



# Rateable Value

## A Guide to how your non-metered water bill is calculated

All properties are charged for water by one of two methods: -

1. Since 1989 all new properties are required to have a meter installed to measure the amount of water used. This allows us to calculate charges for water supply. In addition, Three Valleys Water operates a scheme to install meters where a property changes ownership.
2. Most domestic properties built before 1989 are charged for their water services on the Rateable Value of that property, although some customers have chosen to have a water meter installed (see below).

Rateable Values were set by the Government and used by local authorities in order to calculate general rates. Water rates were also historically based on those values. In 1989 the Community Charge replaced general rates and in 1992 the Council Tax replaced the Community Charge as the basis for local taxation. Consequently, no revisions of rateable values have taken place since 31 March 1990 and the last full revision was in 1973.

Water companies throughout England and Wales had no alternative way of charging their non-metered customers and have been given permission through the Water Industry Act 1999, to continue to use rateable values.

### How your water bill is calculated

The rateable value of your property is multiplied by a unit charge to calculate the variable element of your bill. We then add a standing charge to obtain the total annual charges for water and sewerage. If your friends or neighbours are paying less in charges than you are, then they probably occupy properties with lower rateable values. Alternatively, they may have fitted a water meter.

### Government Review

During 1995 the Government conducted a review into the best method of charging for water in the longer term. It looked at different methods, e.g. charging on the number of people living in a property, the number of rooms and even the number of water using appliances. All of these were rejected because they would be too difficult or too costly to administer.

The Government also looked into charging using Council Tax bands, given that these have replaced rateable values as the basis for local taxation. However, charging with reference to Council Tax bands was also rejected because of the high 'incidence' effect. This means that too many people would see increases in water bills just from moving to a new system. The 'losers' would outweigh the winners with disadvantaged groups, such as pensioners and the unemployed, being particularly badly affected.

### The Future

The Government has now decided that metering is the best method of charging for water in the long term. It considers that paying for the amount of water used is the fairest method of charging, as well as encouraging water conservation. The Government expects metering to take some time to become widespread. It supports the metering of new properties and properties where there has been a change of occupier. It also believes that customers in non-metered homes should have the option of a free meter. Three Valleys Water also supports metering as the fairest method of charging.

### Meter Option

In order to provide customers with an alternative charging method we offer a free meter option scheme. Details of the scheme, which includes a ready reckoner to estimate your water use, can be sent to you on request. The scheme allows you to revert to non-metered charges during the first 18-months.

**Please phone 0845 769 7982**

(Mon-Fri 8am to 6pm and Sat 8am to 2pm)

**Finally, please remember that:**

**If you live alone, or feel that your family are low water users, you may well benefit from having a meter installed.**

**Your existing non-metered account remains payable until the meter is fitted.**

