
Consumer Council for Water

Annual Report and Accounts 2024-25

For the year ended 31 March 2025

Consumer Council for Water

Annual report and accounts 2024-2025

For the period 1st April 2024 to 31st March 2025

Presented to Parliament pursuant to Schedule 3a of the Water Industry Act 1991
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PERFORMANCE REPORT

Chief Executive's Statement

Welcome to the annual report for 2024-25 from CCW – the Consumer Council for Water.

CCW is the independent voice for water consumers in England and Wales. We help consumers resolve complaints against their water company - or their retailer, if they're a business. We also provide free advice and support, and we champion the interests of consumers and influence water companies, governments and regulators.

In 2024-25, CCW has seen great strides taken towards some of the things we have been campaigning for, for several years.

CCW believes no household should spend more than 5% of its income after housing costs on water services. A **single, centrally funded social tariff** would end the postcode lottery of existing water company schemes and ensure financial support flows to where it's most needed.

So we were delighted to see the [Water \(Special Measures\) Bill](#) get Royal Assent in February 2025. A clause in this amends the [Water Industry Act 1991](#) to make cost-sharing across water companies (and their customers) in England possible, to facilitate and fund social tariff support.

Also, in July 2025, the Independent Water Commission final report recommended that (please see additional details on the Independent Water Commission in note 15):

The UK Government should consult on the introduction of a national social tariffs with consistent eligibility criteria and levels of support.

The Welsh Government should review existing social tariff schemes provided by the two companies in Wales and consider reforms to ensure they are providing equitable outcomes.

Ofwat's [Guaranteed Standards Scheme](#) provides minimum standards of service for customers. If a company fails to keep to a standard, it must pay a fixed amount to the customer.

This scheme has been in place for 35 years, with few significant changes during all that time. Meanwhile, there have been big changes within the water industry, the economy and in consumers' expectations. CCW felt that the scheme no longer adequately supported customers or reflected the impact that incidents have on those who experience poor service.

So in 2024-25, CCW developed recommendations for improving the scheme and submitted them to the Department for Environment and Rural Affairs (Defra), which used them as the basis for a consultation in August-October 2024. Based on the positive response to the proposals in this consultation, Defra put forward secondary legislation to update and improve GSS in England in June 2025. Changes to existing standards in England were put in place on 2 July 2025. In Wales, Ofwat launched [a consultation](#) in July 2025. It intends the proposals in that to form part of an application from Ofwat to Welsh ministers to amend the GSS for water companies operating in Wales.

WaterSure caps the water and sewerage bill for metered, lower-income customers in England and Wales who have high essential water usage needs due to a large family or the presence of a medical condition in their household. CCW wanted to improve the financial assistance provided by WaterSure.

We held some industry working groups, listening to water companies and debt advice services. Then in July 2024, we issued a [call for input](#) on potential improvements to the scheme. After discussing draft recommendations with those working groups, in January 2025, CCW published [six main recommendations](#) to the UK and Welsh governments, aimed at improving the financial assistance provided by WaterSure.

In July 2025, Defra launched [a consultation](#) into proposed reforms to the scheme in England.

CCW plays an essential part in the five-yearly **Price Review** process, scrutinising water companies' business plans and making sure the customer voice is considered throughout the bill-setting process.

CCW is the only organisation to test the price review outcomes with the people who fund it – water bill payers. In November 2024, CCW published the [research](#) we carried out to test Ofwat's PR24 draft determinations with customers. We looked at how acceptable customers found the package of investment and improvements the water companies were planning to deliver and - importantly - how affordable they found them. The results were widely seen and used - the CMA used this research in its redetermination process in summer 2025.

As the only organisation to assess the price review purely from a customer point of view, CCW issued our rating of PR24 as scoring 6 out of 10. We published our assessment in May 2025 along with our [recommendations](#) for what should be improved for PR29.

In 2024-25, CCW has made our expertise and customer focus available to all the water companies in England and Wales via our reinvigorated complaints **assessments**. CCW teams spend two full days in person with a water company's customer services team, carrying out deep-dive assessments of a random selection of customer complaints. Water companies have told us they find these assessments really constructive and we're seeing improvements to the way complaints are handled as a result.

Throughout 2024-25, CCW carried out 19 household complaints assessments and 5 debt assessments. We provided detailed reports to all the companies we assessed, alongside action plans based on our recommendations. We also shared both good practice and learning points with the whole industry at two feedback sessions.

In 2024-25, CCW carried out complaints assessments for the first time with water retailers. This gave us insight into best practice and has brought us closer engagement with those retailers.

We also created a new incident assessment framework to give water companies - and CCW - an insight into customer's experiences during incidents/events. We collaborated with two water companies to ensure we had a process that worked for them while focusing on the service provided to customers. We now have an assessment framework to use with companies through our live year of 2025/26.

One of CCW's statutory duties is to provide **advice to water consumers**. Every year we provide individual advice to over ten thousand customers directly, and to hundreds of thousands of people via [our website](#). Naturally, we focus on bill payers. But in 2024-25, CCW decided to target future consumers. They hold the power to change habits early and build a culture of sustainability. Young people do care about climate change, but many of them don't connect

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 the Department for Environment and Rural Affairs (Defra). We are a small team of around 86 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 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 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 consolidated 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

How CCW has performed in 2024-25

Dealing with complaints

CCW's core function is to help customers resolve complaints against their water company or retailer, as well as providing free advice and support. Our day-to-day work helping customers resolve disputes and save money is regularly measured and scrutinised by our Board.

In 2024-25, CCW received 10,689 complaints - that's a 2% increase on the 10,457 we received in 2023-24. Of those complaints we received, 95% were from customers in England and 5% from Wales.

Between April 2024 and March 2025, CCW recovered over £1.3 million in redress for household and business customers.

CCW operates the alternative dispute resolution (ADR) system for the water industry on a contract basis. In 2024-25, we received 333 cases. Of these, 172 were accepted to go on for further triage. The remaining cases received coaching from the ADR team.

63 of the cases accepted were recommended for mediation. There were 37 cases where both the company and customer agreed to mediate. Of these, 22 were successfully mediated, with the remainder joining the 135 cases sent to ADR.

The operation of ADR has subsequently been superseded by the regularity matter raised in the Governance Statement (Page 33).

Helping water customers

Between April 2024 and March 2025, 5,787 people used CCW's website to check what benefits and grants could be available to them. We estimate they identified unclaimed annual welfare benefits of over £22.5 million.

359,569 people used CCW's water meter calculator in 2024-25. We estimate that the combined potential saving for those people using the calculator was nearly £52 million - that's approximately £144 per user.

People from our Communications and Consumer Relations teams worked together to launch a great new feature on our website. CCW's [complaint letter tool](#) allows customers to create a letter to send to their water company simply by submitting a few details.

Success story

A water retailer had been telling a business that they owed £88,000 for services. The customer disputed this, saying the retailer was clearly using incorrect meter readings.

The customer approached CCW and we assigned an adviser to their case. The retailer told us that the customer's balance was only £30,000. Yet whenever the retailer spoke to the customer, it insisted the balance was £88,000.

CCW identified that the building in question was a set of flats and that it had accidentally been assessed as a business premises.

Our adviser persuaded the retailer it should not even be billing the customer as they were a household, not a business. So the retailer took the customer off its register, and all the charges the customer paid since 2017 were reversed. The customer was rebilled by the water company on the correct – cheaper – domestic rates, saving £20,000 on the £400,000 they'd already paid.

Influencing stakeholders

In November 2023, thousands of customers in Guildford and Godalming in Surrey had no water for days after Storm Ciarán. In April 2024, CCW's CEO, Mike Keil, and our Head of Company Engagement spoke at a public meeting hosted by local MPs Jeremy Hunt and Angela Richardson on Thames Water's handling of the supply interruption. Then, to follow up with those customers, in May 2025, CCW ran a drop-in. We met the leaders of a Facebook group campaigning on behalf of residents. CCW continually pushed Thames Water on their approach to compensation.

In January 2025, our CEO gave evidence to the EFRA committee inquiry into reform of the water sector.

CCW spoke at the Utility Week Forum in November 2024 about how the water industry can rebuild trust. And in January 2025, we held a workshop for water company Operational and Communications colleagues. The Head of Policy and Public Affairs from the Nationwide building society spoke about how a sector can restore trust, as banking is successfully doing.

Informing the public

2024-25 saw CCW feature in an unprecedented amount of media coverage, with a total of 8,248 mentions across print, online and broadcast. This was dominated by online coverage with a total of 5,498 articles, compared to 2,221 broadcast clips and 529 stories in print.

December 2024 and January 2025 saw some of the largest peaks in coverage, when CCW responded to Ofwat's final determinations for 2025-30 before reacting a month later to the announcement that consumers would face a record increase in water bills from April 2025. CCW repeatedly found itself at the centre of the media coverage, providing comment on the impact of the bill rises and advice for households on accessing financial support.

The Guardian and BBC News were the most frequent sources of coverage for our messaging. Our Chief Executive, Mike Keil, appeared repeatedly on BBC Radio 4's *Today* programme, BBC 5 Live and BBC TV News to discuss issues ranging from bill rises and investment to customer service and complaints.

Some of our flagship reports – particularly [Water Matters](#) and our yearly [household customer complaints report](#) – received widespread coverage across print, broadcast and online. Other notable successes in this year included coverage of our [research into household customers' views](#) on Ofwat's draft determinations, which sparked a wave of interest and was one of the headline stories across BBC TV and radio – quickly attracting 600,000 views on the BBC News website when it featured among the top 10 most-read stories.

CCW's social media channels had 5,763,321 impressions in 2024-25 - that's the number of times our messages were seen. We had a 3.88% average engagement rate. And [Waterfall](#), our fun and informative podcast all about why we should save water and how we can do it, got 7,700 downloads in 2024-25.

Generating insights

As an insight-led organisation, CCW uses our deep and wide-ranging research to provide a robust evidence base for our work. In addition to the research detailed in the section below, some interesting pieces of work include:

Our [Water Worries](#) affordability research in January 2025, showed that:

- 7% of households reported falling behind on their water bill in the last 12 months – that rose to 18% for those living in water poverty
- 44% of all customers reported reducing their spending on necessities like food and heating to keep pace with household bills, including water. For those in water poverty, that number soared to 64%.
- Among metered customers, 25% had found it necessary to reduce what they consider to be essential water usage, and 46% of those in water poverty had done the same.

In February 2025, we published our [Understanding Consumer Priorities](#) research – a follow-up to work we initially published in 2023. Using a range of advanced social listening tools we wanted to examine the emerging priorities affecting customers.

- Over the previous year, conversations around high bills increased by 229%.
- Discussions around smart meters have increased by 99%, reflecting scepticism and optimism about water-saving technology.
- Concerns about water quality have risen by 17%.
- Consumer opinions are more divided, showing a growing lack of trust in water companies.

In August 2024, we released the third edition of our [Water Awareness Index](#), showing how much people are aware of the water environment and how their actions impact it.

Performance Analysis

How CCW has met its aims for 2024-25

CCW's Forward Work Programme contains the deliverables we focused on achieving in 2024-25. These are in addition to our business-as-usual activities, which are detailed above. We chose these deliverables based on the substantial evidence we gather from consumers about what they think is important, as well as what CCW can influence given our remit and unique position in the water industry.

CCW's primary target for 2024-25 was that all complaints to CCW were acknowledged and allocated for review to a Case Advisor within two working days. We implemented this target in October 2024 and have achieved it every month since then.

CCW's Forward Work Programme contains the deliverables we focused on achieving in 2024-25 (shown below in italics).

1.1.1

1.1.2 A trusted water sector

Value for customers

The Guaranteed Standards Scheme (GSS) - minimum standards of service for customers on things like supply interruption and sewer flooding - has not kept pace with customers' expectations. There has been no review of payments or standards since 2008. There are also inconsistencies across England and Wales. CCW wants to see minimum GSS payments increased and new standards put in place.

Ofwat's [Guaranteed Standards Scheme](#) provides minimum standards of service for customers. If a company fails to keep to a standard, it must pay a fixed amount to the customer.

In 2024-25, CCW held three industry working group sessions to focus on the potential for new standards. We then developed our recommendations and submitted them to Defra, which used them as the basis for a consultation in August-October 2024. Based on the positive response to the proposals in this consultation, Defra pledged to bring forward secondary legislation to update GSS in England in order to:

- at least double all payment values
- improve existing standards
- introduce new standards to the scheme

This legislation was put before parliament on 9 June 2025. Changes to existing standards in England were put in place on 2 July 2025. So now customers automatically receive more money for a range of service failures, including disruption to their water supply, sewer flooding and low water pressure. And in most cases the automatic payments households and businesses will receive have at least doubled from the previous standards.

New service protections - covering areas ranging from boil water notices and the provision of additional support to customers in vulnerable circumstances to debt recovery and installing and reading water meters - were in place from 1 October 2025.

In Wales, Ofwat launched [a consultation](#) in July 2025. It intends the proposals in that to form part of an application from Ofwat to Welsh ministers to amend the GSS for water companies operating in Wales.

CCW will feed in improvements from our "lessons learnt" work on the 2024 Price Review (PR24) to improve the next Price Review process.

After every five-yearly price review, CCW looks at what worked well and what could be improved to inform future price-setting processes. We always want it to evolve, especially in how customers are engaged with the price review and how their evidence should influence decisions.

For the 2024 price review, we considered:

- How water companies gathered evidence of customers' views and used them in their business plans
- How Ofwat used them in its price determinations
- How the methodology for prices, incentives, investment and performance targets was set by Ofwat
- How customers were able to scrutinise and challenge companies' proposals

CCW commissioned research to get customers' views on a) [how companies should engage with them meaningfully](#) and b) [how best to measure customer priorities](#).

We published [our assessment of PR24](#) in May 2025. As the only organisation to assess the price review purely from a customer point of view, CCW gave PR24 6 out of 10. One of the main reasons that this mark was not higher is that it is unclear to CCW how far customers drove decisions in this price review, particularly in Ofwat's draft and final determinations. This is particularly disappointing considering the requirements Ofwat placed on companies in relation to transparency about the use of evidence from customer engagement in its decision making.

CCW is using our recommendations as the basis for further engagement with companies, regulators and other stakeholders.

In the year 2025-26, CCW will be publishing follow-up papers that go into more detail on customer engagement, stakeholder engagement and requirements for the methodology for the next price review.

We will look for opportunities to help shape the debate and regulatory framework with the long term in mind. The future of charges, customer involvement in price setting and people's expectations on environmental quality - including informed opinions on storm overflows - are all areas we are considering.

CCW submitted evidence to the National Audit Office's report [Regulating for investment and outcomes in the water sector](#). We also put [a submission](#) in to the Independent Water Commission's call for evidence in April 2025, focusing on:

- Smarter environmental regulation focusing on harm
- Clearer strategic goals for regulators
- The need for a single social tariff
- Stronger customer voice in regulation
- Better accountability and transparency

CCW also asked industry experts to share their views on what should be considered for future approaches to water charging and published [four thoughtful essays](#) exploring this topic.

Transparency of performance

CCW will be operating the Alternative Dispute Resolution (ADR) from December 2023. To ensure transparency of CCW's processes and performance, we will review the first four months and implement improvements as necessary. We will also examine the end-to-end complaints process every quarter to drive improvement. We will publish our findings.

CCW delivered quarterly end-to-end reviews of our ADR process in April, July and October 2024. We used learnings and recommendations from these reviews to identify areas for improvement and determine the training needed to enhance the customer journey. The operation of ADR has subsequently been superseded by the regularity matter raised in the Governance Statement (Page 33).

CCW will enhance our yearly Water Mark company performance assessment to improve accessibility and better hold companies to account.

2024 was the fifth year of CCW's annual [Water Mark](#) comparative company performance assessment. We wanted to revamp it and make it a bit more relevant.

So we looked back at [some research](#) we'd done with customers in 2023 to understand what information they wanted to see. Informed by that, we now give a specific company overview of performance with a lot more description around what each of the metrics mean.

In addition, the data team worked with our accessibility specialist to make it even simpler to find and understand the information customers need to assess their water company's performance.

In December 2024, our chair wrote to all the chairs of the water companies highlighting specific areas of the Water Mark report for their company that were good or needed work.

We will continue to work with water companies to ensure consumers are able to easily access clear and reliable near real-time data on companies' use of storm overflows.

By the end of 2023, 100% of storm overflows across the water network in England had been fitted with event duration monitors (EDMs), which measure how, when and for how long a storm overflow is in operation.

During 2024-25, CCW brought the water companies together for a series of workshops to share how best to provide customers and stakeholders with information on those storm overflows. Companies produced near real-time maps to display the data on their websites.

CCW also sat on the Water UK steering group that oversaw the creation and launch - in November 2024 - of the [National Storm Overflow Hub](#). This brings together near real-time discharge data for all the storm overflows in England on one interactive map for the first time in the world.

Customer-focused culture

We will develop an incident assessment framework that includes company culture, and a process for sharing best practice – piloting from autumn 2024.

See below section – **Better incident management (page 20)**

We will encourage companies to publicly share indicators of their culture, such as their employee experience results.

Economic regulation can achieve great results if it's done well. However, restoring customers' fractured trust in the water sector will entail a shift in company culture so customers' needs come before profit.

CCW could find no evidence-based observations on water company culture in England and Wales. So we worked with the Institute of Customer Services, eleven of the water companies, Ofwat and Defra to work out how best to do that. And we drafted our own framework to track what produces great outcomes for customers. The culture matrix incorporates information from CCW's assessments of the water companies; our continuous liaison with them; the complaints data we hold; water companies' own staff view; and how transparent the company is.

We shared our matrix with the new UK government in July 2024, and we use it ourselves as a tool to inform our regular engagement with the water companies.

CCW will be transparent on our own performance on people and culture, mirroring our expectations for water companies.

CCW publishes our [staff survey results](#) on our website.

We will facilitate Ofwat's Your Water Your Say session in summer 2024.

All the water companies in England and Wales held two *Your Water Your Say* sessions during 2023-24 to allow customers to challenge their business plans. CCW facilitated these sessions.

In July 2024, CCW also facilitated Ofwat's *Your Water Your Say* meetings – one for England and one for Wales - to discuss the draft decisions on the 2024 price review that it published on 11 July 2024. Customers of all water companies were able to put their questions directly to Ofwat's senior management.

CCW is recommending that *Your Water Your Say* sessions continue for future price reviews.

Improved customer service

CCW will reinvigorate our debt and complaint assessments – assessing 10 companies in 2024-25. We will use our extensive evidence base and work with water companies on root cause analysis of the issues that most affect customers – resulting in a decrease in complaints about billing and charges.

CCW's aim was to re-model our existing assessment process to bring greater focus to company culture, to establish where water companies need to improve in their complaint handling – as well as what they are doing well. We wanted to create interactive sessions with companies where we could have open and honest conversations about what customers actually experience during the complaints process. We also introduced an element of root-cause analysis to find out what led to the customer's complaint.

CCW treated 2024-25 as our trial year. We held internal development sessions and then piloted our new processes.

Throughout 2024-25, we carried out, in person, 19 household complaints assessments, 3 business customer complaints assessments and 5 debt assessments. We provided detailed reports to all the companies we assessed, alongside action plans based on our recommendations. We also shared both good practice and learning points with the whole industry at two feedback sessions.

Getting basics right for business customers

CCW will continue to work with partners and stakeholders to deliver the recommendations from our [five-year review of the business water market](#).

Improved complaints process

Dispute resolution process

CCW wants to see a dispute resolution process that holds wholesalers to account. We want a licence change for water companies as wholesalers in the business market that mandates their participation in CCW's alternative dispute resolution (ADR) process. To achieve this, we needed to convince Ofwat of the need for change. This has been subsequently superseded by the regularity matter described in the Governance Statement (Page 33).

So in 2024-25, we put forward a well-evidenced case for change to Ofwat, using complaints evidence to demonstrate how many business customer complaints involve a wholesaler. This illustrated that a high proportion of those cases are currently not subject to full accountability.

Ofwat agreed that a change is needed, and held a consultation starting in October 2024. But as yet, it hasn't agreed to mandate this through a licence change. It will be writing to wholesalers to ask them to voluntarily sign up to an ADR scheme. This has been subsequently superseded by the regularity matter described in the Governance Statement (Page 33).

Retailer complaints assessments

CCW has been doing complaints assessments with water companies (wholesalers) since 2023. For 2024-25, we wanted to introduce these for retailers too.

None of the water retailers had ever been through a complaints assessment before. So CCW explained how complaints assessments work – and that they're an opportunity to get constructive support and advice from a team of experts on how to improve complaint handling.

In 2024-25, CCW carried out complaints assessments with three water retailers. This gave us insight into some best practice and has brought us closer engagement with those retailers.

Strengthened incentives to improve performance

CCW has been heavily involved in Business Customer and Retailer Measure of Experience (BR-MeX) - Ofwat's new incentive to hold wholesalers more accountable through the price control process. We were instrumental in the development of the new Business Customer Measure of Experience (B-MeX) element - the measure of the customer experience of wholesaler services.

We particularly wanted to ensure that B-MeX didn't get diluted by the other components of BR-MeX, such as the retailer measure of experience and some of the other performance commitments that are binding on wholesalers. CCW pushed for this in working groups throughout the year and in our response to PR24 consultations.

So CCW was pleased to see Ofwat announce in its final determinations that the B-MeX element will account for 50% of overall BR-MeX. This means the customer element is the strongest element of the overall measure.

Drive to increase bills based on meter reads

There are a lot of data issues in the non-household retail market - especially with inaccurate billing. CCW believes the onus on retailers needs to improve. CCW wants retailers to issue customers with at least two bills a year based on actual meter reads – that's up from the current one bill a year based on actual reads.

So we put in a well-evidenced case for change to Ofwat, drawing on our complaints and research evidence, to persuade it to amend the Customer Protection Code of Practice.

Ofwat believes that a lot of the other work in the industry to improve standards of meter reading will achieve this aim, so it doesn't agree that the Code of Practice needs to be changed.

At CCW, we still think the Customer Protection Code needs strengthening as well. We will continue to work with retailers to encourage them to increase this standard, regardless of what happens to the code.

Metering and water efficiency

CCW sits on various industry groups to ensure business customers are supported with water efficiency – that retailers and wholesalers work together on the fitting of smart meters.

Clarity and governance**Market eligibility**

CCW finds there are different interpretations of Ofwat's guidance on how to determine eligibility for the water retail markets. We also see a lack of clarity on who makes the decisions about eligibility.

So CCW collaborated with retailers, wholesalers, MOSL, the Retailer Wholesaler Group and business customers to create a flow chart which simplifies the eligibility guidance. It also introduces a requirement to consider customer preference - something that was missing from existing guidance.

We submitted that flowchart to Ofwat to include in its guidance.

Governance

In the year 2024-25, CCW achieved changes to the Customer Protection Code of Practice that mean all retailers are now required to publish a vulnerability strategy. Retailers now also have to provide more information on websites and bills about how customers can switch or renegotiate contracts.

CCW believes Ofwat's protections around communicating with businesses in credit do not go far enough. As at March 2024, retailers were holding on to £127 million of customers' credit in closed accounts and £115 million in live accounts. CCW wants customers to receive credit refunds automatically on an annual basis where they pay by direct debit. This will reduce the risk of businesses losing money that is rightfully theirs.

CCW put in a request for a change to the Customer Protection Code of Practice, but Ofwat did not agree. So we have worked with retailers to get them to contact customers to make them aware if there's a credit building up on the account that customers can get back.

One of CCW's recommendations from our March 2023 Five-Year Review of the water retail market was for there to be a change to the eligibility criteria in England unless tangible benefits were realised for low water use businesses by 2025.

Based on evidence from the first five years of the market opening in England, there were notable differences for low water-use businesses compared to businesses of other sizes. Generally, they were not experiencing the wider benefits a competitive market can deliver, nor were they aware of – or engaging in – the market.

To compare the current position of these businesses with our conclusions in 2023, CCW commissioned CEPA to collate and analyse all relevant evidence on the experience of low water-use businesses in the water retail market.

Based on the [CEPA report](#) and wider information, CCW will not be recommending a change in legislation to remove low water-use businesses from the water retail market. We will keep this position under review. We want to see clear evidence of low water-use businesses benefiting from the market through an increase in activity, along with increased customer satisfaction and improved customer service delivery.

1.1.3 Fair and affordable bills

End water poverty

CCW will continue to work with the water companies to ensure that their plans are in line with the Water UK commitment to end water poverty by 2030.

CCW has been campaigning for several years to end water poverty – ie no household should spend more than 5% of its income after housing costs on water services. We see an urgent need for fairer, more consistent support for households facing unprecedented water bill rises. A single, centrally funded social tariff would end the postcode lottery of existing water company schemes and ensure financial support flows to where it's most needed.

We have been encouraging water companies to do more in terms of the support they already offer to help their customers. Using workshops and by speaking at industry events, CCW shares good practice between companies in the delivery and promotion of support. Our research into [what customers find affordable](#) gives insights that we use with companies to influence how they address affordability.

So we were delighted to see the *Water (Special Measures) Bill* get Royal Assent in February 2025. A clause in this amends the Water Industry Act 1991 to make cost-sharing across water companies (and their customers) in England possible, in order to facilitate and fund social tariff support.

In July 2025, the Independent Water Commission final report recommended that:

The UK Government should consult on the introduction of a national social tariffs with consistent eligibility criteria and levels of support.

The Welsh Government should review existing social tariff schemes provided by the two companies in Wales and consider reforms to ensure they are providing equitable outcomes.

Customers making full use of the support available

We will increase the number of customers who know that financial support is available from their water company to 50% by summer 2025.

CCW features many tools and tips on our [website](#) to help customers with water bills, including an integrated benefits calculator and grant search tool. The website also points customers to the support available from their own water company.

We constantly promote the advice and support CCW provides, eg by working with Martin Lewis's team for his TV show, appearances on broadcast media and information on his website. We also work with organisations that represent social housing providers to channel information to customers through their networks.

All this work has led to a further increase in the awareness of support rising from 45% to 49% in our latest [Water Matters survey](#) in May 2025.

Value from the Price Review

CCW doesn't believe consumers should have to choose between affordable bills and investment in improving services. Through the Price Review process, we will test all the water companies' draft determinations for acceptability and affordability, and press for any changes we believe are necessary.

Customer research

CCW carried out [quantitative research](#) to test Ofwat's PR24 draft determinations with customers. We looked at how acceptable customers found the package of investment and improvements the water companies were planning to deliver and - importantly - how affordable they found them. In this way, CCW provides the definitive (and only) measure of customer opinion of the draft determinations. The results were widely seen and used - the CMA used this research in its redetermination process in summer 2025.

CCW has committed to doing this research again for PR29.

Our aim is that the water companies' final PR24 determinations – due in December 2024 - reflect our objectives overall.

CCW plays an essential part in the five-yearly Price Review process, scrutinising water companies' business plans and making sure the customer voice is considered throughout the bill-setting process.

CCW's vision for the 2024 price review was:

A water sector that listens to people and delivers exceptional, sustainable services that are accessible to all

We broke that goal down into six objectives and judged how well they were achieved in PR24.

Objective	Achieved?
Bills are affordable for everyone, and customers feel that their money is well spent.	This was not achieved – CCW's draft determination testing shows 2025-30 bills are unaffordable to 40% of customers. However, 75% found the investment and service delivery package acceptable, so they may consider their money to have been well spent if water companies deliver.
Companies understand people's needs and expectations of water and wastewater services, and the price review makes sure they are met.	CCW research shows that the majority of the investment plans and Performance Commitments reflect customers' priorities, though Ofwat's final determinations are not clear as to how customer engagement evidence was assessed or how it influenced Ofwat's decisions.

Companies deliver for their customers by improving services where it's needed.	Broadly, Performance Commitment levels are stretching in areas of service where companies are currently performing poorly.
Companies' services are reliable, even during extreme weather events.	If delivered, the resilience of companies' services will be greater by 2030, given investment in water resources and the increase in mains replacements. However, it will take more than one price control period to fully achieve this.
Water companies take responsibility for protecting the environment, now and in the future.	If water companies' plans are delivered, there will be a significant reduction in pollution, storm overflow spills and nutrient removal by 2030. This will also be progress towards longer term outcomes. Reductions in demand should also contribute to protect the environment and the availability of water resources in the future.
Companies have a 'customer-first' attitude and work to deliver a great customer experience.	PR24 does contain stronger customer experience measures and incentives for household and non-household customers. However, Ofwat could have gone further with an incentive to reduce the volume of customer complaints and shown that evidence of customers' views influenced its decisions.

As the only organisation to assess the price review purely from a customer point of view, CCW would rate PR24 as scoring 6 out of 10. We published our assessment in May 2025 along with our [recommendations](#) for what should be improved for PR29.

Improved overall offer of support

We will carry out a review of the WaterSure scheme.

WaterSure caps the water and sewerage bill for metered, lower-income customers in England and Wales who have high essential water usage needs due to a large family or the presence of a medical condition in their household. CCW wanted to improve the financial assistance provided by WaterSure.

We held some industry working groups, listening to water companies and debt advice services. Then in July 2024, we issued a [call for input](#) on potential improvements to the scheme. After discussing draft recommendations with those working groups, in January 2025, CCW published [six main recommendations](#) to the UK and Welsh governments, aimed at improving the financial assistance provided by WaterSure.

In July 2025, Defra launched [a consultation](#) into proposed reforms to the scheme in England.

Tariffs that work for customers

CCW will continue to proactively support trials of innovative tariffs by water companies.

In April 2023, Ofwat changed the rules on how water companies charge household customers for their use of water. Now companies can trial schemes where – for an agreed period – a specific group of customers could be charged in a different way to other customers. This is to encourage companies to explore how different ways of charging might encourage the efficient use of water and/or help make bills more affordable for customers.

There are [eight trials](#) in progress across five water company patches. CCW has been providing supportive communications explaining to customers and the wider public the value of the trials.

CCW has also been monitoring the findings emerging from these trials. These are long-term trials – over at least two years - but CCW has been looking at implementation and early trends and we have shared those learnings with other water companies.

1.1.4 Resilient water services

Consumer behaviour change

CCW will continue our campaigning work to help people, businesses and communities reduce their water use to alleviate pressure on natural resources.

As well as our “always-on” campaigning activities encouraging mindful use of water, in January 2025, CCW launched our [Refresh your routine](#) campaign. It had a bold goal – to engage Gen Z in Birmingham to rethink their everyday water use.

Historically, the water industry has spoken primarily to current bill payers. But future customers hold the power to change habits early and build a culture of sustainability. Young people do care about climate change, but many of them don't connect their behaviours with water security. Our campaign helped bridge that gap.

The campaign focused on small, meaningful behaviour changes. But the results were huge:

- 4.89 million impressions across digital platforms
- 37,355 clicks - showing strong engagement

We shared our findings with water companies and some future collaborations are in the pipeline for 2025-26.

We will collaborate with the water sector to trial activities aimed at helping people value water and change their behaviour.

CCW is collaborating with partners from the water sector and beyond. [Leading the Way](#) is our joint effort to learn, share ideas and make progress in addressing those industry challenges.

In 2024-25 there have been some great examples of behaviour change:

- Affinity Water, through their *Save Our Streams* campaign, have been engaging with local schools to promote water saving and go into the schools to fix leaks.
- Cambridge Water looked into how people of different faiths and cultures use water. They went into a local mosque to talk about water efficiency. They also made adverts featuring a professional chef to engage with South-East Asian cultures about washing rice before cooking, and how to make use of the leftover water.
- Yorkshire Water ran a project in a school, encouraging girls to use reusable period products.

CCW also helped WaterWise and the Environment Agency with the creation of a toolkit for evaluating water saving campaigns.

CCW will push the industry to act on demand management as an essential pillar in meeting the Plan for Water's 2050 110 litre-per-day usage target for England, via our ARID proposal, in conjunction with Ofwat's Water Efficiency Fund.

CCW shared our *Leading the Way* learnings, and wider research, with Ofwat's Water Efficiency Campaign. We also now sit on the advisory groups for the Water Efficiency Fund and the Water Efficiency Campaign.

Better incident management

CCW will pilot in-depth incident assessments in water companies.

CCW's aim in this year was to create a new incident assessment to give water companies and us an insight into customer's experiences during incidents/events. This assessment needed to cover a range of different

incident types (eg loss of supply, sewer odour, Do Not Use/Do Not Drink notices) and it had to work with all the water company's systems and processes.

We carried out internal development sessions to establish a framework. We then carried out in-person pilot sessions with two water companies to ensure we had a process that focused on the service provided to customers. Following further tweaks resulting from these pilots, we now have an assessment framework to use with companies through our live year of 2025/26.

We will work with Ofwat to act on and share the insight gained from joint research conducted on incident management across England and Wales.

CCW has carried out joint [research](#) with Ofwat into five different incidents at various water companies. We looked into how companies were responding to their customers, what sort of support that they were providing and what customers thought of that support. We also checked all the water companies' websites to see how clear and accessible a customer would find that page if they needed information in an incident.

We found several areas where companies could improve, especially around their communication with customers, and how customers on the Priority Services Register could get hold of bottled water supplies during an outage.

We then compiled a best practice checklist for water companies to ensure customers are at the centre of incident management plans.

Acting on customer priorities

CCW will make insights from water sector environmental performance data and customer research more available and useful to government and regulators to put the customer voice more strongly into decision making.

In February 2025, CCW held a research conference to share our work with the industry around our key strategic aims. Attendance was good and engagement from participants was great.

Throughout 2024-25 CCW has published a series of mini reports drawn from our [2024 Water Matters report](#), looking in greater depth at specific themes from that data - customer service, the environment and affordability.

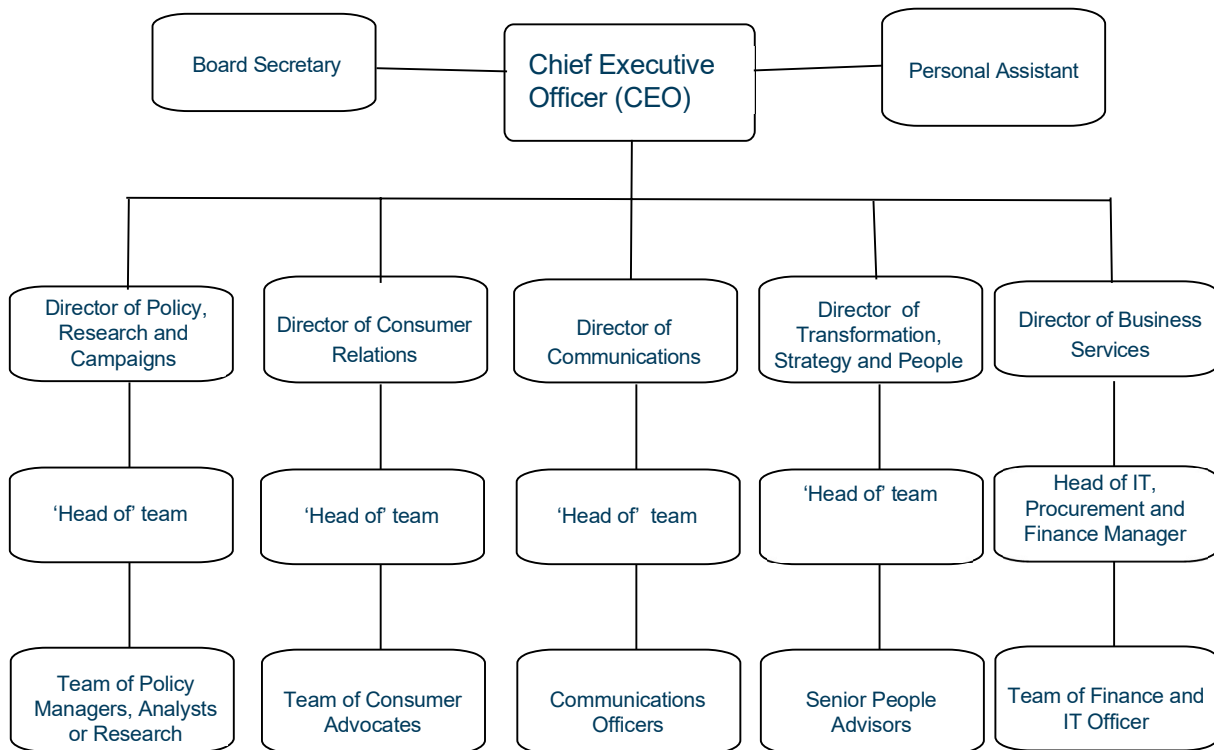
Last year, we also widened the pool of people we invite to hear the debriefs of our research. Key stakeholders tell us it's been very useful for them to hear first-hand about our findings and be able to ask questions about the data and the implications of that.

ORGANISATIONAL CULTURE

Equality, diversity and inclusion

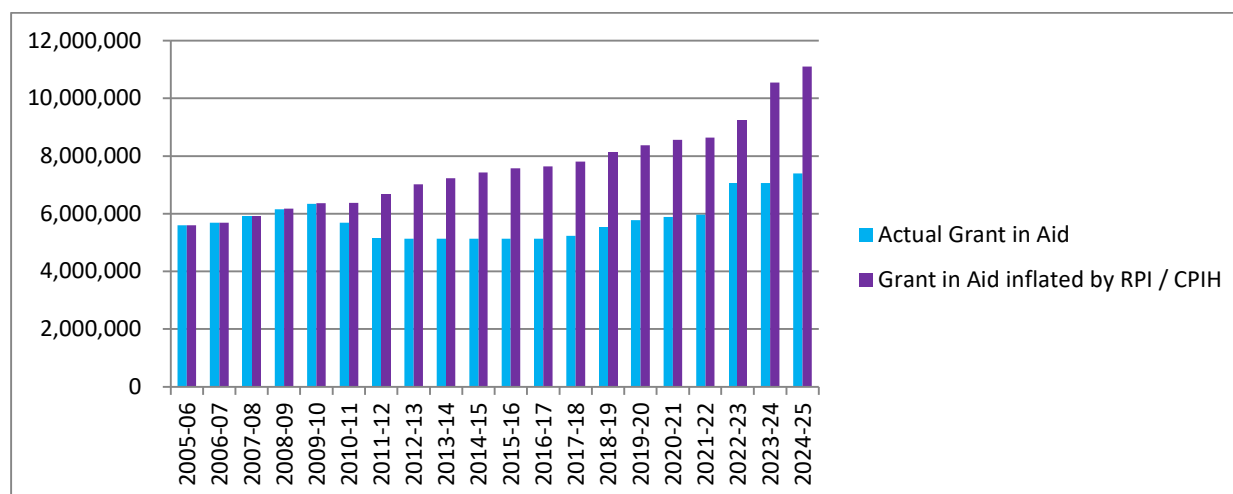
CCW is fully invested in creating a working culture that reflects the values of equality, diversity and inclusion. We define our diversity as having people with a wide range of traits, backgrounds and experiences. Being inclusive means we all feel comfortable sharing our ideas and perspectives because 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.

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 2024-25 our grant in aid was £7.347m. The cost to consumers of the grant in aid to fund CCW was 27.2p 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 grant in aid year-on-year, compared to an inflation increase at the Retail Price Index (RPI) rate.



STRATEGIC RISK

Information about the link between our performance outcomes and the strategic risks facing CCW during 2024-25 is highlighted in the 'Managing risk' section of the Governance Statement on page 32.

QUALIFIED AUDIT REPORT

On the 1st December 2023 CCW began provision of the ADR service, in April 2026 we received instructions from Defra that provision of the adjudication element of ADR had been determined to be outside our legal powers and that from that point CCW should cease its involvement in adjudication and commence arrangements to refund monies received from subscribing companies related to their use of the adjudication service (Governance Statement Page 33). As a result the consolidated accounts include a provision of £148k (Composed of 2023-24 £34k; 2024-25 £114k).

Financial Summary

	Note	2024-25		2023-24	
		CCW	CCW Group	CCW	CCW Group
		£000s	£000s	£000s	£000s
Revenue from contracts with customers	4	(79)	(386)	(297)	(297)
Total operating income		(79)	(386)	(297)	(297)
Staff costs	2	4,696	4,831	4,865	4,865
Other Costs	3	2,602	2,885	2,434	2,434
Non Cash items	3	86	89	124	124
Total operating expenditure		7,384	7,805	7,423	7,423
Net operating expenditure		7,305	7,419	7,126	7,126
Finance Charges	7.2	8	8	9	9
Net expenditure for the year		7,313	7,427	7,135	7,135
Total comprehensive net expenditure for the year		7,313	7,427	7,135	7,135

The revenue budget for CCW during 2024-25 was £7.347m. 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.

A breakdown of operating costs is available in the Consolidated Statement of Comprehensive Net Expenditure on page 54 and associated notes on pages 58 to 71

Group Taxpayer's equity has decreased from £(7)k (31st March 2024) to £(86)k. Movements in assets and liabilities are shown in the Consolidated Statement of Financial Position on page 55 and associated notes on pages 58 to 71.



Dr Mike Keil
Chief Executive
12 May 2026

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 seven Board members including the Chair. In addition the Secretary of State appoints the CCW Chief Executive to the CCW Board. Board Members in post during the year were.

	First Appointed:	Re-Appointed:	Expires:
Robert Light (Chair to 5 June 2024)	6 June 2019	6 December 2023	5 June 2024
Bev Keogh	1 June 2021	1 June 2025	31 May 2029
Rachel Onikosi	1 June 2021	1 June 2025	31 May 2029
Lisa Tennant	1 June 2021		31 May 2025
Rhodri Williams	1 November 2019	28 October 2023	27 October 2026
Robert Wilson (Chair from 6 June 2024)	1 July 2018	30 December 2023 6 June 2024	5 June 2027
Mike Keil	2 October 2023	2 October 2024	1 October 2028

Rob Light left the CCW Board on 5 June 2024 and Rob Wilson was appointed as CCW Chair from 6 June 2024, prior to this Rob Wilson was a member of the CCW Board. Mike Keil was appointed as interim Chief Executive on 2nd October 2023 and was confirmed as permanent Chief Executive on the 2nd October 2024. Lisa Tennant left the Board on 31 May 2025 at the end of her term. Rachel Onikosi and Bev Keogh took up second terms on the Board from 1 June 2025, both were reappointed for a further four years.

The senior management team

The composition of the senior management team, known as the Executive Team, during 2024-25 was:

Ali Bell	Director of Communications
Helen Brown	Director of Consumer Relations
Gemma Domican	Director of Transformation, Strategy and People (to 21 August 2024)
Mike Keil	Interim Chief Executive (from 2 October 2023), Permanent Chief Executive from 2 October 2024)
Simon Millward	Director of Business Services
Jenny Suggate	Interim Director of Policy, Research and Campaigning (to 30 September 2024)

Mike Keil was appointed as interim Chief Executive on 2nd October 2023 and was confirmed as permanent Chief Executive on the 2nd October 2024. 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, decided on any annual increases to the Chief Executive's basic salary and performance bonus while they were in the interim role; the bonus element of the Chief Executive's remuneration was removed when the permanent role was recruited.

The contracts of Ali Bell, Helen Brown, Gemma Domican, Mike Keil and Simon Millward are standard open-ended contracts with a three-month notice period. Jenny Suggate's has a one 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 from the 27th October 2023 provided by Wavenet

who took over from 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 2024-25, we have continued to operate within the Government's spending controls with the exception of the items as reported in the Governance Statement on page 33. Our Chief Executive 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 2024-25 (100% in 2023-24). 81% were paid within 5 working days compared to a target of 80% (82% in 2023-24). Creditor days were 6 days at 31 March 2025 and 5 days at 31 March 2024.

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 2024-25 and no working days lost to occupational illnesses or injuries; one internal accident form was completed.

Political donations

During the financial year 2024-25 CCW made no donations to political parties.

Personal Data Related Incidents

During the financial year 2024-25 there were no breaches of personal data that were reportable to the ICO.

Directors' statement and going concern

The accounts for 2024-25 have been prepared on a going concern basis. Defra and the Welsh Government have agreed CCW's 2025-26 (Defra approval received 1 April 2025) and 2026-27 (Defra approval received 18 March 2026) revenue budgets and Main Estimates. CCW has assumed that funding will continue beyond the financial year 2026-27 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 no 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 the Director General of Water Services, which was commonly (but not legally) known as the Water Services Regulation Authority (Ofwat), to become an independent statutory consumer body.

This Annual Report and Accounts covers the period 1 April 2024 to 31 March 2025.

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 consolidated 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 2024-25 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 2024-25 the Board consisted of the Chair, a Wales Board Member, up to 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 Board Member 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. During 2024/5 Rob Light left the CCW Board and the position of Board Chair and Rob Wilson was appointed as CCW's new Chair from 6 June 2024. Detailed membership of the Board during 2024-25 is set out on page 25.

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 2024-25. The Register of Interests is published online at <https://www.ccw.org.uk/aboutus/our-team/board/board-register-of-interests/>

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. No member of the Executive Team holds any remunerated role outside their CCW employment.

Board discussions

The Board met seven times in 2024-25 and discussed or was briefed on:-

- Approval and oversight of the delivery of CCW's strategy
- CCW's 2025/26 Budget
- The 2024 Price Review process including draft determinations, final determinations and appeals to the CMA
- Customer cases
- Oversight of CCW's company issues escalation framework
- Review of CCW's risk appetite
- 2025/26 water and sewage charges
- Agreement and oversight of CCW's research programme
- Appointment of the permanent Chief Executive
- Board Member responsibilities

- Consumer Panels
- The Water Commission
- Water poverty/Single Social Tariff

The Board held a strategy session in April 2024 where it considered CCW's vision and mission as well as the utilisation of Board member skills.

Review of Board Effectiveness

In 2024-25, in line with good practice, a review of the effectiveness of the CCW Board was completed. The review examined the Board's performance against recognised good practice for public sector boards.

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

- the Board's clarity about CCW's statutory remit and the arrangements for oversight and review of this;
- performance reporting;
- the Board's oversight of interactions with water companies and other stakeholders and reporting that the Board receives when the Chair or Chief Executive meet with key stakeholders;
- the clarity of understanding of CCW's Risk Appetite;
- arrangements for Board member performance reviews; and
- the information and support provided to the Board.

Areas for improvement identified included:

- awareness of opportunities for Board member training;
- sharing good practice within the Board; and
- increase awareness of the skills and experiences of other Board Members.

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

Board Committees:

The Board can delegate functions to Committees. During the period covered by this report 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 2024-25 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, monitoring of the audit of the 2023-24 annual report and accounts and associated issues, oversight of work to manage fraud risk 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 of the Chief Executive and associated issues
- receive recommendations from the Chair in relation to performance objectives, salary changes and the performance bonus of the Chief Executive and to determine these matters on behalf of the Board
- act on the Board's behalf in relation to staff remuneration; and
- carry out monitoring and provide oversight of human resources matters eg issues arising from the annual staff survey, equality and diversity and staff development and training.

During 2024-25 the work of the Committee included agreeing objectives for the Interim Chief Executive for 2024-25 and reviewing performance against these; agreeing objectives for the Permanent Chief Executive for 2024-25 when in post, agreeing the parameters for the 2024 staff pay award, review of the findings of the 2024 staff survey and general oversight of CCW's people related activities.

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 2024-25 both Committees met twice and explored:-

- how water companies can embrace nature to deliver a healthier water environment which included discussions around nature-based solutions and recent research by CCW that had looked into customer priorities for waste water solutions and
- how meaningful engagement with customers about how their money was being spent could be key to earning back trust in the industry.

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.

Industry Advisory Panel

The role of the Industry Advisory Panel is to provide oversight of the Alternative Dispute Resolution (ADR) scheme in place at CCW. The Panel is formed of two independent members, one of whom has been appointed as Panel Chair, two Industry Representatives nominated by the water industry, an Ofwat representative and a CCW Board Member.

In 2024-25 the Panel met four times to receive regular updates on the operation of the ADR scheme, the four month review of the One Stop Shop and improvements arising from that.

Board members

Board members, the Board Committees that they served on and their attendance during the year are set out below. Lisa Tennant left the Board on 31 May 2025 at the end of her term. Rachel Onikosi and Bev Keogh took up second terms on the Board from 1 June 2025, both were reappointed for a further four years.

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. Boardroom Apprentices are invited to observe Board meetings for twelve months. Sue Pitcher was our Boardroom Apprentice in 2024 and in 2024 CCW was joined by Dieprie Josiah.

	Board & Committee membership/attendance (number of meetings attended / eligible to attend)					
	Board	Audit and Risk Management Committee	Human Resources and Remuneration Committee	Independent Advisory Panel	Committee for England	Committee for Wales
Bev Keogh ¹	6/7	5/5	2/6	3/4		1/2
Mike Keil ²	6/7				2/2	2/2
Robert Light ³	1/1 (Ch to 5/6/24)					
Rachel Onikosi ⁴	6/7	5/5	7/7		1/2	
Lisa Tennant	6/7		5/7		0/2	1/2
Rhodri Williams	7/7	5/5 (Ch)			1/2	1/2 (Ch)
Robert Wilson ⁵	7/7 (Ch from 6/6/24)		1/1 (Ch to 5/6/24)		2/2	2/2

Ch: Committee Chair

¹ joined Committee 6 June 2024

² appointed Interim Chief Executive and joined the CCW Board and Committees 2 October 2023; confirmed permanent Chief Executive from 2 October 2024.

³ left the CCW Board 5 June 2024

⁴ became Chair of Committee 6 June 2024

⁵ appointed Chair of the CCW Board 6 June 2024

The Chair and Chief Executive are not members of the Audit & Risk Management Committee, Human Resources & Remuneration Committee or Independent Advisory Panel 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 during 2024/5 comprised the Director of Policy, Research and Campaigning, the Director of Consumer Relations, the Director of Communications, the Director of Strategy, Transformation and People and the Director 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 2024-25 the following changes were made to CCW's Executive Team:

- Mike Keil became Interim Chief Executive and Chair of the Executive Team on 2 October 2023 and was confirmed as permanent Chief Executive from 2 October 2024
- Jenny Suggate left the role of Interim Director of Policy, Research and Campaigning on 30 September 2024.

- Gemma Domican left the role of Director of Transformation, Strategy and People on 21 August 2024.

Managing risk

Risk Management is an integral part of CCW's governance arrangements. 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. In 2024/5 CCW carried an assessment to check how its approach to risk management against the principles set out in the UK Government's Orange Book; the review found that CCW's risk management arrangements were in line with the Orange Book principles.

The Board reviewed its risk appetite in 2024-25 and decided no adjustments were needed.

Strategic risks for CCW

Some of the key risks facing CCW and its ability to deliver its Forward Work Programme in 2024-25 are ongoing, while others have arisen in relation to specific activities.

At the end of 2024/25 there were 20 risks on the strategic risk register. After mitigation eight were rated high priority, five medium priority and seven low priority. The eight high priority risks were:-

- That the financial outturn at year end is a significant variance from budget (positive or negative);
- 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;
- 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 replies on poor quality data as evidence;
- 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 2024/25 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 24th March 2025 we became aware of a data breach at Oracle, who provide and host CCW's complaints management system. Oracle confirmed on 7th April 2025 that the reported breach affected only obsolete systems at Oracle, and that no CCW infrastructure or data had been exposed.

During 2024 CCW improved its data security by implementing wider monitoring that automatically alerts the appropriate teams to risks, malicious activity, and potential data breaches. This was further improved in 2025 by expanding to cover our complaints handling systems and adding additional restrictive access policies that control where CCW's systems can be accessed from. Internal training courses on cyber security are provided monthly to staff, with compliance monitored and reported.

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 2024-25 were:

- Key Financial Controls (Accruals and Prepayments)
- Governance – Risk Management Framework
- IT Security Controls: Logical Access
- Price Review: Data Governance Framework
- 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 2024-25 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. Further work is necessary to implement the recommendations arising from past internal audit reviews.

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 49 to 53. The cost of providing audit services in respect of the Annual Report and Accounts 2024-25 was £110,000 (2023-24, £70,000). 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 performed a review of compliance with 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

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 2024-25, we continued to implement policies and procedures relating to procurement 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 2024-25 CCW have continued engagement with The Government Security Center for Cyber and the National Cyber Security Centre to configure additional cyber security systems, including systems to ensure email sent and received by CCW is genuine. Additional IT alerting systems have been configured to spot potential compromises and bring them to the attention of CCW in order to limit exposure and risk.

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. To tackle the increased risks of hybrid working additional controls have been put in place, including mandatory encryption and monitoring of CCW devices to protect against threats that target staff away from the CCW office environments.

Regularity Qualification

The Comptroller and Auditor General has qualified his regularity audit opinion on CCW's Annual Report and Accounts for:

A failure to obtain HM Treasury (HMT) approval to enter into the dispute resolution space i.e. evidence that CCW sought approval to incur expenditure relating to a service and to charge for a

service and the methodology basis for the recharging, and that HMT were content that it was appropriate to set up a new company to do this

A failure to obtain HMT approval for the creation of a new company (CCW Trading Company Ltd) CCW carried out extensive stakeholder engagement throughout 2020-2023 on the establishment of an Alternative Dispute Resolution (ADR) service. In addition, CCW obtained legal advice to assure itself that it had the legal power to operate in this space, to charge for the service and to form a subsidiary company to administer this. This advice affirmed that CCW would be acting *intra vires*.

On 30 November 2023, the previous provider stopped offering a dispute resolution service. On 1 December 2023, CCW started offering a dispute resolution service. This service was administered and accounted for by CCW from 1 December 2023 to 31 March 2024. From 1 April 2024, accounting was done through the subsidiary company CCW Trading Company Ltd.

Also in December 2023, CCW sought and received approval from Defra to begin providing a dispute resolution service through a new subsidiary company and open a new bank account for it to receive fees for this service. However, CCW was mistaken to assume that Defra approval was sufficient, and it failed to take account of the required HMT approval.

Extensive efforts have been made to obtain retrospective approval, but these have failed. Defra Legal Advisers and Treasury Legal Advisers concluded in February 2026 that CCW does not have a legal power to conduct adjudication activities, and accordingly, CCW has no legal basis to charge for these.

CCW Trading Company Ltd has recognised income and expenditure totalling £614k in relation to the ADR scheme in the year ended 31 March 2025. Of this, the Consumer Council for Water estimates £114k of recognised Group total operating expenditure relates to the delivery of, and £114k of Group revenue from contracts with customers relates to the recharging of, ADR adjudication services.

On 20 April 2026, CCW received final confirmation from Defra that it should cease the provision and cost recovery of the adjudication element of the ADR service. CCW ceased the provision of the adjudication element on 20 April 2026 as instructed. In the absence of a legal power to charge for adjudication activities from the start, CCW has an obligation to refund such monies. CCW has thus made appropriate provision in these accounts of £114k for 2024-25 and will make the appropriate arrangements to repay the £34k relating to 2023-24 and £114k relating to 2024-25 financial years paid by subscribing companies for the adjudication service they received.

As a result of this the Senior Leadership Team have received further training on finance and governance. There is increased awareness of these matters at Board level providing enhanced challenge and oversight. The benefits of this have been seen in 2025-26 with the start of the Consumer Panels. CCW has also committed to conduct a formal lessons learned review to be presented to the Audit and Risk Committee.

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 2024-25 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.

Task Force on Climate-related Financial Disclosures

CCW is below the threshold for Task Force on Climate related Financial Disclosures reporting.

Ministerial Directions

No Ministerial Directions were received in 2024-25.

Accounting Officer

I was appointed Interim Chief Executive and Accounting Officer from 2 October 2023 and appointed as permanent Chief Executive and Accounting Officer from 2 October 2024.

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. 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

The percentage increase to CCW's pay bill is agreed by Defra in line with Treasury's pay remit guidance and signed off by Cabinet Office. The total pay award for 2024-25 increased remuneration costs by a total of 5%, split into two areas:

1. Just over 3.5% to increase the minima, maxima of salary bands and everyone's pay by up to 4% as shown in the table below;
2. Just under 1.5% for Performance Related Pay (PRP).

Performance Related Pay (PRP) is assessed annually using CCW's performance review framework. The percentage increase awarded for each of CCW's two performance bandings is agreed by the Human Resources and Remuneration Committee. It is awarded as a percentage increase on basic salary. Performance rated as "development need" does not receive a performance-related pay award. The senior management team oversees the consistency and fairness of the PRP process.

The table below provides a breakdown of pay award for different pay bands across CCW.

Lowest earners (full time annual salary less than £30,000)	4.0% increase	PRP if eligible
Middle earners (full time annual salary between £30,001 and £64,268)	3.25% increase	PRP if eligible
Highest earners (full time annual salary more than £64,268)	1.25% increase	PRP if eligible

Pay awards are based on salaries at 31 July and take effect from 1 August. All staff receive notification of 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 Consumer Advocates, are non-pensionable.

Remuneration of Board members (salary and benefits in kind)

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)	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
Council Chair						
Robert Light Left 05/06/24	5-10 (full year equivalent salary 35-40)	35-40	400	2000	5-10	35-40

Robert Wilson * note 1 Chair wef 06/06/2024 (Independent Member up to 05/06/2024)	30-35 (full year equivalent salary 35-40)	10-15	900	200	30-35	10-15
Independent Members and Wales Chair						
Rachel Onikosi	10-15	10-15	900	400	10-15	10-15
Bev Keogh	10-15	10-15	1400	600	10-15	10-15
Lisa Tennant	10-15	10-15	800	1,100	10-15	10-15
Rhodri Williams **note 2	10-15	15-20 (full year equivalent salary 10-15)	200	100	10-15	15-20
Alison Austin Left 31/12/23	-	5-10 (full year equivalent salary 10-15)	-	1,000	-	5-10

*note 1 R Wilson's salary to 05/06/2024 £11,718 per annum, salary with effect from 06/06/2024 £36,400 per annum upon appointment to Chair role.

**note 2 R Williams' salary to 25/10/2023 £24,030 per annum, salary with effect from 28/10/2023 £11,090 per annum due to agreed change in T&Cs on renewal of appointment

Remuneration of Senior Managers (salary, benefits in kind and pensions)

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)	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
Mike Keil Chief Executive Officer SCS2 Started 02/10/2024 Interim Chief Executive Officer SCS2 Started 02/10/2023. Ended 01/10/2024 Senior Director Policy, Research & Campaigning SCS1 Ended 01/10/2023	130 - 135 (full year equivalent salary 135 - 140)	105 – 110 (full year equivalent salary 120- 125)	5-10	-	51	41	190-195	145-150
Gemma Domican (Gregory) Director of Transformation, Strategy & People SCS1	25-30 (full year equivalent salary 70 – 75)	70-75	-	-	11	28	35-40	100-105

Left 21/08/2024								
Simon Millward Director of Business Services SCS1	75 -80	75 -80	0-5	-	52	10	130-135	85-90
Helen Brown Director of Consumer Relations SCS1	85-90	80-85	-	-	33	32	115-120	110-115
Ali Bell Director of Communications SCS1 Started 03/07/2023	80 -85	55-60 (full year equivalent salary 75-80)	-	-	30	22	110-115	75-80
Jenny Suggate Interim Director of Policy, Campaigning & Research SCS1 From 02/10/2023 Ended 30/9/2024 (left Executive Team)	35-40 (full year equivalent salary 70-75)	35-40 (full year equivalent salary 70-75)	-	-	78	68	115-120	105-110
Emma Clancy Chief Executive SCS2 Left CCW 29/09/2023	-	60 – 65 (full year equivalent salary 120- 125)	-	5-10	-	25	-	95-100
Tim Clarke Temporary Director of Communications SCS1 From 10/10/2022 Ended 16/07/2023 (left Executive Team)	-	15-20 (full year equivalent salary 60- 65)	-	-	-	7	-	25-30

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; reserved rights to 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. This report is 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

Up until revised contractual terms effective October 2024, the Chief Executive was entitled to a contractual bonus payment. This related to the achievement of their objectives. The bonus reported in 2024-25 relates to performance in 2023-24 and the comparative bonus reported for 2023-24 relate to the performance in 2022-23.

Pay multiples (audited)*

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

The banded remuneration of the highest paid director in CCW at the reporting date was £145k – £150k, including bonus (2023-24, £130k – £135k, including bonus). This was 4.3 times (2023-24, 4.1) the median remuneration of the workforce, which was £34,407 (2023-24, £32,445).

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 2% due to performance-related pay being awarded.

In 2024-25, no employees received remuneration in excess of the highest paid director. Annualised remuneration at the reporting date ranged from £23k to £146k (2023-24 £21k to £120k). 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 of pensions.

	2024-25 £'000	2023-24 £'000	Movement %
Highest paid director			
Salary and allowances	135-140	120-125	12%
Performance pay and bonuses	5-10	5-10	0%
	2024-25 £	2023-24 £	Movement %
Average (mean) remuneration of other employees			
Salary and allowances	40,189	39,274	2%

	2024-25			2023-24		
	Lower Quartile (25%)	Median	Upper Quartile (75%)	Lower Quartile (25%)	Median	Upper Quartile (75%)
Total pay and benefits						
Remuneration	25,390	34,407	45,840	23,126	32,445	42,480
Ratio	5.8	4.3	3.2	5.7	4.1	3.1
	Lower Quartile (25%)	Median	Upper Quartile (75%)	Lower Quartile (25%)	Median	Upper Quartile (75%)
Salary only						
Remuneration	25,390	34,407	45,127	23,126	32,412	42,090
Ratio	5.4	4.0	3.0	5.3	3.8	2.9

Senior managers disclosure of pension information 12 months ended 31 March 2025 (audited)

Name and role	Accrued pension at pension age as at 31 March 2025 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31 March 2025	CETV at 31 March 2024 (2)	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Mike Keil Chief Executive SCS2 Started 02/10/2024					
Interim Chief Executive SCS2 Started 02/10/2023. Ended 1/10/2024	15-20	2.5-5	269	208	34
Senior Director Policy, Research & Campaigning SCS1 Ended 01/10/2023					
Emma Clancy – Chief Executive Left CCW 29/09/2023	-	-	-	146	-
Gemma Domican (Gregory) ⁽³⁾ Director of, Transformation, Strategy & People Left 21/8/2024	15-20	0-2.5	210	188	6
Simon Millward – Director of Business Services	0-5	2.5-5	74	27	39
Helen Brown – Director of Consumer Relations	5-10	0-2.5	115	80	23
Alison Bell Director of Communications Started 03/07/2023	0-5	0-2.5	47	19	21
Tim Clarke - Interim Director of Communications From 10/10/2022 Ended 16/07/2023 (left executive team from this date)	-	-	-	104	-
Jenny Suggate ⁽¹⁾⁽³⁾ Interim Director of Policy, Campaigning & Research From 02/10/2023 – 01/10/2024	25 - 30 plus a lump sum of 70 - 75	2.5 - 5 plus a lump sum of 7.5 - 10	633	544	72

(1) Jenny Suggate has significantly longer reckonable service than other Exec Team members (25+ years). As such it is likely her higher pension figures are due to benefits accrued in the previous pension scheme (with preferential terms vs the Alpha scheme). An Additional factor is the purchase of AVC's.

(2) The pension benefits of any members affected by the public service pensions remedy which were reported in 2022-23 on the basis of alpha membership for the period between 1 April 2015 and 31 March 2022 are reported in 2023-24 on the basis of PCSPS membership for the same period.

(3) Gemma Domican (Gregory) and Jenny Suggate are impacted by the Public Service Pensions Remedy.

Contingent labour - temporary staff

During 2024-25 CCW spent £26k (2023-24 £299k) on temporary staff to cover vacancies, sickness and consultancy costs.

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. Before 1 April 2015, the only scheme was the Principal Civil Service Pension Scheme (PCSPS), which is divided into a few different sections – **classic, premium, and classic plus** provide benefits on a final salary basis, whilst **nuvos** provides benefits on a career average basis. 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. All newly appointed civil servants, and the majority of those already in service, joined the new scheme.

The PCSPS and **alpha** are unfunded statutory schemes. Employees and employers make contributions (employee contributions range between 4.6% and 8.05%, depending on salary). The balance of the cost of benefits in payment is met by monies voted by Parliament each year. Pensions in payment are increased annually in line with the Pensions Increase legislation. Instead of the defined benefit arrangements, employees may opt for a defined contribution pension with an employer contribution, the **partnership** pension account.

In **alpha**, pension builds up at a rate of 2.32% of pensionable earnings each year, and the total amount accrued is adjusted annually in line with a rate set by HM Treasury. Members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004. All members who switched to **alpha** from the PCSPS had 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 accrued pensions shown in this report are the pension the member is entitled to receive when they reach normal pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over normal pension age. Normal 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 in this report show pension earned in PCSPS or **alpha** – as appropriate. Where a member has benefits in both the PCSPS and **alpha**, the figures show the combined value of their benefits in the two schemes but note that the constituent parts of that pension may be payable from different ages.

When the Government introduced new public service pension schemes in 2015, there were transitional arrangements which treated existing scheme members differently based on their age. Older members of the PCSPS remained in that scheme, rather than moving to **alpha**. In 2018, the Court of Appeal found that the transitional arrangements in the public service pension schemes unlawfully discriminated against younger members.

As a result, steps are being taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members. The public service pensions remedy is made up of two parts. The first part closed the PCSPS on 31 March 2022, with all active members becoming members of **alpha** from 1 April 2022. The second part removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022, by moving the membership of eligible members during this period back into the PCSPS on 1 October 2023. This is known as “rollback”.

Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March

2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the Alpha scheme for the period from 1 April 2015 to 31 March 2022.

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). 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.

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
- Consistent role specific interview questions with a panel

CCW is a disability confident committed employer.

As at 31 March 2025:

Number of :	Staff (incl. SCS grades)	Board (excl CEO)	Consumer Advocates	SCS Equivalent
Total headcount	86	5	0	4
<i>of which:</i>				
Women	49	3	0	2
Ethnic minority	22	1	0	0
Disability	7	2	0	0

As at 31 March 2024:

Number of :	Staff (incl. SCS grades)	Board (excl CEO)	Consumer Advocates	SCS Equivalent
Total headcount	86	5	0	4
<i>of which:</i>				
Women	47	3	0	2
Ethnic minority	10	0	0	0
Disability	3	1	0	0

Staff costs (audited)**Staff costs for the Group comprise:**

	2024-25			2023-24
	Permanently Employed Staff (2)	Others (3)	Total	Total
	£000s	£000s	£000s	£000s
Wages and Salaries	3,417	109	3,526	3,663
Social Security Costs	366	6	372	357
Other Pension Costs	933	-	933	845
Sub Total	4,716	115	4,831	4,865
Less recoveries of staff costs	(214)	-	(214)	(140)
Total net costs (1)	4,502	115	4,617	4,725

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

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 2020. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice.gov.uk/pensions).

For 2024-25, employers' contributions of £922,451 were payable to the Civil Service Pension arrangements (2023-24, £830,922) at a rate of 28.97% 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 2024-25 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 £13,754 (2023-24, £9,506) 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 £462 (2023-24, £268), 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 £939 (2023-24, £807). 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 2024-25 (Nil in 2023-24). 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. Numbers are represented to show average rather than as at year-end figures.

	2024-25	2023-24
Average number		
Directly Employed	84	80
Other (Temporary workers)	0	4
Total	<u>84</u>	<u>84</u>

Average number (headcount) of Board members and Consumer Advocates

	2024-25	2023-24
Board	4	7
Consumer Advocates	1	14
Total	<u>5</u>	<u>21</u>

Staff turnover percentage was 7% for 2024-25, calculated on average employee headcount for the year.

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 2024-25 the number of working days lost due to sickness absence was 12.64 days per employee compared to 11.15 days for 2023-24. This compares to an average of 9.4 days for the public sector as stated by the Chartered Institute of Personnel and Development (Source: CIPD Health & Wellbeing at Work Report, 2025).

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 2025 for more than £245 per day	
	ALBs
No. of existing engagements as of 31 March 2025	-
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 2025 for more than £245 per day	2
Of which	ALBs
Of which ...	
Not subject to off-payroll legislation	
Subject to off-payroll legislation and determined as in-scope of IR35	2
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	-
Of which: number of engagements that saw a change to IR35 status following review	-

None of the off-payroll workers referred to in Tables 1 and 2 above were engaged at Senior Civil Service banded roles.

Table 3: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2024 and 31 March 2025

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 <u>on payroll and off payroll</u> 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)	8

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

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 aligns with the Defra Group Sustainability Strategy.

CCW's environmental impact is minimal and is mainly limited to the buildings we occupy under lease from the government property agency. We rely on them to implement zero carbon practices for the buildings we occupy. Therefore, we entrust the governance to them to administer their own policies and practices, decision making and assurance processes. This is embedded in the reporting CCW issue to our sponsorship department Defra and the oversight of the Executive Team.

Regarding procurement, CCW has fairly low-spend and therefore does not require impact assessment and we ensure the research projects we procure, follow our electronic first policy, the travel policy and their own net zero commitments.

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 efficient 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. All staff follow the travel policy which ensures public travel is used first.

Wherever possible procurement is performed via the Crown Commercial Service Framework which is committed to a carbon neutral plan. The procurement policy was updated in May 2023 to include increased emphasis on sustainability. The volume of physical purchases is low, and no data is available for single use plastics, all waste is segregated to be recycled by the hub landlords as part of their commitment to zero land fill. Our physical purchases are very low, and any single use plastic involved is negligible and is appropriately disposed of/re-used by our landlord.

Any projects that CCW undertake are performed subject to the above business travel and procurement policies, which have sustainability as a key consideration.

At the Birmingham hub during the refurbishment works the washrooms were fitted with timed taps and dual flush valves. Tea points are also fitted with instant hot water taps rather than needing to run a tap and a kettle. The overall water reduction target for the Government Property Agencies (GPA) portfolio aligns with the Greening Government Commitment (this is not a building specific target). At the Cardiff hub waterless urinals have now been fitted. In instances where CCW procure food/catering services this is done through the on-site supplier which is subject to GPA targets. There is minimal indirect usage with low volumes of physical purchasing of items such as office supplies and equipment, with our blended work employee travel is low reducing the impact of indirect water usage.

CCW as part of a reuse scheme, has issued employees with reusable water bottles.

ICT equipment mainly consists of laptops, during Covid all employees were provided with new laptops, when these are obsolete they are either disposed of in an environmentally friendly way or where feasible and after all

CCW software and data has been removed offered to employees for their personal use. The overriding policy is of repair rather than replace wherever feasible. There were no disposals in the financial year.

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	2023-24	2024-25
ENERGY					
Total Service Charges	£'000s	96	106	105	129
Total Electricity Consumption (Scope 2+3)	Kwh's	15,745	24,441	40,789	70,542
Natural Gas (Scope 1)	Kwh's			941	2,647
WASTE					
Total waste	'000 kgs	0.36	1.40	1.63	2.59
Waste Recycled Externally		0.35	1.35	1.63	2.02
Waste Composted or sent to anaerobic digestion		0.00	0.03	0.00	0.29
Waste incinerated with energy recovery		0.00	0.02	0.00	0.27
Water supply costs		ND	ND	ND	ND
Water Consumption	m3	ND	13.45	31.4	54.00
GREEN HOUSE GAS EMISSIONS					
Total Emissions	'000kgs CO2	13.14	9.90	16.77	25.07
Purchased Energy (Scope 2 +3)		3.64	5.16	9.35	15.90
Scope 1 Direct Emissions		1.08	0.00	0.00	0.53
Scope 3 Emissions from domestic busness travel		8.41	4.73	7.42	8.64
Emissions from Domestic Flights		0.02	0.59	0.04	0.18
Emissions from International Flights		0.00	0.00	0.00	0.00
Number of flights		ND	10.00	4.00	10.00
Distance of Domestic Flights	km		3,578.00	1,644.00	1,634.00
Expenditure on offical business travel	£'000s	18	47	61	69
Number of cars hired		0	0	0	0
Paper Use (reams)		ND	37	63	54

Notes:

1. Energy, waste and water costs are not separately analysed in Landlord invoices, they are included in the Total Service Charges line above.
2. ND denotes information not available.
3. 2021-22 and 2022-23 electricity and water consumption were based on 3 quarters data, 2023-24 based on a full years data.
4. 2021-22, 2022-23 and 2023-24 electricity and water consumption was based on one of the two offices occupied by CCW, 2024-25. is based on the data for both offices.

Parliamentary Accountability and Audit Report

The following notes are 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 non adjudication related expenditure was applied to the purpose intended by Parliament. Matters related to the adjudication service provision are covered on page 33 of the Governance Statement.

Losses and Special Payments

We have recognised a loss of £114k (£34k during 2023-24) in relation to ADR adjudication activities. Matters related to the adjudication service provision are covered on page 33 of the Governance Statement.

Exit Packages

There were no exit packages paid during the year (nil during 2024-25).

Fees and charges

CCW's main source of funding is grant in aid (£7.347m), in addition to this further fund were obtained from contracts with customer:

- Recoveries of staff costs (£79k).
- Recovery of the costs of operating the ADR scheme (£307k), operated through CCW Trading Company Ltd.

The financial objective for the two highlighted activities is the full recovery of applicable costs within the year. The ADR scheme operates on a non-profit basis. The £114k deficit reflects the provision raised in line with Governance Statement (Page 33).

	Income (£'000s)	Full Cost (£'000s)	2024-25 Surplus/(deficit) (£'000s)
Recoveries of staff costs	79	79	-
Recovery of the costs of operating the ADR scheme	307	421	(114)

Remote Contingent Liabilities

In addition to contingent liabilities reported within the meaning of IAS 37, CCW is required to report 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 2025.



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

12 May 2026

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

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 2025 under the Water Industry Act 1991.

The financial statements comprise the Consumer Council for Water and its Group's:

- Consolidated Statement of Financial Position as at 31 March 2025;
- Consolidated Statement of Comprehensive Net Expenditure, Consolidated Statement of Cash Flows and Consolidated 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 Group financial statements is applicable law and UK adopted International Accounting Standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Consumer Council for Water and its Group's affairs as at 31 March 2025 and its expenditure 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.

Qualified opinion on regularity

In my opinion, except for the effects of the matter described in Basis for qualified opinion on regularity section below, 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 qualified opinion on regularity

CCW Trading Company Ltd, the Consumer Council for Water's wholly owned subsidiary company, delivers the Alternative Dispute Resolution (ADR) scheme to resolve disputes between licensed water companies and their customers. The ADR scheme comprises mediation and adjudication services and is operated on a non-profit basis as all costs incurred are recharged to water companies who subscribe to ADR on a voluntary basis. CCW Trading Company Ltd has recognised income and expenditure totalling £614k in relation to the ADR scheme in the year ended 31 March 2025. Of this, the Consumer Council for Water estimates £114k of recognised Group total operating expenditure relates to the delivery of, and £114k of Group revenue from contracts with customers relates to the recharging of, ADR adjudication services.

Under its framework agreement with DEFRA, the Consumer Council for Water must comply with HM Treasury's Managing Public Money (MPM). Public bodies funded by Parliament must ensure that the activities they undertake are in accordance with their statutory remit. In addition Managing Public Money specifies that creating a new company is generally novel and requires Treasury consent.

- Legal advice obtained by DEFRA, the Consumer Council for Water's sponsor department, and supported by Treasury's own legal advisors confirms that the adjudication activities undertaken by the Consumer Council for Water are not in line with its legal powers (and accordingly, that the Consumer Council for Water has no legal basis to charge for these activities).

- The Consumer Council for Water did not seek prior consent from HMT to commence the delivery of the ADR scheme, or to incorporate CCW Trading Company Ltd.

Therefore, the transactions recognised relating to, and delivery of, ADR adjudication services and the establishment and continued existence of CCW Trading Company Ltd were not in accordance with the framework of authorities and are irregular.

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 (2024)*. 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 2024*. I am independent of the Consumer Council for Water and its Group 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 and its Group'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 and its Group'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 and its Group is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires 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 information included in the Annual Report, but does not include the financial statements and my auditor's certificate thereon. 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 Group and their 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 and its Group 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 and its Group 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;
- preparing financial statements which give a true and fair view in accordance with Secretary of State directions made under the Water Industry Act 1991 as amended by the Water Act 2003;

- preparing the annual report, which includes the Remuneration and Staff Report, 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 and its Group'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 and its Group'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 and its Group'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 and its Group'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 and its Group 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 and its Group's framework of authority and other legal and regulatory frameworks in which the Consumer Council for Water and its Group 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 and its Group. 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, employment law, pensions legislation and tax legislation.

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
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and

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

12th May 2026

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

FINANCIAL STATEMENTS

Consolidated Statement of Comprehensive Net Expenditure

for the year ended 31 March 2025

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	2024-25		2023-24	
		CCW	CCW Group	CCW	CCW Group
		£000s	£000s	£000s	£000s
Revenue from contracts with customers	4	(79)	(386)	(297)	(297)
Total operating income		(79)	(386)	(297)	(297)
Staff costs	2	4,696	4,831	4,865	4,865
Other Costs	3	2,602	2,885	2,434	2,434
Non Cash items	3	86	89	124	124
Total operating expenditure		7,384	7,805	7,423	7,423
Net operating expenditure		7,305	7,419	7,126	7,126
Finance Charges	7.2	8	8	9	9
Net expenditure for the year		7,313	7,427	7,135	7,135
Total comprehensive net expenditure for the year		7,313	7,427	7,135	7,135

There is no other comprehensive net expenditure.

The 2023-24 Finance charges have been represented, they were formally reported in the other costs line.

The notes on pages 58 to 71 form part of these accounts.

Consolidated Statement of Financial Position

as at 31 March 2025

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	2024-25		2023-24	
		CCW £000s	CCW Group £000s	CCW £000s	CCW Group £000s
Non-current assets					
Property, plant and equipment	5	12	12	14	14
Intangible Assets	6	-	-	-	-
Right of Use Assets	7.1	846	846	932	932
Total non-current assets		858	858	946	946
Current assets					
Trade and other Receivables	8	387	394	228	228
Cash and cash equivalents	9	574	664	602	602
Total current assets		961	1,058	830	830
Total assets		1,819	1,916	1,776	1,776
Current liabilities					
Trade and other payables	10	(892)	(989)	(804)	(804)
Lease Liability	7.2	(89)	(89)	(89)	(89)
Total current liabilities		(981)	(1,078)	(893)	(893)
Total assets less current liabilities		838	838	883	883
Non-current liabilities					
Provisions	11	(59)	(173)	(59)	(59)
Lease Liability	7.2	(751)	(751)	(831)	(831)
Total non-current liabilities		(810)	(924)	(890)	(890)
Assets less liabilities		28	(86)	(7)	(7)
Taxpayers' equity and other reserves					
General fund	SoCITE	28	(86)	(7)	(7)
Total equity		28	(86)	(7)	(7)

The notes on pages 58 to 71 form part of these accounts.

The financial statements on pages 54 to 71 were approved by the Board on 8th May 2026 and were signed on its behalf by



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

12 May 2026

Consolidated Statement of Cash Flows
for the year ended 31 March 2025

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	2024-25		2023-4	
		CCW £000s	CCW Group £000s	CCW £000s	CCW Group £000s
Cash flows from operating activities					
Net operating cost		(7,313)	(7,427)	(7,135)	(7,135)
Adjustments for non-cash transactions	3	86	89	124	124
Intercompany payment re non-cash transactions*		3	-	-	-
Adjustments for non operating activities	7.2	8	8	10	10
(Increase)/decrease in trade and other receivables	8	(159)	(166)	(62)	(62)
Increase/(decrease) in trade and other payables	10	88	185	(136)	(136)
(Increase)/decrease in Provision	11	-	114	34	34
Net cash outflow from operating activities		(7,287)	(7,197)	(7,165)	(7,165)
Cash flows from investing activities					
Purchase of property, plant and equipment		-	-	(21)	(21)
Net cash outflow from investing activities		-	-	(21)	(21)
Cash flows from financing activities					
Lease liability payments	7.2	(88)	(88)	(214)	(214)
Grant in Aid from Sponsor departments	SoCITE	7,347	7,347	7,060	7,060
Net financing		7,259	7,259	6,846	6,846
Net increase/(decrease) in cash and cash equivalents in the period		(28)	62	(340)	(340)
Cash at the beginning of the period		602	602	942	942
Cash at the end of the period	9	574	664	602	602

* Non cash transactions relates to depreciation charged on assets owned by CCW, £3k of depreciation was recharged to CCW Trading Company Ltd. to account for their use of the assets, this was invoiced to and paid to CCW by CCW Trading Company Ltd.

Both the Consumer Council for Water and CCW Trading Company Ltd's bank accounts are held within the Government Banking Service. The Consumer Council for Water does not hold any cash equivalent balances and has no overdraft facilities. SoCITE stands for the Statement of Changes in Taxpayers' Equity (Page 57).

The notes on pages 58 to 71 form part of these accounts.

Consolidated Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2025

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	
	CCW £000s	CCW Group £000s
Balance at 31 March 2023	67	67
Grant in Aid from Sponsor departments	7,060	7,060
Comprehensive net expenditure for the year	(7,135)	(7,135)
Non-cash adjustments		
Notional charge and other non cash items	1	1
Balance at 31 March 2024	(7)	(7)
Grant in Aid from Sponsor departments	7,347	7,347
Comprehensive net expenditure for the year	(7,313)	(7,427)
Non-cash adjustments		
Notional charge and other non cash items	1	1
Balance at 31 March 2025	28	(86)

The notes on pages 58 to 71 form part of these accounts.

Notes to the Accounts

1 Statement of accounting policies

These financial statements have been prepared in accordance with the 2024-25 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 2024-25 have been prepared on a going concern basis. Defra and the Welsh Government have agreed CCW's 2025-26 and 2026-27 revenue budgets and Main Estimates. CCW has assumed that funding will continue beyond the financial year 2026-27 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 Basis of consolidation

The group financial statements comprise the consolidation of the Consumer Council for Water and its wholly owned subsidiary, CCW Trading Company Ltd (a company limited with guarantee without share capital). CCW Trading Company Ltd has been fully consolidated on a line-by-line basis. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

1.3 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 consists 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.

1.4 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	Life of the lease

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

1.5 Leases

In accordance with IFRS 16, contracts, or parts of a contract that convey the right to use an asset in exchange for consideration are accounted for as leases which includes operating leases. CCW excludes contracts for low-value items, defined as items costing less than £2,000 when new and contracts with a term shorter than twelve months and the related costs are shown in the Statement of Comprehensive Net Expenditure.

At the commencement of a lease, CCW recognises a right-of use asset and a lease liability. The lease liability is measured at the payments for the remaining lease term, net of irrecoverable value added tax, discounted either by the rate implicit in the lease or, where this cannot be determined, the incremental cost of borrowing is the rate advised by HM Treasury.

The right-of use asset is subsequently depreciated over the remaining period of the lease and the lease liability is adjusted for the accrual of interest, repayments, reassessments and modifications.

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, this applies to Buildings. This method is appropriate because it realistically reflects the consumption of the assets and that revaluation would not cause a material difference.

1.6 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.

1.7 Revenue from Contracts with Customers

Income from Contracts with Customers represents the recharge of staff costs to other organisations and the recharge of costs incurred to operate the ADR scheme. Income is recognised in accordance within the five stage model set out in IFRS 15 Revenue from Contracts with customers.

Recoveries of staff costs:

The income is the full reimbursement of staff employed by CCW to resolve water company disputes. 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.

Income is recognised when the underlying performance obligation has taken place, in this case, when staff costs are incurred.

Recovery of costs for ADR through CCW Trading Company Ltd:

CCW introduced an alternative dispute resolution (ADR) scheme for subscribing water companies in England and Wales to assist with the handling of consumer complaints. Revenue recognised relates to subscription fees to recover the costs of operating the scheme (composed of both CCW staff costs and third-party costs incurred to run the scheme), income is recognised in line with IFRS15 where performance obligations have been met, i.e. recognised over the period of the service provided.

The transaction prices are not agreed upon in advance and are based on costs incurred; therefore, allocation to distinct performance obligations is not required. The contracts also do not include any variable consideration. CCW applies the practical expedient in IFRS 15.121(b) for cost-recovery contracts, where revenue is recognised based on invoiced amounts that correspond directly with performance obligations satisfied. As

such, the disclosure requirements in IFRS 15.120 relating to remaining performance obligations are not applicable.

Payment terms are 30 days after issuing the invoice. At the end of the financial year, actual costs incurred are collated, and if these are higher/lower than the initial budget supplementary invoices or credit notes are raised. In the accounts for the year ended 31st March 2025 deferred income has been recognised.

1.8 Value added tax

VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. The introduction of the ADR scheme in 2023-24, accounted through CCW resulted in CCW raising invoices which exceeded the VAT registration limit, as result CCW is now VAT registered for this activity and has recognised a creditor of £29k for revenue from contracts with customers. The impacted costs and revenue are reported excluding VAT where applicable.

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 2020. 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 Significant accounting policies and material judgements

In instances where costs are transferred from CCW to CCW Trading Company Ltd the recharges are done on a periodic basis ensuring that all costs are correctly allocated by year end. These costs form part of the overall cost of operating the ADR scheme and therefore form the basis of invoices raised to those companies that subscribe to the scheme. Thus covers the following:

- staff costs, the employees that are dedicated to the ADR work are CCW employees, their related costs are reallocated to CCW Trading Company Ltd
- other costs, where costs related solely to ADR are initially incurred by CCW they are reallocated to CCW Trading Company Ltd.
- CCW staff time on ADR work, where staff who are not wholly dedicated to ADR work spend a proportion of their time on ADR work a cost reallocation is performed based on timesheet recordings of this work.
- overheads a proportion of CCW's overheads are allocated to CCW Trading Company Ltd, this is done on the basis of the number of staff solely dedicated to ADR as a proportion of the total number of CCW staff. This covers items such as computer costs and facilities.

1.13 Accounting Standards in Issue, not yet effective

The following new and revised standards have been issued but not yet adopted:

IFRS 17 Insurance Contracts - Insurance contracts: This standard replaces IFRS 4 and will be adopted and interpreted in the FReM on 1 April 2025. The standard applies to issued insurance contracts and the reporting of these in the financial statements to provide comparability and increase transparency. It is expected there will be no impact on the 2025-26 accounts as CCW does not hold any such arrangements. No new accounting standards or revisions to existing standards have been adopted early by CCW in 2024/25.

In December 2023, HM Treasury released an exposure draft on potential changes to make to valuing and accounting for non-investment assets (for example, property, plant and equipment (PPE), intangible assets). The following changes to the valuation and accounting of non-investment assets is to be included in the 2025-26 FReM for mandatory implementation: references to assets being held for their 'service potential' and the terms 'specialised/non-specialised' assets are being removed from the FReM. Non-investment assets are instead described as assets held for their 'operational capacity'. This change has no impact on the valuation basis of non-investment assets, which remains Existing Use Value (EUV). An adaptation to IAS 16 will be introduced to withdraw the requirement to revalue an asset where its fair value materially differs from its carrying value. Assets are now valued using one of the following processes: a quinquennial revaluation supplemented by annual indexation; a rolling programme of valuations over a 5-year cycle, with annual indexation applied to assets during the 4 intervening years; for non-property assets only, appropriate indices; in rare circumstances where an index is not available, a quinquennial revaluation supplemented by a desktop revaluation in year 3. The option to measure intangible assets using the revaluation model is withdrawn. The carrying values of intangible assets at 31 March 2025 will be considered the historical cost at 1 April 2025.

We do not expect that the adoption of the standards listed above will have a material impact on the Financial Statements in future periods.

2 Staff Costs

	2024-25		2023-24	
	CCW	CCW Group	CCW	CCW Group
	£000s	£000s	£000s	£000s
Wages and Salaries	3,427	3,526	3,663	3,663
Social Security Costs	362	372	357	357
Other Pension Costs	907	933	845	845
Sub Total	4,696	4,831	4,865	4,865
Less recoveries of staff costs	(79)	(214)	(140)	(140)
Total net costs (1)	4,617	4,617	4,725	4,725

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

Recoveries of staff costs are from contracts with customers, £79k (CCW) is for the full reimbursement of staff employed by CCW to resolve water company disputes. The CCW Group figure of £214k also includes £135k of staff costs incurred in operating the ADR scheme. These recoveries have been recognised in note 4 to the financial statements.

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

3 Total Operating Costs

	Note	2024-25		2023-24	
		CCW	CCW Group	CCW	CCW Group
		£000s	£000s	£000s	£000s
Staff Costs¹					
Wages and Salaries		3,427	3,526	3,663	3,663
Social Security Costs		362	372	357	357
Other Pension Costs		907	933	845	845
Total	2	4,696	4,831	4,865	4,865
Rentals under operating leases:					
Office equipment		-	-	2	2
		0	0	2	2
Non cash items:					
Depreciation	5	2	2	1	1
Depreciation on Right of Use assets	7.1	83	86	119	119
Amortisation	6	-	-	3	3
Notional charge		1	1	1	1
		86	89	124	124
Other expenditure:					
Research & Consultancy		997	1,006	649	649
Professional Services		18	142	94	94
Recruitment costs		58	58	100	100
Personnel Overheads		154	157	133	133
Training		147	149	184	184
Publicity, Library & Parliament		160	160	146	146
Computer Services		365	386	553	553
Office Support costs		432	436	354	354
NAO Auditors' remuneration*		110	110	70	70
ADR Rectification Provision	11		114	34	34
Other Accommodation costs		161	167	115	115
		2,602	2,885	2,432	2,432
Total		7,384	7,805	7,423	7,423

* During the year there was no remuneration for non-audit work (nil 2023-24).

¹ Further analysis of staff costs is located in the Staff Report page 43 and in the Accountability Report.

CCW has opted to apply exemptions available under IFRS 16.6 for short term and low value leases costing less than £2k.

The total cost of low value leases charged to the SOCNE in the year was less than £1k (2023-24 £2k).

2023-24 Research & Consultancy and Professional Services have been reclassified to comply with IAS 1 disclosure on disaggregated balances.

Finance charges are reported underneath operating expenditure in the Statement of Comprehensive Net Expenditure.

4 Income

	2024-25		2023-24	
	CCW	CCW Group	CCW	CCW Group
	£000s	£000s	£000s	£000s
Analysis of Revenue from contracts with customers				
Other income				
Recoveries of staff costs	(79)	(79)	(140)	(140)
Recovery of costs for Alternative Dispute Resolution	-	(307)	(157)	(157)
Total income from contracts with customers	(79)	(386)	(297)	(297)

5 Property, plant and equipment
CCW and CCW Group

	Leasehold improvements £000s	Total £000s
Cost or valuation		
At 1 April 2024	18	18
At 31 March 2025	18	18
Depreciation		
At 1 April 2024	4	4
Charged in year	2	2
At 31 March 2025	6	6
Carrying value at 31 March 2025	12	12
Carrying value at 31 March 2024	14	14
	Leasehold improvements £000s	Total £000s
Cost or valuation		
At 1 April 2023	23	23
Disposals	(5)	(5)
At 31 March 2024	18	18
Depreciation		
At 1 April 2023	3	3
Charged in year	1	1
At 31 March 2024	4	4
Carrying value at 31 March 2024	14	14
Carrying value at 31 March 2023	20	20

6 Intangible assets
CCW and CCW Group

	Software Licences	Total Software Licences
	<u>£000s</u>	<u>£000s</u>
Cost or valuation		
At 1 April 2024	<u>26</u>	<u>26</u>
At 31 March 2025	<u>26</u>	<u>26</u>
Amortisation		
At 1 April 2024	<u>26</u>	<u>26</u>
At 31 March 2025	<u>26</u>	<u>26</u>
Carrying value at 31 March 2025	<u>-</u>	<u>-</u>
Carrying value at 31 March 2024	<u>-</u>	<u>-</u>
	Software Licences	Total Software Licences
	<u>£000s</u>	<u>£000s</u>
Cost or valuation		
At 1 April 2023	<u>26</u>	<u>26</u>
At 31 March 2024	<u>26</u>	<u>26</u>
Amortisation		
At 1 April 2023	23	23
Charged in year	<u>3</u>	<u>3</u>
At 31 March 2024	<u>26</u>	<u>26</u>

7 Right of Use Assets and Lease Liabilities**CCW and CCW Group**

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

	IT Software		Total
	Buildings	/MSP	
	£000s	£000s	£000s
Cost or valuation			
At 1 April 2024	1,104	-	1,104
At 31 March 2025	1,104	-	1,104
Depreciation			
At 1 April 2024	172	-	172
Charged in year	86	-	86
At 31 March 2025	258	-	258
Carrying value at 31 March 2025	846	-	846
Carrying value at 31 March 2024	932	-	932

	Buildings	IT Software	IT Hardware	Total
	excluding Dwellings	£000s	£000s	
	£000s	£000s	£000s	£000s
Cost or valuation				
At 1 April 2023	1,104	187	160	1,451
Disposals	-	(187)	(160)	(347)
At 31 March 2024	1,104	-	-	1,104
Depreciation				
At 1 April 2023	86	169	145	400
Charged in year	86	18	15	119
Disposals	-	(187)	(160)	(347)
At 31 March 2024	172	-	-	172
Carrying value at 31 March 2024	932	-	-	932
Carrying value at 31 March 2023	1,018	18	15	1,051

7.2 Lease Liabilities
CCW and CCW Group

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 2024	Interest Charged to SOCNE	Payments	As at 31 March 2025
	£000s	£000s	£000s	£000s
Building	920	8	(88)	840
IT Hardware	-	-	-	-
IT Software	-	-	-	-
Total	920	8	(88)	840
Less than 1 year	89	-	-	89
1-5 years	442	-	-	442
Over 5 years	434	-	-	345
Total undiscounted	965	-	-	877
Future finance charge	(45)	-	-	(37)
NPV of liability	920	-	-	840
Disclosed as				
Current	89			89
Non Current	831			751
Total	920			840

	As at 1 April 2023	Interest Charged to SOCNE	Payments	As at 1 April 2024
	£000s	£000s	£000s	£000s
Building	1088	9	(177)	920
IT Hardware	17	-	(17)	0
IT Software	19	1	(20)	0
Total	1,124	10	(214)	920
Less than 1 year	214	-	-	89
1-5 years	443	-	-	442
Over 5 years	521	-	-	434
Total undiscounted	1178	-	-	965
Future finance charge	(54)	-	-	(45)
NPV of liability	1,124	-	-	920
Disclosed as				
Current	214			89
Non Current	910			831
Total	1,124			920

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 costing less than £2k. As such we have incurred the following lease expenses which are charged direct to the SOCNE and are shown in Note 3.

The total cost of low value leases charged to the SOCNE in the year was less than £1k (2023-24 £2k).

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

8 Trade and other Receivables

	2024-25		2023-24	
	CCW	CCW Group	CCW	CCW Group
	£000s	£000s	£000s	£000s
Trade receivables	42	64	102	102
Intragroup receivables	15	-	-	-
Accrued income	18	18	-	-
Advances	4	4	2	2
Prepayments	308	308	124	124
	387	394	228	228

All fall within one year

9 Cash and cash equivalents

	2024-25		2023-24	
	CCW	CCW Group	CCW	CCW Group
	£000s	£000s	£000s	£000s
Balance at 1 April	602	602	942	942
Net change in cash balances	(28)	62	(340)	(340)
Balance at 31 March	574	664	602	602

All cash balances are held with the Government Banking Service

10 Trade and other Payables

	2024-25		2023-24	
	CCW	CCW Group	CCW	CCW Group
	£000s	£000s	£000s	£000s
Amounts falling due within one year:				
Trade payables	127	127	94	94
Other taxation & social security	118	135	101	101
Other payables	94	93	85	85
Deferred income		79	0	0
Accruals:				
Computer Services Accrual	68	68	219	219
Employee Accruals	107	107	129	129
Research Accruals	130	130	47	47
Audit Accruals	180	180	70	70
Other Accruals	68	70	59	59
	892	989	804	804

2023-24 Accruals have been reclassified to comply with IAS 1 disclosure on disaggregated balances.

11 Provisions for liabilities and charges

	2024-25		2023-24	
	CCW	CCW Group	CCW	CCW Group
	£000s	£000s	£000s	£000s
Leashold Property Dilapidations				
Balance at 1 April	25	25	25	25
Balance at 31 March	25	25	25	25
Analysis of expected timing of cash flows				
Not later than one year	-	-	-	-
Later than one year and not later than five years	-	-	-	-
Later than five years	25	25	25	25
Balance at 31 March	25	25	25	25
	2024-25	2023-24	2024-25	2023-24
	CCW	CCW Group	CCW	CCW Group
	£000s	£000s	£000s	£000s
ADR Rectification Provision				
Balance at 1 April	34	34	34	34
Provided in year	-	114	-	-
Balance at 31 March	34	148	34	34
Analysis of expected timing of cash flows				
Not later than one year	-	-	-	-
Later than one year and not later than five years	34	148	34	34
Later than five years	-	-	-	-
Balance at 31 March	34	148	34	34
	2024-25	2023-24	2024-25	2023-24
	CCW	CCW Group	CCW	CCW Group
	£000s	£000s	£000s	£000s
Total Provision				
Balance at 1 April	59	59	59	59
Provided in year	-	114	-	-
Balance at 31 March	59	173	59	59
Analysis of expected timing of cash flows				
Not later than one year	-	-	-	-
Later than one year and not later than five years	59	173	59	59
Later than five years	-	-	-	-
Balance at 31 March	59	173	59	59

The ADR Rectification provision relates to the amount repayable to companies that subscribed to the ADR scheme that was ceased on the 20 April 2026. The value represents the amount required to be refunded (Governance Statement page 33). This has not been discounted using the treasury discount rate as the impact is not material.

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 Commitments
CCW and CCW Group**

CCW has entered into non-cancellable contracts (which are not leases).
The payments to which CCW is committed are:

	2024-25 £'000s	2023-24 £'000s
Not later than one year	350	691
Later than one year not later than five years	<u>492</u>	<u>571</u>
Total	<u><u>842</u></u>	<u><u>1,262</u></u>

£559k relates to the Managed Services Provider contract.

£34k relates to adjudication service provision under ADR.

£74k is for an outsourced call centre service.

£136k is the Customer relationship management system

13 Financial instruments

As the cash requirements of CCW are primarily 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.

14 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 2024-25 of, £7,347k (2023-24: £7,060k).

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 Memorandum of Terms of Occupation (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.

CCW has a subsidiary company (CCW Trading Company Ltd), with the directors composed of two Board members and two members of the Executive Team. During the financial year costs of £226k were reallocated from CCW to CCW Trading Company Ltd.

15 Events after reporting period date

In October 2024, the UK government (along with the Welsh Government) launched an Independent Commission into the water sector and its regulation. The commission was chaired by Sir Jon Cunliffe, former Deputy Governor of the Bank of England.

On 21 July 2025, the Independent Water Commission published its final report.

Recommendation 44 stated:

The UK and Welsh governments should consider whether to convert the Consumer Council for Water into a new mandatory Water Ombudsman.

Recommendation 45 stated:

The government should consider transferring the advocacy functions of CCW to Citizens Advice, providing a stronger voice for customers, that the water regulator is required to respond to.

Responding to the Commission report on the day of publication, the UK government stated its intention to publish a White Paper giving its full response. The Secretary of State also said the government would subsequently bring forward a new water reform bill “*early during the lifetime of this Parliament*”.

In January 2026, Defra published its white paper [A New Vision for Water](#). In it, government stated its intention to establish “*a new, independent, impartial, strong and accredited Water Ombudsman*”. It also pledged to provide “*a stronger voice for customers, building on the Consumer Council for Water’s advocacy role*”.

On 20 April 2026 CCW ceased provision and cost recovery of the adjudication element of the ADR service (Governance Statement Page 33).

The Accounting Officer authorised the Annual Report and Accounts for issue on the date of the Comptroller and Auditor General’s audit certificate.

16 Subsidiary Company

The Consumer Council for Water has one subsidiary: CCW Trading Company Ltd which is a company registered in England (company number 15478571). The subsidiary is limited by guarantee with no share capital, and the Consumer Council for Water is the sole member and will contribute a maximum £1 in the case of the company being wound up. The subsidiary was set up for the purpose of running the ADR scheme. The subsidiary company has the same year end as the Consumer Council for Water and applies the same accounting policies as the Consumer Council for Water. CCW Trading Company Ltd was incorporated on the 10th February 2024, began trading on 1 April 2024 and its results have been included in the consolidated accounts for the group.

The Consumer Council for Water has provided a guarantee under section 479C of the Companies Act 2006 to CCW Trading Company Ltd in respect of the financial year ended 31 March 2025. The guarantee has been provided to allow the Directors of CCW Trading Company Ltd to take an exemption from having an audit of their financial statements in accordance with Section 479A of the Companies Act. Strict criteria must be met for this exemption to be taken and the exemption has been agreed to by the Directors of CCW Trading Company Ltd.

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