

Introduction

This guide will help you determine whether or not your property is 'part-residential'. It also explains how part-residential properties are charged for water and sewerage services.

Your property may be considered to be part-residential if:

- the house where you live is also used as a business¹ which has rateable value, or
- part of your business is also used as a dwelling and has a Council Tax Banding.

¹ Where this leaflet refers to a business premises this may be a business or other non-household premises including not-for-profit organisations.

Information for household customers

How can I tell if my premises are part-residential?

- In general, if you only pay unmeasured household water and sewerage services through your Council Tax bill or metered household charges direct to Scottish Water, your premises will not be part-residential and this guide will not be relevant to you. Most households fall into this category.
- If you also receive a water bill from anyone else your premises may be part-residential. This includes receiving a bill from a business or from one of the licensed providers that sell water and sewerage services to business premises in Scotland. If your premises are part-residential then this guide may be helpful to you.

I think my premises may be part-residential. What should I do next?

If you think your premises may be part-residential you should contact Scottish Water on 0845 601 8855. When you phone you should have to hand the details of why you think your house may be part of a part-residential premises e.g. it also has a rateable value (the reference number from your business rates demand would be helpful) or the details of who else sends you water bills (the account reference number would be helpful). They will find out for you whether or not your premises are part-residential.

They will do this by contacting your local assessor's office to ask them if your premises have an 'apportionment note'. This note means that the assessor recognised your premises as being part-residential and changed the valuation roll to reflect this.

My premises are recognised as being part-residential. What happens now?

If your premises are recognised as being part-residential then your whole premises are deemed to be non-household premises. Household charges therefore no longer apply, and you will not pay for water and sewerage services through your Council Tax bill or directly to Scottish Water.

You will instead pay for your water and sewerage services by paying the business customer who also receives water and sewerage services at your premises. The business customer will receive an updated bill from the licensed provider which reflects the change in charging status to part-residential. The business customer should then contact you to set up what is known as a 'water resale agreement'. This agreement will outline the charges you will pay and how you will be invoiced.

There are strict rules to protect you in these circumstances. Please contact Scottish Water at 0845 601 8855 to receive a copy of the 'water resale rules'. The rules are also set out as part of Scottish Water's Charges Scheme (which is available at www.scottishwater.co.uk).

My premises are not recognised as being part-residential. How will the charges be determined?

If your premises are not recognised as being part-residential, they will be considered separately as a dwelling (which is subject to household charges) and as a business (which is subject to non-household charges).

My premises are not recognised as being part-residential. However, both the household and the business parts are served by the same meter. How will I be charged?

Generally, provided your property has both a Council Tax band and a Rateable Value, the meter will remain in place.

You will receive bills directly from Scottish Water but only for property and roads drainage charges. You will also pay for your water and sewerage services by paying the business customer who also receives water and sewerage services at your premises. The business customer should contact you to set up what is known as a 'water resale agreement'. This agreement will outline the charges you will pay and how you will be invoiced.

There are strict rules to protect you in these circumstances. Please contact Scottish Water at 0845 601 8855 to receive a copy of the 'water resale rules'. The rules are also set out as part of Scottish Water's Charges Scheme (which is available at www.scottishwater.co.uk).

Are there any exceptions?

There are a few. Customers can request that meters are removed at guest-houses with fewer than 12 bed spaces (private and letting). Customers can also request that meters are withdrawn if the dwelling and the business are not associated.

Premises are considered to be associated if any of the following are true:

1. The premises are Part-Residential i.e. there is an Apportionment Note.
2. The owner or the occupier of the dwelling is also the owner or occupier of the business.
3. The dwelling cannot be sold separately from the business without modification.
4. Access to either the dwelling or the business uses shared access arrangements e.g. through buildings or across land.

Unless any of the exceptions apply the meter will be used as the method of calculating charges. As mentioned above the bill for the metered supply will be sent to the business customer at your property who may make arrangements to bill you by setting up a water resale agreement.

I fall under one of the exceptions. What are my options?

You can opt to keep the meter and be charged as described above. Alternatively you can ask for the meter to be removed. If you opt to have the meter removed you will pay household water and sewerage charges through your Council Tax bill.

If you think you are covered by one of the exceptions and want to have the meter removed you should contact Scottish Water on 0845 601 8855.

I do not fall under any of the exceptions but I do not want to pay metered charges through a water resale arrangement. What other options do I have?

Unless your property is classed as Part-Residential you have the option to pay to separate your supply from the business and to revert to unmetered Council Tax charges.

Information for business customers

I am a business customer. How can I tell if my premises are part-residential?

- If none of your premises are liable for Council Tax then your premises are not part-residential. They are instead non-household premises (also known as 'eligible premises').

If your premises are non-household premises you can benefit from competition in retail water and sewerage services by being able to choose which licensed provider supplies your business. You can find more about the providers that are currently operating in the market by visiting www.scotlandontap.gov.uk².

- If part of your premises is eligible for Council Tax, this may mean your premises are part-residential. Please see below for further information.

I think my premises may be part-residential. What should I do next?

You should contact your licensed provider and ask them to find out for you whether or not your premises are part-residential.

They will do this by contacting your local assessor's office to ask them if your premises have an 'apportionment note'. This note means that the assessor recognised your premises as being part-residential and changed the valuation roll to reflect this.

My premises are recognised as part-residential. What happens now?

If your premises are recognised as being part-residential then your whole premises are deemed to be non-household premises (or 'eligible premises'). As a result household charges will no longer apply to the household part.

You will instead receive an updated bill from your licensed provider that reflects the change in charging status to part-residential. You can choose to arrange a water resale arrangement with the household customer at your premises if you have not already done so. You can get a copy of the water resale rules from your licensed provider or from www.scottishwater.co.uk.

My premises are not recognised as being part-residential. How will the charges be determined?

If your premises are not recognised as being part-residential, they will be considered separately as a dwelling (which is subject to household charges) and as a business (which is subject to non-household charges).

² The Scotland on Tap website is operated by the economic regulator, the Water Industry Commission for Scotland (www.watercommission.co.uk).

My premises are not recognised as being part-residential. However, both the household and the business parts are served by the same meter. How will the charges be determined?

Generally the meter will remain in place and you will continue to receive bills from your licensed provider. The householder will receive bills directly from Scottish Water but only for property and roads drainage charges.

You can choose to set up a water resale agreement with the householder that is supplied through the meter to your business premises. These agreements are covered by water resale rules which protect the household by allowing it to be charged only the cost of the water and sewage services plus a small administration fee. The water resale rules are included in Scottish Water's current Charges Scheme (which is available at www.scottishwater.co.uk).

Are there any exceptions?

There are a few. Customers can request that meters are removed at guest-houses with fewer than 12 bed spaces (private and letting). Customers can also request that meters are withdrawn if the dwelling and the business are not associated.

Premises are considered to be associated if any of the following are true:

1. The premises are Part-Residential i.e. there is an Apportionment Note.
2. The owner or the occupier of the dwelling is also the owner or occupier of the business.
3. The dwelling cannot be sold separately from the business without modification.
4. Access to either the dwelling or the business uses shared access arrangements e.g. through buildings or across land.

Unless any of the exceptions apply the meter will be used as the method of calculating charges.

I think I fall under one of the exceptions. What are my options?

You can opt to keep the meter and be charged as described above. Alternatively you can ask for the meter to be withdrawn. If you opt to have the meter removed you will be charged unmeasured water and sewerage charges by your licensed provider. The householder will be charged household charges through the Council Tax bill.

If you think you are covered by one of the exceptions and want to have the meter removed you should contact your licensed provider with the details and ask them to arrange for the meter to be removed.

What happens if my business moves to unmetered charges because the household customer has opted for this to happen?

As mentioned above, if the household customer chooses to have the meter removed, unmetered charges will apply to your business premises as well as to the household customer. If you want to continue to receive metered charges, you can choose to separate the supplies but this will be at your own cost.

I am exempt under the Scottish Government's Exemption Scheme. How am I affected by part-residential charging?

- The Scottish Government's Exemption Scheme exempts some registered charities with a small income from paying water and sewerage charges. If your business is exempt under the scheme then this will continue to be the case.