



Scottish Government Water and Sewerage
Charges

guidance notes

Exemption Scheme

The water experts

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What is the new exemption scheme?

The Scottish Government scheme helps charities and Community Amateur Sports Clubs (CASCs) with the cost of their water and waste water bills. The scheme is administered by the water industry on behalf of the Scottish Government.

From April 2015, support is available to charities registered with the Scottish Charity Regulator (OSCR) and CASCs with an income below £300,000. There are a few exceptions. Charities and CASCs will not be eligible for support where one or more of the following conditions are met:

- a permanent alcohol licence is held, other than an occasional permission under the Licensing (Scotland) Act 2005 or its predecessors; or
- the premises is a charity shop or other premises used for purpose of retailing new or second hand merchandise; or
- the premises operates as a café which is open to the public and operated on a regular basis to generate income; or
- the organisation is a Local Authority or an Arms-Length External Organisation (ALEO).

The old scheme ceased to exist on 31 March 2015 and this scheme replaces it. All organisations that were exempt prior to 1 April 2015 will automatically be exempt from charges for 1 April 2015 to 31 March 2016. However from the 1 April 2016 all eligible charities and CASC's **must apply annually** to be considered for the scheme.

For further information on the Scottish Government exemption scheme please visit www.gov.scot

What's Business Stream's role in this process?

As your water and waste water services provider, Business Stream will support you through the application process and review your submitted materials before sending it to Scottish Water. Scottish Water will make the final decision on whether you're eligible for exemption.

Please note there are specific criteria that must be met in order to be eligible for exemption, and because the scheme is a Scottish Government policy, detailed in legislation, Scottish Water can't be flexible in their application assessment.

How do I apply?

As a Business Stream customer all you have to do is:

- Visit www.business-stream.co.uk
- Apply online by 31 March

You will need your customer reference number and your water supply point identification (SPID) number to complete the form. If you don't have a water SPID, your waste water SPID can be provided.

Both can be found in the top right hand corner of your bill.

This is an online application process. Applications cannot be submitted via telephone or via e-mail.

Remember, the changes mean that all organisations' must reapply on an annual basis by 31 March in order to avoid any water and waste water charges from 1 April.

Business Stream will be unable to help you complete the form over the phone. If you need our assistance then you must complete a 'contact us' form on our website. We'll then contact you within 14 days to offer further assistance.

If your organisation doesn't have access to the internet then we'd ask you to use a public facility where access will be possible. Please ensure that you follow any security guidelines that these public facilities recommend.

Who is eligible for the exemption scheme?

The exemption scheme has qualification requirements and is not available to all customers. Support will be available to registered charities registered with OSCR and CASCs that have gross annual income below £300,000.

OSCR registered charities and CASCs will not be eligible for charitable exemption if one or more of the following conditions are met:

- a permanent alcohol licence is held, other than an occasional permission under the Licensing (Scotland) Act 2005 or its predecessors; or
- the premises is a charity shop or other premises used for purpose of retailing new or second hand merchandise; or
- the premises operates as a café which is open to the public and operated on a regular basis to generate income; or
- the organisation is a Local Authority or an Arms-Length External Organisation (ALEO).

The following definitions are intended to help you decide if your organisation is not covered by one of the excluded categories:

- Permanent Alcohol Licence – a premises licensed under Part 3 of the Licensing (Scotland) Act 2005
- Café – a café or food retail outlet which is open to the public with the primary purpose of selling food and/or beverages for consumption either on or off the premises. This exclusion does not relate to situations where premises are used for occasional coffee mornings or bake sales, or where facilities have been set up by a charity to be used by its volunteers.
- Retail outlet – a shop or warehouse which has the primary purpose of selling new and/or recycled or donated goods to customers either directly or via mail order.
- ALEOs are arm's length external organisations that can be used by councils to deliver services. ALEOs are companies, trusts and other bodies that are separate from the Local Authority but are

subject to local authority control or influence. Control or influence can be through the council having representatives on the board of the organisation, and/or through the council being a main funder of shareholder of the organisation.

What does a complete exemption application look like?

The application will need to contain evidence that the occupier of the premises is a registered charity with OSCR or CASC with HMRC and may need to include evidence of its gross annual income.

OSCR registered charities

- Evidence of charitable status can take the form of a relevant reference number which will be confirmed via the OSCR register.
- For evidence of income, charities financial information will be checked against OSCR publically available records.

CASC registered charities

- Evidence of charitable status can take the form of a relevant reference number which will be confirmed via the CASC register.
- Accounts for the relevant financial year will need to be submitted. If your organisation is not required to keep audited accounts, a summary of income and expenditure must be provided along with an extract from the organisation's constitution, which identifies the financial records you've required to keep, signed by the office bearer with financial responsibility within the organisation.

Please only submit copies of the relevant information required. Scottish Water will **not return** any documents submitted as part of your application. This information will only be used for assessing eligibility for the scheme, will be handled in confidence and will not be disclosed to other parties.

Please note, Scottish Water will reject your application if incomplete and return for further information.

What is my organisation's gross annual income?

'Gross annual income' is the total annual income received for the relevant financial year being used to support the application (and declared by the Office of the Scottish Charity Regulator (OSCR) for charities or HMRC for CASCs) prior to the deduction of any expenditure for the premises. This will include all income, donations and grants received. Please note that you cannot make any deductions for donations made by your organisation to charities or money paid to parent bodies.

What level of exemption am I eligible for?

The level of support an organisation can receive is dependant on their income. If an organisation is not currently exempt but qualifies for exemption under the new scheme, they will receive the following support:

Income per year	Support provided to registered charity / CASC from 1 April 2016
Up to and including £200,000	100% exemption
£200,000 - £300,000	Support equivalent to 50% off wholesale charge
Over £300,000	No support available

The arrangements are a little more complex for those that qualified for the scheme prior to 1 April 2015.

The following transitional support will be provided to charities and CASCs that were exempt prior to 1 April 2015 and reapply and qualify for exemption under the new scheme:

Income per year	2016 – 17	2017 – 18
Up to and including £200,000	100% exemption	100% exemption
£200,000 - £300,000	Support equivalent to 50% off wholesale charge	Support equivalent to 50% off wholesale charge
Over £300,000	Support equivalent to 50% off wholesale charge	No support available

If your organisation was exempt prior to 1 April 2015 but is not eligible under the new scheme, the level of support will reduce from April 2016 and it will receive no support from April 2017, as shown below:

Income per year	2016 – 17	2017 – 18
Up to and including £200,000	Support equivalent to 50% off wholesale charge	No support available
£200,000 - £300,000	Support equivalent to 50% off wholesale charge	No support available
Over £300,000	Support equivalent to 50% off wholesale charge	No support available

What if I have multiple properties?

Support will be provided in relation to all premises that meet the eligibility criteria.

What set of accounts should I use in my application?

Accounts for the most recent financial year up until 30 June should be used for the following April's exemption year. Thereafter the consecutive year's accounts should be applied. Examples of the correct accounts to use are detailed in the table below.

Exemption provided between	Based on Charity's/ CASC's accounts for
1st April 2016 and 31st March 2017	The most recent financial year that ended prior to 1 July 2015
1st April 2017 and 31st March 2018	The most recent financial year that ended prior to 1 July 2016

When should I apply?

It is recommended that you apply as soon as your accounts are available for the next years scheme.

Where do I apply?

As a Business Stream customer all you have to do is:

- Visit www.business-stream.co.uk
- Apply online by 31 March.

You will need your customer reference number and your water supply point identification (SPID) number to complete the form. If you don't have a water SPID, your waste water SPID can be provided. Both can be found in the top right hand corner of your bill.

This is an online application process. Applications cannot be submitted via telephone or via e-mail.

How long will it take to get a decision?

Scottish Water will:

- Let you know if any information is missing within two weeks
- Aim to process your application within four weeks.

Scottish waster will reject your application if it is incomplete and return it for further information.

Can I find out how my application is progressing?

If you have not had a decision from us within 5 weeks of your application, please contact us at exemptionapplications@business-stream.co.uk

What about current bills?

While you're applying for the exemption scheme, you must pay all of your bills as normal until you're advised otherwise. If exemption is granted, any payment made will be refunded.

What happens if I qualify?

If your application is accepted you will receive full or partial exemption from 1 April 2016. Any payments that you have made for services you have used since 1 April 2016 will be refunded.

Because the scheme requires organisations to re-apply every year, you will need to submit a re-application for the scheme for 2017-18. You can make that application once your accounts for the relevant year are ready. To qualify for the scheme in 2016-17 your application must be received by 31 March 2017.

What happens if I don't qualify?

If your application is not successful, we'll contact you to explain the reasons. You will continue to be liable for full payment of the services at your property.

If I disagree with the decision, what can I do?

If an application is rejected, it will be because the premises is in one of the excluded categories, or the organisation's gross income is more than £300,000. This will be explained in writing in the response. However, if you think Scottish Water has made a mistake, please email us on exemptionapplications@business-stream.co.uk explaining which of the reasons given is factually wrong and why.

What if I disagree with the eligibility criteria?

Because the exemption scheme is Scottish Government policy, any comments or objections to the way relief is implemented is best directed to your MSP. Unfortunately, while Business Stream can submit comments to the Scottish Government we're unable to change the scheme without legislative amendments.

I've applied before and been unsuccessful. Should I try re-applying?

As of 1 April 2015, the eligibility criteria for the exemption scheme has changed. If you have applied in the past and been unsuccessful but think you meet the new eligibility criteria you may want to reapply.

My organisation is not a charity or CASC – can it still qualify for exemption?

If an organisation is not a charity or CASC, but thinks that they could qualify and then benefit from the support offered by the scheme, they should contact their local Third Sector Interface (TSI) for advice on how to become a charity or CASC. Contact details are available at: <http://www.scotland.gov.uk/Topics/People/15300/Localism/> and at www.vascotland.org

Further information about becoming a charity is also available from the Office of the Scottish Charity Regulator at www.oscr.org.uk/charities/becoming-a-charity

What happens if I don't have a set of accounts for my organisation?

When a charity no longer has charitable status or CASC loses its status it will be removed from the exemption scheme from that date.

What happens if my organisation does not have accounts?

If the organisation is not required to keep audited accounts, a summary of income and expenditure should be provided along with an extract from the organisation’s constitution, which identifies the financial records they are required to keep. These should be signed by the office bearer with financial responsibility within the organisation.

New charities or CASCs which don’t yet have accounts for the relevant financial year will need to make a declaration of expected income along with a copy of their budget or business case.

Support will be provided from 1 April 2016 or the date on which the charitable or CASC status is awarded if it is after April 2016.

The application form should be signed by the office bearer with financial responsibility within the organisation.

Why is there a year’s ‘time lag’ in the financial information used to apply?

Despite there being a slight time lag between accounts and the year to which exemption applies, by using the most recent set of accounts (until 30th June preceding the exemption year), all charities and CASCs will have sufficient time to apply for exemption before the start of the year. In the event that their income rises above the scheme limits, it also ensures that they have sufficient time to financially plan for a future loss of exemption in the subsequent exemption period.

What happens if my income changes?

You can apply for the scheme, but as shown in the relevant financial year relationship below you will be applying for exemption in a later year rather than the current year.

Relevant financial accounts for the new exemption scheme

Support provided between	Based on Charity’s/ CASC’s accounts for
1st April 2016 and 31st March 2017	It’s most recent financial year that ended prior to 1 July 2015
1st April 2017 and 31st March 2018	It’s most recent financial year that ended prior to 1 July 2016

If the more recent accounts, submitted to OSCR or HMRC during the support year, indicate that revenue during the organisation’s most recent financial year is above the scheme limits (£200,000 and £300,000), provided the organisation retains its charity or CASC status, support will be provided for the full year (1 April to 31 March). These more recent accounts will be used to determine the appropriate level of support in a subsequent year.

Will the eligibility criteria change during the life of the scheme?

The eligibility criteria are a Scottish Government policy and are unlikely to change in the near future. The new scheme is to be reviewed in 2017-18.

What happens if I don't receive a water bill?

You may not be receiving a water bill for a number of reasons.

A possible reason for not receiving a water bill would be if your water charges are included in your rent. If they are included in the rent then you cannot benefit from the scheme, unless you are the occupier of the property and become directly responsible for the water bill.

If you're not receiving a water bill, but your water charges are not part of your rent and you are not in the current exemption scheme, then you may not have a licensed provider and you will need to pick one. That way you will avoid any surprises in the future. You can find details of how to select a licensed provider at www.scotlandontap.gov.uk where you will also find information about how the water market operates in Scotland.

Successful organisations will receive support from the 1 April 2016, as long as the application is received by Scottish Water by 31 March 2017 and it meets the scheme requirements.