



# South Staffordshire Water Charitable Trust

2020/21 Annual Report



## Reference and Administrative Details

**Title** The South Staffordshire Water Charitable Trust

### Trustees

Mr John Thompson (Chairman).....Citizens Advice South East Staffordshire  
and formerly Lichfield District Council  
Mr Bernard Cysewski.....Welfare Rights Service, Walsall Council  
Mr Richard Curtis.....Cambridge and District Citizens Advice  
Cllr Ian Jones.....Sandwell Council  
Cllr Tom Marshall.....Lichfield District Council  
Gareth Seddon  
Stuart Webster (resigned 28 August 2020).....Retired, Police Officer

### Charitable Trust Secretary

Rachael Merrell.....South Staffordshire Water PLC

### Registered Address

Green Lane  
Walsall  
West Midlands  
WS2 7PD  
Tel: 01922 638282

### Independent Examiner

Dains LLP  
15 Colmore Row  
Birmingham  
B3 2BH

### Bankers

HSBC Bank plc  
130 New Street  
PO BOX 68  
Birmingham  
B2 4JU

**Registered Charity Number** 1043177

**Website** [www.sswct.org](http://www.sswct.org)

# Trustees' Report

## Structure, Governance and Management

### Trustees

The Trustees have entered into a Charitable Trust Deed to enable them to operate independently from South Staffordshire Water PLC. It has been entered in the Central Register of Charities by the Charity Commissioners. The Registered Charity Number is 1043177. Established in 1993 under a Trust Deed dated 15 October 1993 and amended on 17 January 2000, the Trust was the first to be created for the purpose of financially helping customers experiencing difficulty in paying their water bills due to poverty, hardship or other problems.

The Trustees who held office during the year and since the year end are listed on page 2.

The support to the Trust from South Staffordshire Water PLC ("South Staffs" or "the Company"), and the personal involvement of their Customer Delivery Director, Rachael Merrell, who acts as the Trust's Secretary, is much appreciated. Similarly, the input of Laura Devey and Lee Sharp of Echo Managed Services Limited ("Echo") greatly assists our business.

The Chairman is appointed by the Trustees and holds office for such period as they shall decide. The power of appointing Trustees is vested in the Trustees. A new Trustee may be appointed by a resolution of a meeting of the Trustees provided that a memorandum of such an appointment is signed as a deed by the person presiding at the meeting and attested by two other persons at the meeting. New trustees receive any necessary training and support.

The Charitable Trust Secretary for the reporting period was Mrs Rachael Merrell, Head of Retail Household Services, who may be contacted at:

South Staffordshire Water Charitable Trust  
Green Lane  
Walsall  
West Midlands  
WS2 7PD

Telephone: 01922 638282

The Trustees meet formally three times a year or when considered appropriate to review Trust policies, their implementation and examine genuine requests for financial help. The venue for the video conference meetings is normally at the Company's offices in Green Lane, Walsall and Cambridge Water offices in Fulbourn Road, Cambridge.

Since the Covid-19 pandemic meetings have been held on-line.

## Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Objectives and Activities

The objective of the Trust is to apply its income towards relieving those customers who are in conditions of need, poverty, hardship or other distress and are having difficulty making payment for the supply of water to their home. Preference is given to those customers who make regular payment of an amount they can afford.

## Achievements and Performance

### The Trust

The South Staffordshire Water Charitable Trust provides financial help to those customers who are unable to pay for the supply of water to their home, such as the elderly, sick or some families claiming State Benefits or on very low incomes or experiencing transitional difficulties for household customers supplied by South Staffordshire Water in both the South Staffs and Cambridge regions.

Nominations for potential beneficiaries are received from a broad range of sources. This includes direct applications from customers, but also from representatives of the Company's billing and collection team, local councils (social services, housing benefit etc.), the Citizens Advice Service ("CAB") and other registered help agencies. The Trust Secretary acts as the channel for receiving requests for potential beneficiaries. Nominations are dealt with in complete confidence.

Each application is examined by a senior manager of the Company's customer contact, billing and collection contractor, Echo, against the Trustees' predetermined set of criteria. Applications falling into these criteria are approved by Echo without further delay. A summary report is made available at each meeting of the Trustees on the action taken by Echo allowing the Trustees the opportunity to review any case at random to ensure the agreed criteria are being followed. Cases that are outside the guidelines are reviewed by the Trustees. The Trustees also review appeals from customers.

When an application is received from a potential beneficiary, further enforcement action by the company in respect of the unpaid charges is suspended for the time being.

Facts and individual financial circumstances of each applicant are reviewed in an impartial and confidential manner. An assessment is made without bias as to whether the case is one of true hardship or simply default before a decision is taken whether to make a part or full payment of the customer's unpaid water bill.

The payment given is in the form of a credit on the customer's water bill for both the South Staffordshire Water and Severn Trent Water charges. A cheque is not sent to the customer, but it is sent to the Company on the customer's behalf. All payments made in the year have been in respect of individual household customers.

The Trust is funded by South Staffs Water through cash donations to match charitable expenditure and gifts in kind to meet costs of grant making and governance.

The key risk to the Trust is the withdrawal of this support; the Trust does not commit to any expenditure until the support is assured.

The Trustees have had regard to the Charity Commission guidance on public benefit.

### **Targeting Assistance**

The Trust operates in a manner that avoids simple hand-outs to those who request assistance. Instead, the focus is on issuing grants to those that need temporary help. Grants are only paid out to customers that demonstrate a commitment to pay at least some of their charges, where the customer is clearly experiencing financial hardship. If a customer is in transitional hardship, perhaps through personal circumstances or a recent redundancy, then the grants are a means of helping them overcome this period of difficulty.

Grant support works in the following way: When a customer is accepted for a Charitable Trust grant, the customer is required to make regular payments for 52 weeks for the grant to be given. If the customer has maintained the agreed payments, a grant of 100% of the balance outstanding at the date of receipt of their application is made. Once the full grant has been given, the customer is then required to pay as normal for future charges. With this approach we target assistance to encourage customers to pay their charges, by supporting them for a period when they most need help to get back on track. This way the assistance goes to those who want to return to paying their charges, rather than those wishing to use the Trust as a permanent substitute to paying. Customers who make a Trust application that are eligible for a Trust grant who are not already receiving Assure (Social Tariff) support are given that assistance thereby reducing their current bill.

During the year Trustees initiated a review of policy and procedure guidelines, eligibility criteria and associated documentation including the application form. As part of the review a decision has been to revert to 50% of the grant being paid after 26 weeks of payments and the balance at 52 weeks. This and other changes will be implemented in 2021. Revisions to eligibility criteria are anticipated to increase the number of customers eligible for assistance from the Trust.

The Trust does in cases of exceptional need, hardship or financial problems make grants without the normal requirements of establishing a regular payment.

### **Achievements**

The Trust has been able to assist a significant number of customers of South Staffs who had difficulty in paying their water bills because of financial hardship or distress. The Trustees have met on three occasions during the year. The Trust has made grants totalling £140,737 in respect of 420 customers.



During the year the Trustees reviewed two appeals and upheld the original decision on one of those. In addition, we have seen a further decrease in the number of applications received from help agencies. 0% of applications were received from CAB or other help agencies such as Money Advice and 59% direct from customers, 40% via Assure Tariff referrals and 1% via Watersure referrals.

The company also have a social tariff Assure, which can help customers on a low income or who are struggling to pay their water charges; it aims to reduce water poverty and make bills more affordable. Customers with a household income of less than £16,480 (excluding income from Disability Living Allowance, Personal Independence Payment and Attendance Allowance), may qualify for a discount of up to 60% on their water charge. In addition, the Company have focused on providing an inclusive service which involves direct referrals to the Charitable Trust following the completion of an Assure application.

Since the creation of the Trust, over 12,297 grants have been made. Whilst the Company's water charges remain amongst the lowest in the industry, we believe that there are a significant number of customers who still face genuine difficulty paying their water bills. In January 2017 the Company began building a Community Engagement Team which focuses on developing relationships with 3rd party organisations such as Local Authorities and Charities, the key focus being on those customers who are considered 'hard to reach'. Work has continued to increase the awareness of the Trust and this will continue into 2021/22. Since the introduction of the company's Social Tariff known as Assure customers who meet the eligibility criteria receive a reduction on their bill which assists those on low incomes. This will potentially result in a reduction in a reduced level of customer debt. If it appears from an Assure application that a customer may eligible for assistance with their water debt they are advised to consider making an application to the Trust.

Fig 1. Charitable Trust Grants

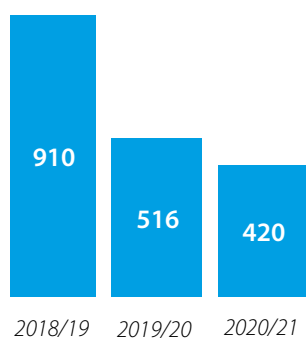


Fig 2. Value of grant aid made

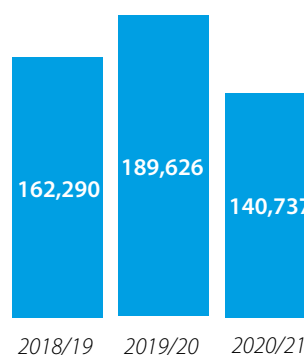
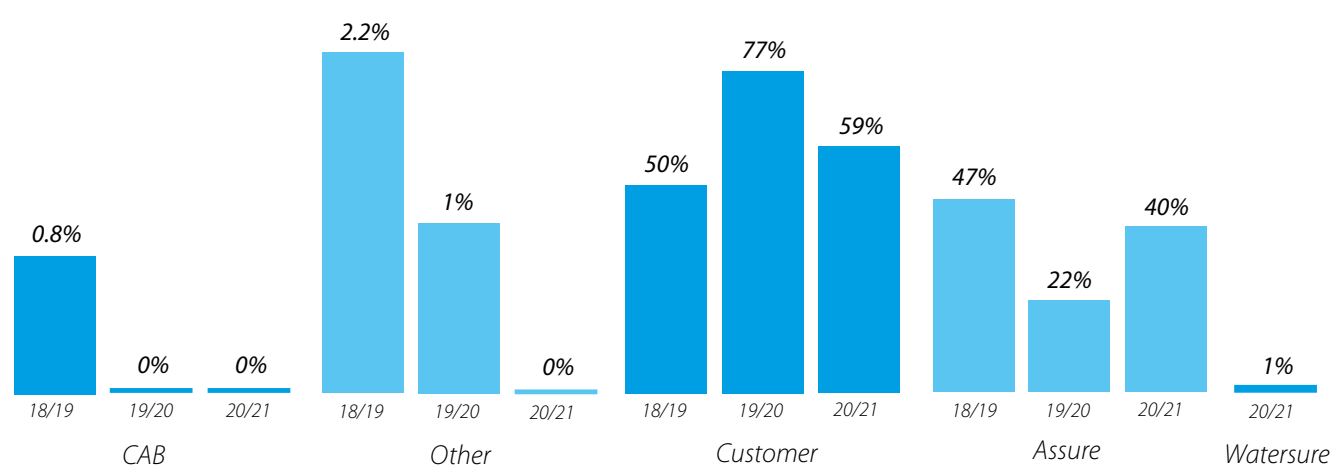


Fig 3. Comparison of application sources



The Trustees once again have undertaken several reviews during the year. These have included case reviews, audits of applications, changes to the way in which the Trust prompts contact from a customer when they do not keep to the arrangement agreed.

Of the total number of application forms sent out during 2020/21 around 31% were returned, a decrease compared to previous years.

## Plans for future periods

The Trustees are pleased that South Staffordshire Water PLC acknowledges the ongoing problems associated with unpaid water bills and that it sees it as a continuing concern and acknowledges the Company will extend the help it provides during 2021/22 through their continued use of the Social Tariff and implementation of its affordability strategy.

The Trust needs to ensure South Staffs Water customers are aware of the help South Staffs can directly provide and the assistance the Trust can provide. This continues to be an important factor during 2021/22.



In reviewing its strategy on debt recovery, the Company continues to promote a socially responsible approach to those customers who have a real problem in paying due to hardship. The Charitable Trust will continue to be supported.

The Trustees continue to believe that the Trust provides real assistance and reassurance to customers in genuine need where applicable, for those who are prepared to try to maintain payments. Where possible, at an affordable amount, the Trust will consider assisting in respect of past water debt.

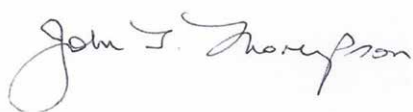
## Financial Review

While aiming to use its available resources to apply its income towards relieving those customers who are in conditions of need, poverty, hardship or other distress, the charity ensures that positive net assets and cash balances are maintained at any point in time.

The Trustees do not consider it necessary to retain reserves as all grants are funded before being committed to. After making enquiries, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

### Trustee Certificate

Approved by the Trustees on 27 January 2022 and signed on their behalf by:



**John Thompson**  
Chairman

# Independent Examiner's Report

## to the Trustees of South Staffordshire Water Charitable Trust

I report to the Trustees on the accounts of the Trust for the year ended 31 March 2021 comprising the statement of financial activities, the balance sheet and the related notes 1 to 6.

### **Respective responsibilities of trustees and examiner**

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(1) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity is preparing accrued accounts and I am qualified to undertake the examination by being a qualified member of Institute of Chartered Accountants in England & Wales.

It is my responsibility to

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

### **Basis of independent examiner's report**

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

### **Independent examiner's statement**

In connection with my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:
  - to keep accounting records in accordance with section 130 of the 2011 Act; and
  - to prepare accounts which accord with the accounting records and to comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination
 have not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my work, for this report, or for the opinions I have formed.



**Andrew Morris FCA**  
 for and on behalf of Dains LLP  
 Birmingham  
 27 January 2022

# Statement of Financial Activities

## Incorporating the Income and Expenditure Account

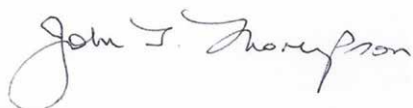
	2021 £	2021 £	2020 £	2020 £
Incoming resources				
Donations	140,737		186,627	
Donated services	29,796		28,502	
		170,533		215,129
Resources expended				
Charitable activities	(140,737)		(186,627)	
Support costs	(29,796)		(28,502)	
		(170,533)		(215,129)
Net movement in funds		—		—
Reconciliation of funds:				
Total unrestricted funds at 1 April		70		70
Total unrestricted funds at 31 March		70		70

### Balance sheet as at 31st March 2021

	2021 £	2021 £	2020 £	2020 £
Current assets				
Cash at bank	70		70	
Net assets		70		70
Represented by:				
Unrestricted funds as at 1st April	70		70	
Surplus for the year	—		—	
Unrestricted funds as at 31st March		70		70

### Trustee Certificate

The accounts were approved by the Trustees on 27 January 2022 and signed on their behalf by:



**John Thompson**  
Chairman

## Notes to the Accounts

### 1. Accounting Policies

The principal accounting policies are summarised below and have been applied consistently throughout the year and the preceding year.

#### Accounting Convention

The financial statements are prepared under the historical cost convention and in accordance with the best practice as laid down in the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP FRS102 effective 1 January 2019) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

South Staffordshire Water Charitable Trust meets the definition of a public benefit entity under FRS102.

As explained on page 9, the financial statements are prepared on a going concern basis.

#### Income and Expenditure

Income is accounted for in the period in which the charity becomes entitled to it, it is probable that the income will be received and the amount of income receivable can be measured reliably. Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Grants payable are accounted for when the Trust is committed to the expenditure.

#### Donated Services

Where South Staffordshire Water Plc, or one of its subsidiary undertakings, provides the services of employees and other services to the Trust, the cost of providing such services is treated as a donation receivable by the Trust and a cost of grant making or governance of the Trust. This gift is valued based on the payroll costs of individual employees and the amount of time allocated to The Trust's activities.

### Cash at Bank

Cash at bank represents deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

### Fund Accounting

Unrestricted funds are accumulated funds available for use at the discretion of the Trustees in furtherance of the general objectives of the Trust.

## 2. Trustees' Remuneration

No Trustees are paid a fee for providing their services and no expenses have been reimbursed.

## 3. Examiners' Remuneration

The remuneration of the examiners is £975 (2020: £925) which has been borne by South Staffordshire Water Plc.

## 4. Resources Expended

	2021 £	2020 £
Grants to individuals	140,737	186,627
Claims administration	26,433	26,159
Secretary expense	266	224
Treasury services	367	354
Administration services	355	298
Insurance	1,400	542
Governance	975	925
Total	170,533	215,129

## 5. Statement of Funds

	Brought forward £	Incoming resources £	Resources expended £	Transfers in / (out) £	Carried forward £
Unrestricted funds	70	170,533	(170,533)	—	70

## 6. Related Party Transactions

There are no related party transactions during the year (2020 - £nil).