

WIRRAL COUNCIL

WIRRAL SCHOOLS FORUM – 05 July 2017

REPORT OF THE DIRECTOR FOR BUSINESS SERVICES

SURFACE WATER AND HIGHWAYS DRAINAGE CREDIT AND CHARGE REDUCTIONS FOR SCHOOLS AND EDUCATIONAL SITES

1. EXECUTIVE SUMMARY

This paper provides a brief description of how the utility wholesale company, United Utilities intend to provide a credit in 2017/18 and reduce future charges in relation to Surface Water and Highways Drainage charges at Wirral Schools and Educational Sites.

2. BACKGROUND

Since 2007 schools and educational sites in the North West have been charged for Surface Water and Highways drainage charges based on the size of their Chargeable Areas. The Chargeable Area is any area within a site boundary that is not grassed, landscaped or cultivated land. Because many schools have large chargeable areas due to their footprint and the playground size, drainage charges have been higher than other areas of the country where different methods for charging are used.

A water bill is made up of the following different elements:

- Metered Water Charges
- Metered Sewerage Charges
- Standing Charge
- Surface Water and Highways Drainage Charges (SWHD)

3. UPDATE

This update relates to the SWHD element of the water bill. In May 2017 Wirral Council received a notification from United Utilities, our wholesale supplier for water. United Utilities recognise that a significant part of the chargeable school area is attributed to playgrounds at educational sites which provide a societal benefit. As such they have decided to apply a concession to the SWHD wholesale charges.

For most schools this will represent approximately 40% reduction in their waste water bill from April 2018. Furthermore they have agreed to provide a credit of approximately 15% of the wholesale charges in the 2017/18 financial year.

There has been ongoing pressure applied to United Utilities regarding these charges by North West Councils and Schools, including Wirral. This pressure applied has almost certainly been the catalyst for the reduction in SWHD charges. Educational sites will all be contacted directly by United Utilities (if they haven't been already) regarding the changes in wholesale charges.

The wholesale charges for schools and educational sites will reduce from April 2018. Most schools should receive a benefit of roughly moving down 1 SWHD charge

band. These concessions will only apply to educational establishments that have a playground facility attached and deliver tuition on any or all levels of key stages 1 to 5. It should be noted that the changes to the banding charges will only take effect from April 2018. For information the retail banding table for the current 2017/18 financial year is shown below:

Surface water drainage and highway drainage charges

Site area charging band	Chargeable area m²	Surface water drainage only charge	Highway drainage only charge	Surface water drainage and highway drainage charge
Band 1	Up to 124	£92.09	£43.85	£135.95
Band 2	125-299	£228.76	£108.92	£337.67
Band 3	300-649	£509.82	£242.75	£752.56
Band 4	650-1,499	£1,153.48	£549.24	£1,702.72
Band 5	1,500-2,999	£2,412.70	£1,148.80	£3,561.50
Band 6	3,000-6,999	£5,364.19	£2,554.15	£7,918.34
Band 7	7,000-11,999	£10,191.35	£4,852.57	£15,043.92
Band 8	12,000-17,999	£15,632.34	£7,176.33	£22,808.68
Band 9	18,000-24,999	£22,406.58	£10,286.19	£32,692.77
Band 10	25,000-49,999	£39,081.64	£17,941.21	£57,022.84
Band 11	50,000-74,999	£65,136.41	£29,902.17	£95,038.58
Band 12	75,000-99,999	£91,191.18	£41,863.14	£133,054.32
Band 13	100,000-124,999	£117,245.94	£53,824.10	£171,070.04
Band 14	125,000-149,999	£143,300.73	£65,785.06	£209,085.79
Band 15	≥ 150,000	£169,356.01	£77,746.26	£247,102.27

(Banding charges 01 Apr 2017 – 31 Mar 2018)

The expected Savings over the next 2 financial years are shown in the table below. However please note the 2018/19 figures are Indicative.

	Impact on Wirral MBC schools	Impact on all schools in Metropolitan Borough of Wirral area (including Academies etc.)	Impact on entire United Utilities Water service area
2017-18 bill credit <i>(15% of wholesale site area charges for SWHD (excluding retail element))</i>	£128,000	£195,000	£4,200,000
Indicative 2018/19 saving <i>(50% of wholesale site area charges for SWHD (excluding retail element))</i>	£427,000	£655,000	£14,100,000

4. RECOMMENDATIONS

It is recommended that the forum notes the content of this report.

David Armstrong

Director for Business Services (Assistant Chief Executive)