b>63</b>	<b>2</b>	<b>76</b>
<b>Asset financing:</b>					
Owned	-	10	54	-	64
Finance Leased	-	-	-	-	-
<b>Carrying value at 31 March 2018</b>	<b>-</b>	<b>10</b>	<b>54</b>	<b>-</b>	<b>64</b>

**5 Intangible assets**

	Leased Software Licences £000s	Software Licences £000s	Total Software Licences £000s
<b>Cost or valuation</b>			
At 1 April 2018	-	172	172
Additions	187	26	213
Disposals	-	(172)	(172)
<b>At 31 March 2019</b>	<b>187</b>	<b>26</b>	<b>213</b>
<b>Amortisation</b>			
At 1 April 2018	-	172	172
Charged in year	19	3	22
Disposals	-	(172)	(172)
<b>At 31 March 2019</b>	<b>19</b>	<b>3</b>	<b>22</b>
<b>Carrying value at 31 March 2019</b>	<b>168</b>	<b>23</b>	<b>191</b>
<b>Carrying value at 31 March 2018</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Asset financing:</b>			
Owned	-	23	23
Finance Leased	168	-	168
<b>Carrying value at 31 March 2019</b>	<b>168</b>	<b>23</b>	<b>191</b>
<b>Cost or valuation</b>			
At 1 April 2017	-	172	172
Additions	-	-	-
Disposals	-	-	-
<b>At 31 March 2018</b>	<b>-</b>	<b>172</b>	<b>172</b>
<b>Amortisation</b>			
At 1 April 2017	-	172	172
Charged in year	-	-	-
Disposals	-	-	-
<b>At 31 March 2018</b>	<b>-</b>	<b>172</b>	<b>172</b>
<b>Carrying value at 31 March 2018</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Carrying value at 31 March 2017</b>	<b>-</b>	<b>-</b>	<b>-</b>

**6 Trade receivables, financial and other assets**

	2018-19 £000s	2017-18 £000s
<b>Amounts falling due within one year:</b>		
Other receivables	5	-
Advances*	6	5
Prepayments and accrued income	118	72
	<b>129</b>	<b>77</b>

\*Advances comprise of 8 travel season ticket loans (2017-18, 8 travel season tickets)

**7 Cash and cash equivalents**

	2018-19	2017-18
	<u>£000s</u>	<u>£000s</u>
Balance at 1 April	572	602
Net change in cash balances	(55)	(30)
Balance at 31 March	<u>517</u>	<u>572</u>
 All Cash balances are held with the Government Banking Service	 517	 572
Balance at 31 March	<u>517</u>	<u>572</u>

**8 Trade payables and other current liabilities**

	2018-19	2017-18
	<u>£000s</u>	<u>£000s</u>
<b>Amounts falling due within one year:</b>		
Trade payables	42	2
Accruals and deferred Income*	284	342
Other tax and social security	74	70
Finance lease (current element)	65	-
Other payables	53	49
	<u>518</u>	<u>463</u>
<b>Amounts falling due after more than one year:</b>		
Accruals and deferred Income*		
Finance lease	246	-
	<u>246</u>	<u>-</u>

\*Within accruals £4k (2017-18 £4k) relates to rent free premises for Victoria Square House of which nil relates to falling due after one year.

**9 Provisions for liabilities and charges**

	Leasehold Property Dilapidations	Service Charges	Total
	£000s	£000s	£000s
Balance at 1 April 2018	67	6	73
Provided in year	2	6	8
Provision not required written back	-	(6)	(6)
Provision utilised in year	-	-	-
Unwinding of discount	-	-	-
<b>Balance at 31 March 2019</b>	<b>69</b>	<b>6</b>	<b>75</b>

Analysis of expected timing of cash flows

	£000s
Not later than one year	
Later than one year and not later than five years	75
Later than five years	-
<b>Balance at 31 March 2019</b>	<b>75</b>

	Leasehold Property Dilapidations	Service Charges	Total
	£000s	£000s	£000s
Balance at 1 April 2017	65	-	65
Provided in year	2	6	8
Provision not required written back	-	-	-
Provision utilised in year	-	-	-
Unwinding of discount	-	-	-
<b>Balance at 31 March 2018</b>	<b>67</b>	<b>6</b>	<b>73</b>

Analysis of expected timing of discounted cash flows

	£000s
Not later than one year	4
Later than one year and not later than five years	69
Later than five years	-
<b>Balance at 31 March 2018</b>	<b>73</b>

**9.1 Leasehold Property Dilapidations**

The provision for leasehold property dilapidations relates to the leased office premises in Birmingham, which on termination of the lease would have to be restored to their original state. The provision is an estimate of the cost of these works. The lease expires in April 2021.

**10 Capital commitments**

	2018-19	2017-18
	£000s	£000s
Capital commitments as at 31 March not otherwise included in these financial statements		
Leasehold improvements	-	-
	-	-

**11 Commitments under leases****11.1 Operating leases**

Total future minimum lease payments under operating leases are given in the table below for each of the following periods. The building costs is relating to rent for Victoria Square House and Cardiff office. From the 15 October 2018 Government Property Agency share 12.64% of Victoria Square House. This is based on the current information available.

	2018-19	2017-18
	<u>£000s</u>	<u>£000s</u>
<b>Obligations under operating leases for the following periods comprise:</b>		
Buildings		
Not later than one year	183	202
Later than one year and not later than five years	184	413
Later than five years	-	-
	<u>367</u>	<u>615</u>
Other		
Not later than one year	2	64
Later than one year and not later than five years	4	6
Later than five years	-	-
	<u>6</u>	<u>70</u>

**11.2 Finance Leases**

Total future minimum lease payments under finance leases are given in the table below for each of the following periods.

	2018-19	2017-18
	<u>£000s</u>	<u>£000s</u>
<b>Obligations under finance leases for the following periods comprise:</b>		
<b>ICT Hardware and Software future lease obligations</b>		
Not later than one year	76	-
Later than one year and not later than five years	264	-
Later than five years	-	-
	<u>340</u>	<u>-</u>
Less: interest element	(29)	-
<b>Present Value of obligations</b>	<u>311</u>	<u>-</u>

In addition to the above lease elements the contract includes hosting, servicing and maintenance to a value of £524k over the lease period.

Other under Operating lease represents the expired agreement with Capita for the IT managed service and the printer / photocopier contract.

**12 Contingent liabilities disclosed under IAS 37**

There are no contingent liabilities as at 31 March 2019 (nil as at 31 March 2018).

**13 Losses and special payments**

There were no losses or special payments reportable during the year (nil during 2017-18).

**14 Financial instruments**

As the cash requirements of CCWater are met through grant-in-aid provided by Defra and the Welsh Government, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with CCWater's expected purchase and usage requirements and CCWater is therefore exposed to little credit, liquidity or market risk.

**15 Related party transactions**

CCWater received grant-in-aid from Defra during 2018-19 of, £5.527m (2017-18: £5.24m). Defra and the Welsh Government are CCWater's sponsoring departments.

CCWater has had a small number of transactions with other Government departments and central Government bodies.

CCWater had a Memorandum of Terms of Occupation (MOTO) agreement with Defra for the use of the Birmingham and Cardiff offices, the Birmingham MOTO was amended during the year due to the Government Property Agency sharing part of the space in the Birmingham offices.

No Board member, key manager or other related parties has undertaken any material transactions with CCWater during the year.

**16 Events after reporting period date**

There were no reportable events after the 31 March 2019.

The Accounting Officer duly authorised the issue of these financial statements on the date of the Comptroller and Auditor General's audit certificate.

**17 Accounting Standards in Issue, not yet effective**

IFRS 16 – Leases - becomes effective from April 2020 onwards. The main impact is that most leases will be re-assessed as finance leases, recognising the asset and associated lease liability on the Statement of Financial Position. The current lessee accounting treatment for operating leases and finance leases under IAS 17 will no longer apply.

Exemptions are expected to be applied for the two accommodation leases that CCWater currently classes as operating leases as lease term remaining will be less than 12 months and for the operating lease for print devices, which will be considered low value.

An assessment has been completed to determine if any other contracts have leases, and none have been identified.



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**Consumer Council for Water Board**  
**Tuesday 4 June 2019**  
**Agenda Item 41/19P**

**Title:**

CCWater Welsh language obligations annual report

**Report by:**

Emma Summerhayes, Policy Support Officer

**Responsible Lead:**

Philip Marshall, Deputy Chief Executive

**Paper for decision**

**Appendix:** yes (1) - Welsh language obligations - Annual monitoring report 2018/19

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**Purpose**

1. The purpose of this paper is to
  - Update the Board on key developments relating to the delivery of our Welsh language obligations since last year.
  - Present to the Board our Welsh language obligations annual monitoring report 2018/19 for approval.

**Recommendations**

2. Based on the summary presented in this paper as well as Appendix 1, the Board is asked to approve CCWater's Welsh language obligations annual monitoring report 2018/19 for submission to the Welsh Language Commissioner (WLC).

**Background**

3. We produce this paper on an annual basis to update the Board on the delivery of our statutory Welsh language obligations and in order to follow the agreed governance procedures for submitting our annual report to the Commissioner. This is our eighth annual monitoring report following the introduction of new reporting requirements in summer 2010.
4. As an organisation that supports water consumers in Wales, we are expected to comply with statutory Welsh language obligations. We have done this successfully

for the past ten years initially through a statutory Welsh Language Scheme and more recently under the Welsh language standards<sup>1</sup> which were introduced in 2011.

5. We have still not received a compliance notice<sup>2</sup> to request formally that we change our reporting requirements, but after consultation we have proactively taken steps to try to ensure we comply with the obligations laid down by the regulations in a proportionate manner. This approach continues to be received positively by the Commissioner's office.
6. As of November 2018, we changed our procurement process for Welsh language translation services. Our process now follows the Framework Agreements and Contracts led by the National Procurement Service Wales (established in November 2013 by Welsh Government). Our process includes approaching suppliers based on the rank they achieved at Tender stage for the Framework Agreement, from the highest first. To date we have used three suppliers, Heledd Davies, Testsun Cyf and Cyfiath. We are committed to monitor any impacts on the efficiency and quality of the outputs and service received.
7. Following the departure of three colleagues in our Wales office during the last 12 months, CCWater does not currently have any Welsh speaking members of staff. Our new Policy Support Officer, Emma Summerhayes, is currently identifying an entry level Welsh language course, which she will commence in 2019. Our Wales team continues to comprise of three Welsh speaking LCAs. All Welsh speaking LCAs have recognised Welsh language qualifications.

### **Summary of CCWater Welsh Language Report**

8. Below is a summary of CCWater's Welsh Language obligations annual report (see Appendix 1). In 2018/19 we:
  - Delivered our statutory obligations successfully.
  - Continued to raise awareness of our Welsh language obligations internally.
  - Ensured there is a bilingual greeting message for consumers calling our Wales specific number.
  - Issued bilingual letters, agendas, notices and press releases for our meetings in public in Wales, our board meeting and our stakeholder engagement event.
  - Increased the number of our bilingual meeting invitations through Mailchimp and started to translate targeted social media content to Welsh.
  - Produced key press releases bilingually to ensure important tips, advice and consumer information reaches consumers who prefer to communicate in Welsh.
  - Continued to update our register of individuals, groups and organisations who wish to communicate in Welsh.
  - Updated our procurement process for Welsh language translation services
  - Delivered our statutory obligations at a cost of £6,236.02.

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<sup>1</sup> Established by the Welsh Language (Wales) Measure 2011

<sup>2</sup> A compliance notice is a notice given to organisations by the Welsh Language Commissioner which requires them to comply with one or more standards. The compliance notice will state the imposition day (or days) for each standard specified within it.

**Conclusion**

9. We continue to comply with statutory Welsh language obligations but are waiting to receive a compliance notice or further instructions from the WLC.
10. Our new Policy Support Officer has already proactively arranged a meeting with our new WLC liaison contact to discuss any future requirements.



# Consumer Council for Water (CCWater)

## Welsh Language Scheme Annual Monitoring Report 2018/19

We have delivered our Welsh language obligations over the last nine years via our statutory Welsh Language Scheme (WLS) and in line with the new Welsh language standards introduced in 2011<sup>1</sup>.

This is our eighth annual monitoring report since the introduction of new reporting requirements in summer 2010. We were not expected to report in the same manner before then.

As we did not receive a compliance notice from the Commissioner notifying us with which standards we needed to comply in 2018/19, we are continuing to implement our Welsh language obligations and publish our Welsh Language annual report on our website.

As we are subject to regulation no.1, we aim to publish and send our 2018/19 annual report to the Commissioner by 30 June 2019.

### 1. Annual Report and implementation headlines

#### *Governance and Welsh Language awareness*

Under the guidance of our Executive Team, all members of staff were made aware of our statutory Welsh language obligations.

All relevant members of staff received a reminder of our Welsh Language Scheme obligations, along with a request to report any Welsh Language Scheme related activity in 2018/19.

We considered our Welsh language obligations when reviewing and planning changes to the way our Consumer Relations team handles calls from water consumers. We retained a recorded bilingual greeting for customers who dial our Wales-specific number, and we ensured that all of our Consumer Relations team who are based in Birmingham understand the importance of recording Welsh language requests and offering an external Welsh language communication option.

#### *Translation Facilities*

As of November 2018 our process to procure translation services follows the Framework Agreements and Contracts led by the National Procurement Service Wales (established November 2013 by Welsh Government).

Our process includes approaching suppliers based on the rank they achieved at Tender stage for the Framework Agreement, from the highest first. To date we have used three suppliers, Heledd Davies, Testun Cyf and Cyfiath.

We are now monitoring the quality and efficiency of this change in our procurement process for translation services.

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<sup>1</sup> Established by the Welsh Language (Wales) Measure 2011.

All relevant members of staff are aware of our translation process. They have easy access to external translation services when we require translation of material.

Until June 2018, our previous Policy Support Officer was available to translate some documents to Welsh. This member of staff left CCWater in June 2018, and external translation services are now used whenever required.

#### *Translation guidance and scoring system*

We use a scoring system (approved by the Welsh Language Board in 2009/10) to make decisions on whether we should translate any particular documents.

Members of staff continue to be asked to record the reasons when a decision is made not to translate material relevant to Wales into Welsh.

#### *Requests for communication in Welsh*

Since June 2018, we have received one contact in Welsh from a consumer regarding whether their property should be charged for waste water. CCWater translated the consumer's letter and contacted Dŵr Cymru on the consumer's behalf. CCWater then replied to the consumer in Welsh and confirmed the property should not be charged for waste water and has not been in the past.

Our register is available on request and contains fifteen requests for communications in Welsh since 2009.

#### *Welsh Language at CCWater meetings*

Agendas and notifications (notices and letters) for our Wales Committee meetings in public which were held in September 2018 and March 2019, and for our Board meeting in public which was held in Wales in December 2018, were all translated to Welsh. We did not receive any requests for simultaneous translation at our meetings in public.

#### *Media releases in Welsh*

Our Communications team routinely arranges for all media releases which feature important messages for water consumers in Wales, to be translated into Welsh. This includes those about changes to water charges and saving money, the performance of water companies in Wales and promoting our meetings in public.

We use the internal scoring system to determine whether more general England and Wales media releases should be translated into Welsh. As we routinely arranged to have the key media releases translated into Welsh, the scoring system was not used in 2018/19.

Examples of media releases we translated into Welsh during 2018/19 were:

- Press release announcing Hafren Dyfrdwy set up (June 2018)
- Press release promoting the forthcoming Welsh committee meeting (September 2018)
- Press release announcing the publication of our *Water for All* affordability report (October 2018)
- Press release promoting money saving tips (March 2019)
- Press release promoting the committee meeting in public (March 2019)

Our England and Wales press releases can be viewed at  
<http://www.ccwater.org.uk/blog/category/press-releases/>.

More specific Wales releases can be found on our dedicated page here  
<http://www.ccwater.org.uk/aboutus/regions/wales/>.

### ***Publications in Welsh***

CCWater's key strategic documents were translated into Welsh and are available on our website. These include:

CCWater's Forward Work Programme 2018-22:

- <https://www.ccwater.org.uk/wp-content/uploads/2019/03/Forward-Work-Programme-for-England-and-Wales-2019-2022.pdf>
- <https://www.ccwater.org.uk/wp-content/uploads/2019/03/Blaenraglen-waith-ar-gyfer-Cymru-a-Lloegr-2019--2022.pdf>

CCWater's Annual Review 2017/18:

- <https://www.ccwater.org.uk/wp-content/uploads/2018/08/Annual-Review-England-and-Wales-2017-18.pdf>
- <https://www.ccwater.org.uk/wp-content/uploads/2018/08/Adolygiad-Blynyddol-2017-18.pdf>

CCWater's 2017/18 Annual Affordability and vulnerability report:

- <https://mailchi.mp/e17b136f610f/addressing-customer-vulnerability-in-the-water-sector-2017-18>
- <https://mailchi.mp/e17b136f610f/addressing-customer-vulnerability-in-the-water-sector-2017-18#welsh>

CCWater's Information note for Assembly Members on affordability assistance

- <https://mailchi.mp/4f6d8a5406eb/1x9o13f1wk-2161417>

### ***Other communications in Welsh***

In the past year we have increased the use of Mailchimp for notifications of publications and invitations to Wales based events. Messages addressed to our stakeholders in Wales have always been translated to Welsh. We have sent 23 bilingual invitations, reminders and notifications in 2018/19. Some examples of such communications include:

- All CCWater meetings in public and board meetings (invitations and email reminders)
- Invitations and agendas for CCWater Customer Matters Stakeholder engagement event in September 2018

We have created social media content relating to some of our events in Wales. Here is an example,

<https://twitter.com/search?q=Byddwn%20yng%20Nghaerdydd%20bore%20%E2%80%99ma%20i%20glywed%20am%20y%20camau%20mae%20D%C5%B5r%20Cymru%20a%20Hafren%20Dyfrdwy%20yn%20eu%20cymryd%20i%20amddiffyn%20cyflenwadau%20d%C5%>

[B5r%20rhag%20tywydd%20eithafol%20yn%20y%20dyfodol.%20Ni%20allwch%20ddod%3F%20Rhowch%20eich%20cwestiynau%20i%20ni%20yn%20lle%20hynny&src=typd&lang=en-gb](https://www.ccwater.org.uk/cymraeg/3F%20Rhowch%20eich%20cwestiynau%20i%20ni%20yn%20lle%20hynny&src=typd&lang=en-gb)

### ***Website content in Welsh***

Our material translated into Welsh can be accessed through our [Welsh language website](#)

Access to the material translated into Welsh is possible using several different links on our website. This is designed to help increase visibility of the available material, and therefore accessibility. Our website includes:

- A Welsh language microsite at <https://www.ccwater.org.uk/cymraeg/>
- Media releases and meeting notices in Wales are also located in our Wales region page at: <https://www.ccwater.org.uk/cymraeg/rhanbarth-cymru/>
- All media notices, including those relating to Wales, are also on [our Media related page](#).

### ***Number of CCWater staff and Local Consumer Advocates (LCAs) speaking Welsh (3)***

Unfortunately, during 2018/19 our Wales office lost all of its Welsh speakers. One Welsh-speaking member of our Consumer Relations team left in October 2018, and a second left in April 2019. As mentioned above, our Welsh-speaking Policy Support Officer also left at the end of June 2018.

Our Wales team continues to comprise of three Welsh speaking LCAs. All Welsh speaking LCAs have recognised Welsh language qualifications.

Our new Policy Support Officer joined CCWater on 28 March 2019. She has the mandatory GSCE in Welsh and is currently identifying an entry level Welsh language course to start in 2019. She will be the first member of staff whom we have supported to learn Welsh.

We continue to promote the opportunity to learn Welsh to all other staff based in our Wales office. Funding is available for members of staff who wish to attend Welsh language classes (including time off during office hours).

### ***Advertising CCWater jobs in Welsh***

We continue to encourage Welsh speakers to apply for any new positions we advertise in Wales by producing bilingual job notifications. In the past year we advertised for two jobs at our office in Wales. All jobs were advertised bilingually, and we specifically sought to promote opportunities to Welsh speakers through the Golwyg360 website. The jobs were advertised on the Civil Service Website.

### ***Cost of Welsh Language Scheme Delivery***

The delivery of the Welsh Language Scheme cost CCWater £6,236.02 in 2018/19. This includes costs for translating and publishing the documents and media releases mentioned above, translating documents for meetings and translating any other correspondence, as required.

## 2. CCWater Welsh Language Obligations Implementation update 2018/19 (Implementation action table from our Welsh Language Scheme)

Target	Date of completion	Report 2018/19
<b>Policies and initiatives</b>		
Ensure staff and others engaged in framing and implementing new plans/initiatives or policies are aware of commitments under our Welsh Language Scheme and the guidance available to them for its implementation.	<b>June 2018 - May 2019</b>	Internal update May 2019 through team brief notes. Line manager communications through team brief.
<b>Email and Written Correspondence</b>		
Update and report on the record of individuals and organisations that prefer to correspond in Welsh.	<b>June 2018 - May 2019</b>	One additional request this year. Updated as and when required.
<b>Public &amp; Face to face meetings</b>		
Ensure members of staff that arrange and attend public meetings in Wales are aware of commitments under our Welsh Language Scheme.	<b>June 2018 - May 2019</b>	Internal update June 2019. New members of staff in charge of meetings are made aware of requirements.
<b>Internet Communication</b>		
Continue to increase the Welsh language content on CCWater website: a) Make Welsh language material accessible and prominent on website. b) Ensure information which is relevant to Wales is also available in Welsh.	<b>June 2018 - May 2019</b>	We aim to continue to update and (where relevant increase) Welsh language content on our website. A review of and improvements to the CCWater website has now been completed. We will also be pleased to liaise with the Commissioner on any web-related requirements of the Welsh Language Standards.
<b>Staffing</b>		
Identify jobs where the ability to speak Welsh is essential or desirable and formulate job descriptions accordingly.  Monitor and list the number of Welsh speakers / learners to establish and monitor its linguistic resources.	<b>May 2019</b>	Any new posts for staff in Wales are advertised in the Welsh language.  <ul style="list-style-type: none"> <li>We continue to promote the opportunity to learn Welsh for the seven non-Welsh speaking staff in our Wales office.</li> <li>Should we advertise for new staff in our Wales office, we will again encourage Welsh speakers to apply.</li> </ul>

		<ul style="list-style-type: none"> <li>We retain the option of using a translation service to enable those wishing to speak or write to us in Welsh to do so if the Welsh speakers in our Wales office are unavailable.</li> </ul>
<b>Promoting the scheme</b>		
Ensure all staff members are aware of the responsibilities and content of the scheme as part of the induction programme and as and when necessary.	<b>May 2019</b>	An internal update was issued in May 2019 to all staff through our internal team brief process and an email was also issued to all relevant teams.
<b>Learning Welsh</b>		
Encourage and support members of staff who wish to learn or improve their spoken/ written Welsh.	<b>On-going</b>	The opportunity to attend Welsh language classes is always available to CCWater staff at our Wales office. One member of staff is currently identifying a Welsh language class to start in 2019.
<b>Translation Services</b>		
Ensure CCWater staff likely to require Welsh language translation facilities shall have access to that list as well as to appropriate electronic translating tools.	<b>Complete</b>	Members of staff have easy access to external translation services when we require translation of material. We now translate in-house our agendas for our Wales Committee meetings in public.
<b>Monitoring the Scheme</b>		
Submit monitoring report to Welsh Language Commissioner.	<b>June 2019</b>	This will be submitted after being approved by CCWater's board in June.
<b>Reviewing and amending the scheme</b>		
Review the Welsh Language Scheme.	<b>2019</b>	The review of the WLS was due in 2017 however with the introduction of the new standards, this action has been superseded. We are yet to receive a compliance notice from the Commissioner so until this has happened, we will continue to report in the same way through our WLS Annual Monitoring Report.

## Consumer Council for Water

4 June 2019

Agenda item 42/19P

**Title:**

Scheme of Delegation

**Report by:**

Alison Townsend

**Responsible Lead:**

Phil Marshall, Deputy Chief Executive

**Paper for discussion/decision**

**Annex:** yes (Scheme of Delegation)

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**Purpose**

1. To present the annual review of the Scheme of Delegation to the Board for approval.

**Recommendations**

2. The Board is recommended to review and approve the updated Scheme of Delegation.

**Background**

3. The 2018 Board effectiveness review identified that the Scheme of Delegation was not being regularly presented to the Board to review. In 2018 the Board asked the Audit and Risk Management Committee to review the Scheme of Delegation after which the document would be reviewed and presented to the Board annually.
4. The Executive has reviewed and updated the Scheme of Delegation and the outcome of this process is at Annex A including commentary on the proposed adjustments.

**Annex list:-**

Annex A - Scheme of Delegation



# CONSUMER COUNCIL FOR WATER

## SCHEME OF DELEGATION

RELATING TO:

THE RESERVATION OF POWERS TO THE COUNCIL'S  
BOARD

AND

THE DELEGATION OF POWERS TO  
COMMITTEES AND EMPLOYEES



## Consumer Council for Water

### Scheme of Delegation

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6. ANNEXES	
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• Annex B - Delegations to Employees by the Chief Executive	
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## 1.0 INTRODUCTION

### Context

- 1.1 This document sets out the schedule of powers reserved to the Council - generally matters for which it is accountable to the Secretary of State (SoS) for Defra and/or Welsh Ministers. The document also delegates to the appropriate level the application of Council policies and procedures. Nevertheless, the Council remains accountable for all of its functions; even those delegated to the Chair, individual Board members or employees, and would therefore expect to receive information about the exercise of delegated functions to enable it to maintain a monitoring role.
- 1.2 The arrangements should be read in conjunction with the Framework document between Defra, Welsh Government and the Consumer Council for Water included at Annex A, the Code of Governance adopted by the Council and the Council's budget guidance. [NOTE: the Framework document is currently under review by the parties concerned]
- 1.3 The fundamental objective of the Scheme of Delegation is to ensure that the work of the Council is managed efficiently within the policies laid down by the Council. The Council needs to delegate certain powers to its employees so that it can carry out its functions and incur expenditure within approved budgets, to appoint staff within financial establishments and headcount, and for other matters as may be decided by the Council.
- 1.4 The success of achieving a satisfactory management system depends on striking the correct balance between those matters that require the Council's strategic views, guidance and decision, and those that do not. The time of the Council should not be taken up considering matters that are relatively minor in nature, or are clearly in line with existing policies or decisions of the Council on similar proposals. Nevertheless, the Council retains the over-riding right to take any decision or to call for any information in respect of any decision taken by an officer under this delegated authority.
- 1.5 This document sets out those matters on which decisions are reserved to the Council and those that are delegated to appropriate employees.

**Role of the Chief Executive**

- 1.6 All powers of the Council, which have not been retained as reserved by the Council or delegated to a permanent Committee ~~or~~ a Regional Committee ~~or the Wales Committee~~, shall be exercised on behalf of the Council by the Chief Executive.
- 1.7 These arrangements are based on the principle that the Chief Executive, and at his discretion, other designated employees be given, subject to certain constraints, the authority to discharge those responsibilities that the Council has placed upon him. The arrangements also reflect the responsibilities of the Chief Executive in his role as Accounting Officer for the Council. The Chief Executive shall prepare and maintain a detailed Scheme of Delegation identifying which functions he shall perform personally, and which functions have been delegated to particular employees.
- 1.8 All powers delegated by the Chief Executive can be re-assumed by him should the need arise. As Accounting Officer, the Chief Executive is accountable to both the Board of the Council and, via the Departmental Accounting Officers, to Parliament and/or the Welsh Assembly.
- 1.9 The identification of responsible employees throughout this document does not, unless stated, limit their discretion to delegate the task to subordinates. The responsible employee will remain accountable for performance regardless of any further delegation.
- 1.10 If an employee to whom powers have been delegated is absent, those powers shall be exercised by that officer's superior unless:
- a) Alternative arrangements have been approved by the council.
  - b) The responsible employee has formally delegated authority.
- 1.11 If the Chief Executive is absent, powers delegated to him may be exercised by the Deputy Chief Executive.
- 1.12 Powers are delegated to employees on the understanding that they do not exercise delegated powers on a matter or in a way which, in their judgement, would fail to comply with statutory requirements or guidance issued by the UK government and/or Welsh Government, or be a cause for public concern.
- 1.13 The Scheme of Delegation shows only the "top level" of delegation within the Council. The Scheme is to be used in conjunction with the system of budgetary control and other established procedures such as the authorised

**Commented [TA1]:** To standardise terminology. Further similar changes throughout the document

signatories' list. The authorised signatories list sets limits within which named employees can approve and/or sign off expenditure, subject to the availability of approved budget and any government spending restrictions that may be in force. The list of authorised signatories is included at Annex B together the level of authority assigned to each individual.

## 2.0 RESERVATION OF POWERS TO THE COUNCIL

- 2.1 The “Code of Practice”, which has been adopted by the Council, requires the Council to determine those matters on which decisions are reserved to itself. These reserved matters are set out below.

### General Enabling Provision

- 2.2 The Council may determine any matter it wishes within its statutory powers.

### Regulation and Control

- 2.3 To annually approve the Code of Governance, the Scheme of Delegation and the Members’ Code of Practice for the regulation of its proceedings and business, and any subsequent variations.
- 2.4 To receive and review the “Register of Interests” declared by Board members. ~~Where an actual or potential conflict of interest is declared at a meeting to determine the extent to which a member may remain involved with the matter under consideration.~~
- ~~2.5 To discipline Board members who are in breach of statutory requirements or the Code of Governance.~~
- 2.56 To approve the disciplinary procedure for employees of the Council.
- 2.67 To approve the arrangements for dealing with customer complaints.
- 2.78 To approve the organisation structure, processes and policies to facilitate the discharge of business by the Council, and to agree modifications thereto.
- 2.89 To note any guidance from UK Government or Welsh Government addressed to the Council/Board and to take appropriate action to implement such guidance.
- 2.940 To receive reports from other statutory or official bodies, including committees that the Council is required to establish by the Secretary of State for Defra, Welsh Government Ministers or other regulation, and to take appropriate action thereon.
- 2.104 To confirm or otherwise the recommendations of Council’s committees where the committee in question does not have the appropriate delegated powers.

**Commented [TA2]:** Remove – this is in conflict with paras A9.2 and A9.3 of the Code of Governance that states that the Chair shall rule on any conflict of interest declared and that in the case of an interest declared by the Chair other council members shall confer and determine the approach.

**Commented [TA3]:** Remove – this is not a power the Council has.

- 2.1~~12~~ Ratification of any urgent decisions taken by the Chair and/or the Chief Executive in accordance with section A10 of the Code of Governance.

#### Appointments/Terms of Reference

- 2.1~~23~~ To appoint and, dismiss committees of the Council and approve their Terms of Reference for committees of the Council.

- 2.1~~34~~ Appointment and dismissal of the Chief Executive.<sup>1</sup>

- 2.1~~45~~ The appointment of members of any committee of the Council.

#### Strategy, Business Plans and Budgets

- 2.1~~56~~ Determination of the mission and aims of the Council.

- 2.1~~67~~ Approval of plans in respect of:

- a) The Forward Work Programme.
- b) The application of available financial resources.

- 2.17 Approval of significant items of CCWater policy that are strategic in nature.

**Commented [TA4]:** To provide clarity on board input on policy decisions

#### Regional operations

- 2.18 The allocation of a water undertaker or water and sewerage undertaker to a Regional Committee or the Wales Committee (subject to approval of Defra or Welsh Government).

- 2.19 The allocation of responsibility for Non Household retailers to ~~either~~ a Regional Committee, the Wales Committee, ~~the Wales Committee~~ or the relevant policy team as appropriate.

- 2.20 The determination of other purposes of a Regional Committee or the Wales Committee.

#### Strategic Decisions

- 2.21 Taking civil proceedings in a court of law subject to the delegation of such decisions in respect of actions against suppliers or employees to the Chief Executive.

- 2.23 Making a “super complaint” (under section 11 of the Enterprise Act 2002).

- 2.24 Agreeing a statutory Memorandum of Understanding required by legislation with another body.

**Commented [TA5]:** Suggest adjustment to remove the need for the board to consider less strategic MoUs

<sup>1</sup> The appointment of the Chief Executive to the Board is a decision for the relevant Defra Minister

**Financial and Performance Reporting Arrangements**

- 2.25 Annual approval of the Council's use of the financial resource for the year.
- 2.26 Oversight of the affairs of the Council, by receiving regular monitoring reports on performance against plan.
- 2.27 Receipt of reports, as it sees fit, from members, committees and employees of the Council.

**Audit Arrangements**

- 2.28 To approve audit arrangements and to receive reports of the Audit and Risk Management Committee meetings and take appropriate action.
- 2.29 The receipt of the Annual Management Letter from the external auditor, and agreement of action on the recommendation, where appropriate, of the Audit and Risk Management Committee.

~~2.29 The receipt of the internal audit Annual Report from the internal auditor, and the agreement of action on the recommendation, where appropriate, of the Audit and Risk Management Committee.~~

**Commented [TA6]:** Remove – The Internal Audit Annual Report is presented to the Audit Committee who report on it to the Board through its Annual Report. The Report is also reflected in the Annual Report and Accounts.

**Annual Report and Accounts**

- 2.30 Consideration and approval of the Annual Report and Accounts.

### 3.0 DELEGATION OF POWERS TO COMMITTEES

#### Delegation to Permanent Committees

3.1 The Council has established three permanent committees:

- a) The Audit and Risk Management Committee.
- b) The Human Resources and Remuneration Committee.
- c) The Advisory Committee.

3.2 Terms of reference for each Committee are agreed by the Council setting out the nature and extent of their responsibilities and delegated authority. See Annexes D, E and F within the CCWater Code of Governance.

#### Delegation to Regional Committees

##### Context

3.3 The Council is also supported by four regional committees in England and a ~~Committee for Wales~~ Committee, established under and with functions as set out in the Water Act 2003.

3.4 Each of the Committees is made up of the Regional Chair or for the ~~Committee for Wales~~ Committee the Wales Chair and such other members as appointed by the Council under the Water Act 2003. The Regional and Wales Chairs are also members of the Council Board.

3.5 Each of the Regional Committees and the Wales Committee conducts its business in accordance with rules and procedures that are set out at Annex C of the Code of Governance.



#### **4.0 DELEGATION UNDER THE CONSUMER COUNCIL FOR WATER'S FRAMEWORK DOCUMENT, CODE OF GOVERNANCE AND LIST OF AUTHORISED SIGNATORIES**

- 4.1 Appendix 1 of the Framework Document between Defra, Welsh Government and the Consumer Council for Water (Annex A) sets out the limits of the financial delegations to the Council made by Defra and the Welsh Government.
- 4.2 The Council's Code of Governance sets out the responsibilities of the Council Chair, the Chief Executive and the Board Secretary and describes how those functions not reserved to the Council's Board can be delegated.
- 4.3 The Finance Manager maintains an authorised signatories' list that is approved annually by the Chief Executive and included at Annex C to this document. The list of authorised signatories sets limits within which named employees can approve and/or sign off expenditure, subject to the availability of approved budget and any government spending restrictions that may be in force.
- 4.4 The Chief Executive is required to prepare a detailed scheme of delegation in relation to those functions he is delegating to other officers whilst retaining overall responsibility for those functions. This scheme is set out in section 5 below.

## 5.0 SCHEME OF DETAILED DELEGATION

### General Principles

- 5.1 This scheme of delegation is made by the Chief Executive of the Consumer Council for Water. It delegates powers and duties in relation to executive functions to senior employees of the Council.
- 5.2 In respect of any matter falling within his responsibility, the Chief Executive may make in writing such detailed delegations to employees concerning functions and activities within a given area of responsibility as they consider appropriate.
- 5.3 The Chief Executive may delegate in writing any executive function that has been delegated to him/her, and which is not otherwise delegated under this scheme. He/she may vary in writing any delegation made under this scheme.
- 5.4 This scheme delegates powers and duties within broad functional descriptions. It includes powers and duties under all legislation, present and future, within those descriptions and all powers and duties incidental to that legislation.
- 5.5 This scheme includes an obligation on employees to keep the Chief Executive and Board members appropriately informed of activity arising within the scope of these delegations.

### General Limitations

- 5.6 An employee, in exercising delegated powers, shall consult other appropriate employees and have regard to any advice received.
- 5.7 Any exercise of delegated powers shall be in line with any policy framework approved by the Council, or other relevant policies approved from time to time, including the authority's employment policies and disciplinary procedures, equal opportunities policies, and any service delivery policies. The exercise of delegated powers shall be guided by relevant Codes of Conduct or protocols produced or adopted from time to time by the Council and the Forward Work Programme/Operational Business Plan.
- 5.8 In exercising delegated powers, employees may not go beyond the provision made in the revenue or capital budgets for their area of responsibility unless specifically authorised to do so by the Chief Executive or in his absence, the Deputy Chief Executive. In exercising delegated powers they must comply

with any statutory requirements or guidance issued by UK government or Welsh Government.

### **Further provisions**

#### *Individual Delegations/Job descriptions*

- 5.9 An employee to whom a delegation has been made by, or in accordance with, this scheme may further delegate in writing all or any of their delegated functions to another employee (described by name and post), either fully or under the general supervision and control of the delegating employee. Individuals will be deemed to have the necessary delegated authority to act in order to carry out their responsibilities under their job description subject to any limitation(s) imposed by the employee to whom they report and the constraints described in paragraphs 5.6-5.8 above.

#### *Continuation of existing delegations*

- 5.10 A delegation to an employee that existed at the date of the introduction of this scheme shall, to any extent that it remains unaltered by (and is not inconsistent with) any delegation (or variation to a delegation) made by or under this scheme, shall continue to have effect.

#### *Deemed delegations*

- 5.11 Where in respect of a given function or activity, no delegation is in effect and an employee has a management responsibility in relation to the exercise of that function or activity, the exercise of any delegated authority necessary to carry out the function or activity effectively shall be deemed to have been delegated to that postholder.

#### *Other provisions*

- 5.12 The authority delegated to an employee includes management of the people and material resources made available for the function concerned, subject to any specific delegations made by or in accordance with this scheme to another officer.
- 5.13 A delegated authority excludes any determination of policy, or exceptions to policy, or of a general budget allocation by the employee concerned.

#### **Delegations to officers**

- 5.14 The functions or activities listed in Annex B to this document, and as varied from time to time, are hereby delegated to the employees in the posts named in Annex B.

- 5.15 Employees are responsible, in the context of this Scheme, for the management of their services, the provision of advice to the Executive Team and to Board members, and the implementation of policies approved by the Council and Executive Team.



**ANNEX A**

**FRAMEWORK AGREEMENT**



Department  
for Environment  
Food & Rural Affairs

[www.defra.gov.uk](http://www.defra.gov.uk)



Llywodraeth Cymru  
Welsh Government

# Consumer Council for Water Framework Document

May 2015

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## CONSUMER COUNCIL FOR WATER FRAMEWORK DOCUMENT

This framework document has been drawn up by the Department for Environment Food and Rural Affairs (Defra) and the Welsh Government in consultation with the Consumer Council for Water (CCWater). This document sets out the broad framework within which CCWater will operate. The document does not convey any legal powers or responsibilities.

It is signed and dated by Defra, the Welsh Government and CCWater. This document is made available to members of the public on the CCWater website.

### The Purpose of the Consumer Council for Water

1.1 Under section 27A of the Water Industry Act 1991 (hereafter called "the Act"), as inserted by section 35 of the Water Act 2003, CCWater was set up to represent consumers of water and sewerage services in England and Wales.

1.2 CCWater's main aim is to ensure that existing and future water consumers receive value for money, fairness, choice (wherever possible) and quality, within a sustainable water industry.

1.3 CCWater's statutory duties are:

- to represent the interests of water and sewerage customers and in representing the interests of consumers to have regard to the interests of:
  - individuals who are disabled or chronically sick;
  - individuals of pensionable age;
  - individuals with low income;
  - individuals residing in rural areas;
  - and consumers who are ineligible to change their water supplier,

(but this is not to be taken as implying that regard may not be had to the interests of other descriptions of consumer).

- to deal with complaints about the service provided by a licensed water supplier or water and sewerage company.
- to publish advice or information about consumer matters or consumers' views where it would promote the interests of consumers.

1.4 CCWater contributes to the achievement of Defra's wider policy aims and objectives for the water sector as set out most recently in the 2011 Water White Paper 'Water for Life'.

1.5 CCWater also contributes to the achievement of the aims, objectives and targets of the Welsh Government as set out in the 'Well Being of Future Generations (Wales) Act (2015)' and the 'Water Strategy for Wales'.

1.6 CCWater has super-complainant<sup>1</sup> status under the Enterprise Act 2002.

## Governance and Accountability

### CCWater legal origins of powers and duties

2.1 CCWater is established under section 27A of the Act. CCWater does not carry out its functions on behalf of the Crown.

### Classification

2.2 For policy/administrative purposes CCWater is classified both as an executive non-departmental public body of Defra and a Welsh Government Sponsored Body (WGSB).

2.3 For national accounts purposes, CCWater is classified to the central government sector. References to CCWater include any subsidiaries or joint ventures that are classified to the public sector for national accounts purposes. If such a subsidiary or joint venture is created, there shall be a document setting out the arrangements between it and CCWater (a financial memorandum).

2.4 In addition to duties under the Act to co-operate with regulators, CCWater shall, where appropriate, work closely with other organisations in England and Wales, including water and sewerage companies, dispute resolution bodies, other consumer bodies, local authorities and the voluntary sector to further its aims, objectives and targets.

2.5 CCWater shall consult with its stakeholders on the development of its Forward Work Programme.

## Ministerial Responsibility

### The Secretary of State

3.1 The Secretary of State for Environment, Food and Rural Affairs is accountable to Parliament for the activities and performance of CCWater. These responsibilities include:

- keeping Parliament informed about CCWater's performance;
- securing Parliamentary approval of the amount of grant-in-aid to be paid to CCWater; and
- carrying out responsibilities specified in the Act, including appointments to the board, approving the terms and conditions of board members, approval of the Chief Executive, approval of numbers and terms of employment of staff, and laying of the annual report and accounts before Parliament.

3.2 The Water Reform Team within Defra is the primary contact for CCWater. They are the main source of advice to their responsible Minister on the discharge of his or her

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<sup>1</sup> A "super complaint" is a complaint made in the UK by an approved "super complaint" organisation on behalf of consumers which is fast tracked by the Competition and Markets Authority.



responsibilities in respect of CCWater. They also support Defra's Accounting Officer on his or her responsibilities toward CCWater.

## **The Welsh Ministers**

3.3 The First Minister for Wales has allocated responsibility for CCWater to the Minister for Natural Resources. The Minister for Natural Resources generally exercises functions of the Welsh Ministers in relation to CCWater and sets the policy framework for CCWater's activities for water customers who are served by water companies whose area of supply is wholly or mainly in Wales. The Minister for Natural Resources is accountable to the National Assembly for CCWater's business in Wales. The Minister shall meet with the CCWater board each year to review performance and discuss current and future activities.

3.4 These responsibilities include:

- approving CCWater's strategic objectives and the policy and performance framework within which CCWater will operate (as set out in this Framework Document and associated documents);
- keeping the National Assembly for Wales informed about CCWater's performance;
- agreeing the amount of grant-in-aid to be paid to CCWater.

## **Defra Accounting Officer's Specific Accountabilities and Responsibilities**

4.1 Defra's Permanent Secretary, as the department's Accounting Officer (AO) has designated CCWater's Chief Executive as CCWater's Accounting Officer. The respective responsibilities of the department's AO, the CCWater AO and other arm's length bodies are set out in the Treasury document Managing Public Money<sup>2</sup> which is sent separately to CCWater's Accounting Officer on appointment.

4.2 Defra's AO is accountable to Parliament for any grant-in-aid to CCWater and responsible for advising the responsible Defra Minister on how well CCWater is achieving its strategic objectives and whether it is delivering value for money.

4.3 Defra's AO is also responsible for ensuring arrangements are in place in order to:

- monitor CCWater's financial activities on a continuing basis through an adequate and timely flow of information from CCWater on financial performance, budgeting, control and risk management.
- address significant problems in CCWater, making such interventions as are judged necessary;
- periodically carry out a risk assessment of CCWater's activities to inform departmental oversight of CCWater. This assessment shall take into account the nature of CCWater's activities; the public monies at stake; CCWater's corporate governance arrangements; its financial performance; internal and external auditors'

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<sup>2</sup> <https://www.gov.uk/government/publications/managing-public-money>

reports; the openness of communications between CCWater, Defra and the Welsh Government and any other relevant matters.

## Role of the Principal Accounting Officer to the Welsh Ministers

5.1 The Principal Accounting Officer (PAO) for the Welsh Ministers is the Permanent Secretary to the Welsh Government. The PAO has responsibilities specified by the Treasury and is accountable to the National Assembly (through the National Assembly's Public Accounts Committee) and to the UK Parliament (through the House of Commons Committee on Public Accounts) for:

- the regularity and propriety of the Welsh Government's finances;
- the keeping of proper accounts for the Welsh Ministers; and
- the effective and efficient use of resources including the grant in-aid voted to the [WGSB] under the Welsh Government's Annual Budget Motion.

5.2 The PAO is also responsible for ensuring that the financial and other management controls applied across the Welsh Government are appropriate and sufficient to safeguard public funds. The PAO is assisted in these duties by the Deputy Permanent Secretary for Economy, Skills and Natural Resources whom the PAO has designated as an Additional Accounting Officer (AAO) and to whom the PAO has delegated responsibility for CCWater.

### **Sponsor Department's Additional Accounting Officer's Accountabilities and Responsibilities**

5.3 The Deputy Permanent Secretary for Economy, Skills and Natural Resources is the sponsor department's AAO. He or she is responsible to the Minister and the National Assembly for ensuring that financial and other management controls applied by CCWater conform with the requirements of both propriety and good financial management. Accordingly, the AAO is responsible for ensuring that an adequate statement of the financial relationship between the Welsh Ministers and CCWater is in place and is reviewed regularly; and for the quality of the Welsh Government's relationship with CCWater.

5.4 The AAO is accountable to the National Assembly for the grant-in-aid awarded to CCWater and for advising the Minister:

- on an appropriate framework of objectives and targets for CCWater in the light of the department's wider strategic aims and key delivery and performance indicators.
- on an appropriate budget for CCWater in the light of the sponsor department's overall spending priorities; and
- on how well CCWater is achieving its strategic objectives within the policy and resources framework determined by the Minister and whether it is delivering value for money.

5.5 The AAO is also responsible for ensuring arrangements are in place to:

- monitor CCWater's activities and its financial position through regular meetings and returns;
- address significant problems within CCWater, making such interventions as are judged necessary;
- periodically carry out an assessment of the risks both to the department and CCWater's objectives and activities;
- inform CCWater of relevant government policy in a timely manner;
- bring to the attention of CCWater's full board any concerns about the activities of the Consumer Council for Water, requiring explanations and assurances that remedial action will be taken; and
- unless covered by the Water Industry Act 1991 designate the Chief Executive of CCWater as its Accounting Officer.

5.6 The AAO has delegated responsibility for the day to day management of relations with CCWater to the Deputy Director of Energy, Water and Flood Division (EWF), who heads the sponsor team within the Welsh Government.

### **Sponsor Team**

5.7 Energy, Water and Flood Division in the sponsor department is the primary contact for CCWater for matters relating to water wholly or mainly in Wales. They are the main source of advice to the Minister on the discharge of his responsibilities in respect of CCWater. They also support the sponsor department's AAO on his responsibilities towards CCWater. Officials of the sponsor team will liaise regularly with CCWater officials to review CCWater's financial performance against plans and the achievement against targets. The sponsor team will also take the opportunity to inform and explain wider policy developments that might impact on CCWater. They are also the first point of contact for CCWater to provide advice for Welsh Ministers in relation to activities which affect water consumers in Wales, e.g. ensuring:

- an appropriate budget for CCWater in the light of overall public expenditure priorities;
- how well CCWater is achieving its strategic objectives and whether it is delivering value for money.

5.8 In support of the relevant departmental Accounting Officers, EWF shall:

- monitor CCWater's activities on a continuing basis through an adequate and timely flow of information from CCWater on performance, budgeting, control and risk management, including early sight of CCWater's Statement on Internal Control;
- address in a timely manner any significant problems arising in CCWater, whether financial or otherwise, making such interventions in the affairs of CCWater as Defra and the Welsh Government judge necessary;
- periodically carry out a risk assessment of CCWater's activities to inform departmental oversight of CCWater; strengthen these arrangements if necessary; and amend the Framework Document accordingly. The risk assessment shall take into account the nature of CCWater's activities; the public monies at stake;



CCWater's corporate governance arrangements; its financial performance; internal and external auditors' reports; the openness of communications between CCWater, Defra and the Welsh Government, and any other relevant matters.

## Communicating with CCWater

### 6.1 Defra and the Welsh Government will:

- inform CCWater of relevant policy on certain statutory, corporate and financial matters in a timely manner; advise on the interpretation of that policy; and issue specific guidance to CCWater as necessary;
- bring concerns about the activities of CCWater to the attention of the full board, and require explanations and assurances from the board that appropriate action has been taken; and
- each agree a Memorandum of Understanding with CCWater on the exchange of information and arrangements for co-operation in areas of mutual interest, in accordance with section 27B of the Act. The Memoranda will be laid before Parliament and reviewed at three yearly intervals and updated where necessary.

## Responsibilities of the Chief Executive as CCWater Accounting Officer

### General

7.1 The Chief Executive of CCWater is designated as CCWater's Accounting Officer by Defra's Accounting Officer and the Welsh Government's Additional Accounting Officer.

7.2 The Chief Executive, as Accounting Officer, is personally responsible for safeguarding the public funds for which he or she has charge; for ensuring propriety and regularity in the handling of those public funds; and for the day-to-day operations and management of CCWater. In addition, he or she should ensure that CCWater as a whole is run on the basis of the standards, in terms of governance, decision-making and financial management that are set out in the Treasury document Managing Public Money.

### Responsibilities for accounting to Parliament

#### 7.3 The responsibilities include:

- signing the accounts and ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with any directions issued by the Secretary of State;
- signing a Statement of Accounting Officer's responsibilities, for inclusion in the annual report and accounts;
- signing a Statement on Internal Control regarding the system of internal control, for inclusion in the annual report and accounts;

- ensuring that effective procedures for handling complaints about CCWater are established and made widely known within CCWater;
- acting in accordance with the terms of the Treasury document 'Managing Public Money' and other instructions and guidance issued from time to time by Defra, the Welsh Government, Treasury and the Cabinet Office;
- giving evidence, normally with the AOs of Defra and the Welsh Government, when summoned before the Public Accounts Committees (PAC) in both Parliament and the National Assembly for Wales on CCWater's stewardship of public funds.

## **Responsibilities to Defra and the Welsh Government**

### **7.4 Particular responsibilities to Defra and the Welsh Government include:**

- establishing, in agreement with Defra and the Welsh Government, CCWater's Forward Work Programme drawing on Defra's and the Welsh Government's wider strategic aims, objectives and targets;
- informing Defra and the Welsh Government of progress in helping to achieve their policy objectives and in demonstrating how resources are being used to achieve those objectives;
- ensuring that timely forecasts and monitoring information on performance and finance are provided to Defra and the Welsh Government in accordance with the reporting timetable at Appendix 3;
- notifying Defra and the Welsh Government promptly if over or underspends are likely and ensuring that corrective action is taken; and that any significant problems whether financial or otherwise, and whether detected by internal audit or by other means, are notified to Defra and the Welsh Government in a timely fashion.

## **Responsibilities to the board**

### **7.5 The Chief Executive is responsible for:**

- advising the board on the discharge of CCWater's board responsibilities as set out in this document, in the founding legislation and in any other relevant instructions and guidance that may be issued from time to time;
- advising the board on CCWater's performance compared with its aims and objectives;
- ensuring that financial considerations are taken fully into account by the board at all stages in reaching and executing its decisions, and that financial appraisal techniques are followed;
- ensuring a register of interests covering board member's other business roles is maintained to ensure no conflict of interest arises;
- taking action as set out in the Treasury document Managing Public Money if the board, or its Chair, is contemplating a course of action involving a transaction which the Chief Executive considers would infringe the requirements of propriety or



regularity or does not represent prudent or economical administration, efficiency or effectiveness, questionable feasibility, or is unethical.

## The Consumer Council for Water Board

8.1 The CCWater board will consist of the Chair, Chief Executive, English Regional Committee Chairs, Welsh Committee Chair and independent board members. The Chief Executive is the only executive appointment on the board. The board members should have a balance of skills and experience appropriate to directing CCWater's business.

8.2 The board should ensure that effective arrangements are in place to provide assurance on risk management, governance and internal control. The board must set up an Audit Committee chaired by an independent non-executive member to provide independent advice. The board is expected to assure itself of the effectiveness of the internal control and risk management systems.

8.3 The board is specifically responsible for:

- establishing and taking forward the strategic aims and objectives of CCWater consistent with its overall strategic direction set out in its Forward Work Programme and within the policy and resources framework determined by the Secretary of State and the Welsh Ministers;
- ensuring that the responsible UK Minister and the Welsh Ministers are kept informed of any changes which are likely to impact on the strategic direction of CCWater or on the attainability of its targets, and determining the steps needed to deal with such changes;
- ensuring that any statutory or administrative requirements for the use of public funds are complied with; that the board operates within the limits of its statutory authority and any delegated authority agreed with the sponsor departments, in Defra and the Welsh Government and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the board takes into account guidance issued by Defra and the Welsh Government;
- ensuring that the board receives and reviews regular financial information concerning the management of CCWater; is informed in a timely manner about any concerns about the activities of CCWater; and provides positive assurance to Defra and the Welsh Government that appropriate action has been taken on such concerns;
- demonstrating high standards of corporate governance at all times, including by using the independent audit committee to help the board to address key financial and other risks;
- set performance objectives and remuneration terms linked to these objectives for the Chief Executive which give due weight to the proper management and use of public resources; and
- conforming with the terms of the Welsh Government's Welsh Language Scheme until 2016, which it has produced in accordance with Part II of the Welsh Language Act 1993, thereby giving effect to the principle that the Welsh and English

languages should be treated on a basis of equality. From 2016 onward the Welsh Language Standards under the Welsh Language (Wales) Measure 2011 will apply.

### **The Board Chair's personal responsibilities**

8.4 The Chair is responsible to the Secretary of State and the Welsh Ministers. Communications between the CCWater board and the responsible Ministers should normally be through the Chair. He or she is responsible for ensuring that CCWater's policies and actions support the responsible Ministers' wider strategic policies and that its affairs are conducted with probity. Where appropriate, these policies and actions should be clearly communicated and disseminated throughout CCWater.

8.5 In addition, the Chair has the following leadership responsibilities:

- formulating the board's strategy;
- ensuring that the board, in reaching decisions, takes proper account of guidance provided by the Welsh Ministers and/or the Secretary of State;
- promoting the efficient and effective use of staff and other resources;
- delivering high standards of regularity and propriety; and
- representing the views of the board to the general public.

8.6 The Chair also has an obligation to ensure that:

- the work of the board and its members are reviewed and are working effectively;
- the board has a balance of skills appropriate to directing CCWater's business, as set out in the Government Code of Good Practice on Corporate Governance<sup>3</sup> and in accordance with their role set out in the Act;
- board members are fully briefed on terms of appointment, duties, rights and responsibilities;
- he or she, together with the other board members, receives appropriate training on financial management and reporting requirements and on any differences that may exist between private and public sector practice;
- the responsible Ministers are advised of CCWater's needs when board vacancies arise;
- he or she appraises the performance of individual board members annually and in accordance with Cabinet Office guidelines. Defra should be advised of the outcome of individual performance appraisals. Performance appraisals must be considered when assessing board members for re-appointment;
- there is a code of practice for board members in place consistent with the Cabinet Office Model Code for staff of executive non-departmental public bodies<sup>4</sup>;

<sup>3</sup> <https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments>

<sup>4</sup> See 'Public Bodies – A Guide for Departments' Chapter 5, Annex A.

- the board conforms with the terms of the Welsh Language Scheme it has produced in accordance with Part II of the Welsh Language Act 1993, thereby giving effect to the principle that the Welsh and English languages should be treated on a basis of equality.

### **Individual board members' responsibilities**

#### **8.7 Individual board members should:**

- comply at all times with the Board Members' Code of Conduct<sup>5</sup> and with the rules relating to the use of public funds and to conflicts of interest;
- not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations;
- comply with the board's rules on the acceptance of gifts and hospitality, and on business appointments;
- act in good faith and in the best interests of CCWater.

## **Annual Report and Accounts**

9.1 CCWater must publish an annual report of its activities together with its audited accounts after the end of each financial year. CCWater shall provide the departments its finalised (audited) accounts between 30 June and 15 July each year. A draft of the report should be submitted to the departments for comment no later than six weeks before the proposed publication date. The finalised annual report must be submitted to Ministers prior to its formal publication and shall be provided to the sponsor departments at least 10 working days before printing.

#### **9.2 The annual report must:**

- cover any corporate, subsidiary or joint ventures under its control;
- comply with the Treasury's Financial Reporting Manual (FRM)<sup>6</sup>;
- outline main activities and performance during the previous financial year and report on the progress of the projects described in CCWater's Forward Work Programme.
- outline the progress that has been made against key performance indicators and other deliverables and outline progress that has been made in taking account of Welsh Government's cross-cutting themes.

9.3 Information on performance against key financial targets is within the scope of the audit and should be included in the notes to the accounts. The report and accounts shall be laid in Parliament and a copy should be submitted to the Welsh Ministers and will be made available on the CCWater website, in accordance with the guidance in the FRM.

<sup>5</sup> [http://www.civilservice.gov.uk/wp-content/uploads/2011/09/code-of-conduct\\_tcm6-38901.pdf](http://www.civilservice.gov.uk/wp-content/uploads/2011/09/code-of-conduct_tcm6-38901.pdf)

<sup>6</sup> <https://www.gov.uk/government/collections/government-financial-reporting-manual-frm>



9.4 The accounts should be prepared in accordance with the relevant statutes and specific accounts direction issued by the Secretary of State as well as the FReM. CCWater should be mindful of allowing Defra and the Welsh Government sufficient time for their respective auditors to carry out an audit of the accounts and to seek AO and ministerial consent for the accounts to be laid before Parliament.

## Internal Audit

10.1 CCWater shall:

- establish and maintain arrangements for internal audit in accordance with the Treasury's Government Internal Audit Standards (GIAS)<sup>7</sup>;
- ensure the sponsor departments in Defra and the Welsh Government are satisfied with the competence and qualifications of the Head of Internal Audit and the requirements for approving appointments in accordance with the GIAS;
- set up an audit committee of its board in accordance with the Cabinet Office's Guidance on Code of Practice for Public Bodies and the Audit Committee Handbook;
- forward the audit strategy, periodic audit plans and annual audit report, including CCWater's Head of Internal Audit opinion on risk management, control and governance as soon as possible to the sponsor departments; and
- keep records of, and prepare and forward to the department an annual report on fraud and theft suffered by CCWater and notify the Defra and the Welsh Government of any unusual or major incidents as soon as possible.

10.2 Defra and the Welsh Government's internal audit service have a right to assess the effectiveness of CCWater's internal audit arrangements by scrutiny of their plans for future activity, reports of past activity and its annual assurance report; and have access to all documents prepared by CCWater's internal auditor, including where the service is contracted out.

## External Audit

11.1 The Comptroller & Auditor General (C&AG) audits CCWater's annual accounts. In the event that CCWater has set up and controls subsidiary companies, CCWater will in the light of the provisions in the Companies Act 2006 ensure that the C&AG is appointed auditor of those company subsidiaries that it controls and/or whose accounts are consolidated within its own accounts. CCWater shall discuss with the Defra and the Welsh Government procedures for appointing the C&AG as auditor of the companies.

11.2 The Comptroller and Auditor General:

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<sup>7</sup> <https://www.gov.uk/government/publications/public-sector-internal-audit-standards>

- will consult the Welsh Government and the Secretary of State and CCWater on whom – the NAO or a commercial auditor – shall undertake the audit(s) on his behalf, though the final decision rests with the C&AG;
- has a statutory right of access to relevant documents, including by virtue of section 25(8) of the Government Resources and Accounts Act 2000, held by another party in receipt of payments or grants from CCWater;
- will share with Defra and the Welsh Government information identified during the audit process and the audit report (together with any other outputs) at the end of the audit, in particular on issues impacting on the their responsibilities in relation to financial systems within CCWater;
- will, where asked, provide the Welsh Government and Defra and other relevant bodies with Regulatory Compliance Reports and other similar reports which departments may request at the commencement of the audit and which are compatible with the independent auditor's role.

11.3 The C&AG may carry out examinations into the economy, efficiency and effectiveness with which CCWater has used its resources in discharging its functions. For the purpose of these examinations the C&AG has statutory access to documents as provided for under section 8 of the National Audit Act 1983. In addition, CCWater shall provide, in conditions to grants and contracts, for the C&AG to exercise such access to documents held by grant recipients and contractors and sub-contractors as may be required for these examinations; and shall secure access for the C&AG to any other documents required by the C&AG which are held by other bodies.

### **Right of access**

11.4 Defra and the Welsh Government have the right of access to all CCWater records and personnel for any purpose including, for example, sponsorship audits and operational investigations.

11.5 The Auditor General for Wales (by virtue of the Government of Wales Act 1998 as amended by the Public Audit (Wales) Act 2004) shall also have full access to CCWater's books and records for the purpose of carrying out examinations into the economy, efficiency and effectiveness with which CCWater has used its resources in discharging its functions, and to examine matters of regularity and propriety of expenditure and receipts in Wales.

## **Management and Financial Responsibilities**

### **Managing public money and other government-wide corporate guidance and instructions**

12.1 Unless otherwise agreed by Defra, the Welsh Government and the Treasury, CCWater shall follow the principles, rules, guidance and advice in Managing Public Money and Welsh Public Money, referring any difficulties or potential bids for exceptions to the Water Reform Team in Defra in the first instance. A list of guidance and instructions with which CCWater should comply is in Appendix 2.

12.2 Once the budget has been approved by Defra and the Welsh Government and subject to any restrictions imposed by statute, the responsible Minister's instructions and this document, CCWater shall have authority to incur expenditure approved in the budget without further reference to Defra and the Welsh Government, on the following conditions:

- CCWater shall comply with the delegations set out in Appendix 1. These delegations shall not be altered without the prior agreement of Defra and the Welsh Government;
- CCWater shall comply with Managing Public Money regarding novel, contentious or repercussive proposals;
- inclusion of any planned and approved expenditure in the budget shall not remove the need to seek formal departmental approval where any proposed expenditure is outside the delegated limits or is for new schemes not previously agreed;
- CCWater shall provide the Welsh Government and Defra with such information about its operations, performance individual projects or other expenditure as the Welsh Government and Defra may reasonably require;
- CCWater must always ensure that its relationship with Defra and the Welsh Government is recognised appropriately through the use of their sponsor brand marks.

## Corporate Governance

### **Board appointments – non-executive board members**

13.1 The CCWater Chair, English Regional Committee Chairs and independent board members are appointed by the Secretary of State or delegated Minister. The Welsh Committee Chair is appointed by the Welsh Ministers. The Secretary of State consults the Welsh Ministers before appointing the Chair and both the Secretary of State and the Welsh Government consult the Chair before making their respective appointments.

13.2 The terms of appointment are to be determined by the Secretary of State, with no appointment longer than five years. Appointments can be renewed subject to a good performance appraisal, but no person may be a member for a total period of more than 10 years, whether or not continuous. All appointments must comply with the Code of Practice for Ministerial Appointments to Public Bodies<sup>8</sup>.

### **Board appointments – executive board members**

13.3 The Chief Executive is appointed to the board by the responsible Minister upon the advice of the Chair.

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<sup>8</sup> <https://www.gov.uk/government/publications/code-of-practice-for-ministerial-appointments-to-public-bodies>



## Risk Management

14.1 CCWater shall ensure that the risks that it faces are dealt with in an appropriate manner, in accordance with relevant aspects of best practice in corporate governance, and develop a risk management strategy, in accordance with Treasury guidance Management of Risk: Principles and Concepts<sup>9</sup>. It should adopt and implement policies and practices to safeguard itself against fraud and theft in line with Managing Public Money. It should also take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter into a contract or to give grant or grant-in-aid.

## Forward Work Programme and Business Plan

15.1 CCWater shall submit to Defra and the Welsh Government a draft of the Forward Work Programme covering three years ahead. The programme shall reflect CCWater's statutory duties and demonstrate how CCWater contributes to the achievement of Defra's wider objectives for the water sector and the Welsh Government's sponsor department's Information to Deliver Excellence, Accountability and Success (IDEAS) Dashboard. CCWater shall agree with Defra and the Welsh Government the strategic priorities in the draft Forward Work Programme prior to wider public consultation. The forward work programme shall then be finalised by 1<sup>st</sup> April of the year it takes effect.

15.2 CCWater's operational business plan shall outline how CCWater's forward work programme will be delivered each year. The business plan shall include key targets and milestones for the year immediately ahead and shall be linked to budgeting information so that resources allocated to achieve specific objectives can readily be identified by Defra and the Welsh Government. Subject to any commercial considerations, the Forward Work Programme and business plans should be published by CCWater on its website and separately be made available to staff.

15.3 The following key matters should be included in the operational business plan:

- key objectives and associated key performance targets for the forward years, and the strategy for achieving those objectives;
- key non-financial performance targets;
- alternative scenarios and an assessment of the risk factors that may significantly affect the execution of the plan but that cannot be accurately forecast; and
- other matters as agreed between Defra, the Welsh Government and CCWater.

### Budgeting procedures

15.4 Each year, following decisions by Defra and the Welsh Government on the updated draft Forward Work Programme, Defra will:

- send to CCWater a letter delegating the annual budgetary provision; and
- advise CCWater on any planned change in budgetary policies affecting CCWater.

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<sup>9</sup><https://www.gov.uk/government/publications/orange-book>

15.5 In accordance with Standing Order 21 of the Standing Orders of the National Assembly for Wales, the Welsh Government shall, each year, publish its Draft Budget by 15 November and its Final Budget by 10 December. These figures shall be published at Budget Expenditure Line Level and shall set the Welsh Government's contribution to CCWater for the following years. These figures may be revised in the Welsh Government's Supplementary Budget that shall be approved normally no later than 31 March.

## Grant-in-aid and any Ring-fenced Grants

16.1 Grant-in-aid will normally be paid in quarterly instalments on the basis of written applications showing evidence of need. CCWater will comply with the general principle, that there is no payment in advance of need. Cash balances accumulated during the course of the year from grant-in-aid or other Exchequer funds shall be kept to a minimum level consistent with the efficient operation of CCWater. Grant-in-aid not drawn down by the end of the financial year shall lapse.

16.2 In the event that the Welsh Government and Defra provide CCWater with separate grants for specific (ring fenced) purposes, they would issue the grants as and when CCWater needed it on the basis of a written request. CCWater would provide evidence that the grant was used for the purposes authorised by the Welsh Government and Defra. CCWater shall not have uncommitted grant funds in hand, nor carry grant funds over to another financial year.

16.3 In accordance with section 37(8) of the Water Act 2003, the Secretary of State and the Welsh Ministers shall recover grant in aid to CCWater from the Water Services Regulation Authority (Ofwat).

## Capital Budget/Expenditure

17.1 All requests for the use of grant in aid to fund capital expenditure should be submitted to the Defra sponsor team who will seek approval from the Defra Capital Panel in line with Defra Capital Panel timetables and processes.

## End-year Flexibility

18.1 There is no automatic provision for end-year flexibility and approval must be sought from Defra. Following Defra approval of end-year flexibility, any grant in aid which is agreed and not spent in the financial year of allocation must be used to reduce licence fees for future years unless otherwise agreed by Defra and the Welsh Government.

## Receipts from Sale of Goods or Services

19.1 Receipts from the sale of goods and services (including certain licences where there is a significant degree of service to the individual applicant), rent of land, and dividends are classified as negative public expenditure in national accounts and are therefore normally offset against the Departmental Expenditure Limit (DEL) i.e. they provide additional DEL spending power.



19.2 If there is any doubt about the correct classification of a receipt, CCWater shall consult Defra or the Welsh Government as appropriate, who will consult the Treasury as necessary.

## Fines, Taxes and Other Receipts

20.1 Most fines and taxes (including levies and some licences) are not negative public expenditure and do not provide additional DEL spending power. Such receipts shall either be surrendered to Defra and/or the Welsh Government or, if retained, shall either reduce the need for grant in aid or, if used to finance additional expenditure by CCWater, shall require additional DEL cover from Defra.

## Interest Earned

21.1 Any interest earned by CCWater on its assets shall be given the same budgeting treatment as the cost of capital charge on the assets.

21.2 As per Treasury guidance, the cost of capital charge and any interest receipts on most DEL financed assets score as resource DEL.

21.3 If the receipts are used to finance additional expenditure by CCWater, Defra will need to ensure it has the necessary DEL cover. Any interest earned on cash balances arising from grant in aid or other Exchequer funds shall be treated as a receipt from an Exchequer source. Depending on the budgeting treatment of this receipt, and its impact on CCWater's cash requirement, it may lead to commensurate reduction of grant in aid or be required to be surrendered to the Consolidated Fund via Defra.

## Unforecast Changes in In-year Income

22.1 If the negative DEL income realised or expected to be realised in-year is less than estimated, CCWater shall, unless otherwise agreed with Defra and/or the Welsh Government ensure a corresponding reduction in its gross expenditure so that the authorised provision is not exceeded.

22.2 If the negative DEL income realised or expected to be realised in the year is more than estimated, the board may apply to Defra and/or the Welsh Government to retain the excess income for specified additional expenditure within the current financial year without an offsetting reduction to grant in aid. Defra and/or the Welsh Government shall consider such applications, taking account of competing demands for resources. If an application is refused any grant in aid shall be commensurately reduced or the excess receipts shall be required to be surrendered to the Exchequer via Defra.

## Build-up and Draw-Down of Deposits

23.1 CCWater shall comply with the rules that any DEL expenditure financed by the draw-down of deposits counts within DEL and that the build-up of deposits may represent a saving to DEL (if the related receipts are negative DEL in the relevant budgets).

23.2 CCWater shall ensure that it has the necessary DEL provision for any expenditure financed by draw-down of deposits.

## Gifts and Bequests Received

24.1 CCWater is free to retain any gifts, bequests or similar donations. These shall be treated as receipts.

24.2 Before proceeding in this way, CCWater shall consider if there are any associated costs in doing so or any conflicts of interests arising. CCWater shall keep a written record of any such gifts, bequests and donations and of their estimated value and whether they are disposed of or retained.

## Borrowing

25.1 CCWater shall observe the rules set out in Managing Public Money when undertaking borrowing of any kind. CCWater shall seek the approval of Defra to ensure that it has any necessary authority and budgetary cover for any borrowing or the expenditure financed by such borrowing. Medium or long-term private sector or foreign borrowing is subject to the value-for-money test in Managing Public Money.

## Reserves

26.1 No grant or grant in aid shall be paid into any reserve held by CCWater. Funds in any reserve may be a factor for consideration when grant in aid is determined.

## Reporting Performance

27.1 CCWater shall operate management, information and accounting systems that enable it to review in a timely and effective manner its financial and non-financial performance against the budgets and targets set out in the corporate and business plans. CCWater shall inform the Welsh Government and Defra of any changes that make achievement of objectives more or less difficult. It shall report financial and non-financial performance, including performance in helping to deliver Ministers' policies, and the achievement of key objectives on a regular basis. CCWater's performance shall be formally reviewed by the department annually. The responsible Defra Minister will meet the Chair at least once a year and conduct the Chair's annual appraisal.

### **Providing monitoring information to the departments**

27.2 As a minimum, CCWater shall provide Defra and the Welsh Government with information monthly that will enable them to satisfactorily monitor:

- CCWater's cash management;
- its draw-down of grant-in-aid (quarterly);
- forecast outturn by resource headings;

- other data required for the On-line Information System for Central Accounting and Reporting (OSCAR).

### **CCWater, Defra and the Welsh Government working level liaison arrangements**

28.1 Officials in Defra's Water Reform Team and the EWF in the Welsh Government will liaise regularly with CCWater officials to:

- review financial performance against plans.
- monitor achievement against targets
- monitor expenditure against DEL and Annually Managed Expenditure (AME) allocations.
- explain wider policy developments that might have an impact on CCWater.

## **Banking Arrangements**

29.1 CCWater's Accounting Officer is responsible for ensuring that CCWater's banking arrangements are in accordance with the requirements of Managing Public Money. In particular, he/she shall ensure that the arrangements safeguard public funds and are carried out efficiently, economically and effectively.

## **Delegated Authorities**

30.1 CCWater's delegated authorities are set out in Appendix 1. CCWater shall obtain the Welsh Government and Defra's written approval prior to:

- entering into any undertaking to incur any expenditure that falls outside the delegations or which is not provided for in CCWater's annual budget as approved by the Welsh Government and Defra;
- incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications;
- making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by Defra and the Welsh Government;
- making any change of policy or practice which has wider financial implications that might prove repercussive or which might significantly affect the future level of resources required; or
- carrying out policies that go against the principles, rules, guidance and advice in Managing Public Money.



## CCWater Staff

### Broad responsibilities for CCWater staff

31.1 Within the arrangements approved by the responsible Ministers and in accordance with Cabinet Office spending controls, CCWater will have responsibility for the recruitment, retention and motivation of its staff. The broad responsibilities toward its staff are to ensure that:

- the rules for recruitment and management of staff create an inclusive culture in which diversity is fully valued; appointment and advancement is based on merit: there is no discrimination on grounds of gender, marital status, sexual orientation, race, colour, ethnic or national origin, religion, disability, community background or age;
- the level and structure of its staffing, including grading and staff numbers, are appropriate to its functions and the requirements of economy, efficiency and effectiveness;
- the performance of its staff at all levels is satisfactorily appraised and CCWater performance measurement systems are reviewed from time to time;
- its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve CCWater objectives;
- consultation with staff takes place on key issues affecting them;
- adequate grievance and disciplinary procedures are in place;
- whistle-blowing procedures consistent with the Public Interest Disclosure Act are in place;
- a code of conduct for staff is in place based on the Cabinet Office's Model Code for staff of executive non-departmental public bodies<sup>10</sup>.

### Recruitment

31.2 CCWater's Chief Executive can approve both business critical and front-line exemption requests<sup>11</sup> within CCWater without the requirement to seek further approval from Defra. This is on the basis that:

- a) the approval doesn't take CCWater above its agreed headcount as agreed with the department as part of its regular business plan. CCWater should put in place suitable internal processes to ensure requests are still properly scrutinised before they are signed off by the Chief Executive.

<sup>10</sup> See 'Public Bodies – A Guide for Departments' Chapter 5, Annex A.

<sup>11</sup> Frontline vacancies are posts which either have direct contact with the public, statutory regulatory or enforcement responsibilities responsibility for public health and safety or are revenue generating or income protecting. Business critical vacancies are those that are critical to delivering business objectives and cannot be filled from within the civil service or other bodies subject to a recruitment freeze.

b) CCWater continues to provide Publications of Recruitment Expenditure and Recruitment Freeze Dispensations returns data to Cabinet Office via the quarterly return requested by Defra HR.

c) CCWater provides an annual report of exemptions to its sponsor team.

### **Staff costs**

31.3 Subject to its delegated authorities, CCWater shall profile its workload and expenditure effectively, in accordance with Government guidelines, to ensure that the creation of any additional posts does not incur forward commitments that will exceed its ability to pay for them.

### **Pay and conditions of service**

31.4 CCWater has delegated authority to determine its own terms and conditions of service for staff, including pay, within the framework of public sector pay policy, as determined by the Treasury and Cabinet Office, and subject to Defra approval.

31.5 If civil service terms and conditions of service apply to the rates of pay and non-pay allowances paid to the staff and to any other party entitled to payment in respect of travel expenses or other allowances, payment shall be made in accordance with the Civil Service Management Code<sup>12</sup> except where prior approval has been given by Defra to vary such rates.

31.6 Staff terms and conditions should be set out in an Employee Handbook, which should be provided to Defra together with subsequent amendments.

31.7 CCWater shall adopt and operate by April 2016 non-contractual performance related pay arrangements, as part of their reward mechanisms for staff, which are consistent with public sector pay policy, as determined by the Treasury and Cabinet Office, and subject to Defra approval.

31.8 The travel expenses of board members shall be tied to the rates allowed to staff of CCWater. Reasonable actual receipted costs shall be reimbursed.

31.9 CCWater shall comply with the EU Directive on contract workers – the Fixed-Term Employees (Prevention of Less Favourable Treatment) Regulations.

### **Pensions, redundancy and compensation**

31.10 CCWater staff shall normally be eligible for a pension provided by PCSPS. Staff may opt out of the occupational pension scheme provided by CCWater. The employers' contribution to any personal pension arrangement (including stakeholder pension) shall normally be limited to the national insurance rebate level.

31.11 Any proposal by CCWater to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the prior approval of Defra. Proposals on severance must comply with the rules in Managing Public Money.

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<sup>12</sup> <https://www.gov.uk/government/publications/civil-servants-terms-and-conditions>

## Arrangements In The Event of CCWater Being Abolished or Restructured

32.1 In the event of Defra, the Welsh Government or another Government department putting arrangements in place for the abolition or restructuring of CCWater, the Welsh Government and Defra will ensure that the assets and liabilities of CCWater are passed to any successor organisation and accounted for. (In the event that there is no successor organisation, the assets and liabilities should revert to Defra or the Welsh Government as appropriate). To this end, Defra or the lead department shall:

- ensure that procedures are in place in CCWater to gain independent assurance on key transactions, financial commitments, cash flows and other information needed to handle the wind-up effectively and to maintain the momentum of work inherited by any residuary body;
- specify the basis for the valuation and accounting treatment of CCWater's assets and liabilities;
- ensure that arrangements are in place to prepare closing accounts and pass to the C&AG for external audit, and that funds are in place to pay for such audits. It shall be for the C&AG to lay the final accounts in Parliament (following consultation with Welsh Ministers), together with his/her report on the accounts;
- arrange for the most appropriate person to sign the closing accounts. In the event that another NDPB or WGSB takes on the role, responsibilities, assets and liabilities, the succeeding NDPB AO or WGSB AO should sign the closing accounts. In the event that Defra inherits the role, responsibilities, assets and liabilities, Defra's AO should sign. In the event that the Welsh Government inherits the role in relation to responsibilities, assets and liabilities in Wales, the Welsh Government's AO should sign where appropriate.

32.2 CCWater shall provide Defra and the Welsh Government with full details of all agreements where CCWater or its successors have a right to share in the financial gains of developers. It should also pass to the Defra details of any other forms of claw-back due to CCWater.

## Review of Framework Document

33.1 This Framework Document will be reviewed again in 2017/18 following the triennial review of CCWater's role and functions. The Treasury will be consulted on any significant variations proposed to this Framework Document.

## List of Appendices

Appendix 1 - List of delegated authorities

Appendix 2 - List of government-wide corporate guidance instructions

Appendix 3 – CCWater reporting calendar to Defra and the Welsh Government

Signed by (Tony Smith)



(On behalf of CCWater)

Signed by (Gabrielle Edwards)



(On behalf of Defra)

Signed by (Prys Davies)



(On behalf of the Welsh Ministers)



## APPENDIX 1

### LIMITS OF DELEGATED AUTHORITY

Category	CCWater Limit
<b>Capital Expenditure</b>	No authority - All Capital expenditure to be agreed with Defra in advance of any spend.
<b>(B) Cash Losses:</b>	
(i) Losses by theft, fraud, fire, arson, sabotage or gross carelessness.	£50,000
(ii) Book-keeping Losses:	
(a) Physical loss of cash or equivalent due to fire, accident or other similar cause.	£50,000
(b) Un-vouched or incompletely vouched payments including cases where vouchers are missing.	£20,000
(iii) Exchange Rate Fluctuations (major losses due to fluctuations in exchange rates or revaluations in currencies and write-offs).	NO AUTHORITY
(iv) Losses arising from overpayments of: pay; pensions and allowances; under deductions of social security.	£20,000
(v) Losses due to failure to make adequate charges for the use of public property or services.	NO AUTHORITY (except when subletting property to non-governmental bodies at below market value in which case the limit is £10,000)
<b>(C) Losses of Accountable Stores:</b>	
(i) Losses known to be due to fraud, theft, sabotage or where there is any other culpable cause (including malicious damage to buildings, stores, etc).	£50,000



(ii) Losses due to other causes	£20,000
<b>(D) Fruitless Payments (e.g. payments for travel tickets or accommodation, etc wrongly booked or not used).</b>	£20,000
<b>(E) Constructive Losses (e.g. goods purchased or paid for proven to be less useful than expected when the expenditure was authorised)</b>	£20,000
<b>Category</b>	<b>CCWater Limit</b>
<b>(F) Special Payments:</b>	
(i) Extra contractual and ex-gratia payments to contractors.	£5,000
(ii) Other ex-gratia payments.	£5,000
(iii) Gifts of stores or property from other public bodies.	£5,000
(iv) Gifts to visiting dignitaries.	£200
(v) Rewards for returned stolen property.	£500
(vi) Extra-statutory and extra-regulatory payments.	£1,500
<b>(G) Compensation Payments:</b>	
(i) Loss or damage to personal property of members or staff on official business; or damage to property of third parties in the course of CCWater activities or loss of money while on official business overseas and at home.	£10,000
(ii) Personal injury to members of the public suffered on CCWater property and to members/staff in the course of CCWater business.	£10,000
<b>(H) Gifts received by CCWater</b>	<b>NO LIMIT</b>

## APPENDIX 2

### **Compliance with corporate guidance and instructions issued by the UK Government and the Welsh Government**

CCWater shall comply with the following general guidance documents and instructions:

- This Framework Document;
- Appropriate adaptations of sections of Corporate Governance in Central Government Departments: Code of Good Practice, <https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments>;
- Code of Conduct for Board Members of Public Bodies, [http://www.civilservice.gov.uk/wp-content/uploads/2011/09/code-of-conduct\\_tcm6-38901.pdf](http://www.civilservice.gov.uk/wp-content/uploads/2011/09/code-of-conduct_tcm6-38901.pdf);
- Code of Practice for Ministerial Appointments to Public Bodies, <https://www.gov.uk/government/publications/code-of-practice-for-ministerial-appointments-to-public-bodies>;
- Managing Public Money, <https://www.gov.uk/government/publications/managing-public-money>;
- Public Sector Internal Audit Standards, <https://www.gov.uk/government/publications/public-sector-internal-audit-standards>;
- Management of Risk: Principles and Concepts, <https://www.gov.uk/government/publications/orange-book>;
- HM Treasury Guidance on Tackling Fraud, [http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/d/managing\\_the\\_risk\\_fraud\\_guide\\_for\\_managers.pdf](http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/d/managing_the_risk_fraud_guide_for_managers.pdf);
- Government Financial Reporting Manual (FREM), <https://www.gov.uk/government/collections/government-financial-reporting-manual-frem>;
- Fees and Charges Guide, Chapter 6 of Managing Public Money;
- Departmental Banking: A Manual for Government Departments, Annex 5.6 of Managing Public Money;
- Relevant 'Dear Accounting Officer' letters;
- Regularity, Propriety and Value for Money, [http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/psr\\_governance\\_valueformoney.htm](http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/psr_governance_valueformoney.htm);
- Consolidation Officer Memorandum and relevant Dear Consolidation Officer letters;
- Relevant Freedom of Information Act guidance and instructions;
- Model Code for Staff of Executive Non-departmental Public Bodies, [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/80082/PublicBodiesGuide\\_2006\\_5\\_public\\_body\\_staffv2\\_0.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/80082/PublicBodiesGuide_2006_5_public_body_staffv2_0.pdf);
- Other relevant guidance and instructions issued by the Treasury in respect of Whole of Government Accounts;
- Other relevant instructions and guidance issued by the central Departments;
- Specific instructions and guidance issued by the sponsor Departments;
- Recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the UK Government and or the Welsh Government which are relevant to CCWater.

## APPENDIX 3

### CCWater Reporting Calendar to Defra and Welsh Government

<b>Finalised Forward Work Programme</b>	<b>March</b>
<b>CCWater Operational Business Plan for new FY</b>	<b>April</b>
<b>CCWater draft Annual Report and Accounts for last FY</b>	<b>May</b>
<b>CCWater Annual Report and Accounts for last FY</b>	<b>June</b>
<b>Draft Forward Work Programme</b>	<b>October</b>
<b>Draft Forward Work Programme for Wales</b>	<b>October</b>
<b>Draft Budget for next FY</b>	<b>November</b>
<b>Draft Operational Business Plan for next FY</b>	<b>December</b>

**ANNEX B****DELEGATIONS TO EMPLOYEES BY THE CHIEF EXECUTIVE**

The following functions are delegated to the senior employees detailed below and to those officers having statutory responsibilities, by the Chief Executive. Delegations are subject to the budgetary allocations approved by the Council for the delivery of the function for which they are responsible and financial authorisations contained in the authorised signatory register maintained by the Finance Manager at Annex C.

**DEPUTY CHIEF EXECUTIVE**

To exercise the executive functions in relation to:

- The management of the corporate governance advice function;
- The management of risk management advice services; and
- The provision of advice and management and delivery of services relating to Corporate Strategy, Wales policy, relationship management with Defra and Welsh Government sponsor teams, Human Resources, Health and Safety, Information and Communications Technology, and Internal Audit Services.

**HEAD OF CONSUMER RELATIONS**

To exercise the executive functions in relation to:

- The management of the Council's consumer complaint handling services;
- The delivery of information to individual consumers to enable them to obtain a better service; and
- The management of CCWater's responsibilities under the General Data Protection Regulation & Freedom of Information Act.

**HEAD OF POLICY AND RESEARCH**

To exercise the executive functions in relation to:

- The delivery and management of policy objectives agreed in the Forward Work Programme and the Operational Business Plan as allocated to the Head of Policy and Research by the Chief Executive;
- The provision of a policy support and advice service on behalf of the Council;
- The formulation and implementation of a policy research programme to support the Forward Work Programme; and

- The provision and management of a team of ~~p~~Policy ~~a~~Advisers to support Local Consumer Advocates, the Regional Committees and the Wales Committee and the Committees in England and Wales.

## HEAD OF EXTERNAL COMMUNICATIONS

To exercise the executive functions in relation to:

- The management of CCWater's external communications strategy and function, including public relations and stakeholder management; and
- The delivery of information to consumers to enable them to obtain a better service.

## HEAD OF FINANCE AND PROCUREMENT

To exercise the following executive functions:

- The management of the organisations statutory financial responsibilities; and
- The management of the procurement and facilities functions.

## FINANCE MANAGER

To exercise the following executive functions in relation to:

- The management of CCWater's bank accounts;
- Dealing with on behalf of CCWater the annual Pay Settlement Agreement and dispensations;
- The management of the financial system including liaison with the Account Manager and helpdesk support for software for the BACS and the finance systems;
- Ensuring that CCWater complies with Government guidance on financial controls and that CCWater's financial processes and controls fully satisfy audit requirements; and
- Providing appropriate, timely financial information and advice to the Accounting Officer, CCWater, UK government, Welsh Government, and auditors.

## HEALTH AND SAFETY OFFICER

- To provide health and safety advice to CCWater's Board, Committees and officers; and
- To ensure CCWater complies with all relevant health and safety legislation

and regulations.

#### **BOARD SECRETARY**

- To service, support and provide independent advice where appropriate to the Chair, the Board and its committees and organise and arrange Board and committee meetings.



**ANNEX C**

**AUTHORISED SIGNATORIES**



2019/20

NO.		Name	Date received
1	Chief Executive	Tony Smith	17/04/2019
2	Deputy Chief Executive	Philip Marshall	17/04/2019
3	Board Secretary	Alison Townsend	11/04/2019
4	Senior Policy Manager	Jenny Suggate	23/04/2019
5	ICT Manager	Dean Baker	
6	Human Resources Manager	Karen Cropp	10/04/2019
7	Wales - Policy	Evangelia Moutselou	
8	Head of Finance & Procurement	Marie Perry	23/04/2019
9	Finance & Resources Manager	Usha Nayyar	17/04/2019
10	Procurement Manager	David Battersby	17/04/2019
11	Head of Policy & Research	Mike Keil	10/04/2019
12	Social Policy / Northern LCAs	Andy White	11/04/2019
13	Social Policy / Northern LCAs	Janine Shackleton	11/04/2019
14	Environment / London & SE LCAs	Karen Gibbs	
15	Environment / London & SE LCAs	Alice Laycock	11/04/2019
16	Regulation	Steven Hobbs	10/04/2019
17	Regulation	Vacant Post	
18	Regulation/Western LCAs	Michael Barnes	10/04/2019
19	Regulation/Central & Eastern LCAs	Steve Grebby	10/04/2019
20	Regulation/Central & Eastern LCAs	Christina Blackwell	23/04/2019
21	Social/ Central & Eastern LCAs	Gemma Domican	23/04/2019
22	Market Intelligence	Hannah Bradley	10/04/2019
23	Head of External Communications	Amanda Caton	17/04/2019
24	Head of Consumer Relations	Carl Pegg	10/04/2019
25	Performance Analyst/Project Manager	Colin Lench	23/04/2019
26	Consumer Experience Manager	Claire Thomas	23/04/2019
27	Quality & Information Manager	Cath Jones	11/04/2019
28	Birmingham - CRM (CC Team)	Mary Lewell	23/04/2019
29	Birmingham - CRM (SCC Team)	Lisa Richardson	17/04/2019
30	Cardiff - CRM (SCC Team)	Ceri Walsh	

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#### Notes

- Any expenditure must be in accordance with spending controls and be affordable.
- Expenditure over £10,000 may require additional approval, refer to Budget Guidance.



CCW

2019/20

**AUTHORISED SIGNATORIES FOR GRANT IN AID**

The following are approved as authorised signatories for CCWater from  
01-Apr-19

Name	Post	Signature
Tony Smith	Chief Executive	
Philip Marshall	Deputy Chief Executive	
Mike Keil	Head of Policy	
Marie Perry	Head of Finance & Procurement	
Carl Pegg	Head of Consumer Relations	
Amanda Caton	Head of External Communications	

Notes

- Any expenditure must be in accordance with spending controls and be affordable.
- Expenditure over £10,000 may require additional approval, refer to Budget Guidance.

CCW

2019/20

## AUTHORISED SIGNATORY FORM

CCWFB22a

Post: Chief Executive

Although the signatory has approval for both ordering and certification of payment. They cannot order, receive and certify payment for the same item/contract.

Name : TONY SMITH

Cost Centres	Budget Component	Authority Type	Value Limit	
			Order	Cert
All Cost Centres	Staff costs	Both	£100,000	NO LIMIT
	Other Staff costs	Both	£100,000	NO LIMIT
	Research & Consultancy	Both	£100,000	NO LIMIT
	Personnel Overheads	Both	£100,000	NO LIMIT
	Publicity, Library & Parliament	Both	£100,000	NO LIMIT
	Computer Services	Both	£100,000	NO LIMIT
	Office Support costs	Both	£100,000	NO LIMIT
	Accommodation	Both	£100,000	NO LIMIT
	Capital	Both	£100,000	NO LIMIT
	Contingency	Both	£100,000	NO LIMIT
	DEL -cash losses etc. DEL - unvouched etc. Special paym'ts & comp' Gifts - dignitaries Reward for ret. Stolen gds Extra statut' & regulatory	Cert Cert Order Order Order Order	£10,000 £200 £500 £1,500	NO LIMIT NO LIMIT
Delegated from Defra and WG All Cost Centres				
SIGNED:				
DATE:				

In addition GPCs held by Cathy Hickin and Carl Pegg are to be monitored.

## Notes

- Any expenditure must be in accordance with spending controls and be affordable.
- Expenditure over £10,000 may require additional approval, refer to Budget Guidance.

## AUTHORISED SIGNATORY FORM

DCEO Page 1

CCWFB22a

Post: Deputy Chief Executive

Although the signatory has approval for both ordering and certification of payment. They cannot order, receive and certify payment for the same item/contract.

Name : Philip Marshall

Cost Centres	Budget Component	Authority Type	Value Limit	
			Order	Cert
All Cost Centres	Staff costs	Both	£100,000	NO LIMIT
	Other Staff costs	Both	£100,000	NO LIMIT
	Research & Consultancy	Both	£100,000	NO LIMIT
	Personnel Overheads	Both	£100,000	NO LIMIT
	Publicity, Library & Parliament	Both	£100,000	NO LIMIT
	Computer Services	Both	£100,000	NO LIMIT
	Office Support costs	Both	£100,000	NO LIMIT
	Accommodation	Both	£100,000	NO LIMIT
	Capital	Both	£100,000	NO LIMIT
	Contingency	Both	£100,000	NO LIMIT
Delegated from Defra and WG All Cost Centres	DEL -cash losses etc.	Cert		NO LIMIT
	DEL - unvouched etc.	Cert		NO LIMIT
	Special paym'ts & comp'	Order	£10,000	
	Gifts - dignitaries	Order	£200	
	Reward for ret. Stolen gds	Order	£500	
	Extra statut' & regulatory	Order	£1,500	
SIGNED:				
DATE:				

In addition GPCs held by Cathy Hickin, Alison Townsend, Jenny Suggate, Carl Pegg, Karen Cropp Lia Moutselou and Dean Baker are to be monitored.

## Notes

- Any expenditure must be in accordance with spending controls and be affordable.
- Expenditure over £10,000 may require additional approval, refer to Budget Guidance.

CCW

DCEO Page 2

2019/20

Post: Board Secretary

Although the signatory has approval for both ordering and certification of payment. They cannot order, receive and certify payment for the same item/contract.

Name : Alison Townsend

PRINCIPAL BUDGET HOLDER :

Deputy Chief Executive

Cost Centres	Budget Component	Authority Type	Value Limit	
			Order	Cert
All Cost Centres	Staff costs	Both	£5,000	£5,000
	Other Staff costs	Both	£5,000	£5,000
	Research & Consultancy	Both	£5,000	£5,000
	Personnel Overheads	Both	£5,000	£5,000
	Publicity, Library & Parliament	Both	£5,000	£5,000
	Computer Services	Both	£5,000	£5,000
	Office Support costs	Both	£5,000	£5,000
	Accommodation	Both	£5,000	£5,000
	Capital	nil		
SIGNED:				
DATE:				

## Notes

- Any expenditure must be in accordance with spending controls and be affordable.
- Expenditure over £10,000 may require additional approval, refer to Budget Guidance.

CCW

2019/20

AUTHORISED SIGNATORY FORM

DCEO Page 3

CCWFB22a

Post: ICT Manager

Although the signatory has approval for both ordering and certification of payment. They cannot order, receive and certify payment for the same item/contract.

Name : Dean Baker

PRINCIPAL BUDGET HOLDER :

Deputy Chief Executive

Cost Centres	Budget Component	Authority Type	Value Limit	
			Order	Cert
All Cost Centres	Staff costs	Both	£5,000	£5,000
	Other Staff costs	Both	£5,000	£5,000
	Research & Consultancy	Both	£25,000	£25,000
	Personnel Overheads	Both	£5,000	£5,000
	Publicity, Library & Parliament	Both	£5,000	£5,000
	Computer Services	Both	£25,000	£25,000
	Office Support costs	Both	£10,000	£10,000
	Accommodation	Both	£5,000	£5,000
	Capital	Both	£5,000	£5,000
SIGNED:				
DATE:				

## Notes

- Any expenditure must be in accordance with spending controls and be affordable.
- Expenditure over £10,000 may require additional approval, refer to Budget Guidance.

CCW

2019/20

AUTHORISED SIGNATORY FORM

DCEO Page 4

CCWFB22a

Post: Human Resources Manager

Although the signatory has approval for both ordering and certification of payment. They cannot order, receive and certify payment for the same item/contract.

Name : KAREN CROPP

PRINCIPAL BUDGET HOLDER :

Deputy Chief Executive

Cost Centres	Budget Component	Authority Type	Value Limit	
			Order	Cert
All Cost Centres	Staff costs	Both	£25,000	£25,000
	Other Staff costs	Both	£10,000	£25,000
	Research & Consultancy	Both	£10,000	£10,000
	Personnel Overheads	Both	£10,000	£10,000
	Publicity, Library & Parliament	Both	£5,000	£5,000
	Computer Services	Both	£5,000	£5,000
	Office Support Costs	Both	£5,000	£5,000
	Accommodation	Both	£5,000	£5,000
	Capital	NIL		
SIGNED:				
DATE:				

In addition the GPC held by Rebecca Collins is to be monitored

## Notes

- Any expenditure must be in accordance with spending controls and be affordable.
- Expenditure over £10,000 may require additional approval, refer to Budget Guidance.

CCW

DCEO Page 5

2019/20

Post: Senior Policy Manager

Although the signatory has approval for both ordering and certification of payment. They cannot order, receive and certify payment for the same item/contract.

Name : Jenny Suggate

PRINCIPAL BUDGET HOLDER :

Deputy Chief Executive

Cost Centres	Budget Component	Authority Type	Value Limit	
			Order	Cert
All Cost Centres	Staff costs	Both	£5,000	£5,000
	Other Staff costs	Both	£5,000	£5,000
	Research & Consultancy	Both	£5,000	£5,000
	Personnel Overheads	Both	£5,000	£5,000
	Publicity, Library & Parliament	Both	£5,000	£5,000
	Computer Services	Both	£5,000	£5,000
	Office Support costs	Both	£5,000	£5,000
	Accommodation	Both	£5,000	£5,000
	Capital	nil		
SIGNED:				
DATE:				

## Notes

- Any expenditure must be in accordance with spending controls and be affordable.
- Expenditure over £10,000 may require additional approval, refer to Budget Guidance.



Post:

Head of Finance  
& ProcurementAlthough the signatory has approval for both ordering  
and certification of payment. They cannot order, receive  
and certify payment for the same item/contract.

Name :

Marie Perry

Cost Centres	Budget Component	Authority Type	Value Limit	
			Order	Cert
All Cost Centres	Staff costs	Both	£10,000	£25,000
	Other Staff costs	Both	£10,000	£25,000
	Research & Consultancy	Both	£99,000	£99,000
	Personnel Overheads	Both	NO LIMIT	NO LIMIT
	Publicity, Library & Parliament	Both	£50,000	£99,000
	Computer Services	Both	£99,000	£99,000
	Office Support Costs	Both	£99,000	£99,000
	Accommodation	Both	£99,000	£99,000
	Contingency	Both	NO LIMIT	NO LIMIT
	Capital	Both	£99,000	£99,000
	DELETED - cash losses etc.	Cert		NO LIMIT
Delegated from Defra and WG All Cost Centres	DELETED - unvouched etc.	Cert		NO LIMIT
	Special paym'ts & comp'	Cert		NO LIMIT
	Gifts - dignitaries	Cert		NO LIMIT
	Reward for ret. Stolen gds	Cert		NO LIMIT
	Extra statut' & regulatory	Cert		NO LIMIT
SIGNED:				
DATE:				

In addition GPCs held by Tony Smith and Usha Nayyar are to be monitored

## Notes

- Any expenditure must be in accordance with spending controls and be affordable.
- Expenditure over £10,000 may require additional approval, refer to Budget Guidance.

CCW

2019/20

AUTHORISED SIGNATORY FORM

Finance &amp; Procurement Page 2

CCWFB22a

Post: Finance &amp; Resources Manager

Although the signatory has approval for both ordering and certification of payment. They cannot order, receive and certify payment for the same item/contract.

Name : USHA NAYYAR

PRINCIPAL BUDGET HOLDER :

Head of Finance &amp; Procurement

Cost Centres	Budget Component	Authority Type	Value Limit	
			Order	Cert
All Cost Centres	Staff costs	Both	£5,000	£5,000
	Other Staff costs	Both	£5,000	£5,000
	Research & Consultancy	Both	£10,000	£10,000
	Personnel Overheads	Both	NO LIMIT	NO LIMIT
	Publicity, Library & Parliament	Both	£5,000	£5,000
	Computer Services	Both	£5,000	£5,000
	Office Support costs	Both	£30,000	£30,000
	Accommodation	Both	£10,000	£10,000
	Capital	Both	£5,000	£5,000
SIGNED:				
DATE:				

## Notes

- Any expenditure must be in accordance with spending controls and be affordable.
- Expenditure over £10,000 may require additional approval, refer to Budget Guidance.

## AUTHORISED SIGNATORY FORM

Post: Procurement Manager

Although the signatory has approval for both ordering and certification of payment. They cannot order, receive and certify payment for the same item/contract.

Name : David Battersby

PRINCIPAL BUDGET HOLDER :

Head of Finance &amp; Procurement

Cost Centres	Budget Component	Authority Type	Value Limit	
			Order	Cert
All Cost Centres	Staff costs	Order	£5,000	
	Other Staff costs	Order	£5,000	
	Research & Consultancy	Nil		
	Personnel Overheads	Order	5000	
	Publicity, Library & Parliament	Nil		
	Computer Services	Order	£5,000	
	Office Support costs	Order	£10,000	
	Accommodation	Order	£10,000	
	Capital	Order	£10,000	
SIGNED:				
DATE:				

## Notes

- Any expenditure must be in accordance with spending controls and be affordable.
- Expenditure over £10,000 may require additional approval, refer to Budget Guidance.

Post: Head of Policy & Research

Name : Mike Keil

Although the signatory has approval for both ordering and certification of payment. They cannot order, receive and certify payment for the same item/contract.

Cost Centres	Budget Component	Authority Type	Value Limit	
			Order	Cert
All Cost Centres	Staff costs	Both	£5,000	£5,000
	Other Staff costs	Both	£5,000	£5,000
	Research & Consultancy	Both	£99,000	£99,000
	Personnel Overheads	Both	£5,000	£10,000
	Publicity, Library & Parliament	Both	£5,000	£10,000
	Computer Services	Both	£5,000	£5,000
	Office Support costs	Both	£5,000	£10,000
	Accommodation	Both	£99,000	£99,000
	Capital	Both	£5,000	£10,000
SIGNED:				
DATE:				

In addition GPCs held by Policy Managers & Bernard Price is to be monitored.

#### Notes

- Any expenditure must be in accordance with spending controls and be affordable.
- Expenditure over £10,000 may require additional approval, refer to Budget Guidance.

CCW

2019/20  
CCWFB22a

## AUTHORISED SIGNATORY FORM

WALES POLICY &amp; CHAIR Page 1

Post: Policy Manager

Although the signatory has approval for both ordering and certification of payment. They cannot order, receive and certify payment for the same item/contract.

Name : LIA MOUTSELOU

PRINCIPAL BUDGET HOLDER :

Head of Policy &amp; Research

Cost Centres	Budget Component	Authority Type	Value Limit	
			Order	Cert
827 & 875	Staff costs	Both	£1,000	£1,000
827 & 875	Other Staff costs	Both	£1,000	£1,000
	Research & Consultancy	NIL		
827 & 875	Personnel Overheads	Both	£2,500	£2,500
827 & 875	Publicity, Library & Parliament	Both	£500	£500
	Computer Services	NIL		
827 & 875	Office Support costs	Both	£1,000	£1,000
	Accommodation	NIL		
	Capital	NIL		
SIGNED:				
DATE:				

## Notes

- Any expenditure must be in accordance with spending controls and be affordable.
- Expenditure over £10,000 may require additional approval, refer to Budget Guidance.

CCW

2019/20

AUTHORISED SIGNATORY FORM

ENVIRONMENT Page 1

CCWFB22a

Post: Senior Policy Manager

Although the signatory has approval for both ordering and certification of payment. They cannot order, receive and certify payment for the same item/contract.

Name : KAREN GIBBS

PRINCIPAL BUDGET HOLDER :

Head of Policy &amp; Research

Cost Centres	Budget Component	Authority Type	Value Limit	
			Order	Cert
824 & 878	Staff costs	Both	£1,000	£1,000
824 & 878	Other Staff costs	Both	£1,000	£1,000
	Research & Consultancy	NIL		
824 & 878	Personnel Overheads	Both	£2,500	£2,500
824 & 878	Publicity, Library & Parliament	Both	£500	£500
	Computer Services	NIL		
824 & 878	Office Support costs	Both	£1,000	£1,000
	Accommodation	NIL		
	Capital	NIL		
SIGNED:				
DATE:				

CCW

2019/20

## Notes

- Any expenditure must be in accordance with spending controls and be affordable.
- Expenditure over £10,000 may require additional approval, refer to Budget Guidance.

## AUTHORISED SIGNATORY FORM

ENVIRONMENT Page 1

CCWFB22a

Post: Policy Manager

Although the signatory has approval for both ordering and certification of payment. They cannot order, receive and certify payment for the same item/contract.

Name : Alice Laycock

PRINCIPAL BUDGET HOLDER :

Head of Policy &amp; Research

Cost Centres	Budget Component	Authority Type	Value Limit	
			Order	Cert
	Staff costs	NIL		
	Other Staff costs	NIL		
	Research & Consultancy	NIL		
824 & 878	Personnel Overheads	Both	£2,500	£2,500
824 & 878	Publicity, Library & Parliament	Both	£500	£500
	Computer Services	NIL		
824 & 878	Office Support costs	Both	£1,000	£1,000
	Accommodation	NIL		
	Capital	NIL		
SIGNED:				
DATE:				

## Notes

- Any expenditure must be in accordance with spending controls and be affordable.
- Expenditure over £10,000 may require additional approval, refer to Budget Guidance.

CCW

2019/20

AUTHORISED SIGNATORY FORM

REGULATION Page 1

CCWFB22a

Post: Senior Policy Manager

Although the signatory has approval for both ordering and certification of payment. They cannot order, receive and certify payment for the same item/contract.

Name : STEVEN HOBBS

PRINCIPAL BUDGET HOLDER :

Head of Policy &amp; Research

Cost Centres	Budget Component	Authority Type	Value Limit	
			Order	Cert
825	Staff costs	Both	£1,000	£1,000
825	Other Staff costs	Both	£1,000	£1,000
825				
825	Research & Consultancy	Both	£99,000	£99,000
825	Personnel Overheads	Both	£2,500	£2,500
825	Publicity, Library & Parliament	Both	£500	£500
	Computer Services	NIL		
825	Office Support costs	Both	£1,000	£1,000
	Accommodation	NIL		
	Capital	NIL		
SIGNED:				
DATE:				

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## Notes

- Any expenditure must be in accordance with spending controls and be affordable.
- Expenditure over £10,000 may require additional approval, refer to Budget Guidance.



CCW

2019/20

AUTHORISED SIGNATORY FORM

REGULATION Page 2

CCWFB22a

Post: Policy Manager

Although the signatory has approval for both ordering and certification of payment. They cannot order, receive

Name : Vacant Post - Markets Policy Manager and certify payment for the same item/contract.

PRINCIPAL BUDGET HOLDER :

Head of Policy &amp; Research

Cost Centres	Budget Component	Authority Type	Value Limit	
			Order	Cert
825	Staff costs	Both	£1,000	£1,000
825	Other Staff costs	Both	£750	£750
	Research & Consultancy	NIL		
825	Personnel Overheads	Both	£2,500	£2,500
825	Publicity, Library & Parliament	Both	£500	£500
	Computer Services	NIL		
825	Office Support Costs	Both	£1,000	£1,000
	Accommodation	NIL		
	Capital	NIL		
SIGNED:				
DATE:				

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## Notes

- Any expenditure must be in accordance with spending controls and be affordable.
- Expenditure over £10,000 may require additional approval, refer to Budget Guidance.

CCW

2019/20

AUTHORISED SIGNATORY FORM

REGULATION Page 3

CCWFB22a

Post: Policy Manager

Although the signatory has approval for both ordering and certification of payment. They cannot order, receive and certify payment for the same item/contract.

Name : Steve Grebby

PRINCIPAL BUDGET HOLDER :

Head of Policy &amp; Research

Cost Centres	Budget Component	Authority Type	Value Limit	
			Order	Cert
870	Staff costs	Both	£1,000	£1,000
870	Other Staff costs	Both	£750	£750
	Research & Consultancy	NIL		
870	Personnel Overheads	Both	£2,500	£2,500
870	Publicity, Library & Parliament	Both	£500	£500
	Computer Services	NIL		
870	Office Support Costs	Both	£1,000	£1,000
	Accommodation	NIL		
	Capital	NIL		
SIGNED:				
DATE:				

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## Notes

- Any expenditure must be in accordance with spending controls and be affordable.
- Expenditure over £10,000 may require additional approval, refer to Budget Guidance.

CCW

2019/20

AUTHORISED SIGNATORY FORM

REGULATION Page 4

CCWFB22a

Post: Policy Manager

Although the signatory has approval for both ordering and certification of payment. They cannot order, receive and certify payment for the same item/contract.

Name : Michael Barnes

PRINCIPAL BUDGET HOLDER :

Head of Policy &amp; Research

Cost Centres	Budget Component	Authority Type	Value Limit	
			Order	Cert
876	Staff costs	Both	£1,000	£1,000
876	Other Staff costs	Both	£750	£750
	Research & Consultancy	NIL		
876	Personnel Overheads	Both	£2,500	£2,500
876	Publicity, Library & Parliament	Both	£500	£500
	Computer Services	NIL		
876	Office Support Costs	Both	£1,000	£1,000
	Accommodation	NIL		
	Capital	NIL		
SIGNED:				
DATE:				

## Notes

- Any expenditure must be in accordance with spending controls and be affordable.
- Expenditure over £10,000 may require additional approval, refer to Budget Guidance.

CCW

2019/20

AUTHORISED SIGNATORY FORM

REGULATION Page 5

CCWFB22a

Post: Policy Manager

Although the signatory has approval for both ordering and certification of payment. They cannot order, receive and certify payment for the same item/contract.

Name : Christina Blackwell

PRINCIPAL BUDGET HOLDER :

Head of Policy &amp; Research

Cost Centres	Budget Component	Authority Type	Value Limit	
			Order	Cert
870	Staff costs	Both	£1,000	£1,000
870	Other Staff costs	Both	£750	£750
	Research & Consultancy	NIL		
870	Personnel Overheads	Both	£2,500	£2,500
870	Publicity, Library & Parliament	Both	£500	£500
870	Computer Services	NIL		
870	Office Support Costs	Both	£1,000	£1,000
	Accommodation	NIL		
	Capital	NIL		
SIGNED:				
DATE:				

## Notes

- Any expenditure must be in accordance with spending controls and be affordable.
- Expenditure over £10,000 may require additional approval, refer to Budget Guidance.

CCW

2019/20

AUTHORISED SIGNATORY FORM

SOCIAL POLICY Page 1

CCWFB22a

Post: Senior Policy Manager

Although the signatory has approval for both ordering and certification of payment. They cannot order, receive and certify payment for the same item/contract.

Name : ANDREW WHITE

PRINCIPAL BUDGET HOLDER :

Head of Policy &amp; Research

Cost Centres	Budget Component	Authority Type	Value Limit	
			Order	Cert
823 & 872	Staff costs	Both	£1,000	£1,000
823 & 872	Other Staff costs	Both	£1,000	£1,000
	Research & Consultancy	NIL		
823 & 872	Personnel Overheads	Both	£2,500	£2,500
823 & 872	Publicity, Library & Parliament	Both	£500	£500
	Computer Services	NIL		
823 & 872	Office Support costs	Both	£1,000	£1,000
		NIL		
	Capital	NIL		
SIGNED:				
DATE:				

## Notes

- Any expenditure must be in accordance with spending controls and be affordable.
- Expenditure over £10,000 may require additional approval, refer to Budget Guidance.

**AUTHORISED SIGNATORY FORM**

**SOCIAL POLICY Page 2 CCWFB22a**

**Post:** Policy Manager  
**Name :** Janine Shackleton

Although the signatory has approval for both ordering and certification of payment. They cannot order, receive and certify payment for the same item/contract.

**PRINCIPAL BUDGET HOLDER :**

Head of Policy & Research

Cost Centres	Budget Component	Authority Type	Value Limit	
			Order	Cert
823 & 872	Staff costs	Both	£1,000	£1,000
823 & 872	Other Staff costs	Both	£1,000	£1,000
	Research & Consultancy	NIL		
823 & 872	Personnel Overheads	Both	£2,500	£2,500
823 & 872	Publicity, Library & Parliament	Both	£500	£500
	Computer Services	NIL		
823 & 872	Office Support costs	Both	£1,000	£1,000
823 & 872	Accommodation	NIL		
823 & 872	Capital	NIL		
<b>SIGNED:</b>				
<b>DATE:</b>				

**Notes**

- Any expenditure must be in accordance with spending controls and be affordable.
- Expenditure over £10,000 may require additional approval, refer to Budget Guidance.

CCW

2019/20

## AUTHORISED SIGNATORY FORM

SOCIAL POLICY Page 3

CCWFB22a

Post: Policy Manager

Although the signatory has approval for both ordering and certification of payment. They cannot order, receive and certify payment for the same item/contract.

Name : Gemma Domican

PRINCIPAL BUDGET HOLDER :

Head of Policy &amp; Research

Cost Centres	Budget Component	Authority Type	Value Limit	
			Order	Cert
870	Staff costs	Both	£1,000	£1,000
870	Other Staff costs	Both	£750	£750
	Research & Consultancy	NIL		
870	Personnel Overheads	Both	£2,500	£2,500
870	Publicity, Library & Parliament	Both	£500	£500
	Computer Services	NIL		
870	Office Support Costs	Both	£1,000	£1,000
	Accommodation	NIL		
	Capital	NIL		
SIGNED:				
DATE:				

## Notes

- Any expenditure must be in accordance with spending controls and be affordable.
- Expenditure over £10,000 may require additional approval, refer to Budget Guidance.

CCW

2019/20

AUTHORISED SIGNATORY FORM

MARKET INTELLIGENCE Page 1

CCWFB22a

Post: Policy Manager

Although the signatory has approval for both ordering and certification of payment. They cannot order, receive and certify payment for the same item/contract.

Name : Hannah Bradley

PRINCIPAL BUDGET HOLDER :

Head of Policy &amp; Research

Cost Centres		Authority Type	Value Limit	
			Order	Cert
All Cost Centres	Staff costs	Both	£5,000	£5,000
	Other Staff costs	Both	£5,000	£5,000
	Research & Consultancy	Both	£99,000	£99,000
	Personnel Overheads	Both	£5,000	£5,000
	Publicity, Library & Parliament	Both	£5,000	£5,000
	Computer Services	Both	£5,000	£5,000
	Office Support costs	Both	£5,000	£5,000
	Accommodation	Both	£5,000	£5,000
	Capital	NIL		
SIGNED:				
DATE:				

In addition GPC held by Emily Flavell is to be monitored

## Notes

- Any expenditure must be in accordance with spending controls and be affordable.
- Expenditure over £10,000 may require additional approval, refer to Budget Guidance.



Post: Head of Consumer Relations Although the signatory has approval for both ordering and certification of payment. They cannot order, receive and certify payment for the same item/contract.

Name : CARL PEGG

Cost Centres	Budget Component	Authority Type	Value Limit	
			Order	Cert
All Cost Centres	Staff costs	Both	£5,000	£5,000
	Other Staff costs	Both	£5,000	£5,000
	Research & Consultancy	Both	£30,000	£99,000
	Personnel Overheads	Both	£5,000	NO LIMIT
	Publicity, Library & Parliament	Both	£25,000	£25,000
	Computer Services	Both	£10,000	£10,000
	Office Support costs	Both	£5,000	£10,000
	Accommodation	Both	£99,000	£99,000
	Capital	Both	5000	£10,000
SIGNED:				
DATE:				

## Notes

- Any expenditure must be in accordance with spending controls and be affordable.
- Expenditure over £10,000 may require additional approval, refer to Budget Guidance.

## AUTHORISED SIGNATORY FORM

## CONSUMER RELATIONS Page 2

Post: Performance Analyst Project Manager

Although the signatory has approval for both ordering and certification of payment. They cannot order, receive and certify payment for the same item/contract.

Name : COLIN LENCH

## PRINCIPAL BUDGET HOLDER :

Head of Consumer Relations

Cost Centres	Budget Component	Authority Type	Value Limit	
			Order	Cert
831, 901, 902 & 925	Staff costs	Both	£1,000	£1,000
	Other Staff costs	Both	£1,000	£1,000
	Research & Consultancy	NIL		
All Cost Centres	Personnel Overheads	Both	£2,500	£2,500
	Publicity, Library & Parliament	Both	£500	£500
	Computer Services	NIL		
	Office Support Costs	Both	£1,000	£1,000
	Accommodation	NIL		
	Capital	NIL		
SIGNED:				
DATE:				

In addition GPCs held by Amanda Jetha is to be monitored

## Notes

- Any expenditure must be in accordance with spending controls and be affordable.
- Expenditure over £10,000 may require additional approval, refer to Budget Guidance.

## AUTHORISED SIGNATORY FORM

## CONSUMER RELATIONS Page 3

Post: Consumer Experience Manager

Although the signatory has approval for both ordering and certification of payment. They cannot order, receive and certify payment for the same item/contract.

Name : Claire Thomas

PRINCIPAL BUDGET HOLDER :

Head of Consumer Relations

Cost Centres	Budget Component	Authority Type	Value Limit	
			Order	Cert
All Cost Centres	Staff costs	Both	£5,000	£5,000
	Other Staff costs	Both	£5,000	£5,000
All Cost Centres	Research & Consultancy	Both	£30,000	£30,000
	Personnel Overheads	Both	£5,000	£5,000
	Publicity, Library & Parliament	Both	£5,000	£5,000
	Computer Services	Both	£5,000	£5,000
	Office Support Costs	Both	£5,000	£5,000
	Accommodation	Both	£5,000	£5,000
925	Capital	NIL		
SIGNED:				
DATE:				

In addition GPCs held by Consumer Relation Managers are to be monitored

## Notes

- Any expenditure must be in accordance with spending controls and be affordable.
- Expenditure over £10,000 may require additional approval, refer to Budget Guidance.

## AUTHORISED SIGNATORY FORM

## CONSUMER RELATIONS Page 3

Post: Quality &amp; Information Manager

Although the signatory has approval for both ordering and certification of payment. They cannot order, receive and certify payment for the same item/contract.

Name : Cath Jones

PRINCIPAL BUDGET HOLDER :

Head of Consumer Relations

Cost Centres	Budget Component	Authority Type	Value Limit	
			Order	Cert
831, 901, 902 & 925	Staff costs	Both	£1,000	£1,000
	Other Staff costs	Both	£1,000	£1,500
All Cost Centres	Research & Consultancy	Both	£5,000	£5,000
	Personnel Overheads	Both	£5,000	£5,000
	Publicity, Library & Parliament	Both	£5,000	£5,000
	Computer Services	Both	£5,000	£5,000
	Office Support Costs	Both	£5,000	£5,000
	Accommodation	Both	£5,000	£5,000
All Cost Centres	Capital	NIL		
SIGNED:				
DATE:				

In addition GPC Card held by Mark Hayward is to be monitored

## Notes

- Any expenditure must be in accordance with spending controls and be affordable.
- Expenditure over £10,000 may require additional approval, refer to Budget Guidance.

**Post:** Head of External Communications Although the signatory has approval for both ordering and certification of payment. They cannot order, receive and certify payment for the same item/contract.

**Name :** Amanda Caton

Cost Centres	Budget Component	Authority Type	Value Limit	
			Order	Cert
All Cost Centres	Staff costs	Both	£5,000	£5,000
	Other Staff costs	Both	£5,000	£5,000
	Research & Consultancy	Both	£10,000	£10,000
	Personnel Overheads	Both	£5,000	£5,000
	Publicity, Library & Parliament	Both	£25,000	£25,000
	Computer Services	Both	£10,000	£10,000
	Office Support Costs	Both	£5,000	£5,000
	Accommodation	Both	£99,000	£99,000
	Capital	NIL		
<b>SIGNED:</b>				
<b>DATE:</b>				

In addition the GPC held by Rebecca Collins is to be monitored

#### Notes

- Any expenditure must be in accordance with spending controls and be affordable.
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## AUTHORISED SIGNATORY FORM

Page 1

Post: Consumer Relations Manager

Although the signatory has approval for both ordering and certification of payment. They cannot order, receive and certify payment for the same item/contract.

Name : Lisa Richardson

PRINCIPAL BUDGET HOLDER :

Head of Consumer Relations &amp; Comms

Cost Centres	Budget Component	Authority Type	Value Limit	
			Order	Cert
901+902	Staff costs	Both	£1,000	£1,000
901+902	Other Staff costs	Both	£1,000	£1,000
	Research & Consultancy	NIL		
901+902	Personnel Overheads	Both	£2,500	£2,500
901+902	Publicity, Library & Parliament	Both	£500	£500
901+902	Computer Services	NIL		
901+902	Office Support Costs	Both	£1,000	£1,000
901+902	Accommodation	NIL		
901+902	Capital	NIL		
SIGNED:				
DATE:				

## Notes

- Any expenditure must be in accordance with spending controls and be affordable.
- Expenditure over £10,000 may require additional approval, refer to Budget Guidance.

Post: Consumer Relations Manager

Although the signatory has approval for both ordering and certification of payment. They cannot order, receive and certify payment for the same item/contract.

Name : Mary Lewell

PRINCIPAL BUDGET HOLDER :

Head of Consumer Relations & Comms

Cost Centres	Budget Component	Authority Type	Value Limit	
			Order	Cert
901+902	Staff costs	Both	£1,000	£1,000
901+902	Other Staff costs	Both	£1,000	£1,000
	Research & Consultancy	NIL		
901+902	Personnel Overheads	Both	£2,500	£2,500
901+902	Publicity, Library & Parliament	Both	£500	£500
	Computer Services	NIL		
901+902	Office Support costs	Both	£1,000	£1,000
	Accommodation	NIL		
	Capital	NIL		
SIGNED:				
DATE:				

#### Notes

- Any expenditure must be in accordance with spending controls and be affordable.
- Expenditure over £10,000 may require additional approval, refer to Budget Guidance.

CCW

2019/20

AUTHORISED SIGNATORY FORM

WALES Page 1

CCWFB22a

Post: Consumer Relations Manager

Although the signatory has approval for both ordering and certification of payment. They cannot order, receive and certify payment for the same item/contract.

Name : CERI WALSH

PRINCIPAL BUDGET HOLDER :

Head of Consumer Relations &amp; Comms

Cost Centres	Budget Component	Authority Type	Value Limit	
			Order	Cert
925 & 875	Staff costs	Both	£1,000	£1,000
925 & 875	Other Staff costs	Both	£1,000	£1,000
	Research & Consultancy	NIL		
925 & 875	Personnel Overheads	Both	£2,500	£2,500
925 & 875	Publicity, Library & Parliament	Both	£500	£500
	Computer Services	NIL		
925	Office Support costs	Both	£1,000	£1,000
925	Accommodation	Both	£500	£500
	Capital	NIL		
SIGNED:				
DATE:				

## Notes

- Any expenditure must be in accordance with spending controls and be affordable.
- Expenditure over £10,000 may require additional approval, refer to Budget Guidance.



CCW

2019/20

AUTHORISED SIGNATORY FORM

WALES Page 2

CCWFB22a

Post:

Although the signatory has approval for both ordering and certification of payment. They cannot order, receive and certify payment for the same item/contract.

Name :

PRINCIPAL BUDGET HOLDER :

Head of Consumer Relations &amp; Comms

Cost Centres	Budget Component	Authority Type	Value Limit	
			Order	Cert
	Staff costs	NIL		
925 & 875	Other Staff costs	Both	£1,000	£1,000
	Research & Consultancy	NIL		
925 & 875	Personnel Overheads	Both	£2,500	£2,500
925 & 875	Publicity, Library & Parliament	Both	£500	£500
	Computer Services	NIL		
925	Office Support costs	Both	£500	£500
925	Accommodation	Both	£500	£500
925	Capital	NIL		
<b>SIGNED:</b>				
<b>DATE:</b>				

## Notes

- Any expenditure must be in accordance with spending controls and be affordable.
- Expenditure over £10,000 may require additional approval, refer to Budget Guidance.

## Consumer Council for Water Board

4 June 2019

Agenda Item 43/19P

**Title:**

Regional/Wales Round up - June 2019

**Report by:**

Regional/Wales Chairs

**Responsible Lead:**

Regional/Wales Chairs

**Paper for information/discussion**

**Appendix:** no

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**Purpose**

1. To update the Board on strategic matters arising in each Chair's area of responsibility.

**Recommendations**

2. The Board is recommended to note the update and discuss any issues arising from it.

**Wales**

3. Welsh Government (WG) readvertised our vacant Wales Chair post on May 3rd. The closing date for applications is June 14th, with interviews due to take place on July 29th. Following an unsuccessful initial recruitment process, WG is involving a headhunter this time and hopes to announce the successful candidate in mid-September.

**Northern**

4. The Board will hold its next Regional Meeting in Liverpool on 14/15 July 2019 where we will be focusing on leakage and consumption.
5. We held our latest Northern Committee on the 13th May in Durham where companies reported on their performance over the last six months and their PR 19 submissions since the last meeting. We had specific presentations from United Utilities on the North West Hardship Hub and Yorkshire Water on their plans to improve their wastewater performance.

6. Companies were supportive of working together on issues of mutual benefit to customers in the Northern Region. CC Water have agreed to convene a meeting with the three companies to take this forward.
7. Northumbrian Water's 3rd Innovation Festival will be held on the week of 8-12 July at Newcastle Racecourse.
8. Northumbrian Water's 2018 Innovation festival has seen its first pilot project launched. The plan for underground mapping is being piloted in the Sunderland area and is a joint project between Northumbrian Water and Ordnance Survey to create a single digital map of all underground pipes and cables.
9. Yorkshire Water's Living Water project which came about after the Charrette in the City of Hull is making good progress with the formation of a dedicated partnership team from Hull City Council East Riding County Council, the Environment Agency and Yorkshire Water. (The Board heard about the ambition for this project two years ago when it visited Hull). Hull has the second highest flood risk of any city in the UK but has never before seen a coordinated approach to addressing the flood risk issues. The partnership has attracted external resources, support from Rotterdam and is looking at developing flood prevention projects with communities in the city.
10. Whilst reservoirs are relatively well stocked Yorkshire Water have long term concerns for future supplies. This was after April was yet another month of low rainfall (50% of normal rainfall) as a consequence Yorkshire are planning preparatory measures.
11. Despite fears they might not, Yorkshire Water expect to meet last years leakage target.
12. Northumbrian Water are still working through the increase in complaints following the introduction of their new billing system last year. The companies has increased staff resource, changed operating practices and is expecting complaints to fall throughout this year.
13. We are interviewing for the a new LCA on the 17th June.

#### **Western**

14. We were saddened to hear of the sudden death of Dr Stephen Bird, the Managing Director of South West Water. Colleagues will remember that Stephen attended our last board meeting in Bath. A hugely respected and dedicated leader in the water industry, he will be greatly missed by his colleagues in the company but also in the wider business and social community in the south west.
15. Meanwhile, we have continued to deal with the draft response to the fast-tracked SWW draft determination. This is tied in with the acceptability testing carried out separately in the SWW and Bournemouth water areas. The CCG (Watershare Plus) has given a supportive response to the draft determination.
16. The company has highlighted two issues where it has serious reservations. The first of these is the Ofwat approach to ODI rewards for reducing pollutions. SWW included only penalties for pollution performance following heavy pressure from EA, supported by us.

They are therefore surprised to see rewards accepted in other plans and are aggrieved by an apparent lack of consistency of approach.

17. The second is the concern, given the strong push-back by a number of the bigger companies in the slow-track procedure, that OfWat will make late concessions to others that SWW, having accepted fast-track and earlier determination, will not share. It can be argued that this is a risk that they have accepted, but again, consistency may be an issue, and it may also discourage companies in future from seeking fast-track status and swift resolution.
18. The company have given further details of their proposed share transfer scheme for the sharing and distribution of ODI rewards to customers. The system they will adopt provides for shares in the company to be given to customers unless they choose (or are only in a position to accept) bill rebates to the same nominal value. The shares will be held by a nominee shareholder who will exercise the voting rights and will trade customers' holdings on request. The company anticipate holding four public shareholders' meetings each year, including an AGM, around the region. I have agreed to discuss this proposal with them to see what if any locus CCW would have or wish to have in the proceedings, and what impact they might have on our own public meeting schedule.
19. There is less to report from Bristol and Wessex Water as the business case responses and acceptability testing are on a longer timeframe. However, we anticipate critical meetings over the next few weeks to discuss the companies' responses.
20. Finally, there has been activity in the retail market which we may wish to cover under confidential session.

#### **London and South East**

21. Oral update at meeting.

#### **Central and Eastern**

##### Severn Trent Water

22. We submitted our response to the consultation on the Draft Determination for Severn Trent as a Fast Track company last week. The preliminary results of our research into acceptability of the plan amended for the Draft Determination show uninformed overall acceptability of 80% for year 1 falling to 74% for the AMP as a whole. Informed acceptability is about 5% lower. At the time of writing a more detailed explanation of these results is not yet to hand. More commonly we find informed acceptability to be higher than uninformed acceptability so we are awaiting further details from our research partner.

##### South Staffs and Cambridge Water

23. I met with the Board for my annual meeting on 15th May. This was my first opportunity to meet with representatives of the new principal owners, and new Independent Non-Executive Directors who have been appointed in the last year.
24. I welcomed the improved complaint performance from Cambridge Water, which had been a cause for concern two years ago. Also, the significant improvement in the company's

customer engagement and their open approach to working with us and with other partners through the Price Review process.

25. The company has completed in depth qualitative and quantitative research into the views of their customers on renationalisation, and into the approach that their customers would expect the company to take to a “social contract”.
26. They have also completed a pilot during which a proportion of their customers could access more detailed information about their household water consumption. Impact on consumption was somewhat limited; though about 50% of those in the pilot areas engaged with the information; this varied markedly by customer segment. The work has been principally of value in designing future approaches to customer engagement and metering.

#### Essex & Suffolk Water

27. We held a quarterly review meeting on 3rd May. Since a series of major changes to their IT systems the company (along with its parent Northumbrian Water) have seen significantly increased complaint numbers. These are beginning to decline and in general have been well handled with very few going beyond Stage 1, and those coming to CCW almost entirely handled as Direct Replies. Nonetheless it is likely that the year on year increase in complaints which will feature as an issue in our Complaints report will of a scale that, by precedent, we would instigate quarterly progress reports on resolution.
28. We held discussions on both short-term water resources, in the light of prolonged dry weather, and on longer term strategic planning. The company are confident of their short-term situation, despite depleted reserves.
29. In the longer term the company explained that Water Resources East has now been established as an independent social enterprise. Company representatives are very fully engaged in recently initiated national work being coordinated by EA, DEFRA and OFWAT to revisit longer term strategic water solutions. They agreed once again to advocate for a customer voice in those fora.
30. We had a presentation on the impact of “whole town” campaigns to reduce household consumption, which had been run in a number of medium size towns over the last year. The holistic approach had been seen to have an impact and further campaigns are planned for this financial year.

#### Anglian Water

31. Limited contact since my last report as a planned CCG meeting was postponed. Our next quarterly review meeting is scheduled for the 6th June. The company was named Water Company of the Year in this month’s water industry awards, for which they should be congratulated.

#### Essex and Suffolk Water & Anglian Water

32. Following the successful Innovation Festivals held by Northumbrian Water in Newcastle in the last couple of years Essex and Suffolk Water had informed us that they were planning an event in the Essex and Suffolk region for this autumn. We are pleased now to have been informed that this will be a joint project between Essex and Suffolk and Anglian

Water, and is likely to be in Ipswich in September. We have an opportunity to be involved in the design and to take part. It is gratifying to see further evidence of companies working on innovation in a collaborative fashion.

Regional Committee

33. We had planned to hold our Regional Committee in May to focus on Water Resource resilience and Per Capita Consumption. In the event WRMPs, which we had expected would have been published in final form, have been further delayed in our Region, and key representatives from two of our companies were to be unavailable on the date proposed. This meeting reverted to a private meeting of the committee in the light of these changed circumstances.

**ANNEXES:-**

NONE