

WIRRAL COUNCIL

WIRRAL SCHOOLS FORUM 13th January 2016

REPORT OF THE DIRECTOR OF CHILDREN'S SERVICES

CAMPAIGN TO REDUCE HIGH REGIONAL WATER AND SEWERAGE CHARGES

1. EXECUTIVE SUMMARY

Schools in the North West spend £27 million annually on water and sewerage charges. This can be compared with costs of £11 million in the South East. Many think that this regional variation in charges is unfair and unreasonable. This report describes the different elements of the water tariff, shows the difference in charges between English regions, describes previous successes in winning concessions from the water supplier and encourages individual schools to be involved in a future consultation that is being considered by government.

2. BACKGROUND

Water is an essential utility and an unavoidable cost for schools. At present there is no choice of which water supplier we use. This will change from 1 April 2017 but at present our supplier is United Utilities (UU). Wirral schools are charged according to UU standards that have been approved by the water regulator, Ofwat.

United Utilities water bills are split into two main components: a charge based on the volume of water that is used; and a charge to cover rainwater that drains into their system called Surface Water and Highways Drainage (SW&HD). It is the drainage charge that is being challenged.

Since 2008 United Utilities has adopted a drainage charge based on the size of a site's chargeable area. This is the whole site footprint area minus any areas that are grassed, landscaped or cultivated. Charges are reviewed annually.

The highest single SW&HD charge at one Wirral school site is currently **£51,882** per year and accounts for **79%** of their total annual water cost.

The responses to a government consultation on water charging guidance in Summer 2015 highlighted this variation in regional costs. In response to the feedback, DEFRA have advised that they are currently reviewing the existing Guidance to Water and Sewerage Undertakers in relation to Concessionary Schemes for Community Groups for Surface Water and Highways Drainage (SW&HD) Charges and may run a further consultation in early 2016.

3. CHARGING DIFFERENCES FOR SCHOOLS ACROSS ENGLAND

A report prepared by Sefton Council compared SW&HD charges for different regions across England. The information was taken from Department for Education (DfE) Consistent Financial Reporting (CFR) data for 2012/13

Appendix 1 highlights the water cost for each region and compares the North West (NW) and South East (SE). The main points are as follows:

- The NW region's water and sewerage charges were **£27,190,193** for the year compared to the SE region's charges of **£11,170,358**. These regions have similar school and pupil numbers.
- The NW Region's water and sewerage charge per pupil was **£32.51** for the year compared to the SE Region's charge of **£13.00**.
- The NW Region's average water and sewerage charge per school was **£9,656.00** compared to the SE Region's charge per school of **£3,947.00**.

It is clear that Schools in the NW are, on average, are paying more than any other area in England for water & sewerage. Since water companies are allowed to choose their own charging mechanisms for SW&HD by the regulator, it would appear that other companies do not use a charging mechanism that is based on surface area.

4. CONCESSIONARY SCHEMES

After the introduction of the SW&HD charges based on site area in 2008, United Utilities agreed a concessionary scheme for churches, scout huts and privately run community centres. A further concessionary scheme for Parks and Cemeteries will apply from April 2016 after much lobbying from North West Councils, Councilors and MP's.

5. CURRENT INITIATIVES

The focus of the campaign group that are largely responsible for winning the concession for Parks and Cemeteries has now moved to schools.

It is reported that DEFRA has agreed to review the existing Guidance to Water and Sewerage Undertakers in relation to Concessionary Schemes for Community Groups for Surface Water and Highways Drainage (SW&HD) Charges in relation to schools. This may result in a further consultation being run in early 2016.

It is considered that the Government's potential agreement to reconsider the concession for schools was influenced by the 85 schools who 'complained' and recent local and national media coverage. If DEFRA commission another consultation, a high volume of responses from individual schools would further show the strength of feeling about the charges and could in future reduce bills for schools in the North West. The savings that may be possible will depend on changes to charging guidance issued by DEFRA.

6. CONCLUSIONS

Schools in the North West are paying significantly more for water and sewerage than schools in other parts of England. The difference in charges is largely due to a lack of consistency in charging method for the Surface Water and Highways Drainage part of water bills across England.

DEFRA is reviewing its charging guidance following highly critical responses to a consultation that was run over the summer of 2015.

Concessions have previously been won from the North West water supply company, United Utilities after concerted and coordinated campaigns.

The campaign against high water charges in the North West has now extended to schools and, through the NW Schools Finance Officers group.

It is considered that if schools express their views in volume this will significantly increase the chances of a successful outcome. Widespread support must be evident to DEFRA, Ofwat and United Utilities if concessions that reduce the high water charges in the North West are to be won

7. RECOMMENDATIONS

The Forum note the report and endorse the approach being taken on behalf of schools:

Julia Hassall
Director of Children's Services

Extract from Water & sewerage charges for schools in North West and how they compare to other regions (Draft Report) by Sefton Council

What the CFR data says at a national/regional level

All regions water/sewerage charges 2012/2013

Region	E15 Water and sewerage	Rank	Percent of total
North West Total	£27,190,192.68	1	29.04%
South East Total	£11,170,358.42	2	11.93%
West Midlands Total	£10,204,799.98	3	10.90%
Yorkshire and the Humber Total	£8,062,738.94	4	8.61%
North East Total	£7,570,400.28	5	8.09%
South West Total	£6,929,752.54	6	7.40%
East Midlands Total	£6,509,263.08	7	6.95%
East of England Total	£6,300,259.03	8	6.73%
Outer London Total	£5,646,973.03	9	6.03%
Inner London Total	£4,035,013.03	10	4.31%
Grand Total	£93,619,751.01		

The North West and South East are 'similar' in terms of pupil numbers and numbers of schools

Region	North West	South East
Number of Pupils (FTE)	836,431	859,221
Number of schools per region	2,816	2,830
E15 Water and sewerage	£27,190,193	£11,170,358
Water and Sewerage charge per pupil	£32.51	£13.00
Rank per pupil (1 highest, 10 lowest)	1	7
Average water and sewerage charge per school	£9,656	£3,947
Rank per school (1 highest, 10 lowest)	1	8
Percent of total charges paid per region	29.04%	11.93%