



South Staffordshire Water Charitable Trust

2022/23 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 (Vice Chairman).....Housing and Welfare, Walsall Council
Mr Richard Curtis.....Cambridge and District Citizens Advice
Adrian Eggington (Appointed 22nd September 2022).....Black Country Housing Group
Gary Hyde (Appointed 22nd September 2022).....Exeter Friendly Society Ltd
Ian Jones
Cllr Tom Marshall.....Lichfield District Council
Debora Padfield (Appointed 23rd November 2022, Resigned 29th January 2023)
Gareth Seddon

Charitable Trust Secretary

Heidi Knapton (Appointed 22nd May 2023).....South Staffordshire Water PLC
Rebecca Smith (Appointed 7th November 2022,
Resigned 3rd May 2023).....South Staffordshire Water PLC
Dan Rhodes (Appointed 1st February 2022,
Resigned 7th November 2022).....South Staffordshire Water PLC

Registered Address

South Staffordshire Water PLC
Green Lane
Walsall
West Midlands
WS2 7PD
Tel: 01922 638282

Independent Examiner

Dains Audit Limited
15 Colmore Row
Birmingham
B3 2BH

Bankers

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

Registered Charity Number

1043177

Website

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 15th October 1993 and amended on 17th 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, Rebecca Smith, who acts as the Trust's Secretary, is much appreciated. Similarly, the input of Lorraine Griffin, Laura Devey and Nina Mason 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 Dan Rhodes (Resigned 7th November 2022) whom was followed by Rebecca Smith, Customer Delivery Director, on 7th November 2022 (Resigned 3rd May 2023) and handed over to Heidi Knaption from 22nd May 2023.

The Trust Secretary may be contacted at:
South Staffordshire Water Charitable Trust
Green Lane
Walsall
West Midlands
WS2 7PD
Telephone: 01922 638282

The Trustees meet formally four times a year or when considered appropriate to review Trust policies, their implementation and examine genuine requests for financial help. The venue for the face to face and video conference meetings is normally at the Company's offices in Green Lane, Walsall and Cambridge Water offices in Fulbourn Road, Cambridge. Online meetings were held between May 2020 and April 2022 during the Covid-19 pandemic.

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 PLC in both the South Staffordshire 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 Staffordshire Water PLC through cash donations to match charitable expenditure and gifts in kind to meet costs of grant making and governance. South Staffordshire Water PLC approve the cash is available to make the payments.

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 out-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 was updated following the cost-of-living situation that many households find themselves in. In collaboration with some of the advice agencies we work with, the policy was changed to reflect the current financial climate. From September 2022, a 100% grant will be paid if the grant applicant has made at least £10 towards their payments in the 3 months prior to their application to the Trust. Those that have not been making regular payments will be required to pay £1 per week for a period of 10 weeks, upon successful completion of this plan, a 100% grant will be made.

Prior to this date the grant payment was made in the following way: 50% of the grant paid after 26 weeks of regular payments and the remaining 50% of the grant paid after 52 weeks of regular payments. Prior to 2021, the eligibility criteria was that 100% of the grant would be paid upon 52 weeks of regular payments. Revisions to eligibility criteria will be reviewed regularly to ensure the potential for the Trust to assist as many customers as possible.

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 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.

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 Water 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 totaling £272,437 in respect of 728 customers.

The Trust had a total of £371,132 available funds to be utilised towards grants payments within the year, consisting of £157,868 available funds from previous financial years being carried forward, and £213,264 being made available within the financial year. The available funds are made by South Staffordshire Water PLC to the charity which is held in South Staffordshire Water PLC accounts as a ringfenced fund until required. The closing balance as of 31st March 2023 for the available funds accessible to the charity is £98,695.

The Trustees have seen no appeals referred to the Trust in the year 2022/2023.

The Trust has received 89.7% of applications from customers directly, 5.7% of applications via the Assure tariff, 1.1% of applications from CAB, and 3.5% of all other applications from elsewhere.

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 £19,050* (excluding income from Disability Living Allowance, Personal Independence Payment and Attendance Allowance), may qualify for a discount of up to 60% for one year and in the second year by 40% 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 14,229 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 2023/2024. 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 be eligible for assistance with their water debt they are advised to consider making an application to the Trust.

From 2017 until 2022 at the invitation of the South Staffs and Cambridge Water Customer Panel trustees were invited to meetings of the Panel's Vulnerability Sub-Group. The Sub-Group meetings held on the same day at Trust meetings were a forum about the wide range of company activities supporting customers. Detailed information was given on performance against targets in Ofwat approved business plan and other aims of the company. Reports covered Customer Care Metrics, progress on uptake of the Assure Social Tariff, Priority Services Registration and outreach initiatives such as the Community Hub and Water on Wheels. The constant picture was of excellent performance and that the team were willing to take new approaches to improve services for customers particularly

* The £17,005 was increased to £19,050 on 1st April 2023.

Fig 1. Charitable Trust Grants

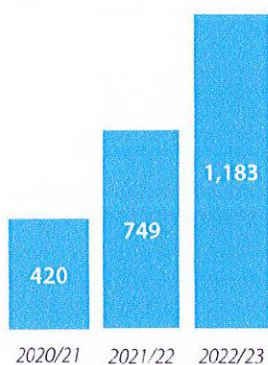


Fig 2. Value of grant aid made

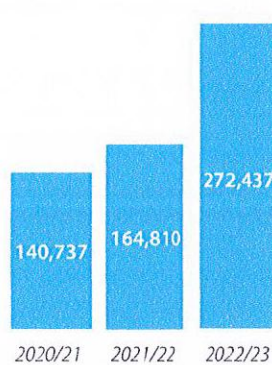
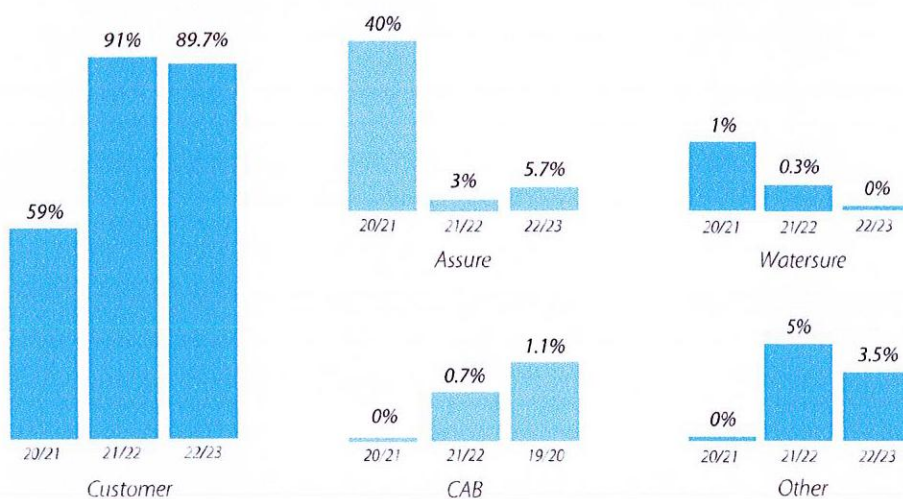


Fig 3. Comparison of application sources



the vulnerable and those with affordability issues. The proposal by the Consumer Council for Water that a new national single social tariff should replace individual companies tariff does create some uncertainties how this will, if implemented by the Government, affect the company's customers currently receiving Assure support.

The total number of application forms issued during 2022/2023 was 520, with 453 replies received from customers directly.

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 2023/24 through their continued use of the Social Tariff and implementation of its affordability strategy.

The Trust needs to ensure South Staffordshire Water PLC customers are aware of the help the Company can directly provide and the assistance the Trust can provide. This continues to be an important factor for 2023/24.

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

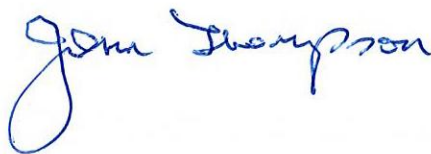
While aiming to use its available resources to apply its income towards relieving those customers who are in conditions of need, poverty, hardship or other distress, the charity ensures that positive net assets and cash balances are maintained at any point in time.

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 24-11-2023 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 31st March 2023 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 in accordance with the Charities Act 2011. 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.

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 Audit Limited
Birmingham

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Statement of Financial Activities

Incorporating the Income and Expenditure Account

	2023 £	2023 £	2022 £	2022 £
Incoming resources				
Donations	272,437		164,810	
Gift in kind	25,594		31,049	
		298,031		195,859
Resources expended				
Charitable activities	(272,437)		(164,810)	
Support costs	(25,594)		(31,049)	
		(298,031)		(195,859)
Net resources		—		—

Balance sheet as at 31st March 2023

	2023 £	2023 £	2022 £	2022 £
Current assets				
Cash at bank	70		25	
Banking charges due from associated Company	—		45	
Net assets		70		70
Represented by:				
Unrestricted funds as at 1st April	70		70	
Profit for the year	—		—	
Unrestricted funds as at 31st March		70		70

Trustee Certificate

The accounts were approved by the Trustees on 24-11-23 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 £1,500 (2022: £1,024) which has been borne by South Staffordshire Water PLC.

4. Resources Expended

	2023 £	2022 £
Grants to individuals	272,437	164,810
Claims administration	21,110	27,755
Secretary expense	255	168
Treasury services	—	366
Administration services	509	336
Insurance	1,848	1,400
Governance	1,540	1,024
Financial reporting services	272	—
Banking charges	60	—
Total	298,031	195,859

5. Statement of Funds

	Brought forward £	Incoming resources £	Resources expended £	Transfers in / (out) £	Carried forward £
Unrestricted funds	70	298,031	(298,031)	—	70

6. Related Party Transactions

There are no related party transactions during the year (2022 - £nil).