



The voice for water consumers  
Llais defnyddwyr dŵr

## **CCW Code of Governance**

## Document Control Sheet

Document owner	Review frequency	Date last approved	Date due for review	To be approved by
Board Secretary	each year	July 2024	July 2025	CCW Board

### 1. Version

Version	Date	Author	Description
1.1	11/5/20	Board Secretary	Full redraft for new Board arrangements
1.2	4/6/20	Board Secretary	Updated to include amendments agreed at Board meeting on 2/6/20
1.3	8/1/21	Board Secretary	Updated to included updated Terms of Ref for the HR & Remuneration Committee
1.4	June 21	Board Secretary	Annual Review
1.5	March 22	Board Secretary	Updated to change quorum for 2 Committees
1.6	July 22	Board Secretary	Annual Review
1.7	July 23	Board Secretary	Annual Review
1.8	July 24	Board Secretary	Annual Review
1.9	Sept 24	Board Secretary	Updated to add Business Appointment Rules

### 2. Amendments

Version	Date	Section Title	Section No.	Amendment
1.2	4/6/20	The Board (Independent Members)	Para 16	Include reference to Board member role in formal reviews of Consumer Relations case handling.
1.2	4/6/20	Annex B(iv) - Terms of Reference – Advisory Committee	Paras 1 and 6	Remove reference to Committee role in reviews of CCWater's complaint handling that had been included in error.
1.2	4/6/20	Annex C - Matters Reserved to the CCW Board	Para 4(ii)	Adjust control to "Board to approve business cases for work valued over £100k that commit CCW to multi-year or novel/contentions spend.
1.2	4/6/20	Annex B(i) – Terms of Reference – England and Wales Committee	Title and para 4	Adjust name of Committee to 'Committee for England and 'Committee for Wales'
1.3	8/1/21	Annex B(iii) – Terms of Reference HR & Remuneration Committee	Annex	Updated terms of reference added – agreed by Board December 2020

<b>Version</b>	<b>Date</b>	<b>Section Title</b>	<b>Section No.</b>	<b>Amendment</b>
1.4	July 21	Number of adjustments all set out in Board paper.	various	Changes include membership of Committees for England and Wales; codification of changes made during the year, clarity around the arrangements for the interpretation of the Code; guidance for virtual meetings; updates to references to published guidance; and a small number of typographical or technical changes.
1.5	March 22	Annex B Terms of Reference parts (ii) and (iii)	Quorum	To change the quorum for both the HR & Remuneration Committee and the Audit & Risk Management Committee to two members.
1.6	July 22	Number of adjustments all set out in Board paper.	various	Changes include inclusion of responsibilities of the Board from the Framework Agreement; codification of changes made during the year, eg removal of formal reviews; update to the description of the role of the Wales Chair; adjustments to the Terms of Reference for the Human Resources & Remuneration Committee; and typographical or technical changes to correct errors in or update the code for clarity.
1.7	July 23	Number of adjustments as indicated in column 5.	various	Inclusion of Terms of Reference for the Industry Advisory Panel, clarification re voting arrangements, removal of Communications Strategy from list of reserved matters and correction of minor typos.
1.8	July 24	Number of adjustments as indicated in column 5.	various	Adjustments to title and roles of Wales Board Member (was Wales Chair), adjustment to the Gifts & Hospitality Policy to increase allowance for declarable gifts and introduce

Version	Date	Section Title	Section No.	Amendment
				rules about invitations to conferences, addition of a note about expenditure requiring Defra approval and correction of minor typos.
1.9	Sept 24	Annex E Code of Practice for Members of CCW	New para	Inclusion of new 'Business Appointment Rules' para to provide guidance to Board Members

### 3. Distribution

Version	Issue Date	Issued to
1.1	11/5/20	CCW Chair
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1.7	18/6/23	CCW Executive Team and Board
1.8	24/6/24	CCW CEO & CCW Executive Team
1.8	2/7/24	CCW Chair & Wales Board Member
1.8	9/7/24	CCW Board
1.9	2/9/24	CCW Chair & CEO
1.9	23/9/24	CCW Board

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## **Introduction**

1. This document provides guidance on the procedures governing the management of the CCW Board (the Board). It provides information on key roles and sets out how the Board and its Committees conduct their business.

## **CCW**

2. CCW is a non-departmental public body (NDPB) in England and a statutory body in Wales, sponsored by Defra and Welsh Government respectively. It was established on 1 October 2005 under the Water Industry Act 1991 as amended by the Water Act 2003, to represent consumers of statutory undertakers and other water suppliers licenced by Ofwat. It is accountable to the Secretary of State of the Department for the Environment, Food and Rural Affairs (Defra) and Welsh Government Ministers.
3. The Chair is appointed by the Secretary of State in consultation with the Welsh Government. Welsh Government Ministers appoint one member of the Board and other members are appointed by the Secretary of State.
4. The Board is the governing body of the organisation and carries responsibility for setting policy priorities and for promoting the efficient and effective use of staff and other resources. In doing this it should also ensure that it fulfils the aims and objectives of the Secretary of State and the Welsh Government as set out in Defra's Framework Document for CCW (the Framework Document) and the statutory MoUs with Defra and Welsh Government. All of these documents are available to view on CCW's website.

## **Corporate Governance**

5. The Board as a whole has a responsibility to ensure that CCW complies with its statutory responsibilities, all other relevant legislation and government accounting rules in relation to its use of public funds. The Board is entrusted with public funds through a licence fee levied on the bills of water and sewerage customers in England and Wales and so has a particular duty to observe the highest standards of corporate governance. This includes ensuring and demonstrating integrity and objectivity in the transaction of its business and, wherever possible, following a policy of openness and transparency in the dissemination of its decisions.

## **Collective responsibility of the Board**

6. The Board will act on a collective basis. As the body charged with governing CCW's strategic direction, the Board will abide by the following principles:
  - The Board will operate on the principles of collective responsibility, support and respect.

- Members will be provided with all information necessary to ensure vigorous debate and effective decision making. Members may request any additional information they deem necessary to ensure that the Board's decision making process is sufficiently well informed and robust.
- Board Members should speak with one voice in public on CCW matters. Board Members should not make public statements in respect of CCW's affairs without the permission of the Chair (or in the absence of the Chair the Deputy Chair (where appointed) and/or the Chief Executive). Briefing and assistance for Board Members making public statements will be provided. Nominated Board Members (other than those who disagreed with a decision) may be asked to present and articulate specific decisions of the Board to an appropriate audience.
- Decisions of the Board will normally be reached by consensus and only in exceptional circumstances should a formal vote be necessary. All decisions of the Board will be recorded. Minority views will not normally be made public although, if a vote is necessary, the outcome of that vote will be recorded in the Board minutes.
- If a Board Member resigns as a result of a disagreement with a Board decision they may state the basis for the disagreement but may not publicly disclose the views of other Board Members.

## **The Board**

7. The Board consists of the Chair a number of Board Members appointed by the Secretary of State and one Board member appointed by Welsh Government (the Wales Board Member).
8. The Chief Executive is appointed to the Board by the Secretary of State.
9. There is an expectation that all Board Members, with the exception of the Chief Executive, will serve on at least one Board Committee.
10. The Board is specifically responsible for:-
  - establishing and taking forward the strategic aims of CCW 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 CCW 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 delegation 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 CCW; is informed in a timely manner about any concerns about the activities of CCW; and provides positive assurance to Defra and the Welsh Government that appropriate action has been taken on such concerns;
- conforming with the terms of the Welsh Government's Welsh Language Scheme 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 the basis of equality. From 2016 onwards the Welsh Language Standards under the Welsh Language (Wales) Measures 2011 will apply.

### **The Chair**

11. The Chair is responsible to the Secretary of State and Welsh Government Ministers.
12. The Chair has a specific responsibility for providing effective strategic leadership of the organisation and Board with a particular responsibility for:
  - leading the Board in developing a strategy for discharging its statutory duties;
  - promoting the efficient and effective use of employees and other resources;
  - being an effective representative of CCW and its Board both internally and externally;
  - encouraging high standards of propriety;
  - ensuring that Board Members are aware of their duties, rights and responsibilities and that a code of practice for Board Members is in place;



- providing for the induction, training, objectives and assessment of individual Board Members and succession planning for the Board as a whole;
  - acting as a point of contact between CCW and Ministers and Welsh Government; and
  - working continuously to improve the performance of the Board.
13. The Chair's responsibilities are set out in more detail in the Framework Document.
14. Close and regular liaison on a range of matters between the Chair and the Chief Executive and other senior staff of the organisation is essential. An effective working relationship between the Chair and the Chief Executive is of key importance to the well-being of the organisation and to the efficient progress of business. It is through this relationship that the balance will be maintained between the need for the Chief Executive to exercise their responsibility to manage the organisation and the need to ensure the Chair is aware of, and supportive of, the line taken on significant or potentially contentious issues and for the Chair to provide support and guidance to the Chief Executive.

### **The Deputy Chair**

15. The Board may appoint one of its Members as Deputy Chair. Where appointed, the responsibilities of the Deputy Chair include:
- supporting the Chair in their leadership of CCW;
  - acting as a substitute for the Chair as required/necessary;
  - acting as a sounding board and critical friend to both the Chair and members of the Executive Team;
  - acting as a trusted intermediary between the Chair and other Board members;
  - to be available to Board members and the Executive if they have concerns which have not or cannot be resolved through contact with the Chair and/or the CEO, or for which such contact may not be the most appropriate route; and
  - leading a process with Board members to provide feedback on the Chair's performance for the annual appraisal process that is led by the appropriate Defra Minister.
16. The appointment and removal of the Deputy Chair is a matter for the decision of the Board on the recommendation of the Chair.

### **The Wales Board Member**

17. The Wales Board Member has the following additional strategic leadership responsibilities:
- ensuring that the Board, in reaching decisions, takes full account of differences in the legislative, regulatory and policy framework in Wales;
  - Chair meetings of the Wales Committee at least twice a year, and at least once a year in public;
  - providing advice and guidance to the CCW on its work to negotiate and manage the relationship with its strategic stakeholders in Wales, to produce tangible benefits for CCW and water consumers;
  - representing CCW's views to stakeholders and the general public in Wales including via the media (in line with the arrangements set out at the third bullet of para 6 above) and feeding these views back to CCW/the Board;
  - representing CCW at strategic meetings in Wales; and
  - ensuring CCW's research and work programme takes into account the policy direction of the Welsh Government and includes evidence originating from Wales.

### **Board Members**

18. Board members have a particular responsibility to:
- ensure that CCW:
    - fulfils its statutory obligations;
    - acts in the interests of and advocates for water consumers, with particular reference to vulnerable customers;
    - has robust governance in place;
  - provide strategic and policy direction for the Executive Team and staff and provide support and guidance on the implementation of this;
  - provide advice and information to the Board on matters affecting water consumers;
  - advocate for water consumers and interact with stakeholders;
  - provide oversight and critical challenge to the organisation;
  - promoting the efficient and effective use of staff and other resources; and
  - delivering high standards of regularity and propriety

### **The Chief Executive**

19. The Chief Executive is also the Accounting Officer and has been appointed to the Board by the Secretary of State. The Chief Executive's appointment to the Board brings executive insight to Board discussions and supports the governance responsibilities of the Accounting Officer. The Chief Executive is responsible for:-

- leading CCW as the statutory representative body for household and business water consumers in England and Wales.;
  - representing CCW to the public, media, Ministers and parliament
  - playing a leading role in the formation of links with other stakeholders, particularly the water industry
  - the overall management, organisation and staffing of the organisation
  - financial and other practices and procedures including conduct and discipline
  - through personal leadership and example, promoting the values underpinning CCW
  - co-ordination and implementation of policies and actions agreed by the Board
20. The Chief Executive is designated as CCW's Accounting Officer by Defra's Principal Accounting Officer. As Accounting Officer the Chief Executive is personally responsible for:-
- safeguarding the public funds that CCW receives through a licence fee levied on the bills of water and sewerage customers in England and Wales for which they have charge;
  - ensuring propriety and regularity in the handling of those public funds; and
  - the day-to-day operations and management of CCW.
21. The responsibilities of the Chief Executive as CCW's Accounting Officer are set out in more detail in the Framework Document.

### **The Board Secretary**

22. The Board Secretary is responsible for convening meetings of the Board and its Committees, recording those meetings and advising on procedure. The Board Secretary may offer advice during a meeting when questions of procedure are under discussion and shall intervene where they judge that the Board or the Chair may be at risk of breaching its own procedures for the conduct of business.
23. The Board Secretary will:-
- ensure the smooth running of the activities of the Board and its Committees
  - facilitate good information flows between the Board and employees.
  - provide impartial information and guidance on Board procedures and corporate governance
  - facilitate the induction and professional development of Board members
  - facilitate the urgency and electronic business procedures

24. The Chair, Board members and members of any Committee or Sub-Committee will have access to the Board Secretary for advice and assistance.
25. The Board Secretary will maintain a Register of Interests for Board Members. The Register, which is open to public inspection and published on the CCW website annually, lists declarations by Board Members of financial, personal, business and political interests.
26. The Board Secretary maintains a register of gifts and hospitality for Board Members, Consumer Advocates and employees of CCW. The policy governing the offer or acceptance of gifts and hospitality is contained in the Code of Practice for Board Members at Annex E.

### **Board Committees**

27. The Board is supported by a Committee for England and a Committee for Wales both of which are established under and with functions as set out in the Water Act 2003. The Committees for England and Wales are the primary way that the Board engages with stakeholders and the public and so all Board Members will be appointed to at least one of the Committees.
28. The Board has also established three permanent committees:
  - Audit and Risk Management Committee
  - Human Resources and Remuneration Committee
  - Industry Advisory Panel
29. The Terms of Reference for these committees set out the nature and extent of each Committee's responsibility and are presented at Annex B (i) through (iv).
30. The Board may establish any other committees as it deems appropriate to secure the efficient discharge of its business. Any committee established may be permanent or for a time limited basis, for example to undertake a specific review. Any Board Committee may establish a Sub-Committee on a permanent or time limited basis.

### **Management of the Board's work**

31. Effective corporate governance requires the Board members abide by certain principles when making their own contributions to Board business, including:
  - working co-operatively with fellow Board Members in the organisation's best interests

- reaching a view on issues based on proper and impartial consideration of the facts presented and not on the basis of predetermined or partisan views
  - supporting corporate decisions whatever one's personal view on the matter under discussion
  - respecting any decision of the Board that an item of business should remain confidential
  - declaring any potential conflict of interest relating to the issues under discussion
32. Planning and management of the Board's business are matters for the Chair working closely with the Chief Executive and the Board Secretary. Proper advance planning of the Board's business is essential to good governance and enables key decisions to be made at the right time and the weight of business for each meeting to be effectively managed.
33. All Board members will contribute to the effectiveness with which the Board carries out its business by:
- playing a full and active role in Board meetings
  - regular attendance at formal and informal meetings of the Board
  - being adequately prepared for meetings
  - respecting the Chair's authority in respect of the management of meetings
34. The Board must work within the delegated framework and the agreed rules that it has set. Basic procedure rules for meetings of the Board and any Committees or Sub-Committees are set out at Annex A. These cover matters such as convening meetings, voting, declarations of interest and the conduct of business electronically. It is the responsibility of the Chair of each forum, guided by the Board Secretary, to ensure that these procedure rules are followed.

### **Delegations**

35. Appendix 1 of the Framework Document sets out the limits of the financial delegations to CCW.
36. The Board may delegate any of its functions to a Committee or to the Chair or Chief Executive. Any such delegation, not already covered by the provisions of this code, will be recorded as a formal resolution of the Board. Any delegation made by the Board may be limited or made subject to conditions, for example the Board may delegate a function for a limited period of time or for a particular matter. Regardless of any delegation the Board remains

ultimately responsible for, and must take corporate responsibility for, action taken.

37. In the absence of the Chair any delegations made to them may be taken by the Deputy Chair, where a Deputy Chair has not been appointed the Chair may nominate a Board member to undertake any delegations made to them on a case by case basis. In the absence of the Chief Executive any delegations made to them may be taken by the Senior Director of Policy, Research & Campaigns unless the Chief Executive determines that another member of the Executive Team should undertake a particular task.
38. The Board may discharge a function itself even though it has delegated the discharge of that function.
39. The Board delegates to each Board Committee the discharge of those functions that fall within their respective terms of reference other than any matter reserved to the Board. The Board may instruct staff, or a Board Committee, as to how to exercise a delegated authority.
40. Unless the Board imposes a condition to the contrary, a Board Committee may delegate the discharge of a function to a Sub-Committee subject to any conditions imposed by that Committee.
41. The Board delegates to the Chief Executive, where appropriate in consultation with the Chair, the discharge of all statutory functions other than:
  - Any matter reserved to the Board (Annex C)
  - Any matter delegated to a Committee, Sub-Committee (Annex B) or to designated CCW employees
42. In respect of any matter falling within their 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.
43. 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.
44. Employee(s) 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 45 and 46 below.

45. An employee, in exercising delegated powers, shall consult other appropriate employees and have regard to any advice received. Any exercise of delegated powers shall be in line with any policy framework approved by the Board, or other relevant policies approved from time to time, including CCW'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 Board and CCW's Forward Work Programme or Operational Business Plan.
46. 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 their absence, the Director of Business Services. In exercising delegated powers they must comply with any statutory requirements or guidance issued by UK government or Welsh Government.
47. The Finance Manager maintains an authorised signatories' list that is approved annually by the Chief Executive. 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.
48. The Board authorises the Chief Executive to sign contracts (where the matter the subject of the contract has the appropriate approvals in place) or other documents on behalf of CCW. The Chief Executive may delegate this authority to one or more members of CCW staff.

### **Code of Practice**

49. Board members will comply with the Code of Practice for Members of the Board as set out at Annex E.

### **Reviewing the Board's performance**

50. The Board will review its own performance and that of its Committees regularly. A summary of the findings will be included in CCW's Annual Report and Accounts. The Chair will review the performance of all Board Members annually.

### **Interpretation**

51. The Chair or the board member presiding at a meeting of the Board, its Committees or Sub-Committee is responsible for interpreting these rules and procedures of the Board, with advice from the Board Secretary and/or the Chief Executive. Their decision is challengeable only when a majority of the

members attending the meeting agree that the rules have been misinterpreted.

52. In the event that the rules and procedures of the Board are unclear or silent on a matter, the Chair or the board member presiding, with advice from the Board Secretary and/or the Chief Executive, will determine the appropriate course of action.

### **Review**

53. This Code of Governance will be reviewed as necessary but at least once in every twelve month period.



### **Frequency of meetings**

1. The Board shall meet at least five times in each financial year. The period between any two consecutive meetings of the Board shall be no greater than three months. The Board will agree a schedule of Board meeting dates before the start of each financial year.
2. The Chair may call an additional Board meeting when, in their opinion, an urgent matter has arisen that requires Board consideration.
3. The Board Secretary/Chief Executive shall call a meeting of the Board:-
  - in accordance with any agreement of the Board at a previous meeting; or
  - on receipt of a request made in writing by at least half of the Board members. Any meeting called on this basis will take place on a date that falls within 14 days of the date the request is received.
4. The Board may also hold development and strategy events. The purpose of these events will be to provide an opportunity to reflect more thoroughly on strategy and key issues and also to develop its working practices.

### **Location of Board meetings**

5. Board meetings will take place in person at the CCW offices in Birmingham or another convenient location agreed by the Chair. In exceptional circumstances meetings may take place virtually. The nature of the meeting (virtual or in person) will be determined by the Chair in consultation with the Chief Executive. All Board Members are expected to join by the same method unless exceptional circumstances apply and with the agreement of the Chair.
6. Where meetings are taking place virtually Board Members should join from a suitable location with sufficient bandwidth and minimum background noise where they cannot be overheard. Participants should join virtual meetings in good time so that the meeting can start promptly and to enable any issues with connectivity to be rectified ahead of the meeting start; invitations to virtual meetings will be set up to enable this.
7. The Board, or a sub group of the Board, may choose to meet in public at a suitable location/venue or virtually if an issue or situation arises that makes such an event beneficial or necessary. Members of the public and

stakeholders may be invited to join these meetings virtually if this is considered appropriate and practical.

### **Notice of meetings**

8. Board meetings will normally be called well in advance and, in any event, with a minimum of one week notice. A Board meeting may exceptionally be called with less than a week notice in which case the reason why that notice could not be given will be clearly indicated in any notice issued and the agenda for the meeting. Notice of a Board meeting will usually be sent to Board members by email and will include the date, time and place that the meeting will be held. Failure to receive notice of a Board meeting will not invalidate that Board meeting
9. The Board Secretary will arrange for an appropriate public notice to be made for each Board meeting in public. The notice will include details of the location of the meeting and how the agenda and papers may be obtained.

### **Agenda and papers**

10. The agenda and papers for Board meetings will normally be circulated at least one week before the meeting.
11. The papers for each meeting shall comprise:
  - (i) an agenda drawn up by the Board Secretary in consultation with the Chair and Chief Executive which shall indicate if the meeting is to be in public or private and the main matters to be discussed at the meeting
  - (ii) a copy of the draft minutes of the last Board meeting
  - (iii) such other supporting documents and information relevant to the matters to be discussed as the Chief Executive may think appropriate to enable the Board to give full consideration to the matter.
12. Where a meeting of the Board is called at short notice the Board Secretary shall distribute notice of the meeting and the papers relating to the business to be transacted at the earliest practical opportunity. Papers will be distributed electronically.
13. With the permission of the Chair, papers may exceptionally be tabled at a Board meeting or circulated after the agenda has been issued.
14. Any Board member that wishes a matter to be included on an agenda should make a request in writing to the Chair at least ten working days before the meeting. The request should indicate whether it is proposed that the matter is

considered at a Board meeting in public or in private and should include any relevant supporting information.

### **Executive attendance at meetings**

15. Members of the CCW Executive team will normally attend meetings of the Board. Other members of staff may be requested to attend meetings of the Board to support the consideration of specific items of business. On occasion attendees who are not Board members may be asked to withdraw from the meeting for specific items of business.

### **Other attendees at meetings**

16. The Board may invite other individuals to attend meetings of the Board, for example the Board may wish to hear a particular stakeholder's point of view on a matter. The invitation may be for the entire meeting or for a specific item(s); the invitee is not obliged to attend. Any individual attending a Board meeting in this capacity will not be entitled to vote and may be asked to withdraw from the meeting at any point.

### **Quorum**

17. Any decision made by a properly constituted Board satisfying the requirements of these procedure rules shall be deemed to be a decision made by the Board.
18. In order to ensure that there has been proper input to, and scrutiny of, decisions it is necessary to have a quorum for meetings of the Board. The quorum for meetings of the Board shall be half of the Board Members appointed at that time. When calculating this figure any fractions should be rounded down.
19. If a Board member cannot participate in a discussion and/or voting on any matter as a result of a conflict of interest (see paragraphs 24 to 26 below) they will not count in the quorum for that item.
20. If a quorum is not available for the discussion of any matter(s) this will be recorded in the minutes and the decision made will be ratified at the next quorate meeting of the Board.
21. If a Board meeting becomes inquorate during the course of the meeting any decisions made will be ratified at the next quorate meeting of the Board. If those Members present at an inquorate meeting determine that a decision that falls to be taken by that meeting is of such significance that the decision should be taken by a quorum, that decision may be taken under the deferred decision provision at paragraphs 34 to 36 below.

22. All or any of the Board Members may, in exceptional cases with the agreement of the Board member presiding at that meeting, join a Board meeting virtually. Board members participating in this manner will be deemed to be present at the meeting and shall be entitled to make decisions and to vote and be counted in the quorum.
23. Written comments on agenda items submitted by a Board member who is absent may be read out at an appropriate point in the meeting. This provision does not apply to Board members who are not permitted to participate in a matter as a result of a conflict of interest.

### **Conflicts of interest**

24. A Board member who believes that they have or may have an interest in relation to any matter under discussion at a meeting, other than an interest deriving from their membership of the Board, shall immediately declare their interest in that matter.
25. Upon a declaration of interest the Chair shall rule if that interest gives rise to an actual or potential conflict of interest. Where a declaration of interest is made by the Chair the other Board members will collectively determine if that interest gives rise to an actual or potential conflict of interest.
26. Where any Board member has an actual or potential conflict of interest in relation to any matter under discussion at a meeting they will declare that conflict of interest and, on the decision of the Chair, if so required:-
  - (i) shall absent themselves from that part of the meeting(s) at which discussion of that matter takes place, and/or
  - (ii) shall not be entitled to vote on any resolution in respect of that matter.

### **Chair**

27. If present, the Chair will preside over all Board meetings. In the absence of the Chair, whether this be temporarily on the grounds of a declared conflict of interest or otherwise, the Deputy Chair (where appointed) or another Board Member nominated by the Chair will chair the meeting. In the event that both the Chair and Deputy Chair are not present and the Chair has not nominated a Board Member to chair the meeting, a Board Member, chosen from amongst those present, will chair the meeting. In the event that this is necessary, the Board Secretary will seek a nomination for Chair from amongst those present that Members agree on.

28. It is the responsibility of the Chair or Member presiding at the meeting to manage the efficient progress of the meeting and particularly:
- decide the order in which Board Members will speak, ensuring that adequate views are sought in order to make informed decisions
  - determine all matters of order, competency and relevancy
  - decide which matters are or are not out of order in terms of the meeting
  - determine whether a vote is required and how it is carried out in accordance with paragraphs 31 to 33 below
  - maintain order in the meeting
  - adjourn the meeting, if necessary, for whatever period of time they believe is appropriate

### **Order of business**

29. The normal order of business at every meeting of the Board shall be:
- (i) where the Chair and Deputy are both not present and the Chair has not nominated a Board Member to chair the meeting, to select a Member to chair the meeting
  - (ii) to receive any apologies for absence
  - (iii) to consider any declarations of interest
  - (iv) to receive, modify (if necessary) and approve as a true and accurate record the minutes of the previous meeting
  - (v) to deal with any matters arising from the minutes of the previous Board meeting or actions from past Board meetings in the order in which they appear
  - (vi) to receive reports and recommendations from any Committee or Sub-Committee of the Board
  - (vii) to consider such business as is set out on the agenda for the meeting
  - (viii) to consider, at the discretion of the Chair, any items of other business
30. The order of business may be varied by agreement of the Board or at the Chair's discretion.

### **Voting**

31. Decisions of the Board will normally be made by consensus rather than by formal vote. Failing consensus, decisions will be made by a vote when:
- the Chair feels that there is a body of opinion amongst Board Members at the meeting that disagrees with a proposal or has expressed reservations about it and no clear consensus has emerged
  - a Board Member who is present requests that a vote be taken and this is supported by at least one other Board Member

32. If a vote is taken, the proposal shall be determined by a majority of the votes of the Board Members present and voting on the question. The number voting for, against and any abstentions shall be recorded in the minutes. The Chair will cast their vote at the same time as the Board. Voting shall normally take place by a show of hands or such other means of assent or dissent as the Chair deems appropriate. At the end of the process the Chair shall declare whether or not a resolution has been carried.
33. In the event of an equality of votes, the Chair shall have a second and casting vote. The decision will be carried by a simple majority. The Chair's ruling as to the outcome of such a vote shall be final.

### **Deferral of decision**

34. Any Board Member may propose to defer a decision on an agenda item in order that the Board can be provided with additional information to support the taking of that decision, or for any other reason. If this is agreed by the Board, the decision to defer the taking of the decision, together with the reason for doing so, will be recorded in the minutes of the meeting together with a proposed timescale for returning the matter to the Board for consideration.
35. A deferred decision may be taken by email outside of the Board meeting, where this is agreed in the meeting.
36. All deferred decisions taken between Board meetings will be reported on and reflected in the minutes of the Board meeting subsequent to the decision being taken.

### **Urgency**

37. Matters may arise between scheduled Board meetings that require urgent Board approval or discussion and cannot be postponed until the next convened Board meeting. Where decisions that would usually be taken at Board meetings have to be made on an urgent basis they may be taken by the Chair, in consultation with the Chief Executive. Any decision taken under this provision will be reported at the next Board meeting together with an explanation of the reasons for urgency. The decision will be recorded in the minutes of the Board meeting to which it is reported.
38. If the Chair and the Chief Executive consider the urgent decision to be of a significant nature they will request the Board Secretary to arrange for the matter to be decided or discussed by electronic business or at an additional Board meeting. In this situation the Board Secretary will be instructed to convene such a meeting.

39. In the case of a decision made by electronic business, and in order for a recommendation to be approved:
- (i) a response must be received from at least half of the Board Members appointed at that time. When calculating this figure any fractions should be rounded down; and
  - (ii) a majority of the responses received must be in favour of the recommendation
40. The procedure for taking decisions by electronic business is at Annex D to the Code of Governance.
41. Any point of order alleging a breach of these procedure rules shall be heard immediately. The Chair's ruling on the point of order shall be final.
42. The Board Secretary or their representative will be present at meetings of the Board, Board Committee or Sub-Committee to record the proceedings and any decisions made.

### **Reserved matters**

43. Those matters set out at Annex C to the Code of Governance are reserved to the Board for decision. This does not preclude other matters being referred to the Board for decision.
44. Where it is a matter of judgement as to whether a matter is reserved to the Board or not, the Chair in consultation with the Chief Executive will determine whether the matter is reserved to the Board and should be referred to the Board.

### **Application of Board procedure rules to Committees and Sub-Committees**

45. These rules, where they can be appropriately applied, apply to all meetings of the Board, its Committees and Sub-Committees. These rules of procedure will not apply where the specific Terms of Reference for the Committee or Sub-Committee already make provision for the activity to be undertaken and/or procedure to be followed at its meetings.

## **Annex B(i) - Terms of Reference : Committees for England and Wales**

### **Background**

1. The statutory purpose of a regional committee is -
  - (a) the provision of advice and information to the Board on consumer matters affecting the areas of the relevant undertakers allocated to that committee:-
  - (b) such other purposes as the Board may determine

### **Membership**

2. The CCW Board makes appointments to each Committee.
3. Each Committee will consist of at least 3 members. The CCW Chair, the Wales Board Member and the CEO will be members of both Committees. Alternates are not permitted.
4. The CCW Chair will Chair the Committee for England. The Wales Board Member will Chair the Committee for Wales.
5. Appointments to the Committee are for the period of the Member's appointment to the Board unless the Board makes any adjustments to the appointments. Committee membership is reviewed by the Board annually.

### **Role**

6. The role of each Committee is to provide advice and information to the Board on consumer matters affecting the areas of the relevant undertakers allocated to that committee.

### **Responsibilities**

7. To provide advice and feedback to the Board in relation to those consumer matters affecting the areas to inform the development of CCW strategy/policy.
8. To hear from stakeholders on current issues to develop and share best practice.
9. To review and provide advice/feedback on any other issues requested by the Board or the Executive.

### **Meetings**

10. Each Committee will meet at least twice a year and at least one of these meetings will be in public. The Committee Chair may call additional meetings as they consider necessary.



11. A quorum will be three members.
12. Attendance at meetings of the Committee by employees of CCW and by Consumer Advocates will be determined on a case-by-case basis depending on the business to be considered at that meeting.
13. The Committee may invite other individuals to attend a private meeting, for example to hear a particular stakeholder's view on a matter. The invitation may be for the whole meeting or for a specific item(s).
14. The agenda for each Committee meeting will include an item to enable it to receive and consider any declarations of interest from Committee members relevant to the matters before it.

### **Reporting**

15. Minutes will be taken of each Committee meeting. The Committee will normally report back through its minutes to the Board after each meeting. The Chair of the Committee will present the minutes to the Board.

### **Sub Committees**

16. The Committees may establish sub groups for specific purposes. Any sub group will be constituted in line with the provisions for Board sub committees in the CCW Code of Governance.

### **Review**

17. These terms of reference form part of the CCW Code of Governance and will be reviewed each year when that document is reviewed,

## **Annex B (ii) - Terms of Reference : Audit and Risk Management Committee**

### **Background**

1. The Board has established an Audit and Risk Management Committee to support it in its responsibilities in terms of control, governance and risk management.

### **Membership**

2. The CCW Board makes appointments to the Committee. The Committee shall consist of at least three Board members one of whom shall be appointed by the Board to chair the committee.
3. Appointments to the Committee are for the period of the Member's appointment to the Board unless the Board makes any adjustments to the appointments. Committee membership is reviewed by the Board annually.

### **Role**

4. Promote the highest standards of propriety in the use of public funds by CCW, be satisfied that arrangements are in place to encourage efficiency, effectiveness, proper accountability and value for money for the use of those funds.
5. Advise the Board on anything that affects the financial health, probity or external reputation of the organisation.
6. Check that the system of internal controls at CCW complies with HMT requirements.
7. Check that the internal systems within the organisation promote a climate of financial discipline and internal control which will help reduce the opportunity for financial mismanagement, will satisfy the Board that it will achieve its key objectives and targets and that the organisation is operating in a manner that will make the most economic and effective use of resources available.
8. Check that CCW has a strategy in place to manage risk and the monitoring of the satisfactory operation of that strategy. Ensure that there is a process to identify key risks that threaten the achievement of CCW's objectives and that a register of these risks is maintained.
9. Satisfy itself that arrangements are in place to raise awareness of risk generally across CCW.

## **Responsibilities**

10. Seek to ensure the highest standards of financial stewardship, integrity and control in the use of public funds.
11. Provide assurance to the Board that CCW's internal controls are fit for purpose and meet relevant requirements.
12. Consider and review CCW's Annual Report and Accounts to check that they reflect best practice, comply with appropriate guidance and are produced in a timely manner.
13. Monitor and review CCW's risk policy and appetite and regularly consider its risk register.
14. Approve the appointment, fees and termination of employment of the Internal Audit service.
15. Approve the Internal Audit charter.
16. Approve the annual and long-term internal audit programme and any in-year changes to it. Consider internal audit reports arising from that programme and the Annual Internal Audit Report.
17. Review the annual external audit plan, consider the external audit report and management letters and ensure that the external auditor has the fullest co-operation of staff.
18. Oversee policies on fraud/financial irregularity and action taken under that policy.
19. Oversight of other areas including procurement and information governance.
20. Make any relevant recommendations to the Board so that it may be assured that the internal controls of the organisation are fit for purpose, effective and give value for money.
21. Consider any matters referred by the Board, Accounting Officer or the Head of Internal Audit [NOTE: at CCW this service is fulfilled by an external provider of internal audit services].

## **Access**

22. The Head of Internal Audit and the representative of external audit will have free and confidential access to the Chair of the Audit Committee.

## **Meetings**

23. The Committee shall meet a minimum of four times a year. The Committee Chair may call additional meetings if they consider this necessary.
24. The quorum for the Committee will be two members.
25. The Chair of the Board will not normally attend meetings of the Audit and Risk Management Committee but shall reserve the right to do so by invitation or on request.
26. Members of CCW staff appropriate to the matters to be discussed will attend meetings of the Committee to support it with its discussions.
27. Representatives of the NAO and the Internal Audit Services will normally be in attendance.
28. The Committee may ask any or all of those who normally attend meetings but who are not members of the Audit Committee to withdraw to facilitate open and frank discussions of particular matters.
29. The Committee will be provided with the opportunity to meet with the internal and/or external auditors, without members of staff present to discuss any issues of concern or interest.
30. The Committee may invite other individuals to attend a private meeting, for example to hear a particular stakeholder's view on a matter. The invitation may be for the whole meeting or for a specific item(s).
31. The agenda for each Committee meeting will include an item to enable it to receive and consider any declarations of interest from Committee members relevant to the matters before it.

## **Reporting**

32. Minutes will be taken of each Committee meeting. The Committee will normally report back through its minutes to the Board after each meeting. The Chair of the Committee will present the minutes to the Board.
33. The Audit Committee will provide the Accounting Officer and the Board with an Annual Report, timed to support the finalisation of the Annual Report and Accounts and the Governance Statement summarising the work it has carried out during the year.

**Review**

34. These terms of reference form part of the CCW Code of Governance and will be reviewed each year when that document is reviewed.

## **Annex B (iii) - Terms of Reference : Human Resources and Remuneration Committee**

### **Background**

1. The CCW Board has established a Human Resources and Remuneration Committee to support it and CCW on Human Resources (HR) and people matters.

### **Membership**

2. The CCW Board makes appointments to the Committee. The Committee shall consist of at least three non-Executive Board members, one of whom shall be appointed by the Board to Chair the committee.
3. Appointments to the Committee are for the period of the Member's appointment to the Board unless the Board makes any adjustments to the appointments. Committee membership is reviewed by the Board annually.

### **Role**

4. The role of the Committee is to provide strategic oversight and guidance on:-
  - HR and people matters at CCW
  - the initial appointment and ongoing performance management of the Chief Executive.

### **Responsibilities**

#### **Chief Executive**

5. In preparation for the advertisement for any new Chief Executive appointment:
  - review the remuneration policy for the role taking into account any comments received from Defra and any third party appointed to assist this process;
  - review the proposed terms and conditions; and
  - make recommendations for change for the above items as appropriate.
6. At the completion of the recruitment process for any new Chief Executive appointment:
  - Consider the recommendation of the recruitment panel for appointment to the position; and
  - Make a recommendation to the Board on this matter.
7. Each year, on the recommendation of the Chair:

- review and approve the performance objectives for the CEO for forthcoming year; and
- consider the outcome of the Chair's performance appraisal of the CEO for the previous year and approve any changes to the salary including, where appropriate, performance bonus.

#### Employees

8. Approve the outcome of the annual pay award process including the apportionment of performance related pay and any changes to pay bands.
9. Consider and provide strategic oversight and guidance on matters relating to employees including:
  - issues arising from the annual employee survey;
  - proposals for changes to staff terms and conditions;
  - proposals for redundancy and redeployment; and
  - the outcome of organisation wide job evaluation processes.

#### General

10. Provide oversight and guidance to HR and people matters at CCW including:
  - quarterly HR reporting including on Health and Safety, staff development and training, equality and diversity, recruitment and retention;
  - HR policies and their regular review;
  - gender pay gap monitoring; and
  - other matters that may arise during the course of business.
11. The Chief Executive or the Executive Head of Transformation, Strategy and People may seek the guidance of the Committee or the Committee Chair on matters falling within their respective areas of responsibility.

#### **Meetings**

12. The Committee will meet no less than twice a year and, if they consider a meeting necessary, at the request of the Chair of the Board, CEO or any member of the Committee.
13. The Committee Chair may call additional meetings as they consider necessary and invite external attendees and professional advisers if deemed necessary.
14. A quorum will be two members.

15. Members of CCW staff appropriate to the matters to be discussed will attend meetings of the Committee to support it with its discussions. Where an individual and/or their role is being reviewed they shall not be present for any discussion relating to their remuneration payments.
16. The Committee may ask any or all of those who are not members of the Committee, but normally attend its meetings, to withdraw from the meeting to facilitate open and frank discussion of particular matters.
17. The agenda for each Committee meeting will include an item to enable it to receive and consider any declarations of interest from Committee members relevant to the matters before it.

### **Reporting**

18. Minutes will be taken of each Committee meeting. The Committee will normally report back through its minutes to the Board after each meeting. The Chair of the Committee will present the minutes to the Board.

### **Sub Committees**

19. The Committees may establish sub groups for specific purposes. Any sub group will be constituted in line with the provisions for Board sub committees in the CCW Code of Governance.

### **Review**

20. These terms of reference form part of the CCW Code of Governance and will be reviewed each year when that document is reviewed.



## **Annex B (iv) - Terms of Reference : Industry Advisory Panel**

### **Background**

1. The CCW Board has established an Industry Advisory Panel to provide oversight of the Alternative Dispute Resolution (ADR) scheme in place at CCW (the Scheme). The Panel is constituted as a Committee of the CCW Board.

### **Membership**

2. The CCW Board makes appointments to the Panel which shall consist of: -
  - two independent members appointed by CCW, one of whom will be appointed to Chair the Panel;
  - one non-executive member of the CCW Board;
  - two representatives from the Water Industry (drawn from two of the following three types of organisations: a water and sewerage company, a water only company or a water retailer)
  - one representative from Ofwat
3. Appointments to the Panel are made for a period of 3 years or until the member leaves the organisation it is representing; whichever is sooner.

### **Role**

4. The role of the Panel is to provide strategic oversight and guidance of the Scheme.

### **Responsibilities**

5. To provide oversight of the performance of the Scheme and the ADR provider appointed to operate it.
6. To consider and advise on issues impacting the Scheme including matters arising from customer research.
7. Make recommendations for improvements to the scheme and future schemes.
8. Review the outcome of the annual consultation with scheme members and make any recommendations for change as a result of this.
9. The Panel will provide an annual report to the CCW Board summarising the work it has carried out during the preceding year. The Panel Chair will attend the Board meeting to present the report,

10. Where review points have been built into the contract for the Scheme make relevant recommendations to the Board.
11. To review other issues that relate to the Scheme at the request of the Board or management.

### **Meetings**

12. The Panel will meet no less than two times a year. The Chair of the Panel may call additional meetings they deem necessary or if they are requested to do so by CCW's Chair or Chief Executive.
13. A quorum will be three panel members one of whom should be an independent member and of whom should be a one water industry representative.
14. Members of CCW staff appropriate to the matters to be discussed will attend meetings of the Panel to support it with its discussions. The Panel may invite other individuals to attend meetings, for example to hear a particular stakeholder's point of view on a matter. The invitation may be for the entire meeting or for a specific item(s).
15. The Panel may ask any or all of those who are not members, but normally attend its meetings, to withdraw from the meeting to facilitate open and frank discussion of particular matters.
16. The agenda for each Panel meeting will include an item to enable it to receive and consider any declarations of interest from Panel members relevant to the matters before it.

### **Reporting**

17. Minutes will be taken of each Panel meeting. The Panel will normally report back through its minutes to the CCW Board after each meeting. The CCW representative on the Panel will present the minutes to the Board. Panel members representing the industry/other organisations may use the minutes for their reporting purposes but should otherwise keep the business of the Panel confidential.

### **Review**

18. These terms of reference form part of the CCW Code of Governance and will be reviewed each year when that document is reviewed.

## **Annex C - Matters Reserved to the CCW Board**

The following matters are reserved to the Board for decision.

### **1 Policy/Strategy**

- (i) Development and approval of CCW strategy, campaign areas and Forward Work Programme.
- (ii) Approval of major items of CCW policy/strategy and any changes to these particularly:-
  - the strategic approach and principles underpinning CCW's work to influence price reviews
  - strategic approach to the management of customer complaints
  - oversight of markets and competition
  - oversight of CCW's work to monitor charges
  - monitoring the application of the escalation framework
- (iii) Approval of the annual programme of research and consultancy work
- (iv) Approval of the principles that underpin matters of strategic importance that require public consultation and decisions arising from that consultation

### **2 Organisational/Management**

- (i) Agreement of CCW's annual budget and Licence Fee and any material changes to it [NOTE: the budget is subject to subsequent approval by Defra and Welsh Government]
- (ii) The appointment or dismissal of the Chief Executive
- (iii) Decision to make a 'supercomplaint' under section 11 of the Enterprise Act 2002
- (iv) Decision to commence or defend significant litigation
- (v) Approval of major changes to CCW's structure, for example significant reorganisation
- (vi) Review of performance against CCW's strategy, forward look and budget
- (vii) General oversight of the discharge of CCW's business by the Executive.

### **3 Contractual and third party obligations**

- (i) Approval of a statutory memorandum of understanding or formal agreement of strategic importance with a third party

### **4 Financial reporting/control**

- (i) Approval of the Annual Report and Accounts.

- (ii) approval of business cases for work valued over £100k that commit CCW to multi-year or novel/contentions spend. NOTE: spend over £1m requires approval from Defra Finance

## **5 Board/Committee matters**

- (i) Appointment or removal of the Deputy Chair (if the Board determines that this appointment is necessary)
- (ii) Establishing or abolishing a permanent or time limited Board Committee.
- (iii) Approval of the Terms of Reference for the Regional/Wales Committees including:-
  - the determination of 'any other purposes' for England and Wales Committees; and
  - the allocation of statutory undertakers to the appropriate Committee.
- (iv) Approval of the Terms of Reference for any permanent Board Committees established

## **6 Governance**

- (i) Undertaking regular reviews of the performance of the Board and Board Committees
- (ii) Annual Review of the Code of Governance including this schedule of matters reserved for Board decision

## **7 Statutory**

- (i) Anything that is by law reserved to the Board

NOTE: for the avoidance of doubt, those matters that are not identified in the list above are delegated to the Chief Executive who will make further delegations in line with the delegation section of the Code of Governance. This does not preclude matters delegated being referred to the Board for consultation or decision if the Chief Executive considers this appropriate.

## **Annex D - Procedure for Electronic Business**

The Board Secretary will manage the process for electronic business set out below:-

1. Papers will be produced for all items of electronic business clearly setting out the recommendations to the Board and options considered together with any supporting analysis necessary.
2. The Board Secretary will agree with the author of the paper a timeline for the decision to be taken. This will include sufficient time for the Board to read the report, seek clarification on the issues raised and to confirm their decision on the recommendations in the report.
3. The Board Secretary will circulate the report to the Board electronically and set out the timeline at 2 above. Questions or points of clarification should be directed to the Board Secretary who will arrange for a response to be drafted and circulated to all Board members in line with the agreed timeline.
4. Board members should confirm their decision on the recommendations in the report by the deadline indicated in the timeline. Once this deadline has passed, the Board Secretary will confirm to the Board and report author the Board's decision.
5. In order for a recommendation to be approved:-
  - a response must be received from at least 50 per cent of the Board members appointed at that time; when calculating this figure any fractions should be rounded down; and
  - a majority of the responses received must be in favour of the recommendation.

[these voting arrangements are in line with the quorum for a Board meeting set out at paragraph 16 of the Rules of Procedure for meetings of the Board]

## Annex E Code of Practice for Members of CCW

### Introduction

1. This document sets out a code of practice for Board Members. Board Members must observe the code whenever they conduct Board business or act as a representative of it. This document supplements the Code of Conduct for Board Members of Public Bodies published by the Cabinet Office that can be viewed at <https://www.gov.uk/government/publications/code-of-conduct-for-board-members-of-public-bodies>

### Public service values and behaviours

2. The Board will in its activities and actions at all time:-
  - observe the highest standards of propriety through impartiality, integrity and objectivity in relation to the stewardship of public funds and the strategic leadership of CCW
  - maximise value for money by checking that CCW's functions are delivered in the most economical, efficient and effective way, within available resources and with independent validation of performance where appropriate
  - be accountable to Parliament and Welsh Government for the activities of CCW, its stewardship of public funds and the extent to which key performance targets and objectives have been met
  - carry out its functions transparently and to follow best practice
3. The Board endorses and abides by the seven principles of public life as set out by the Committee on Standards in Public Life (the Nolan Committee), the 12 Principles of Governance for all Public Body NEDs and the agreed CCW Board principles set out at Appendix 1 (parts A to C) to this Code of Practice.
4. Board members are also expected to observe CCW's values:-

**Positive energy:** energy, enthusiastic, active, 'can-do'

*We exude positive energy and attitude in meetings, even when difficult issues are being discussed. We recognise and celebrate success and balance our challenge with support.*

**Respect for all:** inclusivity, uniqueness, celebrate, valuing

*We show a genuine interest in the work of CCW and the team. We respect people's experience and individual differences and give everyone the chance to be heard - enquiring not judging. We understand our role and the role of the Leadership team and respect the differences. We are prepared to challenge – and be challenged – with respect and positivity.*

**Innovative spirit:** bravery, creative thinking, seeking, collaborate

*We openly share our own experiences to help others learn, encouraging continual improvement and embracing lessons learned when things don't go to plan. We encourage creative thinking and seek to understand how ideas have been developed.*

**Deliver our promises:** commitment, responsibility, accountability, integrity

*We show commitment to CCW, to our strategy, agreed behaviours and to each other. We behave with integrity and always seek to do what we say we are going to do, putting the best interests of CCW first.*

**Engaged as one:** team, together, clear goals

*We lead by example and take collective ownership of CCW's strategy. We seek to understand each other's perspectives practice open enquiry and collaborate with the best interest of CCW at heart.*

### **Conflicts of interest**

5. All Board Members must declare any personal or business interests which may conflict, or could be perceived to conflict, with their responsibilities as Members of the Board.

### Register of interests

6. The Board Secretary shall maintain a Register of Board Member's financial personal, business or political interests which may conflict with their responsibilities as Board Members. The purpose of the register is to ensure transparency in relation to any interests of Board Members, or of their spouses, partners and dependent children, that have the potential, or might be perceived as having the potential, to give rise to a conflict of interest.
7. The Register which shall be a public document and shall be reviewed from time to time to ensure that it remains accurate and up to date. Extracts from the Register will be published on CCW's website.
8. It is the duty of each Board Member to declare to the Board Secretary any matter that is required to be included in the Register. If a Board Member is in doubt as to whether a particular matter should be declared, they should declare it and the Board Secretary (in consultation with the Chair where appropriate) shall decide if it should be included in the Register.
9. A Board Member shall make a declaration of interests for the purposes of the Register immediately upon taking up appointment as a Board Member, and shall subsequently declare any new matter that is required to be included on the Register as soon as possible after it arises.

10. Board Members may be required at any time to confirm to the Board Secretary that their current entries in the Register are accurate and up to date and the Board Secretary will ask them to do this at least once every year.

Declarations of conflicts of interest at meetings of the Board

11. Before any item is discussed at a Board Meeting Board Members must disclose any conflict of interest that they believe may arise in relation to that item. If a Board Member is in any doubt as to whether a particular matter constitutes a conflict of interest that should be disclosed they should disclose it.
12. Arrangements for dealing with conflicts of interest made at Board meetings are set out in the Procedure rules for meetings of the Board that form part of the Code of Governance.

**Business Appointments**

During your term on the CCW Board

13. A Board Member who is considering applying for an additional role(s) during their term on the CCW Board, where there may be a potential conflict of interest, is advised to discuss the matter with the Chair before any application is made. The Chair should be updated on the outcome of that process and the Board Member's entry in the Register of Interests updated at the earliest opportunity.
14. When considering whether to apply for a role Board members should consider any potential conflicts of interest that may arise as a result of a the role they are applying for, and, if these are likely to arise, how they might be managed. If the management of a conflict of interest would impact on the ability of the member to fulfil their CCW role effectively, for example if a Board Member would be required to recuse themselves from a significant proportion of CCW business, the Board Member should consider not applying for the role or resigning their CCW role should they be offered the new role.

After leaving the CCW Board

15. When considering whether to take up a role in the water sector after their term of office with CCW ends, Board members should be conscious of the:-
- potential public perception of 'revolving doors' between public bodies and organisations those bodies work with; and
  - potential reputational impact on CCW of any future appointment.
16. In the event that a board member is considering applying for a role within 6 months of their term on the CCW Board ending, with an organisation that has connections with CCW or about which that they have had access to



commercially sensitive information during their term at CCW, they are advised to:-

- discuss this with the CCW Chair before applying; and
- update the Chair on the outcome of the process.

17. The Chair may seek the views of Defra and/or the Chief Executive on this matter. In the event that the Board member takes up a position during the period the CCW Board will be advised.

### **Gifts and hospitality**

18. All Board members should comply with rules on the acceptance of gifts and hospitality set out at Appendix 2 to this Code of Practice.

### **Whistleblowing**

19. CCW takes Whistleblowing seriously and a Whistleblowing Policy is contained in the CCW Staff Handbook and on its intranet. The policy applies to everyone engaged in CCW activities.
20. If an individual has a concern regarding malpractice or impropriety, they can raise it via several routes. They can report the allegation verbally or in writing to their line manager if appropriate. Alternatively, the allegation can be raised with a member of staff in HR or, the individual may write directly to the Chief Executive. If the matter concerns malpractice or impropriety where the Chief Executive is not considered an appropriate person by the individual considering the disclosure, the Chair of the Audit and Risk Management Committee can be contacted.
21. Paragraphs 14 and 15 above are extracted from the full Whistleblowing Policy that is available to view on the CCW intranet.

### **Evidence to Select Committees**

22. The Environmental, Food and Rural Affairs Select Committee (EFRA) has an important role in examining the expenditure, administration of CCW. The Government fully supports this role. Lords Committees and other Committees may also seek evidence from the CCW from time to time. It is unlikely that Board members will be required to appear before a Select Committee but if this should be required CCW will provide support to the Board member.

## **Appendix 1 – Public Service Values and Behaviours**

### **(A) Seven Principles of Public Life**

**1. Selflessness**

Holders of public office should act solely in terms of the public interest.

**2. Integrity**

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

**3. Objectivity**

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

**4. Accountability**

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

**5. Openness**

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

**6. Honesty**

Holders of public office should be truthful.

**7. Leadership**

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

## **(B) 12 Principles of Governance for all Public Body NEDs**

As a NED of a public body you should be expected to act in an independent manner bringing expertise, scrutiny and challenge and support to your organisation.

You are bound by the Code of Conduct for Board Members of Public Bodies, which covers your conduct in the role and includes the Nolan Principles of Public Life.

NEDs on Public Bodies should demonstrate the following 12 qualities.

### **1. Expertise**

- Consider and act in the best interests of your organisation and its objectives; delivering the outcomes expected by your sponsor department, ministers and ultimately the public.
- Consider the broader mission and duties of your sponsoring Secretary of State, his or her Department and the Government.
- Ensure compliance with statutory duties and the organisation's Framework Document and act within its powers.
- Exercise reasonable care, skill and diligence in the exercise of their authority and judgement.

### **2. Scrutiny and challenge**

- Maintain independence from the executive to allow scrutiny of management and in meetings agree goals and objectives, and monitor performance and the reporting of performance so that the public who use your organisation receive a high quality service.
- Satisfy yourself on the integrity of budget setting to deliver objectives and financial information and reporting against budgets, and that financial controls and systems of risk management are robust and defensible. Meet the requirements of Managing Public Money, including supporting the Accounting Officer in fulfilling their duties to provide propriety and value for money in the use of public funds.
- Champion high standards of risk management by ensuring your organisation has effective risk reporting, controls and governance, risk expertise and risk tolerances to effectively manage risk.
- Represent your organisation to the department and to Ministers, as well as ensuring Ministers' views are considered by the executive team of the organisation, as appropriate.

### 3. **Support**

- Support the board in succession planning and be prepared to put yourself up for re-appointment, as well as promoting the need for a diverse board.
- Participate in and promote regular reviews of your organisation, as well as the board's own effectiveness, with particular focus on the organisation's purposes and its efficiency in meeting these purposes. Engage in the appraisal process, including self-reflection on your own abilities.
- Listen carefully to, ask appropriate questions of and support management to encourage discussion in a manner that promotes a culture where all perspectives are listened to, while fulfilling the individual Director's duties and responsibilities and respecting and valuing the expertise of the executive team.
- Promote the success of the entity having regard to the interests of all members and stakeholders, and all risks.



The voice for water consumers  
Llais defnyddwyr dŵr

## Board principles

Maintaining independence to the Executive  
to provide assurance that the public and  
stakeholders receive a high-quality service  
by ensuring:



The effectiveness of the  
strategy



Resources to deliver the  
strategy



Measurement of impact  
and value (now and in the  
future)



Leadership that enables  
CCW culture to thrive



## Appendix 2 -- Gifts and Hospitality Policy

### Introduction

1. Board Members, Consumer Advocates and Employees are all required to abide by the Seven Principles of Public Life – Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership. To ensure that CCW avoids any accusation of capture or impropriety and to protect its reputation all Board Members, Consumer Advocates and Employees are expected to adopt very high standards of personal integrity.
2. This Policy sets out how and when it may be acceptable to accept gifts or hospitality and when and how these should be declared.
3. The guiding principles governing the acceptance of gifts and hospitality are that:-
  - The conduct of Board Members, Consumer Advocates and Employees should not foster suspicion of any conflict between their official duties and personal interests or advantage
  - Board Members, Consumer Advocates and Employees should not accept a gift, reward or hospitality which would or might:-
    - appear to place them under any obligation to the giver
    - compromise their impartiality
    - be improper
    - be more frequent or regular than would be regarded as normal or reasonable, taking into account the nature and value of the item
4. The Civil Service Code applies to employees and states that they must not  
  
“accept gifts or hospitality or receive other benefits from anyone which might reasonably be seen to compromise your personal judgement or integrity”
5. The principles that follow are not intended to stop Board Members, Consumer Advocates or Employees accepting an isolated gift of a trivial nature, such as a diary or calendar or lunch during the course of an official visit.

## **Acceptance of gifts**

6. Gifts are categorised into three broad groups:-
- (A) **That cannot be accepted:** Gifts that might be perceived to have been offered to compromise personal judgement and integrity should not be accepted. These gifts will usually be high value items or hospitality. Offers of cash or cash equivalent items may not be accepted. The offer and refusal of items falling into this category should be recorded in the Gifts and Hospitality Register (the register).
  - (B) **That can be accepted but will normally be raffled or shared:** Lower value items with an estimated value below £25. These may be accepted and will normally be raffled and the proceeds donated to WaterAid or another agreed registered charity. In the case of perishable items, these may be shared with colleagues. Items that might be difficult to refuse, for example if given by an international delegation or in return for speaking at a conference, may also be accepted. Where suitable, these may also be raffled and the proceeds donated to charity. Offers of this type should be recorded in the register whether or not they are accepted.
  - (C) **That can be accepted and retained by the individual:** Smaller gifts, for example low value marketing items often handed out at conferences such as pens, mugs and diaries may be accepted and retained by the individual. If these items are low value, less than £10, they do not need to be recorded in the register. Items with a higher estimated value should be recorded in the register.
7. Examples of gifts falling under the categories above and the appropriate action are at Attachment A to this policy.

## **Awards and prizes**

8. Board Members, Consumer Advocates and Employees should inform their Line Manager if they are approached by an outside organisation offering an award or prize connected with their official duty. The Line Manager's approval should be obtained before any such award is accepted. The Line Manager will bear in mind propriety and risk of public criticism when considering whether the award or prize can be accepted.
9. Provided that the award or prize is offered in recognition of personal contribution or achievement and could not be construed as a gift, inducement or payment, the Line Manager will normally allow the award or prize to be accepted.

### **Invitations to conferences**

10. Complimentary invitations to attend conferences may be accepted provided there is a clear link to CCW's business and the role of the individual accepting the invitation. Where conferences are scheduled over more than one day complimentary overnight accommodation should only be accepted that is not lavish and where it will not :-
  - create a potential conflict of interest for CCW, for example if it were funded by an organisation seeking to enter into a contractual relationship with CCW;
  - create any obligation for CCW to the donor; and
  - compromise CCW's independence or otherwise be improper
11. Line Manager approval should be sought before any invitation is accepted. The acceptance of the invitation should be recorded in the gifts and hospitality register. Individuals attending conferences of this type should share what they heard/learned at the event with their team.

### **Hospitality**

11. Hospitality received in the normal course of business, such as reasonable refreshments or a working lunch at a meeting with an estimated value within the relevant amounts permitted in our Travel & Subsistence Policy, can be accepted and does not need to be recorded in the register.
12. Formal hospitality, for example formal dinners at conferences or drinks receptions organised by a stakeholder, may be accepted but must be recorded in the register. There should be a valid business reason for hospitality of this type to be accepted and Line Manager approval should be sought before any acceptance is made.

### **Gifts and Hospitality Register**

13. The Gifts and Hospitality Register is maintained by the Board Secretary and their advice should be sought if there is any uncertainty on how a gift or hospitality should be treated. Details of the information to be recorded in the register are at Attachment B to this policy. The register is available for public inspection during normal office hours and will be published on the CCW website at the end of each financial year.

### **Procurement**

14. If a member of staff is involved in a procurement process they should not accept any gift or hospitality from an organisation seeking to supply the service or goods being procured. Reasonable hospitality, such as refreshments or a working lunch, may be accepted when visiting suppliers'



premises as part of the procurement process provided this is in line with paragraph 11 above. Any action taken to accept or refuse a gift or hospitality in this situation should be recorded in the Register.

### **Entertainment/hospitality offered by CCW**

15. CCW does not normally offer entertainment or hospitality other than that provided in the normal course of business such as reasonable refreshments or a working lunch. Hospitality of this nature does not need to be recorded in the register.
16. On occasion senior employees may be required to entertain stakeholders or visitors on official business. If the costs for this entertainment are within the rules and cost limits set out in our Travel & Subsistence Policy, the hospitality does not need to be recorded in the register.
17. Where entertainment or hospitality will exceed the cost limits set out in our Travel & Subsistence Policy or may be considered novel or contentious, the prior approval of the Chief Executive or in their absence the Executive Head of Business Services is required and details of the hospitality, including this approval recorded in the register.
18. CCW would not normally give any gifts. If a situation arises where it is considered appropriate to give a gift prior approval to do so must be sought from the Chief Executive, or in their absence the Executive Head of Business Services, before any expenditure is incurred. The actions should be recorded in the Gifts and Hospitality register.

### **Review**

19. This policy will be reviewed at least once in every three year period.

### **Attachments**

Attachment A	Categorisation of Gifts and Hospitality
Attachment B	Information required for Gifts and Hospitality Register

Categorisation of gifts and hospitality

Category	Example	Action
<p><u>A. Do not accept</u></p> <p>High value gifts that could be perceived to have been offered to compromise personal judgement and integrity.</p> <p>Offers of cash or cash equivalent items.</p>	<ul style="list-style-type: none"> <li>• luxury food hamper</li> <li>• ticket to sporting event</li> <li>• holiday</li> <li>• gift vouchers/ discounts</li> </ul>	<p>Politely refuse the offer and record the action in the Gifts and Hospitality Register</p>
<p><u>B. May be accepted but will normally be raffled or shared</u></p> <p>Gifts usually less than £25 in value or which may be difficult to refuse, for example from an international delegation.</p>	<ul style="list-style-type: none"> <li>• bottle of wine</li> <li>• flowers</li> <li>• chocolate</li> <li>• CD</li> </ul>	<p>Gift may be accepted and should be recorded in the Gifts and Hospitality Register.</p> <p>If appropriate gifts will be raffled and the proceeds donated to WaterAid or another agreed charity.</p> <p>Perishable gifts, e.g. flowers or chocolates may be retained and should be displayed in the office or shared with colleagues, where possible.</p> <p>Gifts from international delegations which are not perishable and which would be inappropriate or unsuitable for a raffle for charity, will be retained centrally and displayed in the office where appropriate.</p>

<p><u>C. May be accepted and retained by the individual.</u></p> <p>Low value items such as marketing gifts at conferences valued at less than £10. Items of this type valued at over £10 should be treated as category B gifts.</p>	<ul style="list-style-type: none"> <li>• Pens</li> <li>• key-rings</li> <li>• mugs</li> <li>• notebooks</li> </ul>	<p>Gift may be accepted and retained by the individual. Gifts of this type do not need to be recorded in the Gifts and Hospitality Register.</p>
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**Attachment B**Sample gifts and hospitality register – offers to CCW

<b>Date of entry</b>	<b>Person offered gift/hospitality</b>	<b>Organisation offering gift/hospitality</b>	<b>Detail of gift/hospitality</b>	<b>Approximate value</b>	<b>Line Manager approval required and received?</b>	<b>Accepted/declined</b>

Sample gifts and hospitality register – offers by CCW

<b>Date of entry</b>	<b>Person offering gift/hospitality</b>	<b>Gift/hospitality offered to</b>	<b>Detail of gift/hospitality</b>	<b>Value</b>	<b>Date of approval and by whom</b>