STATUTORY INSTRUMENTS

1974 No. 448

WATER

The Water Authorities (Collection of Charges) Order 1974

Made - - - -	13*th March* 1974
Laid before Parliament	26*th March* 1974
Coming into Operation	27*th March* 1974

The Secretary of State for the Environment and the Secretary of State for Wales, in exercise of the powers conferred upon them by subsection (1)(*a*) of section 254 of the Local Government Act 1972(**a**), as applied by section 34(1) of, and Schedule 6 to, the Water Act 1973(**b**), and of the powers so conferred by the provisions of the said section 254 as so applied, and as extended by paragraph 5(2)(*c*) of the said Schedule 6, and of all other powers enabling them in that behalf, hereby make the following order:—

PART I

INTRODUCTORY

Title, commencement, and territorial extent of exercise of powers

1.—(1) This order may be cited as the Water Authorities (Collection of Charges) Order 1974 and shall come into operation on 27th March 1974.

(2) This order is made—

(*a*) by the Secretary of State for Wales in relation to the Welsh National Water Development Authority, and

(*b*) by the Secretary of State for the Environment in relation to any other water authority.

Interpretation

2.—(1) The Interpretation Act 1889(**c**) shall apply for the interpretation of this order as it applies for the interpretation of an Act of Parliament.

(2) In this order, unless the context otherwise requires—

"existing rating authority" means a local authority within the meaning of the Local Government Act 1933(**d**) who are a rating authority;

(**a**) 1972 c. 70.
(**b**) 1973 c. 37.
(**c**) 1889 c. 63.
(**d**) 1933 c. 51.

"general rate", "rating area", "rating authority" and "rateable value" have the same meanings as in the 1967 Act;

"hereditament" has the same meaning as in the 1967 Act, and includes a hereditament treated as being occupied by virtue of section 33(3) or 34(3) of that Act;

"new rating authority" means a local authority established by or under the 1972 Act who are a rating authority;

"the 1945 Act" means the Water Act 1945(a);

"the 1967 Act" means the General Rate Act 1967(b);

"the 1972 Act" means the Local Government Act 1972;

"the 1973 Act" means the Water Act 1973;

"qualifying area" means an area in respect of which, during the year beginning on 1st April 1973, an existing rating authority have collected water rates or water charges—

(*a*) on behalf of statutory water undertakers, or

(*b*) in their own right, being themselves statutory water undertakers;

"the relevant constitution order", in relation to a water authority, means the order made by the Secretary of State and the Minister of Agriculture, Fisheries and Food under Sections 2 and 3 of the 1973 Act, establishing that authority and specifying the number of persons to be appointed members thereof;

"sewerage and sewage disposal area", in relation to a water authority, means—

(*a*) the area specified in the relevant constitution order as their area for the purposes of their functions relating to sewerage and sewage disposal, or

(*b*) where no such area is so specified, the area specified in that order as the authority's general water authority area or, in the case of the Welsh National Water Development Authority, as the general Welsh authority area;

"statutory water undertakers" means statutory water undertakers within the meaning of the 1945 Act as that Act has effect on the date on which this order comes into operation;

"water authority" has the same meaning as in the 1973 Act;

"water supply area", in relation to a water authority, means the area specified in the relevant constitution order as the area within which it shall be the duty of that authority to supply water under Part II of the 1973 Act.

(3) Unless the context otherwise requires, any provision of this order with respect to the general rate shall, in its application to the City of London, apply also in relation to the poor rate.

(4) Any reference in this order to a numbered article shall be construed as a reference to the article bearing that number in this order.

(5) Unless the context otherwise requires, any reference in this order to a provision of the 1967 Act relating to a particular matter includes a reference to any provision of the Local Government Act 1974(c) making corresponding or different provision with respect to that matter.

(a) 1945 c. 42. (b) 1967 c. 9. (c) 1974 c. 7.

(6) Any reference in this order to a new rating authority includes a reference to a London borough council and to the Common Council of the City of London.

General effect of order

3. Subject to the express provision of any other order made under section 254 of the 1972 Act (as originally enacted or as applied or extended by any other enactment) this order shall have effect in relation to the calculation, collection and recovery by local authorities on behalf of water authorities of amounts becoming payable on or after 1st April 1974 in respect of services provided by water authorities during the year beginning on that date.

PART II

WATER SUPPLY CHARGE

Water supply notice

4.—(1) Subject to the provisions of this order, a water authority may issue a notice (in this order referred to as "a water supply notice") to any new rating authority whose rating area lies wholly or partly within the water authority's water supply area, requiring them to collect and recover on behalf of the water authority amounts payable to the water authority in respect of the supply of water by them to premises in any qualifying area specified in the notice, being an area comprising, or lying within, the area of the rating authority.

(2) A water supply notice shall be issued as soon as may be and shall authorise the rating authority to demand and collect the said amounts by means of a charge (in this order referred to as "a water rate") to be expressed as a poundage to be determined by the water authority and specified in the notice and by means of such other charges (in this order referred to as "water charges") as may be so specified.

(3) A water supply notice shall specify the period to which it relates and may specify such other matters as the water authority may consider appropriate, including any or all of the following matters—

(*a*) the classes of premises in respect of which the water rate is to be levied on the net annual value of the premises;

(*b*) the classes of premises in respect of which the water rate is to be levied on a proportion only of the net annual value and the proportion appropriate to each such class;

(*c*) any minimum charge which is to be made for the supply of water in such cases as may be specified;

(*d*) where the water rates and water charges are to be collected by instalments, particulars of those instalments;

(*e*) where discounts or rebates are to be allowed in consideration of prompt payment of water rates and water charges, particulars of the discounts or rebates allowable;

(*f*) where the water authority are empowered to demand water rates or water charges in certain circumstances from the owner of premises instead of the occupier, particulars of the circumstances in which such a demand may be made, and particulars of any allowance to be made in consideration of prompt payment.

(4) A water authority may issue different notices in relation to different areas within the same rating area, and where a notice relates to more than one area it may specify different matters in relation to different areas.

(5) A water authority may, after consultation with a rating authority to whom they have issued a notice, vary or revoke that notice by giving notice in writing to that authority.

(6) A water authority shall furnish to a rating authority from time to time such information as the rating authority may require for the exercise of their powers or duties under this part of this order.

(7) In this part of this order, unless the context otherwise requires, "the water authority" means a water authority who have issued a water supply notice to a rating authority, "the notice" means that notice, and "the rating authority" means that rating authority.

Effect of water supply notice

5.—(1) Subject to the provisions of this article, where a rating authority receive a water supply notice from a water authority, they shall be under a duty to collect and recover, in accordance with the provisions of the notice and of this order, the water rate relating to all relevant premises within any area specified in the notice and any water charges specified therein, and to remit the amounts so collected and recovered to the water authority in accordance with the provisions of article 6.

(2) The water authority shall allow the rating authority to retain, as payment for the cost of collection, out of any amount so collected or recovered such an amount (in this article referred to as "the retained amount") as may be determined in accordance with the provisions of paragraph (3) below.

(3) The retained amount in relation to the water rates and water charges specified in the notice shall be—

(*a*) where, during the year beginning on 1st April 1973, a corresponding amount was allowed by the relevant statutory water undertakers to be retained by the existing rating authority as payment for the cost of collection of water rates and water charges in respect of the area specified in the notice, that amount or an amount calculated in like manner as that amount, or, if the water authority and the rating authority between them agree some other amount, that agreed amount, and

(*b*) in any other case, such amount as may be agreed between the water authority and the rating authority or as may in default of agreement be determined by an arbitrator to be appointed either by agreement between the parties or in default of agreement by the President of the Chartered Institute of Public Finance and Accountancy.

(4) A notice issued before the coming into operation of this order by a water authority to a rating authority in terms complying with paragraphs (1) to (4) of article 4, whether or not it is expressly referred to therein as "a notice" or "a water supply notice", shall be treated as a water supply notice duly issued for the purposes of this order.

Remitting of water rates and charges to water authority

6. Subject to the provisions of article 5(2), where in any month a rating authority have received on behalf of a water authority any amounts by way of water rates or water charges, they shall pay them over to the water authority as soon as reasonably practicable after the end of that month, and in any case within seven days from the end thereof.

PART III

GENERAL SERVICES CHARGE

General services notice

7.—(1) Subject to the provisions of this order, a water authority may issue a notice (in this order referred to as "a general services notice") to any new rating authority whose rating area lies wholly or partly within the water authority's sewerage and sewage disposal area, requiring them to collect and recover on behalf of the water authority amounts payable to the water authority in respect of services (other than the supply of water) provided by the water authority in the area specified in the notice, being the rating area of the rating authority, or so much of that area as lies within the water authority's sewerage and sewage disposal area.

(2) A general services notice shall be issued as soon as may be and shall authorise the rating authority to demand and collect the said amounts by means of a charge (in this order referred to as "a general services charge") which shall be expressed as a poundage to be determined by the rating authority in accordance with the provisions of article 9, and shall be charged by them on hereditaments in the area specified in the notice in accordance with the provisions of this part of this order.

(3) A general services notice shall specify the period to which it relates and the total amount which the water authority by means of that notice require the rating authority to pay to them in respect of that period in relation to hereditaments in the area specified in the notice (in this order referred to as "the general services payment"), and may specify such other matters as the water authority may consider appropriate.

(4) A water authority may, after consultation with a rating authority to whom they have issued a notice, vary or revoke that notice by giving notice in writing to that authority.

(5) A water authority shall furnish to a rating authority from time to time such information as the rating authority may require for the exercise of their powers or duties under this part of this order.

(6) In this part of this order, unless the context otherwise requires, "the water authority" means a water authority who have issued a general services notice to a rating authority, "the notice" means that notice, and "the rating authority" means that rating authority.

Effect of general services notice

8.—(1) Where a rating authority receive a general services notice from a water authority, they shall be under a duty to collect and recover, in accordance with the provisions of the notice and of this order, the general services charge relating to the hereditaments within the area specified in the notice and to pay the general services payment therein specified to the water authority in accordance with the provisions of article 13.

(2) A notice issued before the coming into operation of this order by a water authority to a rating authority in terms complying with paragraphs (1) to (3) of article 7, whether or not it is expressly referred to therein as "a notice" or "a general services notice", shall be treated as a general services notice duly issued for the purposes of this order.

Calculation of poundage

9.—(1) For the purposes of collecting the general services charge and of paying over to the water authority the general services payment specified in any general services notice, the rating authority to whom the notice has been issued shall calculate and determine the general services charge relating to the hereditaments within their rating area in accordance with the provisions of this article.

(2) The general services charge shall be a charge at a uniform amount per pound on the rateable value of each hereditament in the rating area of the rating authority and that amount per pound is referred to in this part of this order as "the relevant poundage".

(3) Subject to the provisions of paragraphs (4) to (7) below, the relevant poundage in relation to any general services payment or payments payable by a rating authority shall be determined in such a way as to secure that if a charge at the relevant poundage were levied by reference to the aggregate of the rateable values of all the hereditaments in the rating area of the authority the total amount so levied would be equal to that general services payment or, where the rating authority are required to make such payments to more than one water authority, to the total amount of those payments.

(4) Without prejudice to the generality of paragraph (3) above, in ascertaining the aggregate of rateable values of all the hereditaments in the rating authority's area for the purposes of paragraph (3) above there shall be included—

(*a*) where in respect of any hereditament the general rate is subject to any restriction, relief or rebate under section 8, 40 or 49 of the 1967 Act, the full rateable value of that hereditament; and

(*b*) where in respect of any hereditament a contribution in aid of rates is made under section 37 or 38 of that Act, the value entered in the rating list as representing its rateable value.

(5) For the purpose of estimating the relevant poundage in relation to any general services payment in pursuance of paragraph (3) above, the rating authority may take into account such amounts as they may reasonably estimate as representing the cost of collection of the charge and the loss on collection thereof, and in estimating the last-mentioned amount they shall have regard to the provisions of paragraph 5 (loss on collection) of the Schedule to the Rate

Product Rules 1968(a) (or to the corresponding provisions of any rules made in replacement of those rules by virtue of section 113(1)(*c*) of the 1967 Act) as if the charge formed part of the general rate but were not subject to relief or rebate under section 40 or 49 of the 1967 Act.

(6) In any case where payment of the general rate charged in respect of any hereditament is remitted under section 53 or 103(2) of the 1967 Act, the rating authority shall not be required to collect the general services charge in respect of that hereditament, and in estimating the loss on collection of the charge in pursuance of paragraph (5) above they may have regard to any such case.

(7) Where in accordance with the foregoing provisions of this article the rating authority estimate the relevant poundage to be an amount per pound which includes an amount less than one-tenth of a penny, they may round up the relevant poundage to the next highest one-tenth of a penny but no higher.

Collection of general services charge

10.—(1) The rating authority shall collect the general services charge from every person who is liable to pay the general rate in respect of a hereditament in the area of the authority, or who is making a contribution in aid of rates under section 37 or 38 of the 1967 Act in respect of such a hereditament, and the amount payable by way of the charge in respect of any hereditament shall be the amount arrived at by multiplying the relevant poundage by the rateable value of that hereditament or, as the case may be, by the value entered in the valuation list as representing its rateable value.

(2) Subject to the provisions of this part of this order, a rating authority who are under a duty under this part of this order to collect the general services charge in relation to any area—

(*a*) may, if they are also under a duty under Part II of this order to collect the water rate in relation to any area comprising, or lying within, their rating area, collect the general services charge in like manner as the water rate, and

(*b*) in any case where they do not collect that charge in the manner specified in sub-paragraph (*a*) above, shall collect it in like manner as the general rate.

(3) The provisions of article 11 shall apply to the collection of the general services charge in like manner as the general rate.

(4) The provisions of article 12 shall apply to the collection of the general services charge in like manner as the water rate.

Collection of general services charge in like manner as general rate

11.—(1) Where the rating authority are empowered by article 10(2)(*b*) to collect the general services charge in like manner as the general rate they may collect that charge in that manner within their whole rating area in accordance with the following provisions of this article.

(a) S.I. 1968/491 (1968 I, p. 1202).

(2) Subject to the following provisions of this article and without prejudice to the generality of paragraph (1) above, where a rating authority collect the general services charge in like manner as the general rate, the collection of that charge may so far as practicable be made in that manner with regard to the following matters—

(*a*) collection of the charge by instalments;

(*b*) the allowing of discounts or rebates for prompt payment;

(*c*) collection from owners instead of occupiers;

(*d*) the liability of any person in respect of periods during which property is unoccupied;

(*e*) the rating of unoccupied property;

(*f*) where an amount falls to be recovered or repaid by the rating authority by reason of an alteration in the valuation list in consequence of a proposal for such an alteration, the date from which the recovery or repayment is to have effect.

(3) Where any owner of property—

(*a*) is liable to pay all or part of the general rate in respect of that property for a period during which it is unoccupied, and

(*b*) is liable by virtue of this order to pay the general services charge in respect of that property for the same period,

the amount which he is so liable to pay by way of general services charge shall not exceed the amount which bears to the relevant general services charge the proportion which the amount payable as aforesaid by way of general rate bears to the relevant general rate, and in any case shall not exceed the amount of the relevant general services charge.

(4) Where a rating authority collect the general services charge in like manner as the general rate, no rebate or reduction shall be allowed in respect of that charge under or by reference to any of the following provisions of the 1967 Act—

(*a*) section 8 (restriction of amount recoverable in certain cases);

(*b*) section 40 (relief for charitable and other organisations);

(*c*) section 49 (right to rebate in respect of rates on dwelling).

(5) In any case where a rating authority collect a charge in the said manner and there is a total or partial default by any person in respect of the charge or of the general rate in relation to any period, the amount of that default shall, for the purposes of collection and recovery, be apportioned between the charge and the general rate in proportion to the amounts payable respectively by way of the charge and of the rate in relation to that period.

Collection of general services charge in like manner as water rate

12.—(1) Subject to the provisions of paragraph (2) below, where the rating authority are empowered by article 10(2)(*a*) to collect the general services charge in like manner as the water rate, and they do so collect it, they may collect that charge in that manner within their whole rating area.

(2) Without prejudice to the generality of paragraph (1) above, where a rating authority collect the general services charge in the said manner, the collection of the charge may so far as practicable be made in that manner with regard to the following matters—

(*a*) collection of the charge by instalments;

(*b*) the allowing of discounts or rebates;

(*c*) collection from owners instead of occupiers;

(*d*) the liability of any person in respect of periods during which premises are unoccupied;

(*e*) where an amount falls to be recovered or repaid by the rating authority by reason of an alteration in the valuation list in consequence of a proposal for such an alteration, the date from which the recovery or repayment is to have effect.

Remitting of general services payment to water authority

13.—(1) Where a rating authority are required under article 8(1) to pay a general services payment to a water authority, they shall pay that amount by twelve equal monthly instalments.

(2) The rating authority shall pay each such instalment as soon as reasonably practicable after the end of the month to which it relates, and in any case within seven days from the end of that month.

PART IV

GENERAL

Recovery of rates and charges

14. Where a rating authority are required or empowered to collect or recover any amount under or by virtue of this order on behalf of a water authority, they may, without prejudice to any other remedy or proceedings available to them, enforce any remedy or institute any proceedings which that water authority could have enforced or instituted if they were collecting or recovering that amount on their own account.

Records, accounts and forms

15. Where in pursuance of this order any rate or charge is collected together with the general rate, the same records and accounts and forms of demand and receipt may be used for the general rate and for that rate or charge.

Anthony Crosland,
12th March 1974. Secretary of State for the Environment.

John Morris,
13th March 1974. Secretary of State for Wales.

EXPLANATORY NOTE

(This Note is not part of the Order.)

The Water Act 1973 established ten water authorities to exercise, throughout England and Wales, functions as to water (including water supply and conservation, sewerage and sewage disposal, fisheries and land drainage) and as to recreation and amenity in connection with water. The Act empowered water authorities to fix, demand, take and recover such charges as they might think fit (subject to the provisions of the Act) for the services performed, facilities provided, or rights made available by them.

The 1973 Act also empowered the Secretary of State to make Orders under section 254 (consequential and supplementary provisions) of the Local Government Act 1972, as applied by the 1973 Act, for the calculation, collection and recovery on behalf of a water authority by a local authority during a transitional period of amounts payable in respect of services provided in the local authority's area by the water authority.

This Order, which applies to England and Wales, makes provision for the collection and recovery on behalf of water authorities, by local authorities who are rating authorities, of charges made by water authorities for the supply of water (in Part II of the Order) and for services other than the supply of water (in Part III of the Order) during the year beginning on 1st April 1974.

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