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Dear Jo

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.

Yours sincerely

Steve Mogford Chief Executive