
Consumer Council for Water

Annual Report and Accounts 2023-24

For the year ended 31 March 2024

Consumer Council for Water

Annual report and accounts 2023-2024

For the period 1st April 2023 to 31st March 2024

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as amended by the Water Act 2003.

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PERFORMANCE REPORT

Chief Executive's Statement

Welcome to the annual report for 2023-24 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 2023-24, CCW received 10,760 complaints. This is a 26% increase on the 8,530 complaints we received in 2022-23.

The year 2023-24 saw increasingly intense public interest in the water industry. In addition, the rising cost of living made customers more aware of their water bills – and what they were getting in return.

Against this backdrop, in 2023-24, CCW spent a lot of time and resource fulfilling our statutory function to provide information to customers about consumer matters. CCW featured in 4,400 pieces of coverage – more than any year apart from the exceptional year of the 2022 drought.

CCW's 2023 Water Matters research found a 45% awareness of schemes to reduce bills. This is an increase of 8% since 2022. We continued our work with water companies – both in our day-to-day conversations and as part of the 2024 price review process - towards their commitment to make bills affordable as a minimum for all households.

The piece of work I'm most proud of from 2023-24 is how we turned around CCW's customer relations operations. In less than a year, the team cut a 2,000-item backlog down to a quarter of that.

At the end of this year, CCW had a resolution rate of 50-60 per adviser per month – up from 25-30 in the first quarter of 2023-24. This is despite increased contact and complaints to CCW thanks to an industry in turmoil that is rarely out of the media spotlight.

We have made this 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 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.

We also carried out and published four pieces of joint research with Ofwat into water company incidents that affected their customers, and shared the results across the industry. This research revealed that there is a significant gap between how companies think they handled an incident compared to the actual experience of their customers.

CCW also extended the services we can offer customers. In December 2023, we became the provider of Alternative Dispute Resolution (ADR) for water customers in England and Wales, making it quicker and easier for them to resolve complaints against their service provider. Between December 2023 and March 2024, CCW dealt with 116 ADR cases. The operation of ADR has subsequently been superseded by the regularity matter raised in the Governance Statement (Page 33).

And we have worked hard this year to make all our information as accessible as possible. During the year, 357,000 people have accessed CCW's online money-saving tools to make millions of pounds of savings.

CCW carried out its annual staff survey in October 2023. We had an 86% response rate. Employee engagement, benchmarked against the Civil Service People Survey Model of Engagement, is 76%, against a wider civil service average of 61% (2022).

As Chief Executive, I'm incredibly proud of the work my teams at CCW have done and everything they've achieved in the year 2023-24. We will spend 2024-25 similarly focused on getting the best results for water consumers in England and Wales.

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 83 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 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 2023-24

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 2023-24, CCW received 10,760 complaints in 2023-24. This is a 26% increase on the 8,530 complaints we received in 2022-23.

We also got back over a million pounds in redress for household and business customers.

Helping water customers

In 2023-24, 4,861 people used CCW's benefits calculator to work out that they may be eligible for support totalling almost £31 million. And over 2,000 people used our grant search tool.

Last year, 350,000 people used the water meter calculator on CCW's website. This widget helps people work out whether they could save water and money by switching to a meter. In 2023-24 it identified about £25 million of potential savings for bill payers.

Case study – location of a leak

A customer contacted CCW because he was dissatisfied with how his water company had handled a situation regarding a leak at his house.

The water company had sent the customer many letters telling him he had a leak in his property. They threatened him with court action if he didn't fix it.

The customer got a plumber round, who said there wasn't a leak at the property. However, the water company told him he needed new pipes all through his house. So the customer got that work done, which cost him £2,500. It also involved ripping up his bathroom flooring and the pavement in front of his house.

However, when the customer continued to press the water company, they agreed that the leak actually hadn't been in his property. They agreed to cover the cost of the works he'd had done, but not the cost of reinstating his bathroom floor.

The customer was not happy with this offer. So he contacted CCW. We contacted the company and asked them to review the case.

The company told CCW that this is not the type of experience they want their customers to receive. They will be using this case as a training study to improve their processes.

In recognition of poor service, they gave him a £250 gesture of goodwill as well as covering the cost of reinstating his bathroom floor. The customer was delighted with this outcome.

Dealing with complaints – better!

CCW is particularly proud of how our CCW's Consumer Relations team has delivered an astonishing turnaround over the last year. They have cut a 2,000-item backlog down to a quarter of that.

Back in January 2023, CCW had high rates of abandoned calls. Too many consumers were contacting us before they'd exhausted their water company's complaints process. The organisational structure was disjointed, there was high sickness rates and low morale. Unsurprisingly, customers were unhappy and so were the water companies we work with.

CCW now has a resolution rate of 50-60 per adviser per month – up from 25-30 in the first quarter of 2023-4. This is despite increased contact and complaints to CCW thanks to an industry in turmoil that is rarely out of the media spotlight.

Staff morale has improved hugely. In CCW's latest staff survey (October 2023), a whopping 69% of Consumer Relations staff said they were "fully engaged", up from 37% last year. And not one single person in the team reported themselves to be disengaged.

To achieve such an impressive turnaround in just one year has taken a huge amount of commitment from everyone in the team. They made a whole raft of improvements:

- They changed the structure of the team to give everyone a clear framework showing who was accountable for what. This resulted in several internal promotions which gave existing employees the chance to shine in a role that suited them much better.
- Once the new structure was in place, the newly empowered staff sat down and redesigned the whole end-to-end customer journey with CCW. They took time to pilot it and worked closely with water companies to make sure it worked with their processes to make the customer's experience as clear and sensible as possible.
- The newly created role of Evidence and Insights Analyst means managers can assess what has worked to improve performance as well as make informed plans for how to manage resources in the future.
- They recruited a trainer who has been putting staff through programmes to improve their time management, build their confidence and handle difficult conversations.
- Customers are now able to use our website to self-serve in many cases.
- The Consumer Relations team quickly identify complaints that haven't exhausted the water company's process, and send each water company a personalised daily automated report.

Challenging water companies

The *Water Industry Act 1991* gives CCW a wide remit to act on behalf of customers. As well as dealing with individual customers' complaints, CCW uses our data and learnings from our work supporting people to improve the consumer experience across all water companies – challenging poor performance and sharing best practice.

During 2023-24, CCW completed five **complaint assessments**. These assessments involve teams from CCW spending two full days with a water company's customer services team. They carry out deep-dive assessments of a random selection of customer complaints. As well as discussing them in detail while onsite, afterwards, CCW sends the companies detailed reports about what they found and gives them a list of clear action points. Then there are follow-up sessions to make sure improvements are being made. Water companies have told us they find these assessments really useful and we have seen them lead to change within companies and improvements to the way complaints are handled.

CCW has also been working to improve how **vulnerable customers** are treated. In February 2024, with Ofwat, we held a joint workshop. CCW presented our review of water companies' Priority Services Registers – a list of customers who may need extra advice and support, particularly if there's an interruption to their water supply. There has been great progress since our last review in 2019 – particularly on the range of extra help services offered. Most companies have met Water UK's Vulnerability Commitment to be either BSI 18477 or ISO 22458 accredited, with three companies still working on it.

At the workshop, colleagues from Ofwat also outlined their *Service for All* vulnerability guidance, which companies must follow as part of Ofwat's customer licence condition. Ofwat requires all companies to have a

vulnerability strategy, which they must consult with CCW on. Water companies told us they valued Ofwat and CCW working collaboratively on the guidance.

In September 2023, CCW ran an **affordability seminar** with water companies and wider stakeholders. Scope and Independent Age made valuable contributions that have shaped our view that a review of WaterSure is needed.

Generating insights

As an insight-led organisation, CCW uses our deep and wide-ranging research to provide a robust evidence base for our work.

Working with Ofwat, in 2023-24, CCW published four pieces of **research into incidents** at water companies: water supply interruptions at South East Water and Yorkshire Water; a *boil water* notice due to e-coli at Anglian Water; and a situation where Thames Water left raw sewage at a sewage treatment works in Camberley for several months, leaving residents with an unbearable stench.

In February 2024, CCW held a seminar to share the learnings from that incident research with the wider sector. Companies were invited to exchange new ideas and best practice in how to communicate with customers during incidents. We also went through our review of companies' incident webpages. And we heard from a local community organisation about how they get involved when incidents happen, and from the Institute of Customer Service, who spoke about the need for customer-centric communication during incidents.

Another interesting and useful piece of research was our investigation in January 2024 into people's **attitudes towards more natural approaches** to tackle sewer flooding and river pollution, rather than the building of concrete tanks to store water. The publication was supported by a wide range of environmental stakeholders, such as the Rivers Trust and Wildlife and Countryside Link. We found that households would be willing to pay up to £40 a year more on their water bill to use nature instead of man-made materials to improve river water quality and reduce the risk of sewer flooding.

Informing the public

Over the year 2023-24, CCW recorded the second highest spread of **media coverage** in its history, with almost 4,400 pieces of coverage – surpassed only by the exceptional year of the 2022 drought. Some key examples include:

- Alex Lawson's lead stories in the Guardian on CCW's continuing campaign to End Water Poverty and his story on our call for companies to invest some of their profits into strengthening support for customers struggling to pay.
- CCW's strong relationship with the Financial Times resulted in two excellent exclusives, both on growing bill pressures stemming from future investment proposals. The FT price review piece in March 2024 got attention from key campaigners and other media.
- Sometimes the CCW media team works really hard behind the scenes to keep stories *out* of the press. A good example during the last year was when we persuaded the Press Association not to run with a story wrongly claiming we had changed the complaints process to frustrate and silence bill boycott campaigners.

CCW's website had 649,867 page views during 2023-24.

And on our **social media channels**, we had:

- 2,934,310 impressions – that's the number of times our messages were seen
- Average engagement rate: 4.54% - that's how many times people interacted with our messages
- We spent £7100.46 on paid promotion.
- Our most engaging campaign was *People and the environment*

- Over the year, CCW made:
 - 1,306 connections on Facebook (+215)
 - 4,460 on LinkedIn (+695)
 - 611 on Instagram (+49)
 - 8,171 on Twitter (-10)

In 2023-24, CCW put out 37 episodes of *Waterfall*, our fun and informative **podcast** all about why we should save water and how we can do it. It's packed with useful hints and tips for anyone who uses water. This year, we made a special, all-Welsh language edition. In it, CCW's Rhys Brooks and Mr. Smith of Ysgol Gymraeg Gwynllyw school speak to a group of students and explore the valuable water efficiency lessons they've gleaned through listening to *Waterfall*.

We worked hard this year to **make our information as accessible as possible**. To ensure all our online documents – such as research reports or consultation responses – are easily readable by everyone, we updated our branded PowerPoint and Word templates so they're now accessible right from the start.

Performance Analysis

How CCW has met its aims for 2023-24

CCW's Forward Work Programme (FWP) contains the deliverables we focused on achieving in 2023-24. 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.

People and the environment

*Collaborate with the water sector to trial activities that are aimed at **helping people to value water and use it wisely, including encouraging and supporting trials of innovative tariffs***

The UK is already experiencing the effects of climate change – notably on our rainfall. In addition, the country's population is growing. These factors are already putting a strain on water supplies. A third of the water we need to save to secure reliable supplies for the future has to come from us all using less water, especially at home.

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 others supplied by that company. This is to encourage companies to explore how different ways of structuring charges might better encourage the efficient use of water and/or help make bills more affordable for customers struggling to pay.

CCW supports this approach – we hope these schemes can inform how water companies charge for services in the future. CCW is capturing lessons learnt and building an understanding for the whole industry of what works – and what doesn't. We are also actively supporting companies with advice on customer engagement.

We carried out a desktop review of successful behaviour change campaigns and shared our findings with the industry. We set up our *Leading the Way* working group with the seven water companies developing pilots on water efficiency and sewer misuse.

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

Wastewater companies have been heavily criticised for how they use storm overflows. The Environment Act 2021 now requires them to publish near real-time data when spill events happen. The negative media coverage of this new information has really affected consumer trust in the water industry.

CCW held workshops for the wastewater companies to discuss their approach to making storm overflow data available. *We have been getting companies who had published information ahead of others to share their experiences and good ideas.*

CCW was also invited onto the steering group for Water UK's National Environment Hub. This project is providing a data sharing platform where water companies will publish Environmental Duration Monitoring (EDM) data and National Overflows Plan data. This will give the public a national map visualisation of the data from real-time feeds. CCW's role is to ensure that this data is presented in a way that is useful to customers and easy to understand. In Wales we have worked with the Better River Water Quality Taskforce on a similar project.

*We want to see the creation of **Accelerated Reduction in Demand (ARID)** - an initiative that would act as the catalyst to improve consumer messaging and incentives to reduce demand for water.*

There is no central oversight in England and Wales on what works to encourage people and businesses to use water more wisely. CCW believes there should be one umbrella body to provide overall strategy and give direction; to coordinate all the demand management activities; and evaluate them in a central evidence base so future investment can be targeted at the programmes that deliver the best results. We call our proposed body ARID – Accelerating Reductions in Demand.

CCW held two webinars – in May and June 2023 - to discuss our proposal with the industry. We briefed Defra and the Wales Water Efficiency Forum, and we responded to Ofwat's Water Efficiency Fund consultation. We had several conversations with Ofwat on how CCW can contribute to the design and functioning of their £100 million Water Efficiency Fund.

Campaign – drought

We will be ready to launch an awareness-raising campaign in 2023. This will primarily be focused on helping people, businesses and communities reduce their water use to alleviate some of the pressure on resources.

In 2023, Defra asked CCW to lead the industry-wide work on preparing a suite of off-the-shelf **messages and resources** for organisations to use in the run-up to, during and after a drought. We tested marketing assets with consumers using our social media channels to ensure messages really resonate with the public. The assets are ready to be used as necessary.

A sector that works for people

Host an event which explores how companies can develop a culture which puts customers at the centre and builds legitimacy and trust

Customer trust in the water sector is at a 12-year low. CCW strongly believes that putting customers at the heart of water company culture will help rebuild that trust.

So this year, CCW commissioned a culture consultancy firm to do a review of what a great **customer-centric culture** looks like. It identified the six key traits of customer-centric organisations. We held a workshop to explore our findings with companies. They were very transparent in sharing the challenges they find in establishing a customer-centric culture.

CCW also now uses company culture as one metric in the complaint assessments we started trialling this year.

Work with all parties to establish a one-stop shop for mediation and adjudication for customer complaints by December 2023

On 1 December 2023, CCW took over the **Alternative Dispute Resolution** process, making it quicker and easier for customers in England and Wales to resolve complaints.

We set up an effective governance arrangement so key stakeholders and independent members can hold the “one-stop-shop” to account for our service delivery to customers. And we secured the services of the Dispute Resolution Ombudsman to provide adjudication and actively challenge us to identify improvements to improve the customer experience.

Since the December 2023 launch, the ADR team have dealt with 116 cases. Of these, 37 were given support by the ADR team, 10 cases went to mediation and 69 were transferred to the Dispute Resolution Ombudsman.

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

Alternative Dispute Resolution in action

A customer had moved out of her property in June 2021. She provided her water company with a closing reading and paid her bill in full. The account was closed.

In October 2023, the customer was contacted via debt recovery to say her account was overdue. The company had set up a new account from March 2023 for the property - which she was no longer associated with - progressing with debt recovery and adverse credit reporting.

The company had corrected the credit reporting and account, and offered £40 as an apology. But the customer felt this was insufficient and she wanted an adjudication.

CCW moved the case into mediation and worked with the company and customer to reach an agreement both were happy with - £125. The resolution was agreed within four working days of the case being referred for mediation and avoided an adjudication.

We will increase our own “satisfaction with service” score to over 80%.

This year, CCW implemented **Trust Pilot** so customers can publicly comment on our service, identify and service failings and celebrate excellent complaint handling from our people.

We will develop clear and consistent customer-facing messages to be used by the whole sector across all of our key programmes to increase clarity of message and consumer trust.

CCW used a citizens panel to test **messages for the public about saving water** in the bathroom and in the garden. We then circulated those messages to the water companies.

A customer-focused licence condition is produced by Ofwat for water companies that includes our key asks

In February 2024, Ofwat introduced the **customer-focused condition in the licence** of each company in England and Wales to transform the care they give their customers, particularly those who need extra help with their water and wastewater services. CCW's asks are reflected in this condition and the supporting guidelines.

Campaign – Guaranteed Standards Scheme

We want to see minimum GSS payments increased with consistent standards across England and Wales.

Ofwat's **Guaranteed Standards Scheme** (GSS) provides minimum standards of service for customers. If a company fails to keep to a standard, it must make a fixed payment to the customer or credit their water services account with that amount.

GSS has not kept pace with customers' expectations – there has not been a full review of payments or standards since 2008. There are also inconsistencies across England and Wales. CCW wants minimum GSS payments increased, and there to be consistent standards across England and Wales.

This year, CCW did research to find out what customers want from a modern standards scheme. We issued a call for evidence to gather information from wider stakeholders, including water companies. We found broad support for bringing GSS up to date.

So CCW established an industry working group, and in the year 2023-24, we held three workshops to figure out how to make changes to GSS to make it work better for customers.

Affordability and vulnerability

Defra and the Welsh government asked CCW to conduct an independent review of what financial help is available for water customers and make recommendations on how to improve that support.

In May 2021, CCW published our recommendations. Our report set out a clear and achievable plan to lift 1.5 million households out of water poverty – and broaden support for millions more households at risk of slipping into crisis.

We are happy to report that as of March 2024, 30 out of 40 of our recommendations have now been delivered by the industry.

Raise people's awareness of the financial support offered by their water company to 50% by summer 2024

Around one in five households struggle to pay their water bills.

Broadcaster Martin Lewis and the Money Saving Expert (MSE) team remain one of the most trusted sources of advice on personal finance. CCW's communications team have continued to collaborate closely with MSE to secure exposure for our money-saving advice and tools. Our tips - in particular our water meter calculator - were mentioned repeatedly during the year through Martin Lewis' appearances on ITV and BBC, as well as in his podcast. We also worked closely with Money Saving Expert to support the updating of their website's social tariff advice, which is based on our own online guide.

CCW's 2023 Water Matters research found a **45% awareness of schemes to reduce bills**. This is an increase of 8% since 2022.

We've continued to highlight the link between water and energy saving and how small changes in behaviour can reduce the financial pressure on households feeling the effects of the cost-of-living

crisis. CCW's communications team produced a series of short animations for social media bringing to life simple ways to save water, energy and money in the home. These tips were used by a number of water companies in their own financial advice campaigns. The advice formed a key part of our media response to the announcement in February 2024 that water bills were set to rise by an average of 6 per cent from April.

Campaign – end water poverty

We will continue to work with water companies towards their commitment to make bills affordable as a minimum for all households and develop a strategy to end water poverty.

We will seek to end the postcode lottery of existing financial support by working with all stakeholders to provide greater certainty around existing financial help through the creation of a comprehensive, fair and consistent support scheme across England and Wales.

Around two million households in England and Wales face bills which represent more than 5% of their household income.

CCW was unable to get agreement from Defra to create a comprehensive, fair and consistent support scheme across England and Wales. Our proposals remain under review by government.

12 water companies have introduced additional support measures, and there has been a 36% increase in households supported by social tariffs. (Our target was 15% by April 2024.)

As part of our recommendations to Ofwat about the water companies' 2025-30 business plans, CCW pointed out that not all water companies are pledging to meet the commitments they made in 2017 to end water poverty by 2030.

We also want a price review that doesn't present a choice between affordable bills and investment. We will be requiring companies to take account of affordability in their business plans and if they fail to, we will be writing to company boards.

As part of the five-yearly price review process, water companies published their business plans for 2025-30 in October 2023.

In the run-up to this, CCW had fed into the water companies' processes, scrutinising the evidence that underpinned their choices to ensure they took into account customers' views about where service delivery needs to improve (eg interruptions to water supply, leaks), investment choices that reflect what customers expect; and the affordability support needed for those who struggle to pay.

CCW did not write formally to any company board.

Price review

Every five years, the water companies in England and Wales set out their plans for the next five years. Ofwat scrutinises these to determine what prices customers will pay via their water bills.

Work with Ofwat to develop open challenge sessions that successfully engage people in a way that captures a broad spectrum of their views on company business plans

In spring 2023, and again in autumn, CCW facilitated 16 "Your Water Your Say" online public sessions with each of the water companies to give consumers opportunities to challenge the

companies' business plans for 2025-30. Attendees said they appreciated the chance to speak to the CEOs and were impressed at how honest they were.

Hearing customers' views in the "Your Water Your Say" sessions added more evidence to what companies need to deliver and what Ofwat needs to take into account in its price determinations. Companies also had to demonstrate in their plans what they'd learned from the first round of "Your Water Your Say" sessions held in spring 2023.

Work with the Challenge Co-Ordination Group (COG) to improve our understanding of how the Independent Challenge Groups (ICGs) operate. We will use this insight to support these groups in speaking up for customers throughout the price review process.

CCW had an influential role in all the water companies' Independent Challenge Groups.

CCW's Challenge Co-Ordination Group brings together representatives of each company's customer challenge arrangements in order to improve customer engagement standards. The 2023-24 COG meetings helped ICGs challenge water companies by doing deep dives into affordability and vulnerability support, customer engagement, comparative performance results and environment programmes.

CCW also commissioned an independent review of ICGs' role and effectiveness, and the final COG meeting in February 2024 discussed the findings from Phase 2 of that ICG review.

We want all companies' business plans to clearly set out the actions they will take to deliver comprehensive affordability and vulnerability support.

CCW wrote a comprehensive "what good looks like" guide for our policy managers and Customer Advocates. We circulated it in summer 2023, and followed it up with online briefings and Q&As. Policy managers and Customer Advocates used this guide to challenge water companies on the actions they were planning to take to deliver comprehensive affordability and vulnerability support.

In response to our challenge, several water companies have proposed to increase the funding and scope of support they provide for customers struggling to pay. Some companies have put their own money in to the funding pots.

Companies to demonstrate they have changed their plans in areas where research shows customers have found their proposals unacceptable

CCW and Ofwat jointly set criteria for the water companies to test their business plans with their customers to find out how acceptable their plans were, and how affordable. This means the 2024 price review is the first one where all the water companies in England and Wales have used the same methodology. Before this there were as many different ways of testing acceptability and affordability with customers as there were water companies, so it was impossible to make meaningful comparisons.

Most companies did this testing late in the process of setting their business plans, so the impact may have been limited by time constraints.

However, the results of this testing gave Ofwat a strong steer that water customers do support investment (the average level of acceptability for what the plans propose to deliver was 68%), but on average, only 16% found those plans affordable.

CCW will influence Ofwat's ongoing cost of capital evaluation to ensure it reflects our independent assessment.

In order to assess whether water companies are charging customers fairly for services, Ofwat must set a Weighted Average Cost of Capital (WACC) for each five-year price review period. Ofwat must set a WACC that provides “a reasonable base level of return, reflective of the sector's risks, and which is sufficient to cover efficient debt and equity financing costs.”

From customers' points of view, their water company needs to raise capital finance to pay for building new infrastructure (eg reservoirs, sewerage treatment plants), and improving operational assets (eg replacing old pipes). However, if the cost of capital goes up, so will their bills.

In May 2023, CCW published an independent assessment of the cost of capital for Ofwat to take into account when issuing its draft and final determinations on water companies' business plans for 2025-30.

Business customers

Reduce the number of complaints received by CCW from business customers by 10% by March 2024

Despite improvements made by some retailers, CCW saw a 2% increase in overall levels of complaints compared to 2022-23. This is 176% higher than before the market fully opened in 2017.

Ensure that the code change required for the credit where it's due campaign is progressed and implemented in a timely manner

We continue to work with Ofwat to bring in a requirement for retailers to automatically refund business customers every year with the credit they've built up.

A Market Performance Framework (MPF) is produced that delivers our objectives for reform set out in our five-year review of the market

CCW has responded to all the consultations concerning the MPF reform with our view of ensuring customers are at the forefront of its development.

CCW is on the working group that is developing the new MPF.

Engage with and support business customers in Wales who will be affected by eligibility changes, to ensure a smooth transition

Welsh Government now has no current plans to change the current eligibility threshold of 50 megalitres per year for retail competition for water suppliers in Wales. The current arrangements and legislation will remain in force throughout the 2025–2030 price review period.

Work collaboratively with partners and stakeholders to deliver the recommendations set out in our five-year review of the market

- Make ADR binding on both water companies and retailers

In February 2024, CCW submitted an evidence paper to Ofwat making the case for water companies to become subject to binding decisions if customer complaints reach the ADR stage. Currently, only retailers are subject to adjudication. This has subsequently been superseded by the regularity matter raised in the Governance Statement (Page 33).

- Water companies produce a clear and transparent leak allowance policy

Throughout the year CCW has been working with water companies to ensure they have a publicly available leak allowance policy that is easy to find and mirrors their policy for domestic customers. We have also formed a leak allowance working group to produce a self-help leak test.

- Strengthening the Customer Protection Code of Practice

CCW has submitted a well-evidenced Customer Protection Code of Practice change request to Ofwat to require retailers to send two bills a year based on actual meter readings.

We have submitted our responses to Ofwat's consultations. We supported many of the proposals but we want to see several further changes.

- Market code change process

CCW has influenced the code change process so that customers are prioritised, the process is more transparent, and CCW can raise a code change on behalf of business customers.

CCW's future plans

To meet our overall strategic objectives, CCW's Forward Work Programme (FWP) contains the deliverables that we will focus on achieving in 2024-25. These are over and above our business-as-usual activities – dealing with complaints, challenging companies, generating insights and communicating with customers. We chose these 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.

Strategic priorities

Nobody can now ignore the impact the water sector has on the environment. We are facing an unprecedented climate crisis which will impact us all, as well as generations to come. In addition, one in four people in England and Wales are struggling to pay their water bill. And satisfaction levels for business customers are still lower than when that market opened in 2017.

Against this background, CCW believes that the three things that most urgently need fixing for the water consumers of England and Wales – which CCW can proactively help with – are:

A trusted water sector

- Value for customers
- Transparency of performance
- Customer-focused culture
- Improved customer service
- Getting basics right for business customers

Fair and affordable bills

- End water poverty
- Value from the Price Review
- Improved overall offer of support
- Better support for vulnerable customers

- Customers using the support available
- Tariffs that work for customers

Resilient water services

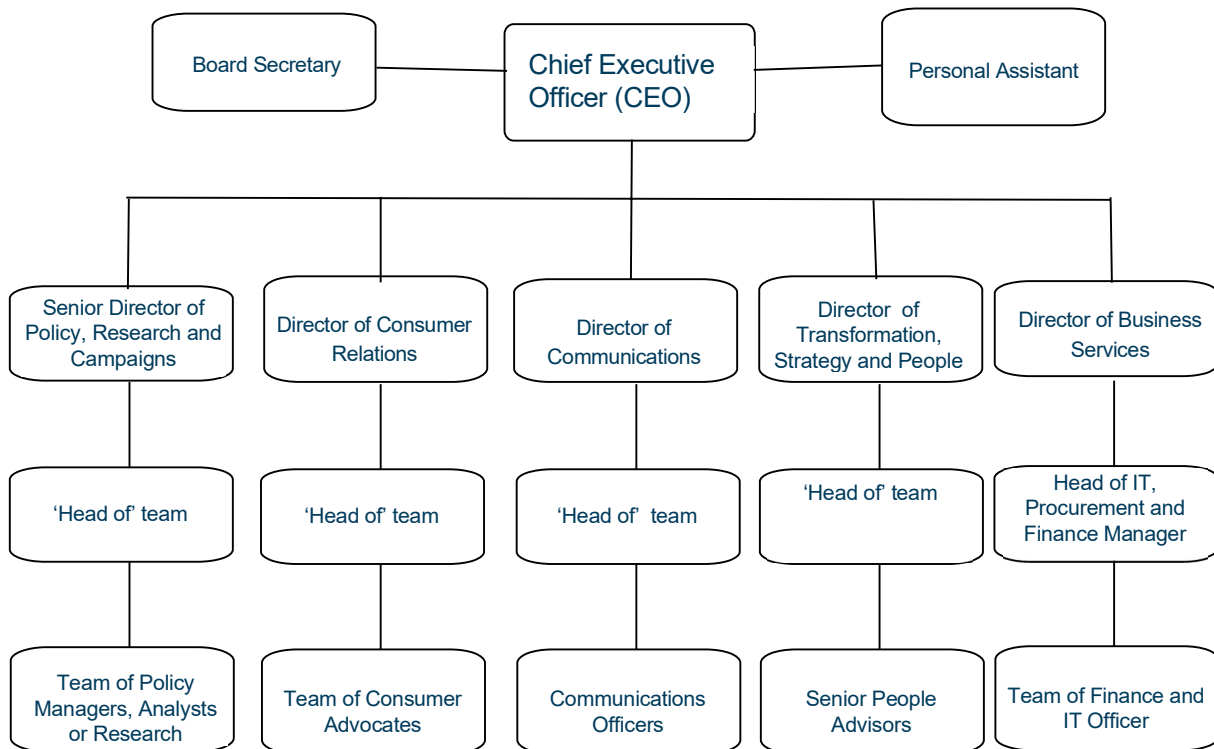
- Consumer behaviour change
- Better incident management
- Acting on customer priorities

ORGANISATIONAL CULTURE

Equality, diversity and inclusion

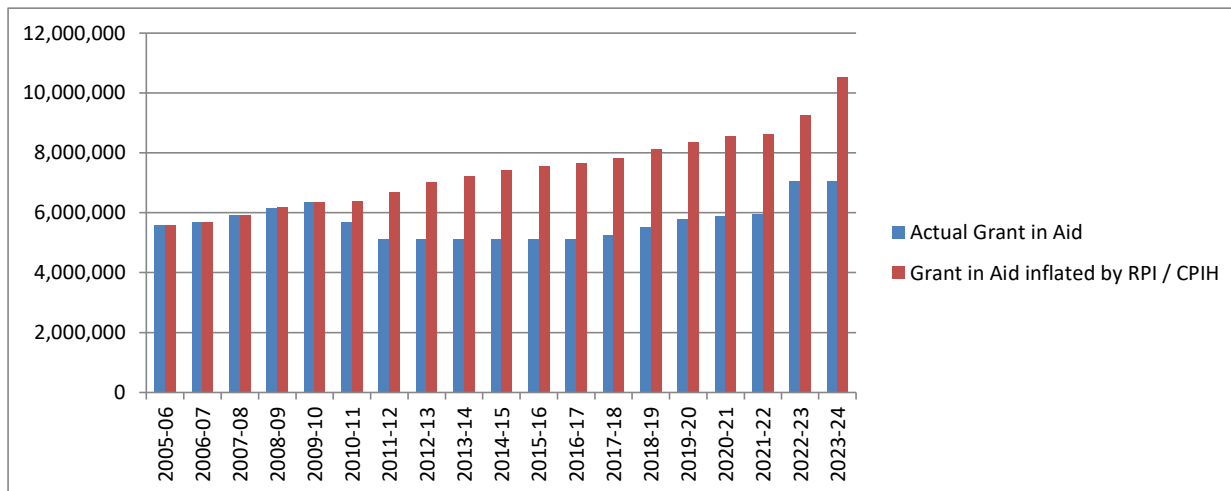
CCW is fully invested in creating a working culture that reflects the values of equality, diversity and inclusion. We define our diversity as having people with a wide range of traits, backgrounds and experiences. Being inclusive means we all feel comfortable sharing our ideas and perspectives because 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 2023-24 our grant in aid was £7.06m. The cost to consumers of the grant in aid to fund CCW was 26p on each annual bill. We have consistently kept our costs low by identifying savings that help us to avoid inflationary pressures, whilst still investing in our services. The graph below shows our actual 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 2023-24 is highlighted in the 'Managing risk' section of the Governance Statement on page 31.

SPEND OUTSIDE DELEGATED AUTHORITY

On 24th May 2023 CCW procured a new Managed Services Provider. The value of the contract required prior approval from Defra as required by the letter of delegation, this was not obtained. Retrospective approval was received in April 2024. More detail is 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 as 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).

Financial Summary

The main financial highlights are summarised below:

	Note	2023-24	2022-23
		<u>£000s</u>	<u>£000s</u>
Revenue from contracts with customers	4	(297)	(163)
Total income		<u>(297)</u>	<u>(163)</u>
Staff costs	2	4,865	4,640
Other Costs	3	2,443	2,450
Non Cash items	3	124	126
Total operating costs		<u>7,432</u>	<u>7,216</u>
Net operating costs		<u>7,135</u>	<u>7,053</u>

The revenue budget for CCW during 2023-24 was £7.13m, including £67k carried forward from 2022/23. 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.



Dr Mike Keil
Chief Executive
8 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 nine 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)	6 June 2019	6 December 2023	5 June 2024
Emma Clancy	1 July 2020		30 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 (Wales Chair)	1 November 2019	28 October 2023	27 October 2026
Alison Austin	1 July 2018		30 December 2023
Robert Wilson	1 July 2018	30 December 2023	30 December 2026
Mike Keil	2 October 2023	2 October 2024	1 October 2028

Alison Austin left the Board on 30 December 2023 at the end of her term. Emma Clancy left the Board on 29 September 2023 when she left CCW. Mike Keil appointed as interim Chief Executive on 2nd October 2023 and was confirmed as permanent Chief Executive on the 2nd October 2024. Rob Light left the CCW Board on 5 June 2024 and Rob Wilson was appointed as CCW Chair from 6 June 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 2023-24 was:

Ali Bell	Director of Communications (from 3 July 2023)
Helen Brown	Director of Consumer Relations
Tim Clarke	Interim Director of Communications (to 16 July 2023)
Emma Clancy	Chief Executive (to 29 September 2023)
Gemma Domican	Director of Transformation, Strategy and People
Mike Keil	Senior Director of Policy, Research and Campaigning (to 1 October 2023), 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 (from 2 October 2023)

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

The contracts of Ali Bell, Helen Brown, Gemma Domican, Mike Keil and Simon Millward are standard open-ended contracts with a three-month notice period. Jennifer 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 Daisy 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 2023-24, we have continued to operate within the Government's spending controls with the exception of the items that are reported on in the Governance Statement at 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 2023-24 (100% in 2022-23). 82% were paid within 5 working days compared to a target of 80% (81% in 2022-23). Creditor days were 5 days at 31 March 2024 and 13 days at 31 March 2023.

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 2023-24 and no working days lost to occupational illnesses or injuries; one internal accident form was completed.

Political donations

During the financial year 2023-24 CCW made no donations to political parties.

Personal Data Related Incidents

During the financial year 2023-24 there were no breaches of personal data that were reportable to the ICO.

Directors' statement and going concern

The accounts for 2023-24 have been prepared on a going concern basis. Defra and the Welsh Government have agreed CCW's revenue budgets and Main Estimates for 2024-25, 2025-26 (Defra approval received 1 April 2025) and 2026-27 (Defra approval received 18 March 2026), there is no reason to believe that future approvals will not be forthcoming. 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 2023 to 31 March 2024.

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

In preparing the accounts, the Accounting Officer is required to comply with the 2023-24 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 2023-24 the Board consisted of the Chair, a Wales Chair/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 2023 Rhodri Williams and Rob Wilson were appointed for a second term, Alison Austin left the Board and Rob Light left the CCW Board on 5 June 2024 with Rob Wilson appointed CCW Chair from 6 June 2024. Detailed membership of the Board during 2023-24 is set out on page 24.

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 2023-24. 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 eight times in 2023-24 and discussed or was briefed on:-

- The launch of an Alternative Dispute Resolution service for the water sector at CCW
- Approval and oversight of the delivery of CCW's strategy
- CCW's 2024/25 Budget
- The 2024 Price Review process
- Customer cases
- Oversight of CCW's company issues escalation framework
- Review of CCW's risk appetite
- 2024/25 water and sewage charges
- Oversight of CCW's research programme
- Appointment of Rhodri Williams as Deputy Chair

- The role of Consumer Advocates at CCW
- The creation of the Industry Advisory Panel and appointment of its Chair and members
- Early thinking on potential commercial opportunities for CCW
- The 2022/23 Annual Report and Accounts

The Board held a strategy session in October 2023 where it considered CCW's strategic priorities for 2024/25.

Review of Board Effectiveness

In 2023-24, 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;
- reporting to the Board when the Chair or Chief Executive meets with key stakeholders;
- The Board's understanding of CCW's Risk Appetite;
- There is a strategy for the organisation that is central to the way it is managed and aligned to its remit and resources has been developed and is reported against; and
- reporting from the Audit Committee.

Areas for improvement identified included:

- Board skills and diversity; and
- the Board's understanding of the performance of CCW relative to other bodies.

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 year ending 31 March 2024 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 2023-24 the work of the committee included the approval and monitoring of the annual internal audit plan and the review of reports arising from that, oversight of CCW's approach to risk management and review of the strategic risk register, review of the annual report and accounts and monitoring of work associated with GDPR and FOI compliance.

Human Resources and Remuneration Committee

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

- advise the Board on the initial appointment of the Chief Executive and associated issues
- receive from the Chair recommendations 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 2023-24 the work of the Committee included agreeing objectives for the Chief Executive for 2023-24 and reviewing performance against the objectives set in 2022-23, agreeing objectives for the Interim Chief Executive,

agreeing the parameters for the 2023 staff pay award, review of the findings of the 2023 staff survey and 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 2023-24 both Committees examined what excellent customer service should look like and the benefits of good customer service for organisations. In addition, the Committee for Wales examined if the right choices are being made when it comes to protecting our rivers and the Committee for England examined if the right choices are being made when it comes to keeping our taps running. 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 2023/24 CCW ran an external recruitment process for the Independent Panel Chair and Independent Member.

In 2023-24 the Panel met twice, once in 'shadow form' before the ADR scheme was operational to discuss preparations for the launch and once after the scheme had been launched where it had received an update on the first few weeks of operation and also considered a handover document from the panel that had oversight of the previous WATRS scheme.

Board members

Board members, the Board Committees that they served on and their attendance during the year are set out below. Rob Light left the CCW Board on 5 June 2024 and Rob Wilson was appointed as CCW Chair from 6 June 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.

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. Ruth Aidoo was our Boardroom Apprentice in 2023 and in 2024 CCW was joined by Sue Pitcher.

	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
Alison Austin ¹	4/5	3/3 (Ch)			0/1	
Emma Clancy ²	3/3				0/1	0/1
Bev Keogh	7/8	3/4		1/2 ³		2/2
Mike Keil ⁴	5/5				1/1	1/1
Robert Light	8/8 (Ch)				2/2 (Ch)	0/2
Rachel Onikosi	6/8	2/4	4/4		2/2	
Lisa Tennant	6/8		3/4		2/2	2/2
Rhodri Williams	5/8	4/4 (Ch) ⁵	3/3 ⁶		1/2	2/2 (Ch)
Robert Wilson	7/8		4/4 (Ch)		2/2	

Ch Committee Chair

¹ left the CCW Board and Committees 30 December 2023

² left CCW & the Board and Committees 29 September 2023

³ joined Panel 26 September 2023

⁴ appointed Interim Chief Executive and joined the CCW Board and Committees 2 October 2023; confirmed permanent Chief Executive from 2 October 2024.

⁵ became Chair of Committee 1 January 2024

⁶ left Committee 30 December 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 comprises 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 2023-24 the following changes were made to CCW's Executive Team:

- Tim Clarke, Interim Director of Communications, temporary promotion to interim post until 16 July 2023
- Ali Bell, Director of Communications, joined on 3 July 2023
- Emma Clancy left on 29 September 2023
- 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, Interim Director of Policy, Research and Campaigning with effect from 2 October 2023

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. CCW's approach to risk management is in line with the principles set out in the UK Government's Orange Book.

The Board reviewed its risk appetite in 2023-24 and made some small adjustments to add clarity.

Strategic risks for CCW

Some of the key risks facing CCW and its ability to deliver its Forward Work Programme in 2023-24 are ongoing, while others have arisen in relation to specific activities.

At the end of 2023/24 there were 20 risks on the strategic risk register. After mitigation eight were rated high priority, six medium priority and six 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;
- Government takes a decision to close CCW potentially impacting the support available to water consumers;
- that CCW's ICT system fails and CCW is unable to support customers effectively;
- an increase in the number of staff leaving impacts CCW's operations and the support it provides to customers;
- CCW experiences difficulties recruiting the right people/filling vacancies and so cannot support customers effectively
- CCW 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 2023/24 we reported no personal data incidents to the Information Commissioner's Office. There were 13 non-reportable incidents in the period each of which was contained.

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

Internal audit

RSM UK provide internal audit services to CCW and complete a work programme to review risk management, internal control and governance. Internal audit reviews carried out in 2023-24 were:

- Creditors and Payment Controls
- Governance Framework: Board Appraisals
- Staff Recruitment and Selection Arrangements
- Complaints Handling Processes (Consumer Relations)
- 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 2023-24 is that the organisation has an adequate and effective framework for risk management, governance and internal control. Internal audit work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.

External audit

The accounts have been audited by the Comptroller and Auditor General in accordance with the Water Industry Act 1991, as amended by the Water Act 2003. The Audit Certificate is on pages 49 to 53. The cost of providing audit services in respect of the Annual Report and Accounts 2023-24 was £70,000 (2022-23, £43,000). 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 has examined all functional standards and completed a gap analysis to identify any areas to be addressed. An action plan has been developed to address identified gaps and ensure that CCW is operating in line with the published standards.

Operational assurances

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

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

Corporate Governance

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 2023-24, 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 2023-24 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.

Spend outside delegated authority

On 24th May 2023 CCW procured a new Managed Services Provider. The contract was set at the value of £1.175m over a five year period (Implementation costs £79k, annual costs £219k per year). The necessary internal controls had been met but CCW inadvertently failed to obtain the approval of the Defra Finance Team before committing the expenditure as required by the letter of delegation provided by Defra. When the error was identified CCW immediately commenced work to gain the approval which was received on 15th April 2024 and performed a lessons learned exercise, the actions from which are being rolled out.

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.

Income and expenditure totalling £314k in relation to the ADR scheme has been recognised in the year ended 31 March 2024. Of this, the Consumer Council for Water estimates £34k of recognised total operating costs relates to the delivery of, and £34k of 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 £34k for 2023-24 and will make the appropriate arrangements to repay the £34k relating to 2023-24 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 the increased awareness 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 2023-24 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 2023-24.

Accounting Officer

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

The Accounting Officer's review of effectiveness

As the Accounting Officer, I am responsible for reviewing the effectiveness of our governance system. My review has been informed by the work of the internal auditors over the course of the year, assurances from the CCW Executive Team, the Audit and Risk Management Committee, a letter of assurance from the former Chief Executive and Accounting Officer, and the comments made by the external auditors in their annual management letter and other reports. I have also noted the annual opinion of the internal auditors which indicates that the organisation has an adequate and effective framework for risk management, governance and internal control. 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 2023/24 increased remuneration costs by a total of 5%, split into three areas;

1. 3% to increase the minima, maxima and everyone's pay by 3.15% for staff earning under £62k and 2% for those earning over.
2. 1.5% for Performance Related Pay (PRP)
3. 0.5% to target lowest paid earners with full time equivalent salaries under £30k.

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

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

	Salary	Performance related pay increase
Lowest earners (under £30k*)	3.15%	1.5% (using additional 0.5%)
Middle earners (between £30k* and £62,305*)	3.15%	0%
Highest earners (over £62,305*)	2.00%	0%

* full time salary levels

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

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

Pension liabilities

The main pension scheme for CCW staff is the Civil Service Pension arrangements. These are unfunded, multi-employer, defined benefit schemes in which CCW is unable to identify its share of the underlying assets and liabilities. The payments of benefits from the scheme are borne by the Civil Service Superannuation Vote. The pension liabilities arising from CCW's employees' membership of the Civil Service Pension are not provided for in these accounts in accordance with the Treasury's instructions and as described below. CCW's public appointments, Board and 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)	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Council Chair						

Robert Light	35-40	35-40	2000	2800	35-40	35-40
Independent Members and Wales Chair						
Rachel Onikosi	10-15	10-15	400	500	10-15	10-15
Bev Keogh	10-15	10-15	600	700	10-15	10-15
Lisa Tennant	10-15	10-15	1,100	1,900	10-15	10-15
Rhodri Williams *note 1	15-20 (full year equivalent salary 10-15)	20-25	100	100	15-20	20-25
Alison Austin Left 31/12/23	5-10 (full year equivalent salary 10-15)	10-15	1,000	900	5-10	10-15
Robert Wilson	10-15	10-15	200	200	10-15	10-15

*note 1 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)	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Emma Clancy Chief Executive SCS2 Left CCW 29/09/23	60 – 65 (full year equivalent salary 120- 125)	120-125	5-10	5-10	25	48	95-100	175-180
Mike Keil Interim Chief Executive SCS2 Started 02/10/23. Senior Director Policy, Research & Campaigning SCS1 Ended 01/10/23	105 – 110 (full year equivalent salary 120- 125)	85-90	-	-	41	35	145-150	120-125

Gemma Domican (Gregory) Director of Transformation, Strategy & People SCS1	70-75	65-70	-	-	28	27	100-105	95-100
Simon Millward Director of Business Services SCS1 Started 26/09/22	75 -80	35-40 (full year equivalent salary 70-75)	-	-	10	15	85-90	50-55
Helen Brown Director of Consumer Relations SCS1 Started 01/12/22	80-85	25-30 (full year equivalent salary 80-85)	-	-	32	11	110-115	35-40
Tim Clarke Temporary Director of Communications SCS1 From 10/10/22 Ended: 16/07/23 (left executive team)	15-20 (full year equivalent salary 60-65)	25-30 (full year equivalent salary 60-65)	-	-	7	12	25-30	40-45
Ali Bell Director of Communications SCS1 Started 03/07/23	55-60 (full year equivalent salary 75-80)	-	-	-	22	-	75-80	-
Jenny Suggate Interim Director of Policy, Campaigning & Research SCS1 From 02/10/23	35-40 (full year equivalent salary 70-75)	-	-	-	68	-	105-110	-
Amanda Caton Director of Communications SCS1 Left CCW 01/02/2023	-	80-85 (full year equivalent salary 75-80)	-	-	-	25	-	105-110
Paul Hibbert Head of Business Services SCS1 Started 7/6/2021 Left CCW 23/05/2022	-	5-10 (full year equivalent salary 70- 75) ¹	-	-	-	4	-	10-15
Nicola Brown Director of Consumer Relations SCS1 Started 4/10/2021 Left CCW 31/10/2022	-	45-50 (full year equivalent salary 80-85)	-	-	-	18	-	60-65
Jo Dixon Temporary Director of Consumer Relations SCS1 Started 27/09/22 Left CCW 31/12/2022	-	20-25 (full year equivalent salary 80-85)	-	-	-	8	-	25-30

¹ Post is 0.81 FTE

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

Salary

'Salary' includes gross salary; overtime; 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

The Chief Executive is entitled to a contractual bonus payment. This relates to the achievement of their objectives. The bonus reported in 2023-24 relates to performance in 2022-23 and the comparative bonus reported for 2022-23 relate to the performance in 2021-22.

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 in the financial year 2023-24 was £130k – £135k, including bonus (2022-23, £130k – £135k, including bonus). This was 4.1 times (2022-23, 4.6) the median remuneration of the workforce, which was £32,445 (2022-23, £28,843).

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 4%.

In 2023-24, no employees received remuneration in excess of the highest paid director. Remuneration ranged from £21k to £120k (2022-23 £19k to £132k). 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.

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

*The 2022-23 fair pay disclosures have been re-presented to ensure that the figures are stated on an annualised basis in line with the applicable preparation guidance.

	2023-24 £'000	2022-23 £'000	Movement %
Highest paid director			
Salary and allowances	120-125	120-125	0%
Performance pay and bonuses	5-10	5-10	0%
	2023-24 £	2022-23 £	Movement %
Average (mean) remuneration of other employees			
Salary and allowances	39,274	38,823	1%

	2023-24			2022-23		
	Lower Quartile (25%)	Median	Upper Quartile (75%)	Lower Quartile (25%)	Median	Upper Quartile (75%)
Total pay and benefits						
Remuneration	23,126	32,445	42,480	19,159	28,843	40,062
Ratio	5.7	4.1	3.1	7.1	4.6	3.3
	Lower Quartile (25%)	Median	Upper Quartile (75%)	Lower Quartile (25%)	Median	Upper Quartile (75%)
Salary only						
Remuneration	23,126	32,412	42,090	19,159	28,010	39,562
Ratio	5.3	3.8	2.9	6.6	4.4	3.1

Senior managers disclosure of pension information 12 months ended 31 March 2024 (audited)

Name and role	Accrued pension at pension age as at 31 March 2024 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31 March 2024	CETV at 31 March 2023 (3)	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Emma Clancy – Chief Executive Left CCW 29/09/2023	10-15	0-2.5	146	101	17

Mike Keil – Interim Chief Executive Officer (from 02/10/2023) (Senior Director Policy, Research & Campaigning until 01/10/23)	10-15	0-2.5	208	132	27
Gemma Domican (Gregory) – Director of, Transformation, Strategy & People	10-15	0-2.5	188	112	14
Simon Millward – Director of Business Services	0-5	0-2.5	27	12	7
Helen Brown – Director of Consumer Relations	5-10	0-2.5	80	42	22
Tim Clarke - Interim Director of Communications From 10/10/2022 Ended 16/07/23 (left executive team from this date)	5-10	-	104	90	4
Alison Bell Director of Communications Started 03/07/23	0-5	0-2.5	19	-	15
Jenny Suggate Interim Director of Policy, Campaigning & Research From 02/10/23	20 - 25 plus a lump sum of 65 - 70	2.5 - 5 plus a lump sum of 5 - 7.5	544	460(2)	66
Amanda Caton – Director of Communications Left CCW 01/02/2023	-	-	-	80	-
Paul Hibbert - Head of Business Services Started 7/6/2021 Left CCW 23/05/2022	-	-	-	22	-
Nicola Brown – Director of Consumer Relations Started 4/10/2021 Left CCW 31/10/2022(1)	-	-	-	-(2)(4)	-
Jo Dixon Temporary - Director of Consumer Relations Started 27/09/22, Left CCW 31/12/2022(1)	-	-	-	-(2)(4)	-

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

2 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.

3 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.

4 Taking account of inflation, the CETV funded by the employer has decreased in real terms.

Contingent labour - temporary staff

During 2023-24 CCW spent £299k (2022-23 £439k) 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”.

For members who are in scope of the public service pension remedy, the calculation of their benefits for the purpose of calculating their Cash Equivalent Transfer Value and their single total figure of remuneration, as of 31 March 2023 and 31 March 2024, reflects the fact that membership between 1 April 2015 and 31 March 2022 has been rolled back into the PCSPS. Although members will in due course get an option to decide whether that period should count towards PCSPS or **alpha** benefits, the figures show the rolled back position i.e., PCSPS benefits for that period.

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 are also a disability confident committed employer.

As at 31 March 2024:

Number of :	Staff (incl. SCS grades)	Board (excl CEO)	Consumer Advocates	SCS Equivalent
Total headcount	83	6	7	6
of which:				

Women	45	3	4	4
Ethnic minority	12	1	0	0
Disability	4	0	0	1

As at 31 March 2023:

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

Staff costs (audited)

	2023-24			2022-23
	Permanently Employed Staff (2)	Others (3)	Total	Total
	£000s	£000s	£000s	£000s
Wages and Salaries	3,279	384	3,663	3,542
Social Security Costs	349	8	357	331
Other Pension Costs	845	-	845	767
Sub Total	4,473	392	4,865	4,640
Less recoveries of staff costs		(140)	(140)	(163)
Total net costs (1)	4,473	252	4,725	4,477

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 2023-24, employers' contributions of £830,922 were payable to the Civil Service Pension arrangements (2022-23, £757,175) at one of four rates in the range 26.6% to 30.3% of pensionable pay, based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2023-24 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a **partnership** pension account, a stakeholder pension with an employer contribution. Employers' contributions of £9,506 (2022-23, £9,436) 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 £268 (2022-23, £297), 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 £807 (2022-23, £691). 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 2023-24 (Nil in 2022-23). Ill health retirement costs are met by the pension scheme.

Average numbers of persons employed (audited)

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

	2023-24	2022-23*
Average number		
Directly Employed	80	77
Other (Temporary staff)	4	5
Total	<u>84</u>	<u>82</u>

*2022-23 figures represented to show whole-time equivalent. Figures published in 2022-23 report showed headcount.

Average number (headcount) of Board members and Consumer Advocates

	2023-24	2022-23
Board	7	7
Consumer Advocates	14	16
Total	<u>21</u>	<u>23</u>

Staff turnover percentage was 15.79% for 2023-24, 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 2023-24 the number of working days lost due to sickness absence was 11.15 days per employee compared to 7.87 days for 2022-23. This compares to the Chartered Institute of Personnel and Development (CIPD) average of 10.6 days for the public sector (CIPD Health & Wellbeing at Work 2023).

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 2024 for more than £245 per day	
	ALBs
No. of existing engagements as of 31 March 2024	-
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 2024	One
Of which	ALBs
Of which ...	
Not subject to off-payroll legislation	
Subject to off-payroll legislation and determined as in-scope of IR35	One
Subject to off-payroll legislation and determined as out-of-scope of IR35	-
Number of engagements reassessed for compliance or assurance purposes during the year	One
Of which: number of engagements that saw a change to IR35 status following review	-

Table 3: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2023 and 31 March 2024

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)	Ten

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 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.

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.

Any projects that CCW undertake are performed subject to the above business travel and procurement policies, that 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.

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, these are still in use, with a policy of repair rather than replace wherever feasible.

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
ENERGY				
Total Service Charges	£'000s	96	106	105
Total Electricity Consumption	Kwh's	15,745	24,441	40,789
WASTE				
Total waste	'000 kgs	0.36	1.40	1.63
Waste Recycled Externally		0.35	1.35	1.63
Waste Composted or sent to anaerobic digestion		0.00	0.03	0.00
Waste incinerated with energy recovery		0.00	0.02	0.00
Water supply costs		ND	ND	ND
Water Consumption	m3	ND	13.45	31.4
GREEN HOUSE GAS EMISSIONS				
Total Emissions	'000kgs CO2	13.14	9.90	16.77
Purchased Energy		3.64	5.16	9.35
Scope 1 Direct Emissions		1.08	0.00	0.00
Scope 3 Emissions from domestic business travel		8.41	4.73	7.42
Emissions from Domestic Flights		0.02	0.59	0.04
Emissions from International Flights		0.00	0.00	0.00
Number of flights		ND	10.00	4.00
Distance of Domestic Flights	km		3,578.00	1,644.00
Expenditure on official business travel	£'000s	18	47	61
Number of cars hired		0	0	0
Paper Use (reams)		ND	37	63

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.

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 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 £34k (nil during 2022-23) in relation to ADR adjudication activities. Matters related to the adjudication service provision are covered on page 33 of the Governance Statement.

Fees and charges

CCW's main source of funding is grant in aid (£7.06m), in addition to this further fund were obtained from the following:

- Recoveries of staff costs (£140k).
- Recovery of the costs of operating the ADR scheme (£157k).

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 £34k deficit reflects the provision raised in line with the Governance Statement (Page 33).

	Income (£'000s)	Full Cost (£'000s)	2023-24 Surplus/(deficit) (£'000s)
Recoveries of staff costs	140	140	-
Recovery of the costs of operating the ADR scheme	157	191	(34)

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 2024.



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

8 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 2024 under the Water Industry Act 1991.

The financial statements comprise the Consumer Council for Water;

- Statement of Financial Position as at 31 March 2024;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and 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's affairs as at 31 March 2024 and its net operating costs for the year then ended; and
- have been properly prepared in accordance with the Water Industry Act 1991 as amended by the Water Act 2003 and Secretary of State directions issued thereunder.

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

From December 2023, the Consumer Council for Water has delivered 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. Income and expenditure totalling £314k in relation to the ADR scheme has been recognised in the year ended 31 March 2024. Of this, the Consumer Council for Water estimates £34k of recognised total operating costs relates to the delivery of, and £34k of revenue from contracts with customers relates to the recharging of, ADR adjudication services. In February 2024 the Consumer Council for Water created a wholly-owned subsidiary company limited by guarantee, CCW Trading Company Ltd.

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 (2022)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I am independent of the Consumer Council for Water in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

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

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Consumer Council for Water's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

The going concern basis of accounting for the Consumer Council for Water is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which 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 the 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 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 or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

I obtained an understanding of the Consumer Council for Water's framework of authority and other legal and regulatory frameworks in which the Consumer Council for Water operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Consumer Council for Water. The key laws and regulations I considered in this context included 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 sufficient appropriate audit evidence 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

12th May 2026

Comptroller and Auditor General

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP

FINANCIAL STATEMENTS

Statement of Comprehensive Net Expenditure

for the year ended 31 March 2024

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	2023-24	2022-23
		<u>£000s</u>	<u>£000s</u>
Revenue from contracts with customers	4	(297)	(163)
Total income		(297)	(163)
Staff costs	2	4,865	4,640
Other Costs	3	2,443	2,450
Non Cash items	3	124	126
Total operating costs		7,432	7,216
Net operating costs		7,135	7,053
Total comprehensive net expenditure for the year		7,135	7,053

There is no other comprehensive net expenditure.

The notes on pages 58 to 70 form part of these accounts.

Statement of Financial Position

as at 31 March 2024

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	31 March 2024	31 March 2023
		£000s	£000s
Non-current assets			
Property, plant and equipment	5	14	20
Intangible Assets	6	-	3
Right of Use Assets	7.1	932	1,051
Total non-current assets		946	1,074
Current assets			
Trade and other Receivables	8	228	166
Cash and cash equivalents	9	602	942
Total current assets		830	1,108
Total assets		1,776	2,182
Current liabilities			
Trade and other payables	10	(804)	(966)
Lease Liability	7.2	(89)	(214)
Total current liabilities		(893)	(1,180)
Total assets less current liabilities		883	1,002
Non-current liabilities			
Provisions	11	(59)	(25)
Lease Liability	7.2	(831)	(910)
Total non-current liabilities		(890)	(935)
Assets less liabilities		(7)	67
Taxpayers' equity and other reserves			
General fund	SoCITE	(7)	67
Total equity		(7)	67

The financial statements on pages 54 to 70 were approved by the Board on 8 May 2026 and were signed on its behalf by

The notes on pages 58 to 70 form part of these accounts.



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

8 May 2026

Statement of Cash Flows

for the year ended 31 March 2024

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	2023-24	2022-23
		£000s	£000s
Cash flows from operating activities			
Net operating cost		(7,135)	(7,053)
Adjustments for non-cash transactions	3	124	126
Adjustments for non operating activities	7.2	10	13
(Increase)/decrease in trade and other receivables	8	(62)	14
Increase/(decrease) in trade and other payables	10	(136)	52
Increase/(decrease) in Provision	11	34	(100)
Net cash outflow from operating activities		(7,165)	(6,948)
Cash flows from investing activities			
Purchase of property, plant and equipment		(21)	-
Net cash outflow from investing activities		(21)	-
Cash flows from financing activities			
Lease liability payments	7.2	(214)	(92)
Grant in Aid from Sponsor departments	SoCITE	7,060	7,060
Net financing		6,846	6,968
Net increase/(decrease) in cash and cash equivalents in the period		(340)	20
Cash at the beginning of the period		942	922
Cash at the end of the period	9	602	942

The Consumer Council for Water bank account is held within the Government Banking Service. The Consumer council for Water does not hold any cash equivalent balances and has no overdraft facilities. SoCITE stands for the Statement of Changes in Taxpayers' Equity (Page 57).

The notes on pages 58 to 70 form part of these accounts.

Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2024

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

	General Fund
	£000s
Balance at 31 March 2022	59
Grant in Aid from Sponsor departments	7,060
Comprehensive net expenditure for the year	(7,053)
Non-cash adjustments	
Notional charge and other non cash items	1
Balance at 31 March 2023	67
Grant in Aid from Sponsor departments	7,060
Comprehensive net expenditure for the year	(7,135)
Non-cash adjustments	
Notional charge and other non cash items	1
Balance at 31 March 2024	(7)

The notes on pages 58 to 70 form part of these accounts.

Notes to the Accounts

1 Statement of accounting policies

These financial statements have been prepared in accordance with the 2023-24 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 ADR scheme for the period 1st December to 31st March 2024 has been accounted for and included in CCW's results. A subsidiary company (CCW Trading Company Ltd) was incorporated on 10th February 2024. The company is registered in England (company number 15478571). The company is limited by guarantee without share capital. The Consumer Council for Water is the sole member and will contribute a maximum of £1 in the case of the company being wound up. From the 1st April 2024 this will be the reporting entity for the ADR scheme. The preparation of consolidated accounts was not required for the year to 31st March 2024 due to no activity in CCW Trading Company Ltd as the company remained dormant.

The accounts for 2023-24 have been prepared on a going concern basis. Defra and the Welsh Government have agreed CCW's revenue budgets and Main Estimates for 2024-25, 2025-26 and 2026-27, there is no reason to believe that future approvals will not be forthcoming. 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 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.

1.3 Depreciation and Amortisation

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

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

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

1.4 Leases

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.

1.5 Grant in Aid

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

1.6 Revenue from Contracts with Customers

Income from Contracts with Customers represents the recharge of staff costs to other organisations 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:

- Identify the contract and customer
- Identify the performance obligations
- Determine the transaction price
- Allocate the transaction price to the performance obligations, and
- Recognise revenue when the performance obligation.

Recoveries of staff costs:

The income is the full reimbursement of agency staff engaged 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:

CCW has 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 in the initial period 1st December to 31st March 2024 relates to subscription fees which cover the cost of setting up the scheme and operating the scheme (composed of both CCW staff costs and third-party costs incurred to run the scheme):

- Scheme set up costs, recognised on scheme go-live
- Subscription charges, recognised over the initial period.

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/credit notes are raised. In the accounts for the year ended 31st March 2024 deferred income has been recognised.

Following the decision received regarding CCW's powers to provide the adjudication element of ADR (Governance Statement page 33), a provision of £34k has been recognised to reflect the amount to be repaid for adjudication (see note 11).

1.7 Value added tax

CCW was not formally registered for VAT. 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 resulted in CCW raising invoices which exceeded the VAT registration limit and as result it is now VAT registered, the affected costs and revenue are stated net of VAT and a creditor of £17k recognised.

1.8 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.

1.9 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.

1.10 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.

1.11 Accounting Standards in Issue, not yet effective

The standards as presented below did not have any impact on CCW's accounting policies and did not require retrospective adjustment:

- IAS 1 (Amendments) and IFRS Practice Statement 2: Disclosure of Accounting Policies
- IAS 12 (Amendments): Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- IAS 12 (Amendments): Income Taxes relating to International Tax Reform
- IAS 8 (Amendments): Definition of Accounting Estimates

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

- IFRS 17 Insurance Contracts
- IFRS 10 and IAS 28 (Amendments): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
 - IAS 1 (Amendments): Classification of Liabilities as Current or Non-current
 - IAS 7 and IFRS 7 (Amendments): Supplier Finance Arrangements

- IFRS 16 (Amendments): Onerous Contracts – Cost of Fulfilling a Contract.

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

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

Staff costs

	2023-24			2022-23
	Permanently Employed Staff (2)	Others (3)	Total	Total
	£000s	£000s	£000s	£000s
Wages and Salaries	3,279	384	3,663	3,542
Social Security Costs	349	8	357	331
Other Pension Costs	845	-	845	767
Sub Total	4,473	392	4,865	4,640
Less recoveries of staff costs		(140)	(140)	(163)
Total net costs (1)	4,473	252	4,725	4,477

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

3 Total Operating Costs

	Note	2023-24	2022-23
		£000s	£000s
Staff Costs¹			
Wages and Salaries		3,663	3,542
Social Security Costs		357	331
Other Pension Costs		845	767
Total	2	4,865	4,640
Rentals under operating leases:			
Office equipment		2	1
		2	1
Non cash items:			
Depreciation	5	1	2
Depreciation on Right of Use assets	7.1	119	155
Amortisation	6	3	5
Notional charge		1	1
Increase/(decrease) in Provision		-	(37)
		124	126
Other expenditure:			
Research & Consultancy		743	1,117
Personnel Overheads		233	240
Training		184	113
Publicity, Library & Parliament		146	195
Computer Services		553	378
Office Support costs		354	212
Auditors' remuneration*		70	43
ADR Rectification Provision	11	34	-
Interest on Lease Liabilities	7.2	9	13
Other Accommodation costs		115	138
		2,441	2,449
Total		7,432	7,216

* During the year there was no remuneration for non-audit work (nil 2022-23).

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. Low value leases of £2k (2022-23 £1k) are for printers used in the offices.

4 Income

	2023-24	2022-23
	£000s	£000s
Analysis of Revenue from contracts with customers		
Other income		
Recoveries of staff costs	(140)	(163)
Recovery of costs for Alternative Dispute Resolution	(157)	-
Total income from contracts with customers	(297)	(163)

5 Property, plant and equipment

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

	Leased IT Hardware	Leasehold improvements	Total
	£000s	£000s	£000s
Cost or valuation			
At 31 March 2022	160	23	183
IFRS 16 transition	(160)	-	(160)
At 1 April 2022	-	23	23
Additions	-	-	-
Disposals	-	-	-
At 31 March 2023	-	23	23
Depreciation			
At 31 March 2022	113	1	114
IFRS 16 transition	(113)	-	(113)
At 1 April 2022	-	1	1
Charged in year	-	2	2
Disposals	-	-	-
At 31 March 2023	-	3	3
Carrying value at 31 March 2023	-	20	20
Carrying value at 31 March 2022	47	22	69

6 Intangible assets

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

	Leased Software Licences	Software Licences	Total Software Licences
	£000s	£000s	£000s
Cost or valuation			
At 31 March 2022	187	26	213
IFRS 16 transition	(187)	-	(187)
At 1 April 2022	-	26	26
At 31 March 2023	-	26	26
Amortisation			
At 31 March 2022	132	18	150
IFRS 16 transition	(132)	-	(132)
At 1 April 2022	-	18	18
Charged in year	-	5	5
At 31 March 2023	-	23	23

7 Right of Use Assets and Lease Liabilities

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

7.1 Right of Use Assets

	Buildings	IT Software /MSP	IT Hardware	Total
	£000s	£000s	£000s	£000s
Cost or valuation				
At 1 April 2023	1,104	187	160	1,451
Additions	-	-	-	-
Disposals	-	(187)	(160)	(347)
Revaluations	-	-	-	-
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

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

7.2 Lease Liabilities

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

	As at 1 April 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

	As at 1 April 2022	Interest Charged to SOCNE	Payments	As at 1 April 2023
	£000s	£000s	£000s	£000s
Building	1095	9	(16)	1088
IT Hardware	50	2	(35)	17
IT Software	58	2	(41)	19
Total	1,203	13	(92)	1,124
Less than 1 year	181	-	-	214
1-5 years	479	-	-	443
Over 5 years	610	-	-	521
Total undiscounted	1270	-	-	1178
Future finance charge	(67)	-	-	(54)
NPV of liability	1,203	-	-	1,124
Disclosed as				
Current				214
Non Current				910
Total				1,124

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

Low value leases less than £2k for photocopiers are charged to SOCNE (£1k 2022-23).

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

8 Trade and other Receivables

	2023-24	2022-23
	<u>£000s</u>	<u>£000s</u>
Trade receivables	102	43
Accrued income	-	15
Advances	2	1
Prepayments	124	107
	<u>228</u>	<u>166</u>

All fall within one year

9 Cash and cash equivalents

	2023-24	2022-23
	<u>£000s</u>	<u>£000s</u>
Balance at 1 April	942	922
Net change in cash balances	(340)	20
Balance at 31 March	<u>602</u>	<u>942</u>

All cash balances are held with the Government Banking Service

10 Trade and other Payables

	2023-24	2022-23
	<u>£000s</u>	<u>£000s</u>
Amounts falling due within one year:		
Trade payables	94	240
Other taxation & social security	101	79
Other payables	85	79
Accruals:		
Computer Services Accrual	219	201
Employee Accruals	129	20
Other Accruals	176	347
	<u>804</u>	<u>966</u>

* 2022-23 Accruals have been reclassified to comply with IAS 1 disclosure on disaggregated balances.

11 Provisions for liabilities and charges

	ADR Rectification Provision £000s	Leasehold Property Dilapidations £000s	Total £000s
Balance at 1 April 2023	-	25	25
Provided in year	34	-	34
Balance at 31 March 2024	34	25	59

Analysis of expected timing of cash flows

	£000s
Not later than one year	-
Later than one year and not later than five years	34
Later than five years	25
Balance at 31 March 2024	59

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

Analysis of expected timing of cash flows

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

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

	2023-24 £'000s
Not later than one year	691
Later than one year not later than five years	571

Total	<u>1,262</u>
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£741k relates to the Managed Services Provider contract.
£229k is for an outsourced call centre service.
£34k relates to adjudication services under ADR.

13 Financial instruments

As the cash requirements of CCW are met through grant-in-aid provided by Defra and the Welsh Government, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. As regards liquidity risk associated with the maturity profile of lease liabilities on office space this would be funded by Defra.

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 2023-24 of, £7,060k (2022-23: £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 Executive members, the subsidiary company had no transactions in the financial year.

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.

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