

Update on the Water & Waste Water Exemption Scheme for 2017/18

Introduction

Most congregations will now be aware of the Scottish Government exemption scheme introduced on 1st April 2015 which helps charities with the cost of their water and waste water bills. Most congregations will also now be aware of the identity of their licensed provider. The exemption scheme is administered by the water industry on behalf of the Scottish Government. This advice note is intended to remind congregations of the action they require to take prior to 31st March 2017 in order to obtain exemption for the year 1st April 2017 to 31st March 2018.

Will our Congregation be eligible?

Only organisations which are charities and Community Amateur Sports Clubs (CASC) can be exempted. Since all congregations are charities, they will therefore automatically be eligible to apply. Support will be available to charities registered with the Office of the Scottish Charity Regulator (OSCR) with gross annual income below £300,000. Charities which have gross annual income of less than £200,000 are fully exempt; those with gross annual income of more than £200,000 up to £300,000 will have support equivalent to 50% off wholesale charges.

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 are a charity shop or other premises used for purpose of retailing new or second hand merchandise; or
- The premises operate 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 Arm's-Length External Organisation (ALEO) (organisations used by Councils to deliver services and therefore not applicable to congregations).

The Scottish Government has provided the following definitions to help you decide if your congregation is not covered by one of the excluded categories: examples of an organisation operating a café

Exempt

- Where the café is an integral part of the charity's service and where food and beverages are not sold for the purposes of making a profit- for example, a counselling service or Church outreach work.

- Where the café is operated on an occasional basis- that is no more than half of any week on average, for example, fundraising coffee mornings, bake sales etc.
- Where the café is provided principally for the benefit of volunteers and beneficiaries of the charity's services-for example, kitchens/cafeteria associated with a place of work.

Not Exempt

- Where a café is open on a full-time basis (that is for more than half of the week on average), is open to the public and where food and beverages are sold for the purposes of making a profit.
- A retail unit which sells new or second hand goods-for example, a charity shop or gift shop.

Difficult questions can arise where a congregation runs a café from Church premises as part of an outreach programme. Eligibility for the exemption will be decided by Scottish Water on the facts and circumstances of each individual case but it does appear that if a café is open to the public, open for more than half the week and generating income (though not necessarily profit), then it will not qualify for the exemption. In these circumstances, consideration should be given to taking measures to reduce water and waste water charges, e.g. splitting the café water supply or installing a water meter for more accurate billing.

When do I need to submit my application?

The scheme requires charities to apply every year. There may be some years where a congregation's gross annual income will take it out of the exemption scheme and congregations which are not eligible in one year may qualify in the future. To qualify for the scheme in 2017-18 your application must be received by March 2018 (at the latest).

Who will support me with my application?

Licensed Providers will provide support to their customers through the application process and review the submitting materials before sending them on to Scottish Water to make the final decision on whether the organisation is eligible for relief. Business Stream is the default provider and application for exemption can be made online on its website.

What do I need to submit with my application?

The application will need to contain evidence that the occupier of the premises is a registered charity with OSCR and may need to include evidence of its gross annual income. Charities will be required to provide their Scottish Charity Number as evidence of their charitable status. Care should be taken where there have been unions and name changes to ensure that the name of the congregation on the application matches the current OSCR registration.

What set of accounts should I use on my application?

Accounts for the most recent financial year ending up until 30th June for the following April's exemption year should be used in the application process (i.e. for exemption in 2017/18, accounts for the most recent financial year up to 30 June 2016).

Licensed Providers will not return any documents so only copies should be submitted. 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.

My congregation operates at multiple premises. Does this affect my application process?

Support will be provided in relation to all premises occupied by a qualifying charity (provided that the exceptions are not in operation, i.e. café or permanent alcohol licence). A separate application, however, should be made for each premises/ Supply Point.

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

If you were in the pre-2015 exemption scheme you may not have received a water bill and would automatically have been exempt from charges in 2015-16. In that case you may not be aware who your Licensed Provider is. However, your Licensed Provider should have written to you in 2016 to explain what you needed to do for 2016/17. If you have not chosen a Licensed Provider, Business Stream is the default Licensed Provider. If you haven't received a bill or a letter from your Licensed Provider, you should contact Business Stream to check the position; particularly if you fall out with the exemption criteria otherwise you might find that you receive a water bill.

What do I need to do now?

- Eligible congregations should apply for exemption for 2017/18 preferably prior to the end of March 2017 (to qualify for 2017/18 an application must be made before 31 March 2018).
- If a property is sold please ensure that your Licensed Provider is advised of the change of ownership so that their billing records are updated.
- Keep details of congregational office bearers' names and addresses up to date in all relevant places so that bills and correspondence are sent to the correct place and can be dealt with promptly.
- When corresponding with Business Stream or your licensed provider please quote the supply point ID number which appears on your bill (SPID).
- Do not ignore correspondence from Business Stream, your Licensed Provider or a debt collection agency. Please contact the Law Department if you require assistance to deal with debt recovery correspondence or threat of court action.