

REPORT TO: School Forum
DATE: 21st June 2017
REPORTING OFFICER: Senior Finance Officer, Financial Management Division
SUBJECT: Surface Water Drainage Charges to schools in the North West 2017-18 and 2018-19

1.0 **PURPOSE OF REPORT**

1.1 **To update School Forum on the Surface Water Drainage Charges.**

2.0 **RECOMMENDATION**

RECOMMENDED:

- (1) The report is noted.

3.0 **SUPPORTING INFORMATION**

As you will be aware North West schools led by our colleagues in Sefton have been raising awareness of the inconsistency across water utility companies in how they treat schools. In the North West region schools pay approximately £27 million on water and sewerage charges while a comparable number of schools and pupils in the South East region pay approximately £11M, a difference of £16M per year.

3.1 A letter was received from Steve Mogford, the Chief Executive of United Utilities in early May setting out their plans for charging schools in 2017-18 and 2018-19 onwards – as below:

Surface Water Drainage Charges to Schools in the North West

I am writing to you regarding surface water and highway drainage charges for schools in the North West Region.

Charging organisations for their drainage service based on the size of the site they occupy better reflects the associated costs and investment required with providing this service to our customers. We have, however, been aware of concerns regarding the level of our charges for schools, compared to those of other water companies.

A significant part of the site area charges applied to schools relates to non-porous playground surfaces. School playgrounds are an essential part of the fabric of both school infrastructure and the pupil experience. There are obvious societal benefits associated with the

provision of a playground area attached to an educational establishment. Schools are also likely to find it impractical to disconnect playgrounds from the drainage system.

In view of the clear benefits of these facilities to all children in education – and, therefore, society more generally, we have concluded, following discussions with Defra and Ofwat to make an adjustment to schools' site area charges to reflect the provision of the playground.

What this means

We will be introducing a concession for schools on the basis that they fall within the scope of the following definition:-

An educational establishment which:-

- Is used exclusively or nearly exclusively for delivering education and tuition of students for any or all of Key Stages 1-5 or equivalent; and also*
- Has a playground facility attached*

The concession will be introduced prospectively in our 2018/19 charges scheme and will provide a 50% discount to the wholesale site area charges for surface water and highway drainage broadly equivalent in value to being one band lower than their existing site area charge.

For the overwhelming majority of schools this would represent an approximately 40% reduction in the overall wastewater bill.

After carefully considering what further action we could take immediately, we have decided to provide a bill credit to schools for 2017/18 worth about 15% of their wholesale site area charges.

Communication

We are writing to all bill payers affected by the changes, explaining the credit being applied to their account this year and how the concessionary charges will be introduced from 2018/19.

I trust that you consider this to be a positive response to the issue of surface water and highway drainage charges for schools in our region.

3.2 Appendix A shows the calculations of the possible impact on individual schools.

3.3 Next Steps

The North West LMS Finance Officers Group is looking to meet before the end of the summer term. As a group we will be considering the total impact of this change on the North West region and whether it is 'fair' and 'reasonable'. An update will be brought to Schools Forum after the NW meeting.

4.0 **POLICY IMPLICATIONS**

4.1 None

5.0 **OTHER IMPLICATIONS**

5.1 None

School	Site Area Charging band	2017/18 Bandings rates	2017/18 15% saving	Assumed 18/19 banding rates	2018/19 50% saving
Birchfield Nursery	4	1,703	255	1,737	868
Ditton Early Years Centre	4	1,703	255	1,737	868
Hale C Of E School	4	1,703	255	1,737	868
Halebank C Of E School	4	1,703	255	1,737	868
St Gerards R C Primary School	4	1,703	255	1,737	868
Warrington Road Childrens Centre	4	1,703	255	1,737	868
Woodside Primary School	4	1,703	255	1,737	868
Daresbury Primary	5	3,562	534	3,633	1,816
Spinney Avenue Primary	5	3,562	534	3,633	1,816
Runcorn All Saints Primary	5	3,562	534	3,633	1,816
St Augustines RC Primary	5	3,562	534	3,633	1,816
St Clements R.C Primary School	5	3,562	534	3,633	1,816
St Edwards Primary	5	3,562	534	3,633	1,816
The Bridge School	5	3,562	534	3,633	1,816
The Brow Primary	5	3,562	534	3,633	1,816
Victoria Road Primary	5 (assumed)	3,562	534	3,633	1,816
Widnes Academy	5 (assumed)	3,562	534	3,633	1,816
Ashley School	6	7,918	1,188	8,077	4,038
Brookvale Primary School	6	7,918	1,188	8,077	4,038
Castleview Primary	6	7,918	1,188	8,077	4,038
Chesnut Lodge School	6	7,918	1,188	8,077	4,038
Fairfield County Infants	6	7,918	1,188	8,077	4,038
Fairfield County Junior	6	7,918	1,188	8,077	4,038
Farnworth CE Primary	6	7,918	1,188	8,077	4,038
Gorsewood Primary	6	7,918	1,188	8,077	4,038
Hallwood Park Primary	6	7,918	1,188	8,077	4,038
Lunts Heath Primary	6	7,918	1,188	8,077	4,038
Moore Primary	6	7,918	1,188	8,077	4,038
Moorfield Primary School	6	7,918	1,188	8,077	4,038
Pewithall County Primary	6	7,918	1,188	8,077	4,038
St Martins Rc Primary	6	7,918	1,188	8,077	4,038
St Marys C Of E Primary	6	7,918	1,188	8,077	4,038
St Michaels RC Primary	6	7,918	1,188	8,077	4,038
Westfield Primary	6	7,918	1,188	8,077	4,038
Weston Primary	6	7,918	1,188	8,077	4,038
Windmill Hill Primary	6	7,918	1,188	8,077	4,038
All Saints Upton Primary	6 (assumed)	7,918	1,188	8,077	4,038
Astmoor Primary	6 (assumed)	7,918	1,188	8,077	4,038
Beechwood Primary	6 (assumed)	7,918	1,188	8,077	4,038
Bridgewater Park Academy	6 (assumed)	7,918	1,188	8,077	4,038
Brookfields School	6 (assumed)	7,918	1,188	8,077	4,038
Cavendish High Academy	6 (assumed)	7,918	1,188	8,077	4,038
Ditton Primary	6 (assumed)	7,918	1,188	8,077	4,038
Halton Lodge Primary	6 (assumed)	7,918	1,188	8,077	4,038
Hillview Primary	6 (assumed)	7,918	1,188	8,077	4,038
Murdishaw West Primary	6 (assumed)	7,918	1,188	8,077	4,038
Our Lady Mother of the Saviour	6 (assumed)	7,918	1,188	8,077	4,038
Our Lady Of Perpetual Succour	6 (assumed)	7,918	1,188	8,077	4,038
St Basils RC Primary	6 (assumed)	7,918	1,188	8,077	4,038
St Bedes RC Infants	6 (assumed)	7,918	1,188	8,077	4,038
St Bedes RC Juniors	6 (assumed)	7,918	1,188	8,077	4,038
St Bertelines RC Primary	6 (assumed)	7,918	1,188	8,077	4,038
St John Fisher RC Primary	6 (assumed)	7,918	1,188	8,077	4,038
The Holy Spirit Primary	6 (assumed)	7,918	1,188	8,077	4,038
Weston Point Primary	6 (assumed)	7,918	1,188	8,077	4,038
Oakfield Community Primary	7	15,044	2,257	15,345	7,672
Simms Cross Primary	7	15,044	2,257	15,345	7,672
Palacefields Primary Academy	7 (assumed)	15,044	2,257	15,345	7,672
Sandymoor Free School	7 (assumed)	15,044	2,257	15,345	7,672
Ormiston Bolingbrooke Academy	8 (assumed)	22,809	3,421	23,265	11,632
St Chads Rc High School	8	22,809	3,421	23,265	11,632
The Grange	8	22,809	3,421	23,265	11,632
The Heath School	8 (assumed)	22,809	3,421	23,265	11,632
Ormiston Chadwick Academy	9	32,693	4,904	33,347	16,673
Wade Deacon High School	9	32,693	4,904	33,347	16,673
St Peter & Paul RC High	10	57,023	8,553	58,163	29,082
Total Saving			93,337		317,347