
Consumer Council for Water

Annual Report and Accounts 2022-23

For the year ended 31 March 2023

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For the period 1st April 2022 to 31st March 2023

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PERFORMANCE REPORT

Chief Executive's Statement

From the record-breaking drought to the deepening cost-of-living crisis - the water sector found itself immersed in some of the biggest challenges to confront England and Wales during 2022-23. CCW faced down these challenges on behalf of consumers with the positive energy and collaborative spirit that has come to characterise our work and people. That was rarely more apparent than in the summer of 2022 as England and Wales endured one of the hottest and driest prolonged spells of weather in living memory.

Few corners of the country escaped drought, with six water companies introducing hosepipe restrictions. CCW quickly redeployed its resources to position itself at the forefront of keeping communities informed about the impact drought was having on the environment and their lives. We produced a plethora of new resources - from explainer videos and factsheets to the launch of a new weekly podcast - to ensure people had access to clear and consistent facts on drought and the value of saving water. Our messages were amplified through more than 1,500 pieces of media coverage during July and August 2022 alone.

Our advice on saving water, energy and money during the drought linked seamlessly to our wider efforts to help households buckling under the weight of cost-of-living pressures - fuelled by soaring inflation and the growing cost of essentials. Our research¹ revealed that more than half of households had seen their finances worsen over the past year.

CCW's focus remains on bringing immediate relief and long-term security to households that struggle to afford their water bill. We've seen good progress through our collaborative work with companies, which have now adopted the majority of the recommendations from our 2021 independent review of water affordability. Our Help with Bills hub – packed with tips, online tools and advice – also continued to attract unprecedented numbers of visitors as we redoubled our efforts to raise awareness of existing support. From the start of December 2022 to the end of February 2023 our bill support pages were visited almost 60,000 times – compared to just under 12,500 during the same period the previous year. But as a sector we must go further.

People want water companies to enhance the environment and the resilience of our water and sewerage services so they are fit for the future. That will require significant investment that will heap more pressure on water bills. This means it has never been more important to ensure a robust safety net is in place to support people who would otherwise find it difficult to pay their bills. The current postcode lottery of water company support schemes is unfair and unsustainable.

It remains CCW's view that a single social tariff – funded through a central pot – would provide a sustainable and fairer long-term solution, looking after the most financially vulnerable households while unlocking the potential for investment.

It will take that same commitment for the sector to rebuild the trust of consumers. It has become increasingly apparent through our research and conversations with the thousands of customers we help to resolve complaints that trust in water companies is extremely fragile. That is particularly true when it comes to the sector's relationship with the environment.

Restoring trust is imperative if the industry is going to remain legitimate in the eyes of the communities it serves. Investing in improvements to services and the environment will be central to this but so is the need for greater transparency over environmental performance and a shift in the culture of water companies. We're leading efforts to address this through helping companies understand how they can develop a culture that is focused on people and strengthening relationships with their customers.

¹ [Water Matters 2022 - CCW](#)

Business customers also came into major focus over the last year. To fully understand the experiences of businesses customers in the water retail market, we carried out an extensive review of all the data available to us over the last five years since the water market fully opened in 2017, enabling businesses to choose and change who supplies that water and sewerage retail service. Our review made it clear that the water retail market is not delivering benefits for the vast majority of businesses, with many showing little interest in engaging. We set out a series of recommendations for what needs to change, by when, and who we need to work with to make things happen, to the benefit of businesses for the next two years and beyond.

Statement of purpose, objectives and activities of CCW

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

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

Statutory functions of CCW

CCW is a non-departmental public body (NDPB) in England and a statutory body in Wales, sponsored by Defra. We are a small team of around 76 employees based across England and Wales. 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 CCW 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 CCW some additional responsibilities, which involve being consulted on:

- 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
- 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. CCW 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 CCW 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 CCW and of its income and expenditure, statement of financial position and cash flows for the financial year.

Performance Summary

Some of the headline achievements from CCW's performance during 2022-23 included:

- We resolved over 13,000 customer complaints and enquiries about water companies and retailers in 2022-23. We also handled over 40,000 telephone calls from people requesting support, advice and complaint escalation.
- We secured **more than £914,000 in compensation and financial redress** for customers. This brings the total amount we have helped return to household and non-household customers to **£36 million** since we were established in 2005.
- Our 'One-Year On' affordability review progress report revealed the huge strides taken towards improving help for financially vulnerable households since the publication of our 2021 recommendations. **Six out of ten of our key recommendations had been fully or largely implemented.**
- Progress on our review recommendations included all water companies making financial support more visible on bills; Ofwat revising its debt guidance and beginning the process to establish a new customer-focused licence condition; holistic debt advice and benefit entitlement checks being offered by almost all companies and all companies agreeing to adopt common descriptors for support schemes so they are more understandable for people and agencies supporting struggling customers.
- We created a new online [advice hub](#) as part of our efforts to bolster awareness of existing financial support for households struggling with bills. Our advice pages featured repeatedly in the media and were linked to the Government's Help for Households cost-of-living support pages.
- We joined forces with Water UK to launch a collaborative campaign called Support on Tap to drive more referrals to our [bills advice hub](#). The campaign ran through the winter and utilised a host of new awareness-raising materials, including an animated film. The campaign helped to draw unprecedented numbers of visitors to our financial support pages. From the start of December 2022 to the end of February 2023 these pages were visited almost 60,000 times – compared to just under 12,500 during the same period in the previous year.
- Visitors to our website took advantage of our online tools including the [Benefits Calculator](#) and [Grant Search Tool](#), supplied to us by poverty relief charity Turn2Us. These enable people to discover whether they are entitled to further welfare benefits or assistance through grants. **In 2022-23, 6,392 people used the Benefits Calculator and identified that they may be eligible for annual benefits totalling more than £50 million.** This marked an extraordinary increase on the previous year's figure of £7 million.
- Our most popular online tool remained our [water meter calculator](#) which **attracted over 264,000 visitors** to see if they could save water and money by switching to a meter. The calculator identified potential **savings for households totalling almost £22 million.** It received repeated high-profile mentions in the media, including from Money Saving Expert Martin Lewis.
- We published the findings of an in-depth [five-year review](#) of business customers' experiences of the water retail market in England. The report combined detailed analysis of performance data with businesses' real-life experiences of the market based on extensive research and direct liaison with businesses. A series of recommendations have been put forward for the next two years, including steps to tackle inaccurate billing, address poor data quality and improve customer protections.
- In March 2023 we launched our new website – www.ccw.org.uk – with improved navigation and accessibility and a design that better reflects our brand and values. The website features an About Us video that brings to life CCW's people, purpose and priorities. Overall **our website attracted 678,000 visitors in 2022-23** – up from more than 400,000 during the previous 12 months.
- Our profile in the media scaled new heights as we **featured in more than 4,500 individual pieces of media coverage across print, broadcast and online.** This reached a peak in the summer of 2022 as we positioned ourselves among the leading sources of advice for people on the record-breaking drought.

Performance Analysis

CCW remained a powerful advocate and influential voice for all water consumers during 2022-23. We played a leading role in ensuring consumers' views and priorities helped to shape key regulatory and policy-making decisions. Our key performance indicators were set out in our Delivery Plan for 2022-23. This performance analysis shows how we achieved our measures of success for each strand of work.

As part of our Forward Work Programme for 2022-23, we set out our mission to ensure people were well-informed, treated fairly and had confidence in their water services. To help deliver our mission, we focused on four long-term areas of work:

1. Affordability and vulnerability
2. People and the environment
3. Customer complaints journey
4. Business customers

Flowing out of these main areas of work were four campaigns that reflected the changing needs of both household consumers and business customers.

The key campaigns we focused on were:

- End Water Poverty
- Don't let people suffer in silence
- End sewer flooding misery
- Credit where it's due

A more detailed summary of our performance on each of these campaigns is set out below.

END WATER POVERTY

There was little sign of the cost-of-living crisis easing during the year as soaring inflation levels continued to fuel an increase in the cost of essentials. This was reflected in water where one in five customers said they were struggling to pay their water bill, according to research from the regulator Ofwat. More than half of households (53%) told us their finances had got worse over the previous year. These pressures appeared to be particularly acute among households with a disabled occupant.

Ensuring more households received financial support

The deepening financial pressures facing households made it even more imperative that the support provided by water companies was both strengthened and reached those most in need of help.

The number of customers supported by companies' social tariffs continued to rise in 2022-23. By the end of the year, almost 1.4 million customers were receiving reduced water bills through these schemes. This marked a 19 per cent increase from the previous year (figures include double counting where customers are supported by separate water and sewerage companies).

Take up of another support scheme called WaterSure also rose during 2022-23. This tariff 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 three or more children for whom child benefit is received. About 220,500 metered customers are now registered for this scheme across England and Wales. Just over 9 per cent of these metered customers are supplied by companies in Wales. Additionally, Welsh Water also provided 12,770 unmetered customers with support through the legacy of its previous Welsh Water Assist Scheme.

Piloting change and improving support

Our [independent review of water affordability](#) in 2021 laid bare the extent of water poverty in England and Wales, while providing a roadmap to tackling the problem. Since its publication we've been working with water companies and stakeholders to implement the review's recommendations. Ten water companies road-tested nine of our recommended actions across 12 pilot schemes.

Our [‘One-Year On’ progress report](#) published during the summer of 2022 revealed that huge strides had been taken towards improving help for thousands of households since the review. Six out of our ten key recommendations had been fully or largely implemented. This progress included:

- All companies making financial support advice more visible on customers’ bills
- The sector committing to embed inclusive service delivery, to be achieved by all water companies working to achieve British or international accreditation
- Ofwat revising its debt guidance while also starting the process to establish a new customer-focused licence condition
- All companies committing to highlight financial support options to customers joining their Priority Services Register schemes that support people in vulnerable circumstances
- Holistic debt advice and benefit entitlement checks now being provided by almost all water companies
- Companies agreeing to adopt common descriptors for support schemes to help make them more understandable for people who need help and those organisations that assist them in accessing it

We continued to work with the industry to ensure the review’s recommendations were implemented and that emerging good practice was shared and adopted. We brought companies and other stakeholders together through two events during 2022-23 to support these efforts.

Ending the postcode lottery of support

One of the central recommendations of our review was the creation of a single social tariff for England and Wales. This could provide fair and consistent support for people struggling to afford their water bills. It would replace the current postcode lottery where people’s eligibility for help and the level of support they receive can vary considerably depending on where they live.

Throughout the year we made the case for change through our End Water Poverty campaign. Our case was strengthened by research CCW published in April 2022 – [Water Affordability Scheme Funding](#). It showed that three-quarters of water customers agreed that low-income households should receive help if they struggle to afford their bills. Crucially, it also revealed that around two-thirds of customers would favour any contribution they made to support being put towards helping people who need it most, wherever they live.

Our [Voices of Water Poverty](#) video helped our campaign to sustain momentum by powerfully bringing to life the very real experiences of people struggling to afford essentials including water.

Behind the scenes we were pleased to have the opportunity to work with Defra, the Welsh Government, water companies and other stakeholders to take forward work to explore the potential implementation of a new affordability scheme. However, with no prospect of changes to legislation on the horizon, we’ve instead focused our attention on bringing together companies to explore other ways of improving the fairness and baseline of financial support. Work on this is continuing and we hope it will lead to meaningful change in the coming months.

Support on tap

Our efforts to raise awareness of existing financial support remained a key focus of our work, as a growing number of households wrestled with cost-of-living challenges. During the year we redesigned our website support pages to make it easier and more accessible for people to find advice on financial and practical support. This resulted in the creation of a new [online advice hub](#) with a link to it included on the Government’s Help for Households cost-of-living support pages.

During the late autumn and winter we joined forces with Water UK to launch a collaborative campaign called Support on Tap. Our shared objective was to raise awareness of the financial support offered by water companies and drive more referrals to our online advice hub. We created a host of new social media content, including an

animated film encouraging people to come forward and ask for help. The campaign also featured on radio and in newspaper advertisements with paid social media activity targeting areas of high deprivation.

The campaign helped to draw unprecedented numbers of visitors to our financial support pages. From the start of December 2022 to the end of February 2023 these pages were visited almost 60,000 times – compared to just under 12,500 during the same period the previous year.

Many visitors took advantage of our online tools including the [Benefits Calculator](#) and [Grant Search Tool](#), supplied to us by poverty relief charity Turn2Us. These enable people to discover whether they are entitled to further welfare benefits or assistance through grants. In 2022-23, 6,392 consumers used the Benefits Calculator and identified that they may be eligible for annual benefits totaling more than £50 million. This marked an extraordinary increase on the previous year's figure of £7 million. Growing awareness of our support hub and an increase in the number of people needing financial help is likely to have driven this rise in users.

Wider support for people in vulnerable circumstances

The barriers to support extend beyond those households in need of financial help. Often people with other more practical needs due to their vulnerable circumstances miss out on the assistance their water company can provide. They may simply be unaware help is available or find it difficult to access, perhaps due to a complex application process or because of practical or emotional barriers they face.

Consequently, 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. This support is primarily accessed through companies' Priority Services Registers. These provide free extra support to customers who need additional help in accessing their company's services. Crucially, they also help to ensure additional assistance is provided to people in vulnerable circumstances when there is disruption to the water supply.

We continued to see positive growth in the number of people registering for priority services. This number doubled during 2022-23, with more than 2 million customers now registered with their company. There is still a great deal more work to be done though with our [Water Matters research](#) showing fewer than half (47%) of people are aware of the additional support their company can offer.

The sweltering summer meant additional guidance was also needed to ensure people knew how to keep themselves safe. We provided information on the needs of people in vulnerable circumstances and the support that was available from their water company, which was incorporated into the UKHSA/DHSC Office for Health Improvements and Disparities Summer 2022 advice.

DON'T LET PEOPLE SUFFER IN SILENCE

We know that repeated low pressure problems and supply interruptions are impacting tens of thousands of customers every year.

Water companies are working hard to address these issues but we are not confident that the industry is engaging effectively or consistently with the worst served water customers. That means many companies may not be able to accurately identify customers that suffer repeat supply issues.

Our 'Don't let People Suffer in Silence' campaign aimed to help rectify this through understanding and removing the barriers preventing people from seeking help. This included working with companies to agree an effective and consistent framework for recording contacts about low pressure and supply interruptions, with a specific focus on repeat contacts.

Through a combination of research, community work and insights from complaints we produced a [report](#) that outlined the top five things stopping people from speaking up about supply issues. It revealed that many customers are often not fully aware of what they can expect when they encounter supply problems. We often see private issues being raised as a complaint, with the details, including ownership of pipework not being clearly explained to customers by companies.

We also found incidents where a relatively straightforward complaint about water pressure had taken a long time to resolve due to an absence of case management, with some water companies not even visiting a property to investigate.

On the back of this work we've created a best practice framework for repeat victims of supply issues that we want to see all companies sign up to.

Overall the majority of companies have responded positively to our campaign through either adopting our recommendations or putting in place a timescale for them to be implemented.

We will be checking in with all companies over the coming year to ensure that this work continues and customers who are speaking up about supply issues receive consistently high standards of service.

We've also created a [dedicated page](#) on our website which provides clear and accurate information on low pressure and supply interruptions so people have a better understanding of their rights.

END SEWER FLOODING MISERY

In 2021, we launched the 'End Sewer Flooding Misery' campaign to improve the standards of support and compensation for those who experience repeated sewer flooding. We also called for the general levels of service provided by wastewater companies to be improved.

This campaign drew to a close at the end of 2022-23 after companies agreed to adopt a number of significant changes.

We worked with wastewater companies to secure a commitment to:

- remove the 'exceptional weather' caveat for households at risk of repeat flooding events which is included in the industry's Guaranteed Standards Scheme and many wastewater companies' policies.
- agree an improved approach to compensation for sewer flooding, so victims are not left out of pocket – especially people that experience repeated flooding; and
- provide clearer information about their clean-up policy, including on-site response times to victims of sewer flooding.

Improvements so far include:

Case management

All companies have agreed to allocate a case manager, or team, to support repeat flooding victims throughout the process, including regular progress updates. Companies have agreed to keep detailed records of the case, so that the customer does not have to repeat their story if they speak to another agent.

Executive review

When a flooding problem takes time to fix, all companies have agreed that senior leaders should regularly check the progress of the solution and provide the customer with frequent updates.

Clear clean-up policy

Although the companies have different approaches to a clean-up after a property has flooded, all of them agreed to ensure they provide clear information on the services they offer. They will also offer advice on how customers can protect themselves from sewer flooding. We are still working with some companies on the clarity of this information.

Internal clean-up

There was some concern among companies about whether help with an internal clean-up service affected a customer's insurance claim. Most companies have now agreed they will provide a basic clean-up of the affected property, if this will assist the customer in returning the property to a useable condition.

Response times

Some companies were unable to give a clear timeframe for when they would be able to visit a property that had been flooded. We didn't consider the 'as soon as possible' approach clear enough, so we challenged companies to commit to more accurate timeframes and many have now agreed to respond within two hours for internal flooding and four hours for external incidents.

When there's heavy rainfall and companies can't respond within this timeframe, they will inform customers of the delay and will arrange a realistic visit time.

Compensation

Compensation for flooding is provided through the water industry's Guaranteed Standards Scheme (GSS), which can provide customers that suffer internal flooding with a full refund of their annual wastewater charges. For external sewer flooding, the refund amounts to 50% of the annual wastewater charges. Full details of GSS can be found on [Ofwat's website](#).

We looked at each company's compensation scheme and suggested some changes they could make to ensure customers were not out of pocket, including:

- Making sure that people who have suffered flooding that has not been mitigated get compensated even when the cause is exceptional
- Covering costs or issuing a £100 payment after internal flooding
- Refunding uninsured losses, insurance excesses, and increased insurance premiums caused by the flooding
- Allowing customers, who are at risk of flooding, to pause payment for their wastewater bill until the problem is fixed
- Automatically giving compensation to customers who experience external flooding, without the requirement to complete forms
- Providing financial assistance to vulnerable customers who need help paying for temporary accommodation during a clean-up

CREDIT WHERE IT'S DUE

The road to financial recovery from Covid-19 has been a long and challenging one for some businesses, making it even more vital that they receive the help and support they need. While the water retail market in England gave businesses choice about who provides their retail services, a competitive market also comes with risks. It's expected that retailers will enter and exit the market, some growing their customer base at a faster pace than others, but businesses should not be negatively impacted as a result.

We want all businesses to be confident that their money is protected if their retailer were to exit the market. That's why we launched our 'Credit where it's due' campaign. Good early foundations were laid through our work with Ofwat. This led to changes to the water retail market Customer Protection Code of Practice that came into force in April and July 2022, ensuring retailers must inform their customers about the risk of making advance payments, as well as alternative payment options available to them and the amount of credit building up in their accounts. Retailers must also return any credit to a customer within 60 days of them receiving a final bill after switching to another retailer.

It's critical that this information is clearly and regularly communicated to businesses of all sizes. That is why we conducted [research](#) to understand businesses' awareness and responses to the changes regarding advance payments and credit levels. This was one part of our campaign with the study looking at awareness and engagement with water retailer communications and explored best practice to suggest the most effective ways to communicate these important changes to customers.

The research findings informed our development of a communication toolkit for retailers to enable them to improve their messages to customers on these matters. We also published information [on our website](#) to help business customers 'know their rights' on their levels of credit and the options open to them.

For the second part of our campaign, we submitted a request to Ofwat to change the Customer Protection Code of Practice to require retailers to automatically refund credit balances to business customers on an annual basis. This would be on a date agreed with the customer or at the end of the contract year, unless the customer expressly opts out. Ofwat has not yet approved this requested change and we continue to make the case to the regulator for its adoption.

Business customers' experiences of the retail water market – five-year review

April 2022 marked the five-year anniversary of the non-household water retail market opening in England. We considered this to be the ideal time to examine customers' experiences of the market and whether it had lived up to expectations.

Over the past five years we have accumulated a wealth of evidence to assess how effectively it has been serving businesses of all sizes. As part of a [detailed review](#) we were able to draw from a deep pool of research, customer complaints evidence and our direct engagement with businesses.

Our [review](#) was published in March 2023 and painted a clear picture of a market that has not delivered benefits for the vast majority of businesses, with many having shown little interest in engaging. These issues can no longer be attributed to teething problems.

The report reviewed the complaints businesses have made directly to their retailer and those received by us. It analysed the satisfaction of businesses across a number of services, including water efficiency services, before considering the experience of businesses when it comes to eligibility to switch retailer, and engagement in and awareness of the market.

It showed that overall satisfaction with water retail services is lower than before the market opened in 2017. Just 66% of customers in England are satisfied compared to 85% in Wales, where the vast majority of businesses are not able to switch supplier, as only very large users of water (50 megalitres a year and over) are able to choose their water retailer. Switching rates have also remained low.

While some of the largest business customers in England have seen some benefits, our evidence showed that they were the most likely to complain. What is clear is that businesses of all sizes have not seen the improvements that were promised in 2017 – such as better customer service and data provision.

The report concluded that small businesses, in particular, had seen little benefit from a market that continues to generate complaints from all business customers that remain three times higher than before it opened.

Our review set out a raft of recommendations which we believe can turn around the fortunes of the market and ensure it begins to deliver the improvements and benefits that were promised to businesses.

These proposals included action to improve the complaints process so that they are resolved quickly, effectively and transparently for business customers of all sizes, as well as strengthening the incentives around customer service delivery and improving the quality of market data.

We also recommended measures to ensure businesses receive more frequent and accurate water consumption data through smart metering, along with clear commitments from water companies to work collaboratively with retailers to promote water efficiency.

Other proposed actions included improvements to the market code change process to ensure it works better for business customers by prioritising changes that have the greatest potential benefits for customers.

We are working to deliver half of the review's proposed changes by April 2024 and expect the other half to be in place over the next few years. For low water users that are least engaged in the market, we want to see tangible benefits from the market by 2025. Otherwise we will call on Defra and Ofwat to change the eligibility criteria so these customers are removed from the market.

Work is underway with key decision makers across the market including retailers, water companies, regulators and government to implement our recommendations.

PEOPLE AND THE ENVIRONMENT

The increasing volatility of our climate and the growing demand on our water supply was particularly evident during 2022-23 and continued to place our water resources and the services people depend on under increasing stress.

The emergence of drought conditions in 2022 and record breaking temperatures resulted in widespread water restrictions. The effects of the scorching summer were still being felt at the start of 2023 with parts of East Anglia, Wales, Devon and Cornwall remaining in drought.

During the winter we saw some companies struggle with a drop in temperature and rapid thaw, resulting in disruption to thousands of households' water supply. And the industry continued to be engulfed in controversy surrounding pollution in our rivers, streams and coastal waters stemming from the operation of storm overflows.

The increasing prevalence of these more extreme weather conditions will place even greater responsibility on both the water industry and consumers to manage and use water more wisely. As the voice of the consumer, CCW has a key role to play in this. That's why we set out a programme of work aimed at helping people to understand the part they can play in using water more wisely.

Responding to the drought

The summer of 2022 wrote itself into the record books as England and Wales encountered some of the hottest and driest prolonged spells of weather in living memory. By the height of summer, 11 out of 14 Environment Agency areas in England were classified as being in drought. Natural Resources Wales classified all areas in Wales as being in drought. It led to a total of six water companies - South West Water, Welsh Water, Southern Water, Thames Water, South East Water and Yorkshire Water - introducing hosepipe bans for all - or part of - their region.

CCW set about making sure that we were at the forefront of informing people and communities affected by drought so they understood the impact on the environment, why restrictions were being brought in and what this meant they could and couldn't do in terms of water use. Through harnessing the media and producing a raft of new resources, including [explainer videos](#), [weekly podcast episodes](#) and [factsheets](#), we made sure people had access to clear facts on drought, exposing any myths related to hosepipe bans. We also reassured people that drought restrictions were part of an agreed process to make sure water resources do not run out. And we empowered people to make informed choices regarding their own personal water use, highlighting at every opportunity the chance to save money on water and energy bills.

We positioned ourselves as one of the leading sources of advice for people, receiving more than 1,500 mentions across print, broadcast and online media during July and August alone. We expanded our pool of spokespeople to meet unprecedented demand for interviews from national and regional broadcasters. Among the highlights was our 'shorter shower challenge' which encouraged people to use their favourite three-minute song to time their shower. This proved an enormous success with a number of BBC local radio stations getting listeners and presenters to take part and broadcasting their attempts.

Other leading bodies also sought our expertise with the UK Health Security Agency (UKHSA) inviting us to comment on a draft leaflet giving advice to people about staying healthy and safe in droughts and heatwaves. Our feedback helped to shape its final guidance.

Walking with Water

In October 2022, we launched a new initiative encouraging people to connect with their local water supply and to reflect on how water use at home can have a direct impact on the environment. We collaborated with partners including Afonydd Cymru, the River Restoration Centre and Living Streets.

At the heart of the campaign lay the creation of a [dedicated website](#) drawing together waterside walks offered by water companies across England and Wales. We also created an educational activity leaflet aimed at families. This not only brings to life for young walkers all the wonderful things they can discover walking by water, but also

provides a rich resource of tips for saving water in the home. Almost 1,000 leaflets were distributed to 16 visitor centres across England and Wales and it can also be downloaded directly from our website.

The launch of the campaign received enthusiastic support and promotion from our partners and wider stakeholders across the sector. However we believe there is scope for the campaign to have a far greater impact and generate more interest, particularly among young families.

This campaign can be refreshed and reused eg to generate interest during the school summer holidays. Our aim is to sustain interest in the walking trails throughout the year, and to increase the number of visitors to the Walking with Water website and downloads of the activity booklet.

Go Tap!

The development and launch of our Go Tap water taste test challenge in March 2023 added fresh impetus to our efforts to help people value water. In particular we wanted to help people understand the environmental and financial benefits of drinking tap water over bottled. The challenge focuses on a series of social media clips featuring people seeing if they can taste the difference between tap and bottled water in a blind taste test. The message being if you can't taste the difference then you should Go Tap!

People who engaged with our social media clips were taken to a [dedicated webpage](#), where people could find out more about the benefits of choosing tap water, while making a pledge to 'Go Tap' in the future. As an extra incentive, the first 500 people to make the pledge received a free Go Tap branded reusable water bottle. The initial campaign launch on Facebook generated nearly 178,000 video views and reached 271,000 people. By June 2023 more than 1,400 people had made the pledge to Go Tap through our website.

Waterfall podcast

Our Waterfall podcast was launched in August 2022 and forms part of our growing suite of tools to promote the value of water and importance of using it wisely. The podcast has explored a broad range of topics from identifying ways to save water around the home and garden and getting financial help with bills to busting myths about hosepipe bans and understanding our changing climate. We were joined by experts from organisations including Water Aid, the Met Office, Severn Trent Water, South West Water, Waterwise, Yonder research and The Water Conservancy from Australia, to name but a few.

We saw the podcast attract a growing audience with nearly 6,000 episodes downloaded from its launch up until March 2023.

Water stress postcode finder

One of the new tools we developed in 2022 was an [online portal](#) to help people understand the pressure on water resources in the area where they live. Visitors type in their postcode and it shows the water status where they live, as defined by the Environment Agency. A seriously water-stressed area means there is likely to be a time when there is not enough water to meet the demands of consumers living in that region.

The tool directs people to hints and tips to save water and money, as well as our water meter calculator for people to see if they would benefit financially from switching to a meter.

Protecting our seas, rivers and streams

The frequency of discharges from storm overflows (SOs) into our coastal waters, rivers and streams has once again been the focus of public concern and widespread media coverage. These incidents remain a key focus of environmental campaign groups, as well as the government, regulators and public bodies.

The critical importance of water companies' efforts to protect and enhance the environment was reflected in the research we conducted in February 2023. Our [Perceptions and Trust in Water Companies research](#) found that protecting the environment, as well as fixing leaks, were among the leading ways the industry could build trust with the communities they serve.

We are spearheading efforts to ensure water companies not only address these issues but provide greater clarity and transparency about their environmental performance and the actions they are taking. This needs to be communicated in a way that is clear and understandable for their customers.

We will continue to facilitate the sharing of good practice from companies to support these efforts.

Preparing for the future

Our work within the People and the Environment programme is important as people have a key part to play in tackling the climate emergency. We need to help them be responsible consumers of these essential services if we hope to continue to receive high quality reliable water and wastewater services. To help us, we conducted a [review of behaviour change programmes](#) in different parts of the world to understand what works. We then developed a set of guiding principles for programmes which encourage water saving and avoiding sewer misuse. We are looking to pilot campaigns in the coming year working collaboratively with some water companies and other key stakeholders.

Accelerating reduction in demand (ARID)

The future security of our public water supply and protection of our natural water resources depends on a successful, and sustained, reduction in our levels of demand for water at home, and in businesses, as well as in all other aspects of our daily lives.

To achieve this we will need to bring about a significant change in public attitude and behaviour as well as put in place the policies, regulations and practical interventions and advice to help people reduce the amount of water they use. This change will only happen if these activities are coordinated, given direction, and importantly any learnings are used to build an evidence base that will enable future funding to be targeted at the programmes that deliver the best results.

Our [Accelerating Reductions in Demand](#) (ARID) proposal would allow new water efficiency ideas to be moved from concept to reality. There would be funding for water efficiency projects to allow good ideas to be tested. Where those ideas work, they would be brought to the wider water sector to be shared and implemented on a larger scale. The ARID proposal is based on the successful alliance of regulators (Regulators Alliance for Progressing Infrastructure Development - RAPID) who work together under a clear governance regime, and agreed funding stream and explicit government support.

During the year we have built support for this proposal ARID from academics, regulators and other stakeholders. Similar to RAPID, it would not interfere with the sovereignty or responsibilities of the regulators.

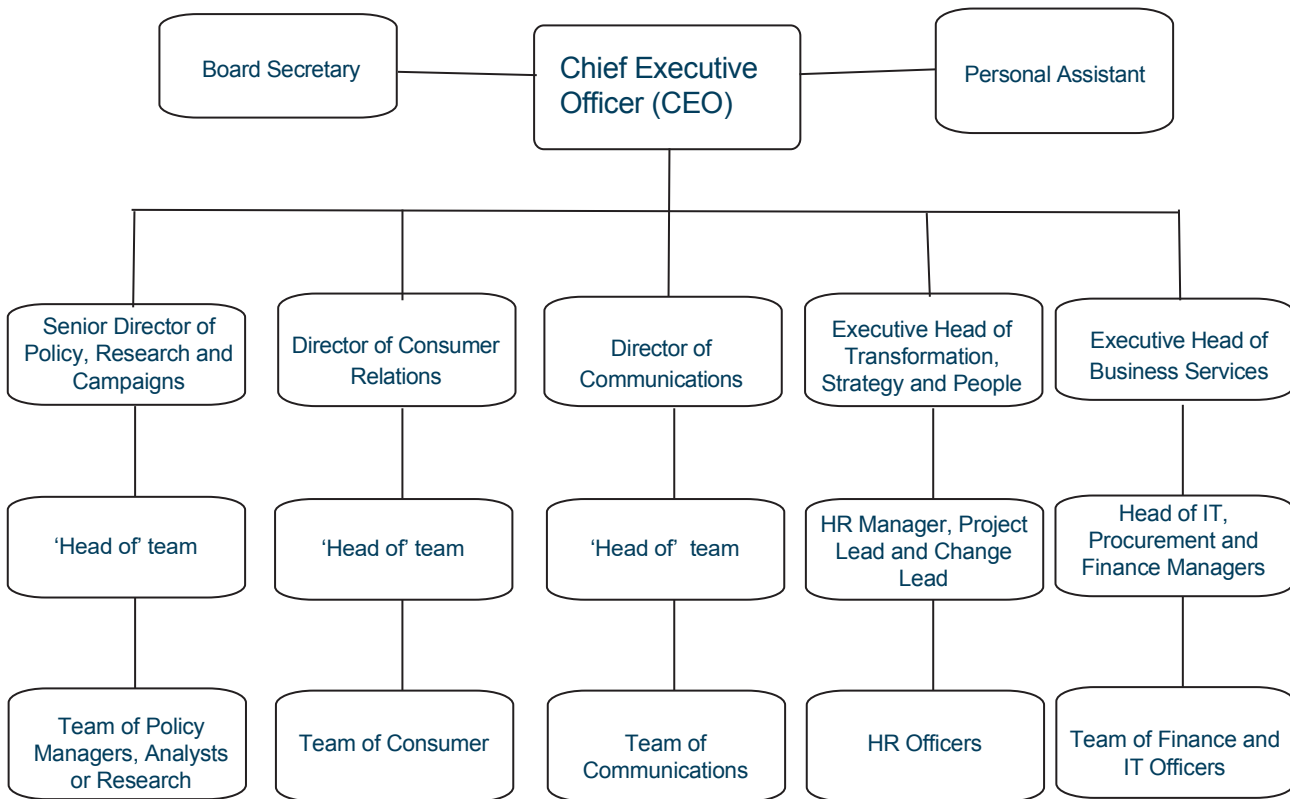
ORGANISATIONAL CULTURE

Equality, diversity and inclusion

CCW is fully invested in creating a working culture that reflects the values of equality, diversity and inclusion. We define our diversity as having people with a wide range of traits, backgrounds and experiences. Being inclusive means we all feel comfortable sharing our ideas and perspectives because our differences are respected and valued. Every member of the organisation feels safe, accepted and appreciated with an equal opportunity to grow and succeed at work.

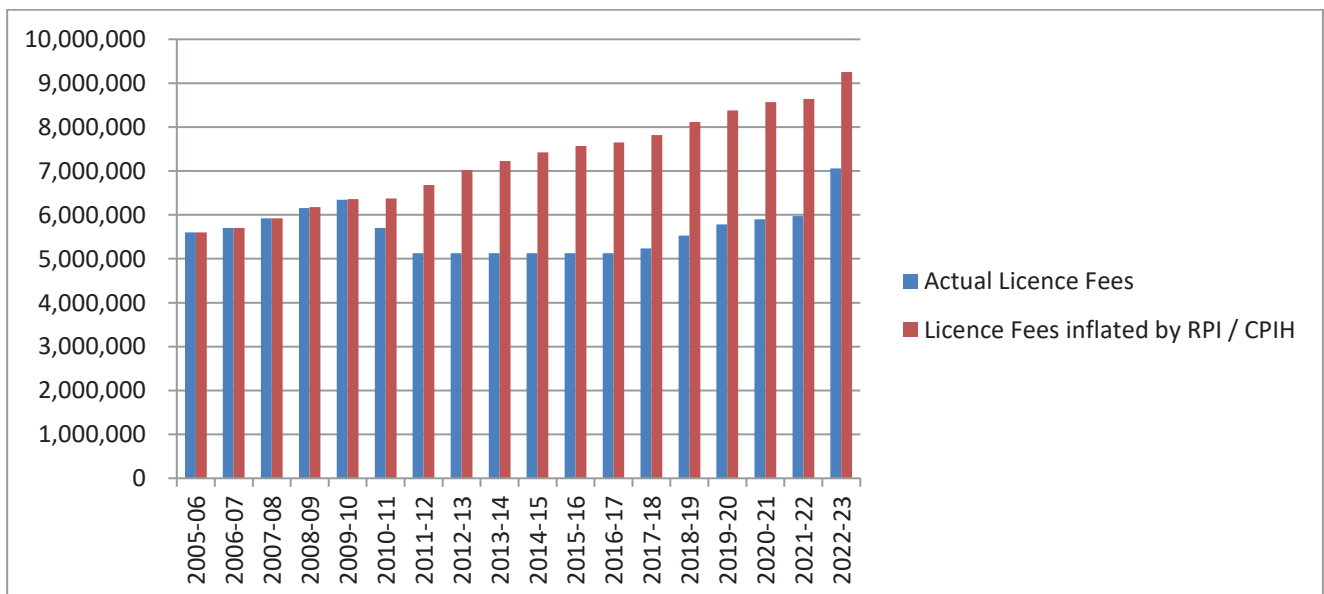
Our Diversity and Inclusion Group has continued to drive change across the organisation to ensure CCW is a diverse and inclusive place to work. Our work is split into three key areas: uniqueness and respect, unity, and individual needs and flexibility. Each working group is led by a member of CCW's Executive team.

Organisation Chart:



Our Costs

We believe that keeping our costs to a minimum is important, as they are charged to consumers through water companies' bills. For 2022-23 our licence fee was £7.06m. The cost to consumers of the licence fee to fund CCW was 26p on each annual bill. 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.



OUR COMPLAINT-HANDLING PERFORMANCE

At the end of 2022-23, we had resolved 13,370 consumer complaints and enquiries about water companies and water retailers. This marked a fall of 1.4% compared to the previous year. We also handled 40,673 telephone calls from consumers requesting support, advice and complaint escalation. We formally investigated 16 complaints in 2022-23.

Complaints and Enquiries

Complaints made to us fell by 17% compared to the previous year. We saw a decrease from both household and non-household customers. This was in contrast to enquiries which increased by 37% compared to 2021-22. This rise was primarily from household customers.

A potential challenge began to emerge towards the end of the financial year, where despite an overall annual reduction in complaints, there was an increase in March 2023 up 8.2% when compared to the same month in 2022. There was also a smaller 4% increase in enquiries when compared to March 2022.

Contacts to CCW from customers	2022-23	2021-22	2020-21
Enquiries	4,589	3,347	2,852
Complaints	8,430	10,217	8,548
Formal Investigations	16	38	63

Telephone Contacts

CCW received a total of 40,673 calls through our designated 0300 number during the year. Notably, the months of August, September, and October emerged as the peak periods for incoming calls, coinciding with a record-breaking heatwave and emerging drought resulting in hosepipe restrictions across many parts of England and Wales. The prolonged drought placed significant strain on customer water supplies and consumption, contributing to a surge in demand for our services. Another factor was CCW's heightened presence in the media throughout the sweltering summer, as one of the leading voices of advice and support for consumers.

Performance and satisfaction

We were not able to achieve our performance and customer satisfaction targets in 2022-23. A significant portion of this shortfall can be attributed to broader societal shifts, some of which were beyond our control.

The water industry as a whole faced a backlash following media exposure of sewage pollution stemming from the use of storm overflows. This publicity contributed to escalating customer resentment, resulting in less tolerance of service shortfalls. Consequently, the public sentiment became much more critical, and dissatisfaction rates were invariably affected.

Concurrently, the escalating cost-of-living crisis led to more people shouldering greater financial burdens than ever before. This crisis was reflected in their interactions with us, as customers began seeking larger compensation amounts compared to previous years. This shift in expectation added an additional layer of complexity to our case handling process.

This - coupled with an increasingly employee-centric recruitment market - made it difficult to scale our resourcing effectively. The backlog of cases from the previous year remained a hurdle, having a knock-on effect on our response times to new cases.

A summary of our customer satisfaction performance in 2022-23:

	Overall service
Year-end 2022-23	55.0%
Year-end 2021-22	55.2%
Target	80.0%

Complaints to the Parliamentary and Health Service Ombudsman

If a consumer remains dissatisfied about the way CCW 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 2022-23.

Alternative Dispute Resolution (ADR)

If a case has exhausted a water company complaint procedure and CCW 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 2022-23, 279 consumers asked CCW to escalate their complaint to WATRS. This is consistent with the escalation levels we saw in 2021-22 and 2020-21.

Taking action

We remain unwavering in our commitment to provide a better service to people who turn to us for help, despite our performance setbacks. Our performance is not delivering against our vision of excellence in complaint handling. However through a 12-month transformation plan, we have already started implementing measures to address the underlying issues. We appointed a Director of Consumer Relations in December 2022 to lead the team through a new period of consumer excellence.

Understanding the importance of a seamless and efficient consumer journey, we also committed to revamping our approach to Alternative Dispute Resolution. In a move designed to simplify the process for consumers and accelerate resolution times, we brought the Alternative Dispute Resolution process in-house in December 2023. We have been offering a mediation and adjudication service as part of our core services. This strategic change aims to offer a more straightforward, convenient channel for resolving complaints. It marks an important step in our ongoing efforts to provide the highest level of service to people.

Gaps in our resources have been a challenge through 2022-23 but through targeted recruitment drives, we are bolstering our resources and tackling the backlog effectively. We are also championing smarter ways of working, focusing on efficiency and effectiveness to improve our response times and case closure rates.

While the challenges we faced were significant during the year, we are dedicated to our mission of delivering excellence in complaint handling. We are confident that the plan we have in place and the changes we will make will ensure a more satisfactory performance in the future.

Empowering Our People

Our commitment to enhance the support for our Consumer Relations team continued to be a key focus throughout the year. We have made significant strides in the areas of training and ongoing support to ensure our staff feel confident and fully equipped in their roles.

Our newly formed Service Excellence team has been instrumental in driving forward our commitment to best practice. They have successfully developed and delivered new training initiatives, offering a chance for team members to acquire new skills or refresh existing ones at a pace that suits them. In the upcoming year, we plan to build further on this initiative. To facilitate this, we are currently in the process of recruiting a dedicated trainer to strengthen our Service Excellence team.

We have continued to optimise our existing tools. We've ensured our contact channels, such as web forms, effectively capture key information, allowing us to provide quick and personalised advice. Our telephone system

has undergone improvements, ensuring staff have the necessary tools to answer customer calls wherever they are located.

The result of this work has been a noticeable improvement in our employee satisfaction scores. Our team feels better equipped and more able to provide the excellent service we strive for. We remain committed to investing in our people, understanding that our employees are the cornerstone of the service we provide.

We are confident that these measures will drive further progress in the coming year and underline our commitment to those who rely on our help.

THE PRICE REVIEW – PR24

Our work to ensure the next price review – PR24 – delivers the best possible outcomes for people continued to gather pace during 2022-23. These activities were underpinned by our five key priorities which included: research delivery through sector collaboration; supporting and assuring local challenge; delivering high quality customer engagement; having the right incentives for fast-tracked plans and making clear how customers influence decisions.

Establishing the Challenge and Co-ordination Group (COG)

We successfully established the Challenge Co-ordination Group (COG) to provide support to independent challenge group (ICG) chairs through the price review process. This included recruiting its Chair and agreeing terms of reference with the ICG Chairs that make up its membership.

Developed using intelligence and feedback from PR19, the role of the group has been to facilitate more consistent local challenge of water companies in the development of their 2025-2030 business plans. Its aim has been to empower effective local challenge, which in turn should help the companies produce higher quality business plans. The COG has also provided a platform for identifying and sharing good practice in areas such as customer engagement, as well as innovative approaches to service delivery.

Early COG meetings focused on information sharing and benchmarking to help inform colleagues, as well as sessions to help members improve their understanding of key PR24 building blocks. The group's focus then moved towards helping members identify and address issues that may emerge from water companies' business plans.

There has been valuable input into the meetings from environmental regulators and Ofwat and the feedback provided by Chairs and CCW colleagues strongly suggests that COG is helping to improve scrutiny and challenge of companies' plans at a local level.

Helping to shape Ofwat's PR24 methodology

In December 2022, Ofwat published its final methodology which sets the framework for what water companies will be expected to deliver at the 2024 Price Review. We were pleased to see that the regulator took on board and implemented many of our key asks that will improve the PR24 process, leading to better outcomes for customers. This included strengthening the need for companies to offer affordability support; common performance commitments supported by evidence of them being customer priorities and increasing the financial value of C-Mex. We remain of the view that Ofwat should include the volume of complaints within its C-Mex measure of service, as it is a key indicator of a company's approach to customers.

Developing a consistent approach to setting Outcome Delivery incentive rates for PR24

We worked with Ofwat, water companies and other key stakeholders to develop an approach to research that will set Outcome Delivery Incentive (ODI) rates for each water company in England and Wales. The key aims of the research are to ensure that consistent and realistic incentives are set in the areas that matter most to customers, based on feedback from customers. This research was fully collaborative in nature, being funded primarily by water companies, but managed by Ofwat and CCW. The results were triangulated with other insights relating to customer priorities to issue indicative ODI rates to companies.

Establishing more consistent business plan customer acceptability testing

We collaborated with Ofwat to set [prescriptive guidance](#) for how water companies should test their business plans for customer acceptability and affordability, building on best practice from past research. Companies were initially resistant but the guidance was eventually accepted and testing will begin in 2023-24. It means for the first time, plans will be tested with customers in a consistent way that provides assurance that good practice is being followed and results are credible and comparable. Customers' views of the affordability of business plans, and how acceptable they find the package of service improvements and investment proposed by companies, will be a key source of evidence in the price determinations that will follow.

Your water, your say

Working in collaboration with Ofwat we provided guidance to water companies to help them establish and run their [Your Water, Your Say](#) sessions in 2023. These public forums are a new requirement on companies at PR24. Each company will hold two sessions to give people and stakeholders the chance to hear about their company's PR24 plans and provide them with a platform to challenge the proposals.

CCW and Ofwat appointed an independent Chair for the sessions and our guidance should ensure the sessions are effective, allowing all participants an opportunity to have their say and get a response from their company. This will be an important part of the suite of customer evidence companies use to inform their business plans and the Ofwat price determinations that follow in 2024.

ENGAGING STAKEHOLDERS FOR THE BENEFIT OF THE PEOPLE WE HELP

Engaging with policy makers and politicians remained central to our efforts to shape decisions that enhanced the interests of water consumers. We also continued to work closely with the UK and Welsh Governments to support the delivery of their objectives.

Sharing customers' stories, our research, data and insights enables us to help political leaders better understand the challenges facing people served by the sector – whether that be the affordability of their bills or the reliability of the service they receive from their water company. Few organisations are better placed to offer this insight which is enriched by our extensive research and day-to-day interactions with customers that turn to us for help and advice.

Improving support for those struggling to pay their bills

Following the publication of our [Independent Review of Water Affordability](#) in May 2021, we strongly advocated for one of its key recommendations – the creation of a single social tariff for England and Wales. Our review concluded that this would provide fairer and more sustainable support to water customers, who struggle to afford their water bill.

We set our sights on a scheme that would ensure no one has to spend more than five-per-cent of their income (after housing costs) on water charges. It would replace the current postcode lottery of support provided through water companies' differing social tariff schemes. Throughout 2022, we worked with a broad range of partners on Defra's working group to develop the proposal.

In June 2022, our CEO Emma Clancy spoke at United Utilities' parliamentary event on water affordability and in early August 2022, she also presented at the Utility Week Forum to raise awareness of the need to establish a single social tariff.

We met with Welsh Ministers Jane Hutt and Julie James to call on their support for the legislative changes needed to pave the way for a new water affordability scheme. Our discussions with Welsh Government also explored proposals for an interim solution for Wales to ease some of the immediate financial pressures being felt by households.

Our work in Wales extended to engaging members of the Welsh Senedd in a discussion on how a single water affordability scheme could benefit low-income households across the country. This led to a private member debate in September 2022 where cross-party support was expressed for measures to end water poverty. In early 2023 we joined the Senedd's cross-party group on consumer rights to help integrate water affordability into wider

efforts to tackle poverty and address the cost-of-living crisis. The first meeting allowed us to introduce the work we are doing on affordability and our call for a new water affordability scheme.

The broad support we encountered for the single social tariff gave us cause for optimism, however, we recognise a single scheme is not the direction favoured by Ministers. It remains our view that these protections for low-income households are an essential element of ensuring the water industry is sustainable into the future and can meet the challenges it faces.

With this in mind, we have continued to work with companies to explore what could be achieved without legislative changes.

Protecting the environment from the misuse of storm overflows

The monitoring and impact of storm overflows remained a hot topic of discussion during the year. In the summer of 2022 the UK Government published its Storm Overflows Discharge Reduction Plan. In the wake of this we wrote to the then Secretary of State for the Environment to highlight the critical role a single social tariff could play in unlocking the investment needed in infrastructure improvements to protect the environment.

We have also worked with the Welsh Government and other stakeholders on the Wales Better River Water Quality Taskforce and support the Welsh Government's focus on reducing harm to rivers environments ahead looking at the number of spills for regulatory reporting purposes.

Action to protect the environment must be a priority for water companies if they are to rebuild trust in the sector. [Our research](#) has shown that fewer than half of people trust water companies to look after the environment. Alongside investment, water companies need to improve their communication with the communities they serve. As the cost-of-living crisis continues to hit people in the pocket, it's even more imperative companies tell their customers how they are spending their money to improve services and address their concerns around issues like storm overflows.

CCW has already begun working with the sector to help water companies improve the way they communicate with the communities they serve, on a range of issues, including the value of water and protecting the environment.

Building a sustainable future through education

Early education can help future generations understand current environmental issues and the importance of taking steps now, as well as in the future, to preserve our water sources. This is why we took the opportunity to write to Education Ministers in England and Wales in September 2022 to encourage both governments to include the importance of valuing water and how this relates to climate change and sustainability on the school curriculum.

At the end of March 2022, we also joined forces with the National Infrastructure Commission for Wales and Design Commission for Wales to host a climate change conference focusing on water. The aim of the conference was to consider the action needed to help people understand the impact of climate change on our water resources and why their use of water can help alleviate some of these pressures. The conference featured a key-note speech from Minister for Climate Change Julie James.

A spirit of collaboration

Collaboration is one of our core values and during the year we forged strong partnerships with other bodies and organisations to tackle some of the most pressing issues affecting consumers.

Our CEO during 2022-23, Emma Clancy took part in a number of collaborative activities including:

- hosting a joint agency meeting attended by the Environment Agency, Ofwat and the Drinking Water Inspectorate to encourage a more customer-centric culture within water companies;
- holding a horizon scanning and strategy session with the water sector and hosting a best practice event on sewer flooding in October 2022;

- leading a roundtable on best practice for water company CEOs in November 2022 and;
- joining an expert panel at Ofwat's Water Sector Conference in January 2023 to explore Citizens Advice's latest findings on affordability and poverty – opening up a conversation about how we can ensure help reaches those who need it most.

UNDERSTANDING THE VIEWS AND PRIORITIES OF PEOPLE

We spoke to thousands of people to understand their views on some of the most pressing issues at hand. Our research programme is diverse, looking at a broad range of areas from informing companies plans for the future to understanding customers' views about the environment. Our research function is set up flexibly to allow us to respond quickly to emerging issues.

All of our research is equally important to ensure that the policy and campaign work that we do is firmly rooted in evidence of customers' needs, perceptions and priorities.

During the year we published 13 pieces of research as well as guidance for water companies when engaging with customers throughout the price review on affordability and acceptability of business plans. This is a step forward from how research has previously been done at the price review and will ensure a consistent and comparable approach to testing affordability and acceptability, which we aim to replicate at the draft determinations stage.

Within our research programme, we look for opportunities to work in collaboration and have partnered with both Ofwat and MOSL in the last year.

COMMUNICATIONS

Launch of our new look website

Our website remained an invaluable source of information and support for people needing help with issues related to their water and sewerage services. In particular, our broad range of tools that can help people identify ways to cut their water bills or access financial support proved particularly popular amid the cost-of-living crisis.

In 2022-23, our website saw 678,000 visitors compared to more than 400,000 in the previous 12 months. Our water meter calculator continued to attract the most visitors to the site. However, during the year our revamped help with bills section attracted over 203,000 page views compared to just 28,568 in 2021-22.

Throughout the year we worked on an extensive project to improve the look, feel, navigation and accessibility of our website. This culminated in the launch of the new site – www.ccw.org.uk – in late March 2023. It has a fresh and modern look with the home page featured a new About Us video that brings to life CCW's people, purpose and priorities.

Alongside the improved navigation and accessibility, we have made it easier for consumers to access our FAQs and online complaints form through our main site.

A growing influence and source of advice in the media

Scrutiny of the water sector's performance has intensified over the past few years and that has afforded us more opportunities to use the media to speak up for consumers and offer them advice. That was never more apparent than during the prolonged summer drought in 2022 when CCW's expertise and insight was in unprecedented demand.

We reacted to the sudden surge of interest in issues relating to water resources by creating a core team of spokespeople to carry out interviews across a huge range of national and regional media outlets. We positioned ourselves as one of the leading sources of advice on drought and used the coverage as a platform to promote awareness of how to save water, energy and money.

Our three-minute shower challenge sparked a wave of interest among BBC local radio stations. Some presenters took on the challenge and encouraged listeners to do the same. We used appearances on high-profile media including BBC Radio 5 Live and Good Morning Britain to help people make the connection between their water and energy use.

During August 2022 – at the peak of the summer drought – we received more than 1,000 mentions in the media, the equivalent of 54 per cent of the total media coverage we received throughout 2021-22.

Coverage continued to flow throughout the rest of the year with particular interest in our advice on how households could save money on their water bills to alleviate some of the growing cost-of-living pressures. This culminated in February 2023 with the national and regional media giving extensive coverage to our warning that households were about to face the highest average bill rise for almost 20 years. Our call for fairer and more consistent support for households struggling to afford their water bill drew widespread interest from broadcasters and print media.

By the end of year we had received more than 4,500 mentions in the media – almost two and a half times what we had achieved in the previous year.

Social media

As the main channel where our day-to-day interactions with consumers take place, social media remained a vital part of our strategy to inform and advise the people we help, as well as engaging with stakeholders within and beyond the sector.

In 2022-23, we've focused on sharing our key campaign messages and creating memorable, engaging and interactive content. For example, our [Go Tap](#) campaign centred on a series of viral-style videos of members of the public taking a taste test challenge between tap water and bottled water. The social media campaign resulted in over 1,400 people pledging to make the switch from bottled water to tap water.

We also created an animation and series of carousel graphics to highlight the support available for customers struggling to afford their water bills. Our [Waterfall podcast](#) also provided the opportunity to highlight timely and relevant content on social media that proved to be extremely engaging – particularly when focused on regional content, such as the podcast about Portsmouth Water's Havant Thicket reservoir.

Across all networks (Twitter, Facebook, Instagram and LinkedIn) we have 13,603 followers, we've posted 1,159 times and our messages have been seen 1,546,816 times.

Our focus throughout the year has been to create and share engaging social media content. Our post engagement scores, which include likes, shares, replies, across each platform is healthy with 1.77% on Twitter (an increase from last year's 1.01%) and 37% on Facebook (a large increase from the previous score of 5.06%, primarily down to focussing on paid promotion of engaging content).

Translation & Welsh language

We have made more of our content and services available to Welsh speakers through an automatic translation tool on our website.

STRATEGIC RISK

Information about the link between our performance outcomes and the strategic risks facing CCW during 2022-23 is highlighted in the 'Managing risk' section of the Governance Statement on page 34.

Financial Summary

The main financial highlights are summarised below:

Total Operating Cost Summary	2022-23	2021-22
	<u>£000s</u>	<u>(Restated) *</u>
	<u>£000s</u>	<u>£000s</u>
Other Operating Income		
Revenue from contracts with customers	(163)	(296) *
	(163)	(296)
Expenditure		
Total Operating Costs	7,216	6,238 *
	<u>7,053</u>	<u>5,942</u>
Net Operating Costs		

The revenue budget for CCW during 2022-23 was £7.06m. CCW 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.

*Details on restatement can be found on page 61.



Dr Mike Keil
Interim Chief Executive
18 March 2024

ACCOUNTABILITY REPORT

Corporate Governance Report

Directors' Report

CCW Board

CCW is led by a national Council, known as the Board. During the year there have been nine Board members including the Chair. In addition the Secretary of State appointed the CCW Chief Executive to the CCW Board. Board Members in post during the year were.

	First Appointed:	Re-Appointed:	Expires:
Robert Light (Chair)	6 June 2019		5 December 2023
Emma Clancy	1 July 2020		30 June 2024
Bev Keogh	1 June 2021		31 May 2025
Rachel Onikosi	1 June 2021		31 May 2025
Lisa Tennant	1 June 2021		31 May 2025
Rhodri Williams (Wales Chair)	1 November 2019		27 October 2023
Alison Austin	1 July 2018		30 December 2023
Robert Wilson	1 July 2018		30 December 2023

Alison Austin left at the end of her appointed term. The contract of Robert Light was extended post year end to the 5 June 2024, Robert Wilson was extended post year end to the 30 December 2026 and Rhodri Williams was extended post year end to 27 October 2026.

The senior management team

The composition of the senior management team, known as the Executive Team, during 2022-23 was:

Helen Brown	Director of Consumer Relations (from 1 December 2022)
Nicola Brown	Director of Consumer Relations (to 31 October 2022)
Jo Dixon	Interim Director of Consumer Relations (from 27 September 2022 to 31 December 2022)
Amanda Caton	Director of Communications (to 1 February 2023)
Tim Clarke	Interim Director of Communications (from 10 October 2022)
Emma Clancy	Chief Executive
Gemma Domican	Executive Head of Transformation, Strategy and People
Paul Hibbert	Executive Head of Business Services (to 23 May 2022)
Mike Keil	Senior Director of Policy, Research and Campaigning
Simon Millward	Executive Head of Business Services (from 26 September 2022)

Emma Clancy stepped down from the role of Chief Executive on 29th September 2023, Mike Keil was appointed Accounting Officer on 2nd October 2023. Defra have designated the Chief Executive as CCW's Accounting Officer. The Human Resources and Remuneration Committee, based on a performance assessment carried out by the Chair, decides on any annual increases to the Chief Executive's basic salary and performance bonus.

The contracts of Helen Brown, Gemma Domican, Mike Keil, and Simon Millward are standard open-ended contracts with a three-month notice period.

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 provided by Capita. Our web-based complaints management system is provided by Capventis. Our website and intranet hosting were hosted by Civic during the year. Payroll services are provided by CGI. In 2022-23, we have continued to operate within the Government's spending controls. Our CEO has delegated authority to approve external staff recruitment.

Payment of suppliers

CCW achieved 100% against the Government target for paying agreed invoices within 30 days of receipt during 2022-23 (100% in 2021-22). 81% were paid within 5 working days compared to a target of 80% (85% in 2022-23). Creditor days were 13 days at 31 March 2023 and 20 days at 31 March 2022.

Health and Safety

CCW 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 2022-23 and no working days lost to occupational illnesses or injuries; one internal accident form was completed.

Political donations

During the financial year 2022-23 CCW made no donations to political parties.

Personal Data Related Incidents

During the financial year 2022-23 there were no breaches of personal data that were reportable to the ICO.

Directors' statement and going concern

The accounts for 2022-23 have been prepared on a going concern basis. Defra and the Welsh Government have agreed CCW's 2023-24 revenue budget and Main Estimates. CCW is in a net asset position and there is no reason to believe that future approvals will not be forthcoming. CCW has assumed that funding will continue beyond the financial year 2022-23 broadly in line with current levels, CCW has a statutory basis for both function and funding and there are no reasons why this would not continue. CCW considers there are not such material uncertainties, our funding is statutory and there are no consultations on changing the existence, nature or funding of CCW.

Statement of Accounting Officer's Responsibilities

The Consumer Council for Water (CCW) 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 2022 to 31 March 2023.

Under the Water Act 2003, the Secretary of State for the Environment, Food and Rural Affairs, with the consent of HM Treasury, has directed CCW 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 CCW 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 2022-23 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 CCW 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 CCW's assets, as set out in *Managing Public Money* published by HM Treasury.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that CCW's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

Governance Statement

This statement explains CCW's governance arrangements, describes how risk is managed, and outlines our system of internal control and arrangements for 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 CCW.

Funding and classification

The joint sponsors of the organisation are Defra and the Welsh Government. CCW 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 CCW draws its funds through grant-in-aid from Defra.

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

CCW's organisation structure and Board member appointments and terms are contained in the Directors' report.

CCW Board

The CCW Board is the governing body of the organisation and has responsibility for setting its 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 responsibilities of the Board are set out in its Code of Governance.

During 2022-23 the Board consisted of the Chair, a Wales Chair, five Board 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 Government Ministers. All appointments are for terms no longer than five years and Board members may be reappointed as their terms expire; there is no automatic right to this. Detailed membership of the Board during 2022-23 is set out on page 28.

Conflicts of interest

CCW maintains a register of Board members' interests which is reviewed throughout the year and is available on CCW's website. Board members must confirm annually that the register of interests is up to date and are asked to declare any personal or business interests that may influence their judgement at the start of each meeting they attend. Any potential conflicts of interest are recorded in the minutes and, where an actual conflict of interest is identified, Board members take no part in any discussion on the issue under consideration. There were no actual conflicts of interest during 2022-23.

CCW also maintains a register of interests for its Executive Team which is updated on an annual basis. The Executive Team have declared that they hold no company directorships or other significant interests that might have caused a conflict with their CCW responsibilities. The Register of Interests is published online at <https://www.ccw.org.uk/aboutus/our-team/board/board-register-of-interests/>

Board discussions

The Board met eight times in 2022-23 and discussed or was briefed on:-

- Alternative Dispute Resolution (ADR)
- Oversight of the delivery of CCW's strategy
- Affordability review
- PR24 – objectives, Ofwat's final methodology
- Customer cases
- ICT strategy
- Oversight of CCW's company issues escalation framework
- Review of CCW's risk appetite
- CCW's water mark publication
- CCW report on Non House Hold market after 5 years
- 2023/24 charges
- Oversight of CCW's research programme
- CCW's 2023/24 Budget

The Board held a strategy session in October 2022 where it considered CCW's strategic priorities for 2023/24.

Review of Board Effectiveness

An external board effectiveness review began in January 2023. The review checked that the Board was performing its functions effectively and in line with recognised principles of good governance in public bodies. The review concluded in May 2023 and identified strengths including:-

- the quality of the papers
- good meeting behaviours
- meetings are well chaired, board members listen, give space to colleagues and are encouraged to participate
- Governance and oversight are properly respected.

The report identified a number of areas where improvements could be made including relationships with stakeholders, board membership/skills, improved strategic focus and enabling Board members to engage more widely with the organisation. A working group has been established to take these recommendations forward.

Board Committees:

The Board can delegate functions to Committees. During the year ending 31 March 2023 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.

During 2022-23 the work of the committee included the approval and monitoring of the annual internal audit plan and the review of reports arising from that, oversight of CCW's approach to risk management and review of the strategic risk register, review of the annual report and accounts and monitoring of work associated with GDPR and FOI compliance.

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 the 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.

During 2022-23 the work of the Committee included agreeing objectives for the Chief Executive for 2022-23 and reviewing performance against the objectives set in 2021-22, review of the findings of the 2022 staff survey and oversight of CCW's change programme.

Committees for England and Wales

The role of the Committees for England and Wales is to provide advice and information to the Board on consumer matters affecting the areas of the relevant undertakers allocated to that committee.

During 2022-23 the Committees held discussions that examined how the water industry could better communicate available support to consumers who need it most and why it was the right time to take steps to end

water poverty for those struggling to pay their water bills. At their meetings the Committees heard from relevant stakeholders on the discussion topic and then moved to discuss the points raised with the delegates that had joined the session. Both Committees considered the same topics at separate meetings. Simultaneous Welsh to English translation was provided at all meetings of the Committee for Wales.

Board members, the Board Committees that they served on and their attendance during the year are set out below. In 2022 CCW joined the Boardroom Apprentice programme. The programme enables people who would like to serve on a public or third sector board to learn and gain experience in a safe way. Our Boardroom Apprentice Ruth Aidoo has been observing Board meetings since January 2023.

	Board & Committee membership/attendance (number of meetings attended / eligible to attend)				
	Board	Audit and Risk Management Committee	Human Resources and Remuneration Committee	Committee for England	Committee for Wales
Alison Austin	8/8	5/5 (Ch)		2/2	
Emma Clancy (Chief Executive and Accounting Officer)	8/8			1/2	1/2
Bev Keogh	7/8	5/5	1/1		2/2
Robert Light	8/8 (Ch)			2/2 (Ch)	2/2
Rachel Onikosi	7/8	5/5	4/4	2/2	
Lisa Tennant	6/8		2/4	2/2	1/2
Rhodri Williams	7/8	2/5	4/4	1/2	2/2 (Ch)
Robert Wilson	6/8		4/4 (Ch)	2/2	

Ch Committee Chair

The Chair and Chief Executive are not members of the Audit & Risk Management Committee, Human Resources & Remuneration Committee or Advisory Committee but are invited to attend relevant meetings; they are both members of the Committees for England and Wales. Members of the Executive are invited to attend most Board meetings and relevant committee meetings.

Executive Team

The Executive Team is chaired by the Chief Executive and comprises the Senior Director of Policy, Research and Campaigning, Director of Consumer Relations, Director of Communications the Executive Head of Strategy, Transformation and People and the Executive Head of Business Services. 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 fortnightly and determines, subject to the overall direction of the Board, all matters relating to management and resources, as well as implementing the strategy and policy agreed by the Board; the Board Secretary is invited to join these meetings.

In 2022-23 the following changes were made to CCW's Executive Team:

- Gemma Domican, Executive Head of Strategy, Transformation and People, joined on 1/4/2022
- Paul Hibbert, Executive Head of Business Services, left on 23/5/2022
- Simon Millward, Executive Head of Business Services, joined on 26/9/2022
- Tim Clarke, Interim Director of Communications, joined on 10/10/2022
- Jo Dixon, Interim Director of Consumer Relations, from 27/9/2022 to 31/12/2022
- Nicola Brown, Director of Consumer Relations, left on 31/10/2022
- Helen Brown, Director of Consumer Relations, joined on 1/12/2022
- Amanda Caton, Director of Communications, left on 1/2/2023

Managing risk

Risk Management is an integral part of CCW's governance procedures. CCW has adopted a risk assurance approach to its management of risk and uses a strategic risk register to identify, monitor and manage the mitigation of threats to the delivery of its objectives. The risk register is a live document that is reviewed regularly by the Executive Team who are responsible for managing appropriate mitigating actions to prevent the risks materialising. The register is presented to the Audit and Risk Management Committee at each of its meetings and the highest risks are considered by the Board annually.

The Board reviewed its risk appetite in 2022-23 and made no change to it.

Strategic risks for CCW

Some of the key risks facing CCW and its ability to deliver its Forward Work Programme in 2022-23 are ongoing, while others have arisen in relation to specific activities.

At the end of 2022/23 there were 22 risks on the strategic risk register. After mitigation nine were rated high priority, seven medium priority and six low priority. The nine high priority risks were:-

- that the demand for support from the Consumer Relations team exceeds its capacity and the team is unable to support customers effectively;
- external events prevent CCW delivering its Forward Work Programme;
- the use of an outdated HR system impacts how effectively staff performance is managed and staff management generally;
- Government takes a decision to close CCW potentially impacting the support available to water consumers;
- that CCW's ICT system fails and CCW is unable to support customers effectively;
- an increase in the number of staff leaving impacts CCW's operations and the support it provides to customers;
- CCW experiences difficulties recruiting the right people/filling vacancies and so cannot support customers effectively
- CCW relies on poor quality data as evidence, policy decisions could be based on poor/incorrect information which causes reputational impact with stakeholders
- CCW receives an employment tribunal claim

Data security

CCW's approach to information and data security is proportionate to the nature of the risks and the type of information held. In 2022/23 we reported no personal data incidents to the Information Commissioner's Office. There were 12 non-reportable incidents in the period each of which was contained.

On 3 April 2023 we were informed by Capita, our outsourced Managed Service Provider, of a Cyber Security issue. The issue had arisen following unauthorised access to Capita's system on or around 22 March that had been interrupted by Capita on 31 March. Capita worked with specialist advisers and forensic experts to investigate the incident and have confirmed that CCW's data was not exfiltrated as a result of the incident.

Internal audit

RSM UK provide internal audit services to CCW and complete a work programme to review risk management, internal control and governance. Internal audit reviews carried out in 2022-23 were:

- Management of Delivery of the Forward Work Programme
- Escalation Framework – Monitoring Arrangements
- Project Governance and Management Arrangements
- Key Financial Controls
- Follow up of previous audit recommendations

The internal auditors prepare an annual report that includes a professional opinion on the effectiveness of the overall systems of internal control and risk management within CCW. The internal audit opinion for 2022-23 is that the organisation has an adequate and effective framework for risk management, governance and internal control. Internal audit work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.

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 50 to 54. The cost of providing audit services in respect of the Annual Report and Accounts 2022-23 was £43,000 (2021-22, £28,500). There was no external auditor remuneration for non-audit work.

Functional Standards

UK Government Functional standards set expectations for the management of functional work and the functional model across government. CCW has examined all functional standards and completed a gap analysis to identify any areas to be addressed. An action plan has been developed to address identified gaps and ensure that CCW is operating in line with the published standards.

Operational assurances

The Chairs of the Board Committees (Audit & Risk Management Committee and Human Resources and Remuneration Committee) 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 CCW's policies and procedures relating to planning, finance and staff management.

Corporate Governance

Code of Governance

The Board's Code of Governance sets out its responsibilities. The HMT/Cabinet Office document 'Corporate governance in central government departments: code of good practice' has been reflected where relevant and practical. The Code of Governance is reviewed annually. CCW operates broadly in line with the principles set out in the Cabinet Office and HM Treasury corporate governance in central government departments: code of good practice (2017).

Counter fraud, bribery and corruption

CCW continues to take positive action to prevent fraud, bribery and corruption. During 2022-23, we continued to implement policies and procedures relating to procurement which were reviewed in 2021-22 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 CCW staff, Board members and Consumer Advocates. 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. CCW is a part of DEFRA's counter fraud group providing learning opportunities and the latest guidance to us. During 2022-23 CCW engaged with GSEC whose focus is cyber security in Government, they have provided assistance to CCW in reducing risk and putting in place proactive measures.

All CCW staff have been hybrid working since August 2021. During this time, mindful of potential increased risk, additional reminders and information have been circulated to staff to ensure we remain alert to potential fraud whilst we are working remotely, and to continue to report any unusual requests or communications they receive.

Russia – Exposure of investments

CCW has no contracts or business exposure with any individual or entity on the published list that are subject to sanctions in Russia and Belarus. CCW has no investments in Russia or elsewhere.

Effectiveness of whistleblowing arrangements

CCW has had a Whistleblowing policy in place since 2011 and the policy was updated in 2019. In 2022-23 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.

Quality Assurance of Analytical Models

CCW does not use any business critical analytical models.

Ministerial Directions

No Ministerial Directions were received in 2022-23.

Accounting Officer

Emma Clancy, CCW's Chief Executive and Accounting Officer left CCW on 29 September 2023. I was appointed Interim Chief Executive and Accounting Officer from 2 October 2023. As part of the handover of responsibilities for the safeguarding of public funds I have received a letter of assurance from Emma Clancy relating to the position of CCW for the period 1 April 2022 to 29 September 2023.

The Accounting Officer's review of effectiveness

As the Accounting Officer, I am responsible for reviewing the effectiveness of our governance system. My review has been informed by the work of the internal auditors over the course of the year, assurances from the CCW Executive Team, the Audit and Risk Management Committee, a letter of assurance from the former Chief Executive and Accounting Officer, and the comments made by the external auditors in their annual management letter and other reports. I have also noted the annual opinion of the internal auditors which indicates that the organisation has an adequate and effective framework for risk management, governance and internal control but that the internal audit work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective. I am satisfied that CCW has effective governance, risk management and internal controls in place.

Remuneration and Staff Report

Staff remuneration

Pay progression for staff is performance related. It is assessed annually using CCW's personal appraisal system. The percentage increase to CCW'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 CCW's four performance bandings is agreed by the Human Resources and Remuneration Committee.

Performance Related Pay (PRP) 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, Consumer Advocates and public appointees (Board members) are paid through CCW's payroll.

Pension liabilities

The main pension scheme for CCW staff is the Civil Service Pension arrangements. These are unfunded, multi-employer, defined benefit schemes in which CCW 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 CCW's employees' membership of the Civil Service Pension are not provided for in these accounts in accordance with the Treasury's instructions and as described below. CCW'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 CCW's Board Members.

Remuneration (salary and benefit in kind)

Single total figure of remuneration						
	Salary (£'000)		Benefits in kind (to nearest £100)		Total (£'000)	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Council Chair						
Robert Light	35-40	35-40	2800	1,600	35-40	35-40
Independent Members and Wales Chair						
Rachel Onikosi Appointed 1/6/2021	10-15	10-15*	500	400	10-15	10-15
Bev Keogh Appointed 1/6/2021	10-15	5-10*	700	100	10-15	10-15
Jeff Halliwell Appointed 1/6/2021 Left 10/11/2021	-	5-10*	-	-	-	5-10

Lisa Tennant Appointed 1/6/2021	10-15	10-15*	1,900	800	10-15	10-15
Rhodri Williams	20-25	20-25	100	100	20-25	20-25
Alison Austin	10-15	10-15	900	300	10-15	10-15
Robert Wilson	10-15	10-15	200	200	10-15	10-15

*fye= full year equivalent £10-15K

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.

Name, Role and Senior Civil Service Band Equivalent	Salary (£'000)		Bonus and Performance Payments (£'000)		Pension Benefits (to nearest £'000)		Total (£'000)	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Emma Clancy Chief Executive SCS2	120-125	120-125	5-10	5-10	48	47	175-180	170-175
Mike Keil Senior Director Policy, Research & Campaigning SCS1	85-90	85-90	-	-	35	33	120-125	115-120
Gemma Domican (Gregory) Executive Head, Transformation, Strategy & People SCS1 Started 1/4/2022	65-70	-	-	-	27	-	95-100	-
Paul Hibbert Head of Business Services SCS1 Started 7/6/2021 Left 23/05/2022	5-10 (full year equivalent salary 70-75) ¹	45-50 (full year equivalent salary 70-75)	-	-	4	16	10-15	65-70
Simon Millward Executive Head of Business Services SCS1 Started 26/09/2022	35-40 (full year equivalent salary 70-75)	-	-	-	15	-	50-55	-

Carl Pegg Head of Consumer Relations SCS1 Left 31/10/2021	-	40-45 (full year equivalent salary 70-75)	-	-	-	24	-	65-70
Nicola Brown Director of Consumer Relations SCS1 Started 4/10/2021 Left 31/10/2022	45-50 (full year equivalent salary 80-85)	35-40 (full year equivalent salary 80-85)	-	-	18	15	60-65	50-55
Jo Dixon Temporary Director of Consumer Relations SCS1 Started 27/09/22 Left 31/12/2022	20-25 (full year equivalent salary 80-85)	-	-	-	8	-	25-30	-
Helen Brown Director of Consumer Relations SCS1 Started 1/12/2022	25-30 (full year equivalent salary 80-85)	-	-	-	11	-	35-40	-
Amanda Caton Director of Communications SCS1 Left 01/02/2023	80-85 (full year equivalent salary 75-80)	75-80	-	-	25	29	105-110	100-105
Tim Clarke Temporary Director of Communications SCS1 From 10/10/2022	25-30 (full year equivalent salary 60-65)	-	-	-	12	-	40-45	-

¹ Post is 0.81 FTE

The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) less (the contributions made by the individual). 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 CCW and thus recorded in these accounts.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by CCW 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. None of the senior managers received any benefits in kind which require disclosure in the table above.

Bonuses and Performance Payments

The Chief Executive is entitled to a contractual bonus payment. This relates to the achievement of her objectives. The bonus reported in 2022-23 relates to the achievements of performance targets in 2021-22. The comparative bonuses reported for 2021-22 relate to the performance in 2020-21.

Fair Pay Disclosure (audited)

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce. The fair pay disclosure includes Consumer Advocates and Non-Executive directors.

The banded remuneration of the highest paid director in CCW in the financial year 2022-23 was £130k – £135k (2021-22, £125k – £130k). This was 3.8 times (2021-22, 4.2 times) the median remuneration of the workforce, which was £34,757 (2021-22, £30,566). Following a change in staff make up and remuneration this ratio has decreased.

The entity believes the median pay ratio for the relevant financial year is consistent with the pay, reward and progression policies for the entity's employees taken as a whole. The mean remuneration of the workforce increased by 5%.

In 2022-23, no employees received remuneration in excess of the highest paid director. Remuneration ranged from £19k to £132k (2021-22 £19k to £128k). Following a new appointment and change in remuneration this ratio has increased.

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.

With the exception of the Chief Executive Officer there were no performance pay or bonus payments made in the year to employees.

	2022-23 £'000	2021-22 £'000	Movement %
Highest paid director			
Salary and allowances	120-125	120-125	2%
Performance pay and bonuses	5-10	5-10	33%
	2022-23 £	2021-22 £	Movement %
Average (mean) remuneration of other employees			
Salary and allowances	38,810	36,843	5%

	2022-23			2021-22		
	Lower Quartile (25%)	Median	Upper Quartile (75%)	Lower Quartile (25%)	Median	Upper Quartile (75%)
Total pay and benefits						
Remuneration	24,624	34,757	47,686	24,422	30,566	44,747
Ratio	5.3	3.7	2.7	5.3	4.3	2.9
Salary only	Lower Quartile (25%)	Median	Upper Quartile (75%)	Lower Quartile (25%)	Median	Upper Quartile (75%)
Remuneration	24,523	34,393	46,423	24,304	30,566	42,065
Ratio	5.0	3.6	2.6	5.0	4.0	2.9

Senior managers disclosure of pension information 12 months ended 31 March 2023 (audited)

Name and role	Accrued pension at pension age as at 31 March 2023 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31 March 2023	CETV at 31 March 2022	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Emma Clancy – Chief Executive	5-10	2.5-5	101	61	27
Mike Keil – Senior Director of Policy, Research & Campaigning	10-15	0-2.5	132	103	18
Gemma Domican (Gregory) – Executive Head, Transformation, Strategy & People Started 1/4/2022	10-15	0-2.5	112	95	9
Paul Hibbert - Head of Business Services Started 7/6/2021 Left 23/05/2022	0-5	0-2.5	22	18 (1)	2
Simon Millward – Executive Head Business Services Started 26/9/2022	0-5	0-2.5	12	-	9
Carl Pegg - Head of Consumer Relations Left 31/10/2021	-	-	-	986	-
Nicola Brown – Director of Consumer Relations Started 4/10/2021 Left 31/10/2022	-	-	- (2)	11	-
Jo Dixon Temporary - Director of Consumer Relations Started 27/09/22, Left 31/12/2022	-	-	- (2)	2	-
Helen Brown – Director of Consumer Relations Started 1/12/2022	0-5	0-2.5	42	34	6
Amanda Caton – Director of Communications Left 01/02/2023	5-10	0-2.5	80	64	9
Tim Clarke - Temporary Director of Communications From 10/10/2022	5-10	0-2.5	90	80	5

1 CETV Restated

2 Nicola Brown and Jo Dixon left the pension scheme with less than two years of service, they had no pension benefits as at 31st March 2023.

CETV – Cash Equivalent Transfer Value

Contingent labour - temporary staff

During 2022-23 CCW spent £439k (2021-22 £604k) (represented) on temporary staff to cover vacancies, sickness 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: 3 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 switched into **alpha** sometime between 1 June 2015 and 1 February 2022. Because the Government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, it is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report – see below). 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 officials show pension earned in PCSPS or **alpha** – as appropriate. Where the official 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 defined contribution (money purchase) pension with an employer contribution (**partnership** pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% 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 **partnership** pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

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 officials show pension earned in

PCSPS or alpha – as appropriate. Where the official 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

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.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023, HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023-24 CETV figures.

Staff numbers and related costs

Analysis of Board members and staff, by gender and ethnicity

As a public body CCW 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. CCW 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. This runs through all of our campaigns including:

- Our recruitment video, which showcases CCW's values and shows our flexible and inclusive approach to employment
- Blind application sifting
- Consistent role specific interview questions with a panel

CCW are also a disability confident committed employer.

As at 31 March 2023:

Number of :	Staff (incl. SCS grades)	Board (excl CEO)	Consumer Advocates	SCS Equivalent
Total	76	7	17	6
Women	41	4	10	3
Ethnic minority	16	1	2	0
Disability	5	0	0	0

As at 31 March 2022:

Number of :	Staff (incl. SCS grades)	Board (excl CEO)	Local Consumer Advocates	SCS Equivalent
Total	77	7	16	5
Women	48	4	8	3
Ethnic minority	11	1	1	0
Disability	5	0	0	0

Staff costs (audited)

	2022-23			2021-22 (Restated) *
	Permanently Employed Staff (2)	Others (3)	Total	Total
	£000s	£000s	£000s	£000s
Wages and Salaries	2,943	599	3,542	3,383 *
Social Security Costs	321	10	331	280
Other Pension Costs	767	-	767	675
Sub Total	4,031	609	4,640	4,338
Less recoveries of staff costs		(163)	(163)	(296) *
Total net costs (1)	4,031	446	4,477	4,042

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

2 Includes Casual staff

3 Includes Public Appointees, Consumer Advocates and Agency costs

*Details on restatement can be found on page 61.

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 CCW Consumer Advocates are included in the others column in the table above.

Pension

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servants and Others Pension Scheme (CSOPS), known as "alpha", are unfunded multi-employer defined benefit scheme but CCW is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2016. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice.gov.uk/pensions).

For 2022-23, employers' contributions of £757,175 were payable to the Civil Service Pension arrangements (2021-22, £672,631) at one of four rates in the range 26.6% to 30.3% 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 2022-23 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 £9,436 (2021-22, £7,560) were paid to the appointed stakeholder pension provider. 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 £297 (2021-22, £271), 0.5% of pensionable pay, were payable to the Civil Service Pension arrangements 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 £691 (2021-22, £780). 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 2022-23 (Nil in 2021-22). Ill health retirement costs are met by the pension scheme.

Average numbers of persons employed (audited)

The average number of whole-time equivalent persons employed during the year was as follows. These figures exclude CCW Consumer Advocates and Board members. Staff numbers are represented to show average rather than as at year-end figures.

Number	2022-23	2021-22
Directly Employed	76	70
Other (Temporary staff)	7	9
Total	<u>83</u>	<u>79</u>

Average number (headcount) of Board members and Local Consumer Advocates

Number	2022-23	2021-22
Board	7	7
Consumer Advocates	16	15
Total	<u>23</u>	<u>22</u>

Staff turnover percentage was 13.15% for 2022-23

Sickness absences

CCW 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. CCW aims to treat its staff who are ill with

compassion and fairness whilst, where possible, providing support which will enable them to recover their health and attend work regularly. CCW has an occupational health service and an employee assistance programme. During 2022-23 the number of working days lost was 7.87 per annum per employee compared to 8.55 days for 2021-22. This compares to the Chartered Institute of Personnel and Development (CIPD) average of 8 days for the public sector (CIPD Health & Wellbeing at Work 2020).

Employee involvement

CCW 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.

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, CCW is required to publish information on our highly paid and/or senior off-payroll engagements.

Table 1: For all off-payroll engagements as of 31 March 2023 for more than £245 per day	
	ALBs
No. of existing engagements as of 31 March 2023	-
Of which ...	
No. that have existed for less than one year at time of reporting.	-
No. that have existed for between one and two years at time of reporting.	-
No. that have existed for between two and three years at time of reporting.	-
No. that have existed for between three and four years at time of reporting.	-
No. that have existed for four or more years at time of reporting.	-
Table 2: Number of off-payroll workers engaged during the year ended 31 March 2023	One
Of which	ALBs
Of which ...	
Not subject to off-payroll legislation	
Subject to off-payroll legislation and determined as in-scope of IR35	One
Subject to off-payroll legislation and determined as out-of-scope of IR35	-
Number of engagements reassessed for compliance or assurance purposes during the year	One
Of which: number of engagements that saw a change to IR35 status following review	-

Table 3: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2022 and 31 March 2023

Number of off-payroll engagements of board members, and/or senior officials with significant financial responsibility, during the financial year. (1)	-
Total number of individuals on payroll and off payroll that have been deemed "board members, and/or senior officials with significant financial responsibility", during the financial year. This figure should include both on-payroll and off-payroll engagements (2)	Nine

Senior officials with significant financial responsibility are defined as all board level executives, non-executive directors and finance directors.

Commentary on Sustainable Performance

CCW is committed to mitigating climate change and working towards Net Zero by 2050, sustainability reporting is still relatively new to CCW and initial focus has been on collecting data.

CCW occupies floor space at two fully managed hubs: At the Birmingham hub we occupy 141sq.m. (2.79% of total building floor space), with occupation commencing on the 4th August 2021, at Cardiff we occupy 72sq.m. (0.29% of total building floor space), with occupation commencing on the 22nd February 2021. Energy efficiency lighting is utilised in both hubs.

Any business travel undertaken is required to consider environmental factors, CCW does not possess a vehicle fleet with public transport such as trains being the primary service used, the use of virtual meetings has further reduced the need for travel.

Wherever possible procurement is performed via the Crown Commercial Service Framework which is committed to a carbon neutral plan. The volume of physical purchases is low, and no data is available for single use plastics, all waste is segregated.

ICT equipment mainly consists of laptops, during Covid all employees were provided with new laptops, these are still in use, with a policy of repair rather than replace wherever feasible. At the end of March 2023 there are a number now waiting for disposal, a suitable disposal route is being investigated.

The non-financial data in the table below is as reported as part of Defra Groups GGC and reports performance for the years 2021/22 and 2022/23. The data related to electricity consumption, waste and water is as provided by the hub landlords.

SUSTAINABILITY DATA		2021-22	2022-23
ENERGY			
Total Service Charges	£'000s	96	106
Total Electricity Consumption	Kwh's	15,745	24,441
WASTE			
Total waste	'000 kgs	0.36	1.40
Waste Recycled Externally		0.35	1.35
Waste Composted or sent to anaerobic digestion		0.00	0.03
Waste incinerated with energy recovery		0.00	0.02
WATER			
Water Consumption	m3	ND	13.45
GREEN HOUSE GAS EMISSIONS			
Total Emissions	'000kgs CO2	13.14	9.90
Purchased Energy		3.64	5.16
Scope 1 Direct Emissions		1.08	0.00
Scope 3 Emissions from domestic business travel		8.41	4.73
Emissions from Domestic Flights		0.02	0.56
Emissions from International Flights		0.00	0.03
Number of flights		ND	12.00
Expenditure on official business travel	£'000s	18	47
Number of cars hired		0	0
Paper Use (reams)		ND	37

Notes:

1. Both years figures are based on three quarters data, with one quarters data in both years unavailable.
2. Energy, waste and water costs are not separately analysed in Landlord invoices, they are included in the Total Service Charges line above.
3. ND denotes information not available.

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 CCW's assets, are set out in the Non-Departmental Public Bodies' Accounting Officer Memorandum and *Managing Public Money*, issued by HM Treasury. All expenditure was applied to the purpose intended by Parliament.

Losses and Special Payments

There were no reportable losses and no special payments during the year (nil during 2021-22).

Remote Contingent Liabilities

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. CCW does not have any remote contingent liabilities as at 31 March 2023.



Dr Mike Keil
Interim Chief Executive and Accounting Officer
Consumer Council for Water

18 March 2024

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

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 2023 under the Water Industry Act 1991 as amended by the Water Act 2003.

The financial statements comprise the Consumer Council for Water's

- Statement of Financial Position as at 31 March 2023;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and international accounting standards, as interpreted by HM Treasury's Government Reporting Manual.

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 2023 and its net operating costs for the year then ended; and
- 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 for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022)*. 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 2019*. I am independent of the Consumer Council for Water in accordance with the ethical requirements that are relevant to my audit of 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

In auditing the financial statements, I have concluded that the Consumer Council for Water's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, 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 when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Consumer Council for Water is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises the information included in the Annual Report, but does not include the financial statements nor my auditor's certificate and report. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

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 I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Water Industry Act 1991 as amended by the Water Act 2003.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the Water Industry Act 1991 as amended by the Water Act 2003; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Consumer Council for Water and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report.

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 by the Consumer Council for Water or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or

- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Consumer Council for Water from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- ensuring that the financial statements give a true and fair view and are prepared in accordance with Secretary of State directions made under the Water Industry Act 1991 as amended by the Water Act 2003;
- ensuring that the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with Secretary of State directions made under the Water Industry Act 1991 as amended by the Water Act 2003; and
- assessing the Consumer Council for Water's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Consumer Council for Water will not continue to be provided in the future.

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.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. 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.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Consumer Council for Water's accounting policies;
- inquired of management, the Consumer Council for Water's internal audit function and those charged with governance, including obtaining and reviewing supporting documentation relating to the Consumer Council for Water's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Consumer Council for Water's controls relating to the Consumer Council for Water's compliance with the Water Industry Act 1991 as amended by the Water Act 2003 and Managing Public Money;
- inquired of management, the Consumer Council for Water's internal audit function and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Consumer Council for Water for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Consumer Council for Water's framework of authority and other legal and regulatory frameworks in which the Consumer Council for Water operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Consumer Council for Water. The key laws and regulations I considered in this context included the Water Industry Act 1991 as amended by the Water Act 2003, Managing Public Money, pension legislation and employment law.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Management Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports; and
- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

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.

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 I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

19 March 2024

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

FINANCIAL STATEMENTS

Statement of Comprehensive Net Expenditure

for the year ended 31 March 2023

This account summarises the expenditure and income generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure, which include changes to the values of non-current assets and other financial instruments that cannot yet be recognised as income or expenditure.

	Note	2022-23	2021-22
		<u>£000s</u>	<u>(Restated) *</u>
		<u>£000s</u>	<u>£000s</u>
Revenue from contracts with customers	4	(163)	(296) *
Total income		(163)	(296)
Staff costs	2	4,640	4,338 *
Other Costs	3	2,450	1,785
Non Cash items	3	126	115
Total operating costs		7,216	6,238
Net operating costs		7,053	5,942
Total comprehensive net expenditure for the year		7,053	5,942

*Detail on prior year restatement in note 1.7.

There is no other comprehensive net expenditure.

The notes on pages 59 to 72 form part of these accounts.

Statement of Financial Position

as at 31 March 2023

This statement presents the financial position of CCW. It comprises three main components: assets owned or controlled; liabilities owed to other bodies; and equity, the remaining value of entity.

	Note	2022-23	2021-22
		£000s	(Restated)*
			£000s
Non-current assets			
Property, plant and equipment	5	20	69
Intangible Assets	6	3	63
Right of Use Assets	7.1	1,051	-
Total non-current assets		1,074	132
Current assets			
Trade and other Receivables	8	166	180 *
Cash and cash equivalents	9	942	922
Total current assets		1,108	1,102
Total assets		2,182	1,234
Current liabilities			
Trade and other payables	10	(966)	(1,000) *
Lease Liability	7.2	(214)	-
Provisions	11	-	(137)
		-	-
Total current liabilities		(1,180)	(1,137)
Total assets less current liabilities		1002	97
Non-current liabilities			
Provisions	11	(25)	-
Lease Liability	7.2,10	(910)	(38)
Total non-current liabilities		(935)	(38)
Assets less liabilities		67	59
Taxpayers' equity and other reserves			
General fund		67	59
Total equity		67	59

*Detail on prior year restatement in note 1.7.

The notes on pages 59 to 72 form part of these accounts.



Dr Mike Keil
Interim Chief Executive and Accounting Officer
Consumer Council for Water

18 March 2024

Statement of Cash Flows

for the year ended 31 March 2023

The Statement of Cash Flows shows the changes in cash and cash equivalents of CCW during the reporting period. The statement shows how CCW generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by CCW. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to CCW's future public service delivery.

	Note	2022-23	2021-22 (Restated) *
		£000s	£000s
Cash flows from operating activities			
Net operating cost		(7,053)	(5,942)
Adjustments for non-cash transactions	3	126	115
Adjustments for non operating activities	3,7.2	13	6
(Increase)/decrease in trade and other receivables	8	14	35 *
Increase/(decrease) in trade and other payables	10	52	280 *
Utilisation of Provision	11	(100)	-
Net cash outflow from operating activities		(6,948)	(5,506)
Cash flows from financing activities			
Lease liability payments	7.2,10	(92)	(76)
Grant in Aid from Sponsor departments		7,060	5,970
Net financing		6,968	5,894
Net increase/(decrease) in cash and cash equivalents in the period		20	388
Cash at the beginning of the period	9	922	534
Cash at the end of the period		942	922

The Consumer Council for Water bank account is held within the Government Banking Service. The Consumer council for Water does not hold any cash equivalent balances and has no overdraft facilities.

*Detail on prior year restatement in note 1.7. Other lines within the prior year cashflow statement have been represented to match current year presentation of cashflows.

The notes on pages 59 to 72 form part of these accounts.

Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2023

This statement shows the movement in the year on the reserves held by CCW, analysed into 'general fund reserves' (i.e. those reserves that reflect a contribution from the Consolidated Fund). The General Fund represents the total assets less liabilities of CCW, to the extent that the total is not represented by other reserves and financing items.

	General Fund
	£000s
Balance at 31 March 2021	30
Grant in Aid from Sponsor departments	5,970
Comprehensive net expenditure for the year	(5,942)
Non-cash adjustments	
Notional charge and other non cash items	1
Balance at 31 March 2022	59
Grant in Aid from Sponsor departments	7,060
Net Operating Costs for the year	(7,053)
Non-cash adjustments	
Notional charge and other non cash items	1
Balance at 31 March 2023	67

The notes on pages 59 to 72 form part of these accounts.

Notes to the Accounts

1 Statement of accounting policies

These financial statements have been prepared in accordance with the 2022-23 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.

The Consumer Council for Water is a body corporate created by s27A of the Water Industry Act 1991, the principal place of business is 23 Stephenson Street, Birmingham. B2 4BH.

The accounts for 2022-23 have been prepared on a going concern basis. Defra and the Welsh Government have agreed CCW's 2023-24 revenue budget and Main Estimates. CCW is in a net asset position and there is no reason to believe that future approvals will not be forthcoming. CCW has assumed that funding will continue beyond the financial year 2022-23 broadly in line with current levels, CCW has a statutory basis for both function and funding and there are no reasons why this would not continue. CCW considers there are not such material uncertainties, our funding is statutory and there are no consultations on changing the existence, nature or funding of CCW.

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 not re-valued on an annual basis using indices. Depreciated historical cost is used as a proxy for current fair value as this realistically reflects consumption of the assets. Revaluation would not cause a material difference. The minimum level for the capitalisation of property, plant and equipment and intangible assets is £2,000.

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

1.3 Depreciation and Amortisation

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
Right of use assets	Over lease term

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

CCW has implemented IFRS 16 with effect from 1 April 2022, using the adaptations and interpretations set out by HM Treasury in the FReM. This requires the net cumulative impacts of the initial application of applying IFRS 16 to be recognised and prior year comparatives have not been restated.

For lessees, this transition has removed the separation between operating and finance leases, instead recognising leases in scope of IFRS 16 on the SoFP as right of use assets (ROU) and corresponding lease liabilities. Opening liabilities have been calculated using the present value of outstanding payments due at 1 April 2022 and the opening cost of the right of use assets has been calculated to equal lease liabilities, adjusted for any lease prepayments or accruals that existed immediately prior to 1 April 2022.

The SoCNE reflects related charges for the depreciation on the right of use asset and interest on the lease liability in place of rental expenses. VAT is excluded from the measurement of the Right of Use Asset and charged to the SoCNE when incurred in line with IFRIC 21.

This treatment has been applied to all leases except short-term leases (12 months or less) or in some cases where the underlying asset is of low value, which continue to be accounted as expenses on a straight-line basis in the SoCNE for the duration of the lease term.

Where the interest rate cannot be readily determined within a lease, CCW has calculated the lease liability using the discount rates set out in the latest HM Treasury's Public Expenditure System paper as the incremental borrowing rate which for the 2022 calendar year is 0.95% and 3.51% for 2023.

For leases already recognised on the SoFP as finance leases prior to 1 April 2022, the opening balances have been unaffected by the first-time adoption of IFRS 16.

As permitted by the FReM, we have elected to apply cost as a proxy for the current value in existing use or fair value for Right of Use Assets with regular rent reviews, and those which have shorter useful lives or are low value. This applies to Buildings and IT related ROU assets respectively.

1.5 Grant in Aid

CCW 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 Fund.

1.6 Revenue from Contracts with Customers

Income from Contracts with Customers represents the recharge of staff costs to other organisations. The main source of income is the full reimbursement of agency staff engaged by CCW to resolve water company disputes. Income is recognised in accordance within the five stage model set out in IFRS 15 Revenue from Contracts with customers. Income is recognised when the underlying performance obligation has taken place, in this case, when staff costs are incurred.

Customers are usually billed the month after costs are incurred. CCW's transaction price is set equal to the direct costs of these activities. Within receivables and payables there are accrued income and costs respectively applicable to the financial year, representing costs incurred and not yet paid by CCW and/or reimbursed.

1.7 Prior period restatement

In instances where there has been a high volume of cases an arrangement has been entered into with individual water companies to fund additional staff on a no profit/loss basis. In previous years CCW has presented a portion of revenue from contracts with customers net of the associated staff costs which had been re-charged. We have reviewed this treatment against IFRS15 and amended our accounting policy to recognise the gross position of both Revenue from contracts from customers and Staff costs in the SOCNE, our revised accounting policy can be found in Note 1.6.

The impact of the change is shown below.

Statement of Comprehensive Net Expenditure (extract)	2020-21 Previously stated	Increase/(decrease)	2020-21 Restated
Revenue from contracts with customers	33	42	75
Total operating costs	(6,001)	(42)	(6,043)
Net operating costs	(5,968)	0	(5,968)

Statement of Comprehensive Net Expenditure (extract)	2021-22 Previously stated	Increase/(decrease)	2021-22 Restated
Revenue from contracts with customers	15	281	296
Total operating costs	(5,957)	(281)	(6,238)
Net operating costs	(5,942)	0	(5,942)

Statement of Financial Position (extract)	31 March 2022 Previously stated	Increase/(decrease)	31 March 2022 Restated
Trade and Other Receivables	177	3	180
Trade and Other Payables	(997)	(3)	(1,000)
Assets less liabilities	59	0	59

1.8 Value added tax

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

1.9 Provisions

CCW provides for legal or constructive obligations arising from past events where it is probable that there will be an outflow of economic resources, 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.

1.10 Contingent liabilities

In addition to contingent liabilities disclosed in accordance with IAS 37, CCW 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 the FReM.

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.

1.11 Pensions

Past and present employees are covered by the provisions of the Civil Service Pension arrangements. These are unfunded multi-employer defined benefit scheme and CCW is unable to identify its share of the underlying assets and liabilities. The Scheme Actuary valued the scheme as at 31 March 2016. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation www.civilservice-pensions.gov.uk.

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

1.12 Accounting Standards in Issue, not yet effective

Impending application of newly issued Accounting Standards not yet effective IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, requires disclosures in respect of new IFRSs, amendments and interpretations that are, or will be applicable after the reporting period. There are a number of IFRSs, amendments and interpretations that have been issued by the International Accounting Standards Board that are effective for future reporting periods. Those with relevance to CCW are outlined below. The following standards will be applied upon formal adoption in the FReM.

IFRS 17 – Insurance Contracts. This standard is effective from the 2023-24 accounts. This standard will apply to all types of insurance contract and proposes a building blocks approach based on the expected present value of future cash flows to measuring insurance contract liabilities.

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

2 Staff costs

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

Staff costs (audited)

	2022-23			2021-22
	Permanently Employed Staff (2)	Others (3)	Total	(Restated) * Total
	£000s	£000s	£000s	£000s
Wages and Salaries	2,943	599	3,542	3,383 *
Social Security Costs	321	10	331	280
Other Pension Costs	767	-	767	675
Sub Total	4,031	609	4,640	4,338
Less recoveries of staff costs		(163)	(163)	(296) *
Total net costs (1)	4,031	446	4,477	4,042

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

2 Includes Casual staff

3 Includes Public Appointees, Consumer Advocates and Agency costs

*Details of restatement can be found in Note 1.7

3 Total Operating Costs

	2022-23	2021-22 (Restated)*
	£000s	£000s
Staff Costs (1)		
Wages and Salaries	3,542	3,383
Social Security Costs	331	280
Other Pension Costs	767	675
Total	4,640	4,338
Rentals under operating leases:		
Accommodation	-	235
Office equipment	1	2
	1	237
Non cash items:		
Depreciation	2	35
Depreciation on Right of Use assets	155	-
Amortisation	5	43
(Profit)/Loss on disposal of assets	-	1
Notional charge	1	1
Increase/(decrease) in Provision Service Charges	(37)	35
	126	115
Other expenditure:		
Research & Consultancy	1,117	592
Personnel Overheads	240	104
Training	113	56
Publicity, Library & Parliament	195	111
Computer Services	378	345
Office Support costs	212	224
Auditors' remuneration (2)	43	29
Interest on Lease Liabilities	13	6
Other Accommodation costs	138	81
	2,449	1,548
Total	7,216	6,238

1. Further analysis of staff costs is located in Note 2 and the Remuneration and Staff Report on page 37.

2. During the year there was no remuneration for non-audit work (nil 2021-22).

As a result of IFRS16 adoption accommodation costs relating to office leases has reduced and depreciation and interest charged has increased.

CCW has opted to apply exemptions available under IFRS 16.6 for short term and low value leases. Low value leases of £1k are for printers used in the offices.

*Details of restatement can be found in Note 1.7. In addition, some figures in the prior year column have been represented to align with current year presentation.

4 Income

	2022-23	2021-22
	<u>£000s</u>	<u>(Restated) *</u> £000s
Analysis of Revenue from contracts with customers		
Other income		
Recoveries of staff costs	(163)	(296) *
Total income from contracts with customers	<u>(163)</u>	<u>(296)</u>

*Details of restatement can be found in Note 1.7.

5 Property, plant and equipment

	Leased IT Hardware £000s	Leasehold improvements £000s	Total £000s	
Cost or valuation				
At 31st March 2022	160	23	183	
IFRS 16 transition *	(160)	-	(160)	
At 1 April 2022	-	23	23	
Additions	-	-	-	
Disposals	-	-	-	
At 31 March 2023	-	23	23	
Depreciation				
At 31st March 2022	113	1	114	
IFRS 16 transition *	(113)	-	(113)	
At 1 April 2022	-	1	1	
Charged in year	-	2	2	
Disposals	-	-	-	
At 31 March 2023	-	3	3	
Carrying value at 31 March 2023	-	20	20	
Carrying value at 31 March 2022	47	22	69	
	Leased IT Hardware £000s	Furniture fixtures and fittings £000s	Leasehold improvements £000s	Total £000s
Cost or valuation				
At 1 April 2021	160	2	309	471
Additions	-	-	1	1
Disposals	-	(2)	(287)	(289)
At 31 March 2022	160	-	23	183
Depreciation				
At 1 April 2021	81	1	285	367
Charged in year	32	-	3	35
Disposals	-	(1)	(287)	(288)
At 31 March 2022	113	-	1	114
Carrying value at 31 March 2022	47	-	22	69
Carrying value at 31 March 2021	79	1	24	104
Asset financing:				
Owned	-	-	22	22
Finance Leased	47	-	-	47
Carrying value at 31 March 2022	47	-	22	69

* IFRS 16 transition adjustments are recognised in Note 7.1 Right of Use Assets

6 Intangible assets

	Leased Software Licences £000s	Software Licences £000s	Total Software Licences £000s
Cost or valuation			
At 31st March 2022	187	26	213
IFRS 16 transition *	(187)	-	(187)
At 1 April 2022	-	26	26
Additions	-	-	-
Disposals	-	-	-
At 31 March 2023	-	26	26
Amortisation			
At 31st March 2022	132	18	150
IFRS 16 transition *	(132)	-	(132)
At 1 April 2022	-	18	18
Charged in year	-	5	5
Disposals	-	-	-
At 31 March 2023	-	23	23
Carrying value at 31 March 2023	-	3	3
Carrying value at 31 March 2022	55	8	63
	Leased Software Licences £000s	Software Licences £000s	Total Software Licences £000s
Cost or valuation			
At 1 April 2021	187	26	213
Additions	-	-	-
Disposals	-	-	-
At 31 March 2022	187	26	213
Amortisation			
At 1 April 2021	94	13	107
Charged in year	38	5	43
Disposals	-	-	-
At 31 March 2022	132	18	150
Carrying value at 31 March 2022	55	8	63
Carrying value at 31 March 2021	93	13	106
Asset financing:			
Owned	-	8	8
Finance Leased	55	-	55
Carrying value at 31 March 2022	55	8	63

* IFRS 16 transition adjustments are recognised in Note 7.1 Right of Use Assets

7 Right of Use Assets and Lease Liabilities

CCW's main Right of Use Assets and Lease Liabilities relate to the rental of office space in Cardiff and Birmingham.

7.1 Right of Use Assets

	Buildings	IT Software	IT Hardware	Total
	£000s	£000s	£000s	£000s
Cost or valuation				
Transfers from PPE and Intangible Assets (Notes 5 and 6)	-	187	160	347
Initial Recognition (1)	1,079	-	-	1,079
At 1 April 2022	1,079	187	160	1,426
Additions	25	-	-	25
Disposals	-	-	-	-
Revaluations	-	-	-	-
At 31 March 2023	1,104	187	160	1,451
Depreciation				
Transfers from PPE and Intangible Assets (Notes 5 and 6)	-	132	113	245
At 1 April 2022	-	132	113	245
Charged in year	86	37	32	155
Disposals	-	-	-	-
At 31 March 2023	86	169	145	400
Carrying value at 31 March 2023	1,018	18	15	1,051
Carrying value at 31 March 2022	-	-	-	-

(1) Details of how opening ROU asset position has been derived can be found in Note 7.3

7.2 Lease Liabilities

CCW's main Right of Use Assets and Lease Liabilities relate to the rental of office space in Cardiff and Birmingham.

	As at 1 April 2022 (1)	Interest Charged to SOCNE	Payments	As at 1 April 2023
	£000s	£000s	£000s	£000s
Building	1,095	9	(16)	1,088
IT Hardware	50	2	(35)	17
IT Software	58	2	(41)	19
Total	1,203	13	(92)	1,124
Less than 1 year	181			214
1-5 years	479			443
Over 5 years	610			521
Total undiscounted	1270			1178
Future finance charge	(67)			(54)
NPV of liability	1,203			1,124
Disclosed as				
	Current			214
	Non Current			910
	Total			1,124

(1) Details of how opening lease liability position has been derived can be found in Note 7.3.

In addition to lease liability expenses shown above, CCW has opted to apply exemptions available under IFRS 16.6 for short term and low value leases. As such we have incurred the following lease expenses which are charged direct to the SOCNE and are shown in Note 3.

Low value leases less than £1k for photocopiers are charged to SOCNE (£2k 2021-22).

CCW expects to incur similar levels of expenditure in the next financial year on short term leases.

7.3 IFRS 16 transition

IFRS16 has been implemented during the period using the cumulative catch-up method and as a result the comparative figures have not been restated.

Upon first adoption, IFRS16 requires that the organisation disclose a reconciliation between closing operating lease commitments (under IAS 17) at 31 March 2021 and opening lease liabilities (under IFRS 16) at 1 April 2022. This is set out below:

Reconciliation Closing Operating Lease Liabilities to IFRS 16 Opening Balances

	Operating Lease		Total
	Building	Other	
Commitments Disclosed at 31st March 2022	(1)		
	£000s	£000s	£000s
Less than 1 year	89	1	90
1-5	443	-	443
5+	610	-	610
Total	1,142	1	1,143
Transition Adjustments			
Exemptions		(1)	(1)
Accrued rent not paid	16	-	16
Time value of Money	(63)	-	(63)
Value of Lease Liability at 1 April 2022	1,095	-	1,095
Adjustment to arrive at ROU Asset Value			
Accrued rent not paid	(16)	-	(16)
ROU Asset at 1 April 2022	1,079	-	1,079

IFRS16 has been implemented during the period using the cumulative catch-up method and as a result the comparative figures have not been restated.

(1): The ageing split of Operating Lease at 31st March 2022 was mistated in the prior years ARA. 1-5 years £354k and > 5 years £700k should have been as stated above.

In addition to the operating leases transitioned in above table, arrangements treated as finance leases under IAS 17 are transitioned at book value. IT Hardware and IT Software (previously recognised in Property Plant and Equipment and Intangible Assets) with carrying values totalling £102k at 31 March 2022 and the associated finance lease liabilities with carrying value at the 31 March 2022 £108k, are now shown as Right of Use Assets (Note 7.1) and Lease Liabilities (Note 7.2) respectively.

8 Trade and other Receivables

	2022-23	2021-22 (Restated) *
	<u>£000s</u>	<u>£000s</u>
Trade and other receivables	43	44 *
Accrued income	15	17
Advances	1	-
Prepayments	107	119
	<u>166</u>	<u>180</u>

All fall within one year

*Details of restatement can be found in Note 1.7.

9 Cash and cash equivalents

	2022-23	2021-22
	<u>£000s</u>	<u>£000s</u>
Balance at 1 April	922	534
Net change in cash balances	20	388
Balance at 31 March	<u>942</u>	<u>922</u>

All cash balances are held with the Government Banking Service

10 Trade and other Payables

	2022-23	2021-22 (Restated) *
	<u>£000s</u>	<u>£000s</u>
Amounts falling due within one year:		
Trade payables	240	320
Other taxation & social security	79	74
Other payables	79	69
Accruals and deferred Income	568	467 *
Current part of finance leases	-	70
	<u>966</u>	<u>1,000</u>
Amounts falling due after more than one year:		
Finance lease - IT	-	38
	<u>-</u>	<u>38</u>

* Details of restatement can be found in Note 1.7.

11 Provisions for liabilities and charges

	Leasehold Property Dilapidations	Total
	£000s	£000s
Balance at 1 April 2022	137	137
Provided in year	25	25
Provision not required written back	(37)	(37)
Provision utilised in year	(100)	(100)
Balance at 31 March 2023	25	25

Analysis of expected timing of cash flows

	£000s
Not later than one year	-
Later than one year and not later than five years	-
Later than five years	25
Balance at 31 March 2023	25

	Leasehold Property Dilapidations	Service Charge	Total
	£000s	£000s	£000s
Balance at 1 April 2021	100	2	102
Provided in year	37	-	37
Provision not required written back	-	(2)	(2)
Provision utilised in year	-	-	-
Unwinding of discount	-	-	-
Balance at 31 March 2022	137	-	137

Analysis of expected timing of discounted cash flows

	£000s
Not later than one year	137
Later than one year and not later than five years	-
Later than five years	-
Balance at 31 March 2022	137

The provision for leasehold property dilapidations relates to the leased office premises in Birmingham and Cardiff, 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.

12 Financial instruments

As the cash requirements of CCW 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 CCW's expected purchase and usage requirements and CCW is therefore exposed to little credit, liquidity or market risk.

13 Related party transactions

CCW is a NDPB of DEFRA. DEFRA is regarded as a related party. During the year, CCW has had significant material transactions with the Department and other entities for which the Department is regarded as the parent Department, this included:

- Grant-in-Aid from Defra during 2022-23 of, £7.06m (2021-22: £5.97m).

In addition CCW has had transactions with other Government departments and central Government bodies. Most of these transactions have been with HMRC and GPA, and relate to MOTO agreements for use of the Birmingham and Cardiff offices. DEFRA act as an agent for CCW on these leases. Transactions and balances related to these leases are captured in note 7 of the accounts.

During the year no Board member, key manager or other related parties has undertaken any material transactions with CCW. Remuneration of Board members' and key managers are disclosed in the Remuneration Report.

14 Events after reporting period date

There were no reportable events after 31 March 2023.

The Board approved the Annual Report and Accounts to be issued on the date of the Comptroller and Auditor General's signature.

