

OPERATIONAL BUSINESS PLAN

2016-2017

“Putting consumers at the heart of the water industry”

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1. Introduction

The Consumer Council for Water (CCWater) is the independent and statutory water consumer body which represents both household and non-household water consumers in England and Wales.

Our Operational Business Plan for 2016-17 has been structured to show how we will deliver the first year of our Forward Work Programme¹ commitments to benefit water consumers.

Consumers have told us that we should focus on:

1. **SPEAKING UP FOR AND INFORMING CONSUMERS** by providing a trustworthy, independent voice that informs consumers about key water issues and ensuring Governments, companies and other stakeholders understand water consumers' views;
2. Pressing for **FAIR, VALUE FOR MONEY, AND AFFORDABLE CHARGES THAT ARE ACCEPTABLE TO CUSTOMERS**;
3. Water companies to provide services that are **RIGHT FIRST TIME** and sort out problems quickly and without hassle;
4. **A RELIABLE, RESILIENT, SUSTAINABLE, SAFE, GOOD QUALITY WATER SUPPLY** that consumers value and use wisely;
5. **A SUSTAINABLE, RESILIENT SEWERAGE SYSTEM THAT WORKS** and is used responsibly by consumers

Our priority continues to be ensuring that household and non-household consumers get a good, reliable water and sewerage service from their local water company at a price they find acceptable and can afford, and that any issues and concerns water consumers have are addressed.

Our focus in 2016-17

In 2016-2017, we will continue to concentrate our resources on our five strategic issues outlined above, with a particular focus on the following 'Headline Issues' as indicated within this plan:

- Influencing the final stages in the design of market reform, ahead of the retail water and sewerage market opening from 2017 in areas of England and Wales that are served by undertakers that are regulated by UK Government from April 2017, so non-household customers benefit without disadvantaging customers who cannot or choose not to switch retailer²;
- Ensuring the views of household customers shape decision making on the opening of the retail competition market for households in areas of England and Wales that are served by undertakers that are regulated by UK Government;
- Increasing awareness of the assistance available for those customers struggling to pay by working with the water companies on the promotion and delivery of financial assistance schemes, including social tariffs;

¹ CCWater Forward Work Programme 2016-19

² Most non-household customers in Wales and household customers in England and Wales will not be able to switch water and sewerage retailer, as well as some commercial customers where someone has their principal home.

- Continuing to target poor performing water companies, so customers get the 'right first time' service they deserve;
- Work with Defra, Welsh Government, the Regulators and water companies to ensure water consumers' remain at the heart of water management policy development, planning and implementation.
- Contribute to the ongoing assessment of likely implications of the devolution recommendations regarding water and sewerage services and the implications on consumers from the Silk Review carried out in Wales;

In addition, we will look to embed customer engagement in future price reviews and the water companies' delivery of their 2015-20 performance commitments. As some companies are demonstrating, customer engagement is a continuous process not something you switch on and off for price reviews.

We will work in partnership with the UK and Welsh Governments, regulators, each water company (including newly appointed water and sewerage service providers), other consumer bodies and business groups such as Citizens Advice/Citizens Advice Cymru and Scotland, Age UK/Cymru, Energy Savings trust, Resource Efficient Wales, Money Advice Service, Essential Service Access Network the Federation of Small Businesses, Consumer Council for Northern Ireland and the Major Energy Users Council, to deliver on behalf of water consumers.

As we are an evidence-based organisation, we will continue to carry out research with water customers and use evidence from complaints to understand what is important to them. This ensures the advice we give to governments, regulators, water companies and others reflects consumers' views. We also use data and information from within the water industry and from other sectors, where appropriate, to promote and protect consumers' interests.

2. Delivery and management of the plan

In delivering our Operational Business Plan, we will:

- Be observant of our legal duties set out in **Appendix A**;
- Maintain a strong focus on consumer advocacy;
- Continue to consider sustainable development by showing how we balance the economic, environmental and social aspects in all that we do;
- Continue to consider and deliver our obligations under our Welsh Language Scheme;
- Continue to develop CCWater's approach to supporting consumers who are experiencing vulnerable circumstances and apply it to all projects we undertake, including helping consumers in need of extra assistance such as large print, Braille, and other translation services access our services.

For each of our priority areas of work we have identified our strategic objective and targets to measure how our work adds value for consumers.

The Operational Business Plan forms part of our monitoring and measurement framework aligned to our Forward Work Programme.

To help us to measure our performance we:

- Carry out annual tracking research to assess the effects of our work and to monitor consumers' views about water and sewerage services.
- Assess customers' experience of using our service.
- Have a series of performance measures and milestones to track the progress in delivering the plan. This report is regularly reviewed by the Executive Team to ensure that we are delivering our commitments. Remedial action is taken where there is a delay in delivery due to internal reasons.

We are focussing resources on those issues where we believe we can make a significant and positive contribution. These are the 'Headline Issues' mentioned previously as well as embedding customer engagement in both future price reviews and in companies' delivery of their performance commitments as stated in their 2015-20 business plans.

We will work towards delivery of other projects outlined in this plan, where resources allow, but we may need to defer some activity in the light of external influences such as changes in the direction and scope of either Government's water related policies. As ever, we will remain flexible, anticipating or responding to changing circumstances.

3. Our priority projects in 2016-17

3.1 SPEAKING UP FOR AND INFORMING CONSUMERS by providing a trustworthy, independent voice that informs consumers about key water issues and ensures Governments, water companies and other stakeholders understand water consumers' views;

HEADLINE ISSUE 1

Influencing the design of retail market reform in areas of England and Wales that are served by undertakers that are regulated by the UK Government so non-household customers benefit whilst ensuring those who choose not to or cannot switch continue see continuing improvement

Business customers told us in our *Uncharted Waters* research that the developing competitive water and sewerage retail market in England needs to learn the lessons from the roll-out of competition in the energy sector. In particular, they want the new retail market to avoid cold calling, contract lock-ins, automatic roll-overs, difficult switching processes and complex tariffs.

Most business customers want to be 'drip-fed' information to gradually raise their awareness of the arrival of competition for non-households in England. In our *Exit Strategies* research³, non-household customers also told us they want protection if their water company chooses not to operate in the non-household retail market.

WHAT WE WILL DO

During 2016-17, we will work with Ofwat, Market Operator Services Limited (MOSL), Defra and water companies and licensees to shape the new market so that it works for all customers. This will be done through:

- Promoting awareness of the issues customers care about to those designing the market systems and Regulations.
- Identifying where new policies or procedures could disadvantage eligible or ineligible customers, including those in Wales, so decision makers are aware of potential impacts⁴ on customers and put in place protection measures.
- Raising awareness among non-household customers, particularly SME customers and those on the England/Wales border, about the opening up of water retail competition for non-household customers in England, and
- Engaging with Ofwat as it consults on upstream competition (not applicable to Wales)

³ [CCWater research](#) 'Exit Strategies' - Research into non-household customers' views on water companies exiting the non-household retail market 2014

⁴ Such as de-averaging of tariffs

HOW WE WILL MEASURE OUR SUCCESS

Issues customers care about: Evidence that non-household customers' views and preferences are reflected in the high level design of the market, Regulations and codes of practice.

Identification: Evidence in consultation responses or briefings that critical analysis of the issues has been made and we are challenging proposals where they could impact detrimentally on customers.

Promotion: An increase in the number of respondents to our non-household customer research who say they are aware of market reform and the impact it could have on them.

Linked to this strategic item is the continuing work to help non-household customers across England and Wales to get an everyday good quality service from their water company at a price they find acceptable. We will measure our success through CCWater research showing that non-household customers of all sizes and sectors, including micro, small and medium businesses, have continuing high levels of satisfaction with service and value for money.

HEADLINE ISSUE 2

Ensuring the views of household customers shape decision making on the opening of the retail competition market for households in areas of England and Wales that are served by undertakers that are regulated by UK Government

In November 2015, the chancellor announced that the Government wishes to explore the case for providing retail competition for households in England.

WHAT WE WILL DO

During 2016-17, we will gather evidence of customers' views and press for competition to bring customers benefits that outweigh costs.

HOW WE WILL MEASURE OUR SUCCESS

Issues customers care about: Evidence domestic customers' views and preferences are reflected in Ofwat's analysis and Government's decisions and subsequent high level design of the way forward, regulations and codes of practice.

Identification: Evidence in consultation responses or briefings that critical analysis of the issues has been made and we are challenging proposals where they could impact detrimentally on customers.

HEADLINE ISSUE 3

Contributing to the ongoing assessment of likely implications of the devolution recommendations regarding water and sewerage services and the implications on consumers from the Silk Review carried out in Wales.

WHAT WE WILL DO

During 2016-17, we will seek customers' views about key recommendations of the Silk Review, specifically full devolution of water and sewerage services to Welsh Government and the realignment of legislative competence to the national boundary.

HOW WE WILL MEASURE OUR SUCCESS

Issues customers care about: Evidence customers' views are reflected in the recommendations.

Other activities under this strategic item:

WHAT WE WILL DO	HOW WE WILL MEASURE OUR SUCCESS
Influence the agenda	<p>Key policy changes have considered consumer evidence and CCWater work, e.g. Proposals on household competition, Abstraction Reform Bill, River Basin Management Plans, Water Strategy for Wales, Mandatory SuDS Standards in Wales, Affordability & meeting the needs of consumers in vulnerable circumstances.</p> <p>All water consumer related discussions in relevant groups are informed by consumer views from CCWater evidence & industry performance reports through our participation. These are groups such as All Party Parliamentary Water Group, EFRA Select Committee meetings or the sessions of the relevant Assembly Committee and Wales Water Forum meetings.</p> <p>Decisions on the implementation of Silk Commission Recommendations on Water will have considered implications for border customers in England and Wales.</p>

<p>Challenging on behalf of customers</p>	<p>Companies will adopt our good practice recommendations as part of our collaborative work with them.</p> <p>Agencies who work with consumers experiencing vulnerable circumstances, such as Citizens Advice, Citizens Advice Cymru, Age UK, Age Cymru and Money Advice Service will be engaged with us locally and nationally and know to seek our advice on affordability, water and sewerage issues.</p> <p>Water companies will deliver tailored services that meet the needs of all consumers, especially consumers in vulnerable circumstances.</p> <p>Companies will strengthen governance arrangements around their successor Customer Challenge Groups (CCGs).</p>
<p>Inform consumers</p>	<p>Improve CCWater website so both household and non-household customers record a high level of satisfaction with its content. [Through an on-line survey].</p> <p>Information relating to the performance of water companies across a number of service areas that have an impact on customers is published annually on the website.</p> <p>Media activity continues to inform consumers about the action they can take to protect their services and to access help and information from others.</p> <p>Media work continues to explain how CCWater can help customers so CCWater is increasingly recognised as the authoritative consumer voice. Our target is 100 million opportunities to see our messages in national, regional and local press, broadcast and online media. This is an increase from the previous target of 75 million.</p> <p>The number of people visiting our website, including through our online meter calculator during 2016-17 is at least 500,000.</p>
<p>Ensure that our services are accessible to all customers</p>	<p>Our tracking surveys evidence an increase in the number of consumers - household and non-household - who are aware of CCWater and our role.</p> <p>Deliver our Welsh Language Scheme obligations as set out in the principles of the Welsh Language Commissioner.</p> <p>Customers who request Welsh communication receive this support.</p> <p>Monitor requests for documents in additional languages and alternative formats.</p>

3.2 Pressing for FAIR, VALUE FOR MONEY, AND AFFORDABLE CHARGES THAT ARE ACCEPTABLE TO CUSTOMERS.

HEADLINE ISSUE 4

Increasing awareness of the assistance available for those customers struggling to pay by working with the water companies on the promotion and delivery of financial assistance schemes, including social tariffs

One in eight household customers say that their bill is unaffordable and just 68% consider their water and sewerage charges to be fair.⁵ Our *Living with Water Poverty* research⁶ revealed that many customers were unaware of the help and assistance that water companies offer those struggling to pay.

WHAT WE WILL DO

Over the course of 2016-17, we will work with the water companies to target financial assistance to those most in need. This will be done through:

- Working with companies as they develop, implement and enhance social tariff schemes and other assistance schemes;
- Improving advice, awareness and access to assistance schemes;
- Encourage collaboration between companies and share good practice from within the sector as well as from other industries; and
- Improving the identification of those who need help,

HOW WE WILL MEASURE OUR SUCCESS

Enhancement: More customers across England and Wales have access to social tariffs and assistance schemes.

Promotion: There will be an increase in the number of respondents to our annual *Water Matters* research who say they are aware of the financial assistance available from companies.

Identification: There will be an increase in the number of customers receiving help from water company assistance schemes, such as Water Sure and Social Tariffs.

Delivery: CCWater receives fewer complaints about companies' debt recovery practices.

Linked to this strategic item are other work streams also within the VALUE FOR MONEY theme:

WHAT WE WILL DO	HOW WE WILL MEASURE OUR SUCCESS
<p>Fair Charges</p> <p>We will work with companies to deliver fair and focused charges through our annual assessment of companies' Charges Schemes, and in response to Government Charging Guidance proposals.</p>	<p>Fair Charges</p> <p>Our research will show a rising trend in consumers who think their water bill is fair (recorded in our Annual Tracking survey).</p>

⁵ CCWater's [water matters](#)

⁶ CCWater's [Living With Water Poverty](#)

3.3 Water companies to provide services that are RIGHT FIRST TIME and sort out problems quickly and without hassle.

HEADLINE ISSUE 5

Continue to target poorer performing companies so that customers get a service that is right first time.

Although written complaints to water companies are falling, there are some companies where complaints are significantly above the industry average, and have been for several years.

WHAT WE WILL DO

During 2016-17 we will focus our attention and work with the poorer performing companies with the aim of achieving better services and a reduction in complaints closer to the industry average.

We will work with the poorer performing companies to tackle:

- The root causes of complaints and practices that alienate their customers so that they can take the necessary action to improve their policies or frameworks; and
- Key performance issues that affect services (and generate complaints) with a view to meeting their performance targets for 2015-20.

HOW WE WILL MEASURE OUR SUCCESS

Complaints to the poorer performing companies:

- Demonstrate a reduction on their 2015-16 level.

Linked to this strategic item are other work streams within the RIGHT FIRST TIME theme:

WHAT WE WILL DO

Complaints to companies

We will continue to work with the companies to embed a 'right first time' ethos into their day-to-day customer service operations to reduce complaints further.

We will identify what good looks like, compare companies against this and share good practice across the industry where this is identified.

HOW WE WILL MEASURE OUR SUCCESS

Complaints to companies

A reduction in written complaints below 106,000.

Water companies adopt our good practice recommendations to improve their complaint handling and debt management.

Enquiries and complaints to CCWater

Enquiries and complaints to CCWater

WHAT WE WILL DO	HOW WE WILL MEASURE OUR SUCCESS
<p>We will help household and non-household customers with their enquiries and resolve their complaints with water companies.</p>	<p>We will aim to meet our current performance targets for responding to consumers and complaint. Specifically:</p> <ul style="list-style-type: none"> • 99.5% of complainants responded to within five days. • 80% of complaints resolved within 20 days, and • 91% of complaints are resolved within 40 days. <p>Consumer satisfaction with the quality of our complaint handling service will be 75%. We aim to move towards:</p> <ul style="list-style-type: none"> • 61% on satisfaction with our outcome; • 80% on satisfaction with our speed of response; <p>This is to compare favourably to other comparator organisations as our new organisational structure on complaints delivers high service standards⁷.</p>
<p>Alternative Dispute Resolution We will support & signpost consumers who seek to use the industry's Water Resolution Scheme (WATRS), and will help companies learn lessons to avoid repetition of the issue.</p>	<p>Alternative Dispute Resolution We signpost eligible complaints to WATRS.</p> <p>We will review our performance and the performance of WATRS to ensure both deliver timely case resolution and no unnecessary delays for consumers.</p>
<p>Driving up company performance</p>	<p>Driving up company performance</p> <ul style="list-style-type: none"> • Continue to report on information from companies. Ensure information on industry performance and issues affecting customer is available in public; and • Identify issues that the industry should improve locally, and on an England and Wales level, through our annual industry performance report publication.

⁷ These are our business plan figures for 2016-17 which are reviewed annually.



WHAT WE WILL DO

HOW WE WILL MEASURE OUR SUCCESS

Work with the industry and Ofwat to assess whether the current SIM measures remain suitable and provide alternative options that continue to incentivise good service and penalise the poor performers.

Any new service improvement measures implemented will deliver a reduction in the need to complain for customers.

3.4 A RELIABLE, RESILIENT, SUSTAINABLE, SAFE, GOOD QUALITY WATER SUPPLY that consumers value and use wisely.

HEADLINE ISSUE 6

Work with Defra, Welsh Government, the Regulators and water companies to ensure water consumers' remain at the heart of water management policy development, planning and implementation.

WHAT WE WILL DO

During 2016-17 we will:

1. Work with companies and other relevant organisations as they start to plan for Water Resource Management Plan (WRMP) 19.
2. Work with both governments and both environmental regulators on the reform of the abstraction licensing system in England and Wales.
3. Make sure consumers have access to accurate and timely information about drinking water quality and water supply issues (working with DWI, companies and Water Health Partnership for Wales).
4. Continue to engage with Ofwat as it develops a better understanding of what resilience means for the water industry, and press for customers to be central to the plans for taking this forward.
5. Review the implementation of compulsory metering programmes and use lessons learned to inform future programmes.
6. Encourage water companies to prioritise leakage reduction work and inform consumers in a way that meets their expectations.
7. Encourage company joint working and planning in particular through the Water Resources in the South East and Water Resources East Anglia groups.

HOW WE WILL MEASURE OUR SUCCESS

Issues customers care about - Evidence that customer views have been taken into account in the development of policies, and the companies have appropriate engagement plans in place which will enable customers' views to be taken into account in their planning.

Identification: Evidence in consultation responses or briefings that critical analysis of the issues has been made and we are challenging proposals where they could impact detrimentally on customers.

The % of customers who have confidence in their water company delivering the security of a long term supply will be measured by our water matters survey.

WHAT WE WILL DO	HOW WE WILL MEASURE OUR SUCCESS
<p>Water quality and public health We will continue to press for a reliable, resilient, sustainable, safe good quality water supply at an affordable price.</p>	<p>Water quality and public health A continued high level of consumer satisfaction with water services is reflected in research.</p>
<p>Reliability and resilience Company plans are based on sound customer engagement and research</p>	<p>Reliability and resilience Customers' views and priorities are reflected in WRMPs . CCWater will contribute to consultations to ensure consumer issues are raised.</p>
<p>Leakage Water companies prioritise leakage work in a way that meets customers' expectations.</p>	<p>Leakage Customers will receive more information from the industry to explain the challenges, what they are doing and how customers can help reduce leakage. Where appropriate, we commend good practice or challenge for improvement (monitoring trends on leakage performance).</p>
<p>Water resources and efficiency Help inform consumers of the pressures on our water resources and the benefits of using water wisely including the links between water and energy efficiency.</p>	<p>Water resources and efficiency CCWater will make progress towards becoming a source of reliable and practical information, demonstrated through more hits on the website and media mentions. We will collaborate with governments, Energy Savings Trust, Waterwise and Resource Efficient Wales and water companies.</p>
<p>Metering Monitor and input into work on the transition to compulsory metering to ensure it considers water consumers' priorities, preferences and ability to pay.</p>	<p>Metering Companies embarking on compulsory metering programmes will be pressed to provide comprehensive support packages and services for customers going through the transition to metered charging.</p>

3.5 A SUSTAINABLE, RESILIENT SEWERAGE SERVICE THAT WORKS and is used responsibly by consumers.

WHAT WE WILL DO	HOW WE WILL MEASURE OUR SUCCESS
Help consumers who suffer from sewer flooding in their houses or other areas of their property.	<p>Consumers will be satisfied with the response from their sewerage company following a sewer flooding event.</p> <p>Complaints to companies and to CCWater will reduce over the period.</p>

4. CCWater Research for 2016-17

CCWater’s Board has agreed the following research programme for 2016-17. Should savings elsewhere create further potential during the year we may be able to add new research projects.

CCWater research planned for 2016-17
<i>Water Matters</i> ⁸ - household research on satisfaction with services and value for money (annual tracker).
<i>Stakeholder perceptions about CCWater</i> - research to understand stakeholders’ perceptions of CCWater’s performance in a number of areas and if there are any improvements that could be made
<i>Update on Southern Water’s Universal Metering Programme</i> - Joint research with Southern Water to understand whether customers’ original concerns about compulsory metering were realised (or quelled by purpose), if their perceptions of metering have changed, if being metered changed the way they use water and if they would have preferred any information earlier in the process.
<i>New methods for testing customers’ willingness to pay (PR19)</i> – to test how willingness to pay and acceptability research is portrayed to customers to determine if this is easily understood.
<i>Research to assist Welsh Government in the Silk Review</i> - This would seek customers’ views about key recommendations of the Silk Review, specifically full devolution of water and sewerage services to Welsh Government and the realignment of legislative competence to the national boundary.
<i>Market Reform Research</i> - Where appropriate, commission research in conjunction with MOSL /Ofwat/companies to explore an emerging customer-focussed issue with the aim of ensuring the design of the new market is robust and fit for purpose.

⁸ CCWater ‘Water Matters, Annual Tracking research (July 2013) can be viewed [here](#).

5. Making sure our support services are effective and value for money

WHAT WE WILL DO	HOW WE WILL MEASURE OUR SUCCESS
Safe and secure environment for CCWater staff to work in.	Have no occurrences of avoidable reportable workplace incidents as per the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995.
Efficient Human Resources Support	Short and long-term sickness levels are managed below those of the public sector (8.7 days CIPD 2015).
	At least 73% of CCWater staff are satisfied that they have access to training and development opportunities (and measured by our internal staff survey).
Efficient systems that support CCWater, which is shown through good governance, internal and external auditing.	Internal auditors confirm that effective systems are in place and external audit identifies no areas of concern which would result in the accounts being 'qualified'.
Efficient finance and budget management to ensure there is accountability for how water customers' money is spent.	Annual spend to remain within allocated Licence Fee of £5.13 million plus value of underspend from 2015-2016.
	All payments will be paid promptly - 80% of undisputed payments within five working days.
Efficient management of data.	All FOI and Data Protection Act requests are responded to within the statutory time scales.
	All staff receive annual training / updates on their individual and organisational responsibilities.
Availability of information on CCWater's new contracts, payments to suppliers and Board members' expenses.	All expenditure details will be published in line with Government instructions and all Board members' expenses will be published within three months of quarter end.
Opportunities to come along to public CCWater Board and Committee meetings, and information about the issues under discussion.	All meetings in public are convened and advertised on our website, including agendas and available papers, at least seven working days in advance.

6. Resources

For 2016-17 our licence fee will be £5.13m. This represents a flat Licence Fee with no uplift for inflation; this represents a cost to each water customer of about 21p per year. Our budget will be slightly higher as we have agreed with Defra that an expected underspend in 2015/16 may be carried forward to 2016/17.

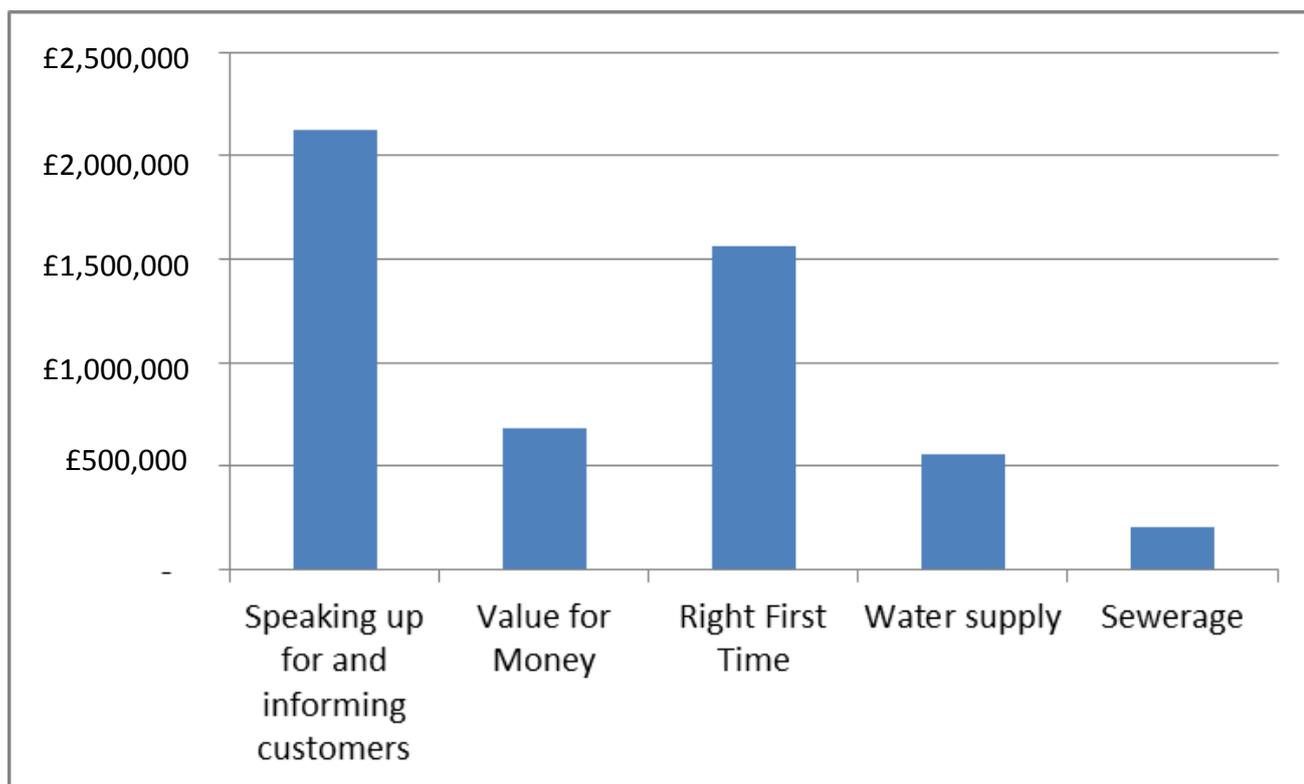
We manage the organisation with a headcount of 75 and full time equivalent staff of 72.56.

We retain a strong regional focus through our Chairs, LCAs and policy staff working with the companies at the local level on the issues that matter to customers.

Over the past few years we have reduced the number of Board members to nine. But, with the agreement of Defra and the Welsh Government Water Branch, we have increased the number of LCAs from 17 to 22 to enable us to provide a greater focus on local issues and to build upon the appropriate working relationships we already have with each water company.

Section 7 on Governance explains this in more detail.

The graph below summarises how our resources are split between our priority projects



Our organisation's structure is set out in **Appendix B**.

7. Governance and risk management

CCWater will continue to represent consumers' priorities and interests across England and Wales using our existing network.

7.1 Governance

The organisation's governance framework consists of the following key areas:

- The Board, comprising: the Chair of the organisation; the Chief Executive; the Chairs of the four committees in the English regions; the Chair of the committee in Wales; and two independent Board members. The Board meets eleven times a year and five of those meetings are open to the public.
- Four Board standing committees hold remits for Audit and Risk Management, Finance and Resources, Remuneration, and Advisory to CCWater Board.
- There are 22 Local Consumer Advocates allocated to the four regional committees and the committee in Wales.
- The Chief Executive is supported by the Executive Team.

The National Audit Office undertakes the external audit function and internal audit services are provided by RSM under contract.

7.2 Risk management

To support and monitor the effective delivery of our work we have a robust and well-embedded risk management framework and risk register. The strategy provides the basis for identifying, assessing and mitigating risks at all levels within the organisation. The framework is set out in our Risk Management Strategy.

Risks that are identified within the organisation are scored against likelihood and impact to customers and the organisation; and are categorised into 'high', 'medium' and 'low'. The risk register is reviewed by the Executive Team every six weeks. The full risk register is also presented to the Audit and Risk Management Committee (a sub-committee of the Board) every quarter and the highest perceived risks to the organisation are presented to the Board annually.

7.3 Alternative Scenarios

When preparing our OBP and FWP we have taken into account a horizon scan of potential risks, impact and likelihood which may affect our plan. This has been considered by the Board as a key consideration of our strategy as reflected in the FWP and OBP. The Board considered alternative options for CCWater in terms of our resourcing, licence fee and budget. In particular the Board did consider whether these scenarios suggested a need for CCWater to seek a higher licence fee and budget. However, the Board considered that our continued flat licence fee, made possible by our restructuring in 2015, was appropriate given our continuing pressure on the water industry to keep prices low to customers.

Whilst we have built flexibility in to the OBP there is always the risk that there may be a major government or regulatory announcement that requires substantial resources devoted to the resulting work stream. In those circumstances, we may have to defer work on issues of lower strategic importance with the expectation that we will return to them in subsequent years (and therefore within the time bounds of the FWP.)"

APPENDIX A: Legal functions, duties and powers of CCWater

CCWater's primary functions are to provide advice and represent customers on water matters and to investigate and handle complaints made against licensed water suppliers or companies. CCWater has duties to represent the interests of customers, both domestic and business, of licensed water suppliers in the new competition regime that came into operation on 1 December 2005, as well as the interests of customers of water and sewerage companies.

CCWater has the following specific powers, duties and powers under the Water Industry Act 1991 (as amended by the Water Act 2003):

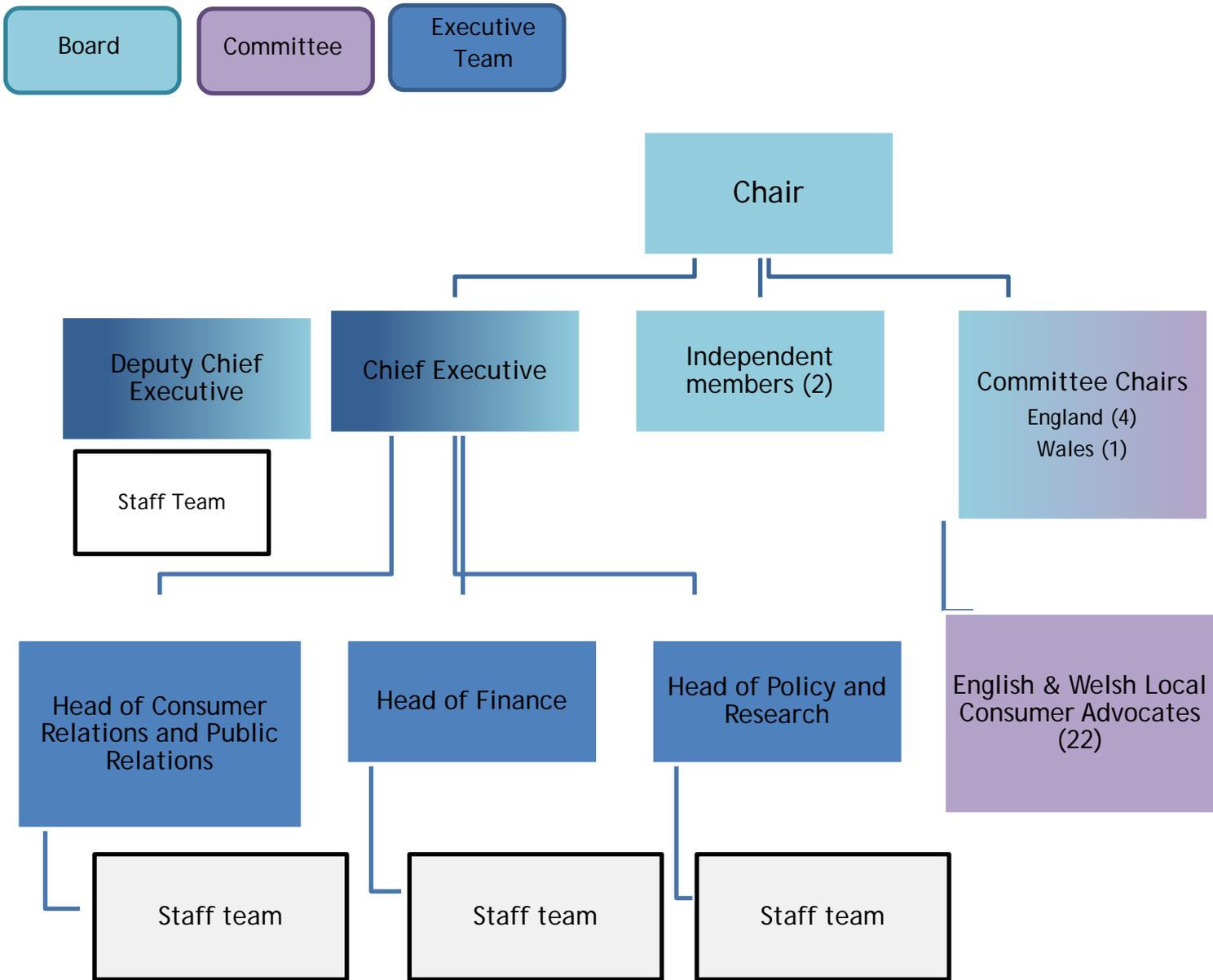
- **S27A (12) Establishment of the Council and Committees** - requires CCWater to exercise and perform its powers and duties in the manner which it considers is best calculated to contribute to the achievement of sustainable development.
- **S27B Co-operation between Council and other authorities** - requires CCWater to agree a memorandum of understanding with the Authority (Ofwat), the Secretary of State (Defra and DWI) and the Welsh Government.
- **S27C The interests of consumers** - requires CCWater to have regard to the interests of :
 - a) individuals who are disabled or Chronically sick;
 - b) individuals of pensionable age;
 - c) individuals with low incomes;
 - d) Individuals residing in rural areas: and
 - e) Consumers who are ineligible to change their water supplier.
- **S27D Acquisition and review of information** - provides for CCWater to obtain and keep under review information about consumer matters and the views of consumers.
- **S27E Provision of advice and information to public authorities** - provides for CCWater to make proposals, provide advice and information about consumer matters and represent the views of consumers to public authorities, undertakers, licensed water suppliers and other persons whose activities may affect consumers.
- **S27F Provision of information to consumers** - provides for CCWater to provide information to consumers about consumer matters.
- **S27G Power to publish information and advice about consumer matters** - (subject to certain conditions) gives CCWater the power to publish advice or information about consumers' matters or consumers' views where it would promote the interests of consumers.
- **S27H Provision of information to the Council** - (subject to certain conditions) provides for CCWater to request information from the Authority, undertakers or licensed water suppliers.
- **S27J Provision of information by the Council** - provides for CCWater to provide information to the Authority, Secretary of State or the Welsh Government.
- **S29 Consumer complaints** - provides for CCWater to deal with complaints about the services provided by an undertaker or licensed water supplier.
- **S29A Power of Council to investigate other matters** - gives CCWater the power to investigate any matter which appears to it to be a matter relating to the interests of consumers.
- **S38B Publication of statistical information about complaints: (water)** - requires CCWater to publish statistical information relating to complaints received by undertakers, licensed water suppliers and regulators about water services.
- **S95B Publication of statistical information about complaints (sewerage)** - requires CCWater to publish statistical information relating to complaints received by undertakers and regulators about sewerage services.

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

- **S66** The development of market codes, and some charging issues in the lead up to competition widening out to all non-household customers;
- **S43** Incumbents exiting the non-household retail market - the development of Regulations and depending on the final Regulations, possibly separately by companies when they apply to exit;
- **S40B** issues relating to the movement of water to undertakers, by Defra and separately by Welsh Government; and
- **S54** Licence changes as a result of consumer redress schemes;
- **S16** Water companies' charges schemes;
- **S38** Defra and separately the Welsh Government's Charging Guidance and **S24** separately their Strategic Priorities.

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.

Appendix B: Organisational structure



[You can read our Forward Work Programme for 2016 here.](#)