Case study: Luxury seaside hotel

Luxury seaside hotel partially billed for thirty years

This luxury independent hotel has its own beach, two headlands away from a bustling town on the south west coast.

The hotel was billed on an unmeasured basis, at the equivalent of 10.2 m³/day. However, Teccura's analysis indicated the hotel should use 15.2 m³/day. This difference was significant enough to trigger a site investigation.

On arrival, we found a metered supply running across the main entrance to the car park. Readings from the meter showed the hotel was actually using 18.3 m³/day.

This account has been active since April 1978, without any changes to the unmeasured basis. So for 30 years, 8.5 m³/day has gone unbilled at this hotel.

Figure 1: A popular luxury hotel with direct access to its own World Heritage listed beach

Why couldn't the water company find this through data analysis or benchmarking?

Perhaps you're thinking that all water companies should just check all of their unmeasured non-household accounts? But what exactly would you check?

Imagine you're a billing agent studying a list of 6,500 assessed accounts. Do you think you'd spot this hotel, billed 10.2 m³/day, amongst the thousands of other accounts, and think "this should be using 18.5 m³/day"?

Reviewing all unmeasured accounts might

Case Facts

Issue type:	Incorrectly assessed
Teccura calculation:	15.2m³/day
Billed usage:	10.2m³/day
After issue resolved:	18.5m³/day
Unbilled usage:	8.3m³/day
Unbilled value:	£15,953 p.a.
Duration of issue:	30 years

sound like a viable data analysis project, but without an accurate calculation of consumption, you won't know if the accounts are billed too much or too little.

What about a more targeted benchmarking approach? You could compile a list of all unmeasured hotels that are billed on rateable value. By benchmarking the rateable value against hotel rooms, you could identify hotels with a small rateable value compared to the number of bedrooms, as in **Figure 2**.

There aren't many hotels billed unmeasured; the ones that are, tend to be quite small. You can see our hotel falls in line with the others. Nothing to indicate a problem here.
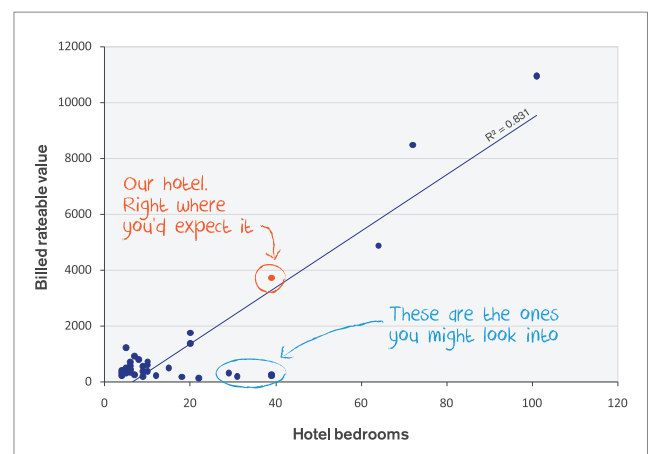
Figure 2: There may be three hotels worth investigating with about 30-40 rooms and very low rateable value. But this benchmarking approach would not flag an issue at this hotel