

From:  
Sent: 15 June 2016 09:53:42  
To: Ministerial Correspondence Unit  
Subject: FW: Tavish Scott MSP - correspondence to Roseanna Cunningham,  
Cabinet Secretary for Environment, Climate Change & Land Reform (subject:  
exemption for community halls from water and wastewater charges)

Attachments: 140616 R Cunningham exemption from water and wastewater charges  
for community halls.pdf

MCU

For maccs please as an MR.

Thanks,

Correspondence Secretary  
Cabinet Secretary for the Environment, Climate Change and Land Reform  
2nd Floor | St Andrew's House | Regent Road | Edinburgh | EH1 3DG

From: on Behalf of Tavish Scott MSP [mailto:tscott@supanet.com]  
Sent: 15 June 2016 09:39  
To: Cabinet Secretary for the Environment, Climate Change and Land Reform  
Subject: Tavish Scott MSP - correspondence to Roseanna Cunningham, Cabinet  
Secretary for Environment, Climate Change & Land Reform (subject: exemption for  
community halls from water and wastewater charges)

Dear Sir/Madam,

Please find attached a letter from Tavish Scott MSP to Roseanna Cunningham,  
Cabinet Secretary for Environment, Climate Change and Land Reform with regards to  
exemption for community halls run by volunteers from water and wastewater charges  
under the Scottish Government's exemption scheme.

Mr Scott looks forward to receiving acknowledgement of receipt of this letter.

Regards

Secretary to Tavish Scott MSP  
Shetland Parliamentary Office  
Tel: 01595 69 0044  
Fax: 01595 69 0055  
E-mail:

tscott@supanet.com<mailto:tscott@supanet.com>

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The Scottish Parliament  
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Tavish Scott MSP  
Member of the Scottish Parliament for Shetland

Ms Roseanna Cunningham MSP  
Cabinet Secretary for Environment, Climate Change & Land Reform  
The Scottish Government  
St Andrew's House  
Regent Road  
EDINBURGH  
EH1 3DG

Our Ref: Shet037\140616\TS\sr  
Date: 14<sup>th</sup> June 2016

I refer to earlier correspondence (letter dated 7<sup>th</sup> March 2016, SG ref 2016/0006841) regarding an exemption for community halls run by volunteers from water and wastewater charges under the Scottish Government's exemption scheme.

Keith Brown's earlier letter stated that policy was not to provide an exemption for voluntary organisations who are in possession of a permanent alcohol license. I do not understand the logic of that approach, given that hall committees use bar income to pay for the upkeep, maintenance and running costs of the fifty public community halls that operate in Shetland. The new charges that will be levied could be in excess of £2000 for some community halls which would mean that some will close.

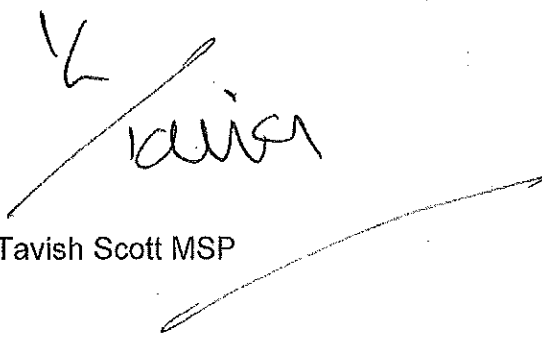
That would mean no community facility for people of all ages running such events as local childcare clubs, older people refreshments, youth clubs and a wide variety of community events. The government's position seems to be based on competition in an area. But that should surely be judged by a Local Licensing Board and not on the basis of national policy. No Minister in Edinburgh can possibly know of what competition exists in Unst compared to Stranraer or Pentcaitland.

I write therefore to ask for a review of this position. I also believe that the devolution of responsibility to judge alcohol licence overprovision would be entirely appropriate to local licensing board level. In the meantime, Business Stream is now sending out bills for the 2016/17 year. Despite the contents of the earlier letter stating that a discount would be in place for 16/17, the bill I have seen for one Shetland community hall gives no details of the charge or the discount.

In these circumstances, which are clearly not consistent with Ministerial intentions, I would ask you to review the policy and have Business Stream stop sending bills out that do not explain the details of the discount.

The Shetland Halls Association, who I met this week, are also putting a comprehensive assessment together which will explain the worrying rise in proposed charges and the impact on the financial viability of community halls. I do not think it too strong to say that if a full exemption is not made, halls run by volunteers across Scotland will close. I have no doubt that this is not the government's intention and thus my request for a review of the policy.

I look forward to your reply on this matter.



Tavish Scott MSP

Cabinet Secretary for Environment, Climate Change and Land Reform  
Roseanna Cunningham MSP

T: 0300 244 4000  
E: [scottish.ministers@gov.scot](mailto:scottish.ministers@gov.scot)



Mr Tavish Scott MSP  
The Scottish Parliament  
EDINBURGH  
EH99 1SP

By email: [tscott@supanet.com](mailto:tscott@supanet.com)

Our ref: 2016/0019871  
6 July 2016

*Dear Tavish,*

Thank you for your letter of 14 June 2016 on behalf of the charities that operate public halls in Shetland regarding the water and sewerage charges exemption scheme.

As the Cabinet Secretary for Economy, Jobs and Fair Work explained in his letter of 7 March 2016, Ministers decided in light of responses to a public consultation that charities and Community Amateur Sports Clubs (CASCs) in possession of a permanent alcohol licence would not be eligible for the scheme. This condition was a feature of the previous scheme, which ended on 31st March 2015. This condition was retained to prevent unfair competition between licensed premises and supports the Government's alcohol policy. There are no plans to change the criteria of the scheme at this time. Exemption status is not affected by those charities that apply, and are granted, occasional alcohol licences.

As you know, the conditions of the scheme require organisations to apply annually. This means that if an organisation does not qualify in one financial year, it will not be prevented from applying in future years should it meet the criteria of the scheme.

I can confirm that Ministers have agreed to a review of the scheme in 2017 to ensure it is operating as intended. I will consider all representations made from charities, such as village halls, when undertaking this review.

I hope you find this information helpful.

*Yours*

*Roseanna*

Roseanna Cunningham

From:  
Sent: 03 August 2016 16:52:43  
To: Ministerial Correspondence Unit  
Subject: FW: Water Charges \*\*\*IHM\*\*\*

MCU

MR for maccs please

Thanks

Correspondence Secretary  
Cabinet Secretary for the Environment, Climate Change and Land Reform  
2nd Floor | St Andrew's House | Regent Road | Edinburgh | EH1 3DG

From: '  
Sent: 03 August 2016 16:29  
To: Cabinet Secretary for the Environment, Climate Change and Land Reform  
Subject: Water Charges

Dear Cabinet Secretary,

I am emailing on behalf of Finlay Carson MSP who has been contacted by a number of groups and organisations in his constituency about the issue of water charges.

As you will be aware, the new Scottish Government Water and Sewerage Charges Exemption Scheme replaced the old existing exemption scheme in April 2015.

All organisations that were exempt under the existing scheme were automatically exempt from charges for 1 April 2015 to 31 March 2016. This meant that in March / April this year local groups and organisations who were not registered charities or community amateur sports clubs, but were previously exempt from these charges, received invoices for water charges.

Sadly, a lot of these organisations are small community groups who struggle for funding as it is and the charge will mean that some groups may cease to exist. One group in Mr Carson's constituency, Corsock Hall Committee, have received a bill amounting to £526.74 and have told Mr Carson that if forced to pay this new charge the hall committee would have to recommend to the community, sooner rather than later, that the hall be closed. A number of other groups in similar situations have got in touch with Mr Carson about this and you will agree that if this was to happen, it would not be good news for local communities.

Ultimately, Mr Carson would like to see this charge reversed and for groups who were previously exempt to be given exemption again. If this is not possible, one suggestion would be for future charges to be based on metered usage and not on the rateable value of the property, especially since village halls are exempt from Council Tax.

I would be grateful if you could look into this issue on Mr Carson's behalf and get back to me with a full response.

Kind Regards,

Office of Finlay Carson MSP for Galloway & West Dumfries

[Scottish-Parliament-Logo-Purple-small]

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\* M3.17, The Scottish Parliament, Edinburgh, EH99 1SP

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Cabinet Secretary for Environment, Climate Change and  
Land Reform  
Roseanna Cunningham MSP



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E: [scottish.ministers@gov.scot](mailto:scottish.ministers@gov.scot)

Mr Finlay Carson MSP  
The Scottish Parliament  
EDINBURGH  
EH99 1SP

By email: [Finlay.Carson.msp@parliament.scot](mailto:Finlay.Carson.msp@parliament.scot)

Our ref: 2016/0025573  
24 August 2016

*Dear Finlay,*

Thank you for your email of 3 August 2016 on behalf of your constituents regarding the water and sewerage charges exemption scheme.

Following the public consultation, which closed on 14 February 2014, much consideration was given to respondents' views on the rules that should underpin the new Scheme including income levels and categories of organisations that should be considered for exemption. As you will appreciate, there are a wide variety of voluntary organisations working across Scotland. It was noted that determining which categories of voluntary organisations should be eligible would require a detailed assessment, similar to that already undertaken by the Office of the Scottish Charity Regulator as part its duties to determine which organisations can be charities. Furthermore, it was recognised that not only does Scottish Water not have the necessary skills currently to make the assessment, but verifying additional documentation would increase the administrative costs of the scheme. It was therefore concluded that eligibility should be restricted to Charities and Community Amateur Sports Clubs.

In addition, the information held by OSCR is published and is independently assessed. Organisations with charity status will also have passed the public benefit test and would not need to be assessed on an individual basis to determine if the scheme applies. Whilst I recognise your constituents may be disappointed with this response, organisations may wish to consider if there are benefits of becoming a charity. Further information is available on OSCR's website at: <http://www.oscr.org.uk/charities/becoming-a-charity>. Alternatively you can contact OSCR on 01382 220446.

The Scottish Government has greatly modernised access to the exemption scheme. It should be noted that, in contrast to the previous scheme, the requirement for all charities to apply annually means that if a charity does not qualify in one financial year, it will not be prevented from applying in future years should it meet the criteria of the scheme.





I recognise that a number of organisations will not have been aware of the changes to the Exemption Scheme. I have agreed that exemption should be backdated to 1 April 2016 if charitable status is awarded in 2016-17.

I can confirm that, where possible, all non-domestic properties should be fitted with a meter to accurately assess charges. I would advise your constituents to contact their Licensed Provider if they are not currently being billed by reference to a meter to check if this option is available.

Yours

*Roseanna*

**Roseanna Cunningham**

From: .....  
Sent: 04 October 2016 15:19:40  
To: Ministerial Correspondence Unit  
Cc: Cabinet Secretary for the Environment, Climate Change and Land Reform  
Subject: FW: Correspondence from Tavish Scott MSP

Attachments: 041016\_TS\_ShetlandHalls.pdf, Report on Water and Sewage Exemption Scheme July 2016.pdf

Hi,

One for MACCS please, MR

Kind Regards

Assistant Private Secretary  
Roseanna Cunningham, MSP Cabinet Secretary for Environment, Climate Change and Land Reform  
2N.08 - St Andrews House - Regent Road - Edinburgh - EH1 3DG

Tel:  
Email: CabsecECCLR@gov.scot<mailto:CabsecECCLR@gov.scot>

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From: .....  
Sent: 04 October 2016 15:12  
To: Cabinet Secretary for the Environment, Climate Change and Land Reform  
Cc: Cabinet Secretary for the Rural Economy and Connectivity  
Subject: Correspondence from Tavish Scott MSP

Hello,

Please find attached a letter from Tavish Scott MSP on the Water and Sewerage Charges Exemption Scheme, along with a report from Voluntary Action Shetland.

Kind regards,

Tavish Scott MSP (Shetland, Scottish Liberal Democrat)  
Spokesperson for Education, Sport and Europe

.....  
MG.11, Scottish Parliament, Edinburgh, EH99 1SP

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Tavish Scott MSP  
Member of the Scottish Parliament for Shetland

Roseanna Cunningham MSP  
Cabinet Secretary for Environment, Climate Change & Land Reform  
The Scottish Government  
St Andrew's House  
Regent Road  
EDINBURGH  
EH1 3DG

Our Ref: Thom050\260916\TSP\ts  
Date: 4 October 2016

I am writing in relation to changes to the Water and Sewerage Charges Exemption Scheme.

As you will be aware, changes to the scheme meant that from 1 April 2015, public halls with permanent liquor licenses no longer qualified for a full exemption from water and waste water charges.

With the transition phase due to end in April 2017, many local committees are extremely concerned about the impact of these bills on the future of the public halls they manage. These are voluntary organisations and the bar income is how each Public Hall Committee reinvests in the facilities, pay the insurance and other bills and keep the building open. This is not about a surfeit of licensed premises in an area as in Shetland the public hall is a community asset, not a pub.

I have enclosed a report compiled by Voluntary Action Shetland outlining many of these concerns. The report makes a compelling argument for the government to rethink this policy in order to protect the tradition of public halls in remote communities.

I have also sent a copy of this letter to the Cabinet Secretary for the Rural Economy given the need to support the viability of halls within Shetland and across Scotland.

I look forward to hearing from you.

Yours sincerely,

Tavish Scott MSP

cc: Fergus Ewing MSP, Cabinet Secretary for Rural Economy and Connectivity

**Survey of Shetland Halls on the Impact of the new  
Water and Sewerage Rate Exemption Scheme  
July 2016**

Produced by:

Voluntary Action Shetland  
Market House  
Market Street  
Lerwick  
Shetland  
ZE1 0JP

## **Introduction**

The purpose of this report is to illustrate the impact of changes to the Water and Sewerage Charges Exemption Scheme on public halls in Shetland.

Prior to 1 April 2015, Public Halls qualified for a full exemption of charges for water and sewerage through the Water and Sewerage Charges Exemption Scheme. In April 2015 the Scottish government changed the criteria for exemptions and allowed a 2 year transition phase to the new scheme. Under the new scheme - in order to qualify for an exemption - a Hall must be a registered charity and is not allowed to hold a permanent liquor licence.

Under the new scheme the majority of Shetland Halls will no longer qualify for an exemption. Halls, which were previously exempt from water charges are due to receive water bills from 2017-18. These charges will severely impact the financial viability of several halls and may lead to halls closing.

During 2016-17 (the transition period from the old scheme to the new scheme) Halls with a permanent liquor licence were due to receive a 50% discount on their bills. Some Halls have received large bills ranging from £700 - £2,000 per annum. However it is not clear from the bills if any discount has been applied. Halls are struggling to pay these bills.

The information for this report was collected using a survey sent to 51 Halls in Shetland. Responses were received from 22 Halls and the rest of the information was collated from the Office of the Scottish Charity Regulator (OSCR) and the Shetland Island Council Licensing Board.

## About the Halls

There are 51 Public Halls in Shetland covering all regions of the Shetland Islands, from Fair Isle to Unst. Public halls are one of the most valuable assets to local communities. Run by dedicated volunteers from the local communities they serve, they provide facilities for social, educational and recreational activities which bring numerous benefits to the health and well-being of local people. Given an ageing population and lack of frequent public transport the halls provide a vital social lifeline to communities.

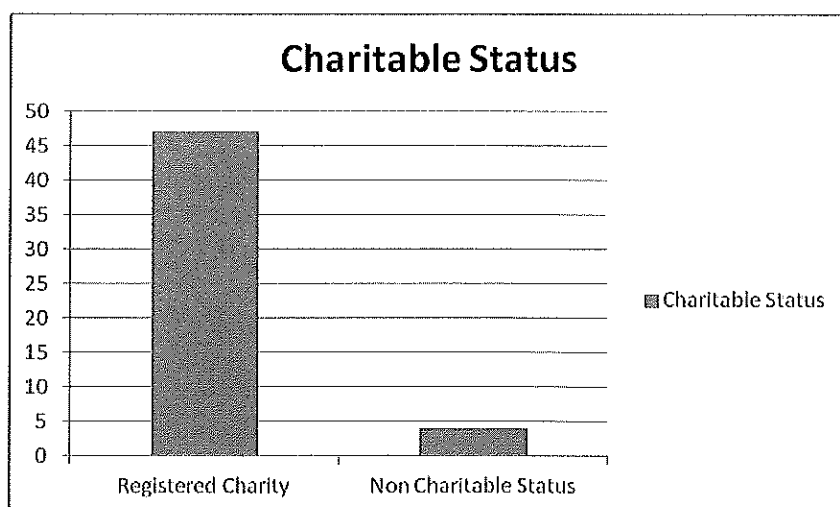
The cost of maintaining well kept accessible halls is a challenge for the volunteer committees. Most Halls meet running costs such as energy and insurance, and major maintenance costs through fundraising activities. In the current economic climate it is increasingly difficult to raise funds.

There are 51 halls in Shetland, of which 22 responded to the survey from Voluntary Action Shetland.

There are **36 Halls** with **charitable status** and a **permanent liquor licence**. Under the new water charge exemption scheme these 36 Halls will lose their exemption status and will need to find funds to pay water charges

### Charitable Status:

47 halls have charitable status and are registered with the Office of the Scottish Charity Regulator (OSCR). Only 4 halls do not have charitable status.



## **Who uses Public Halls?**

The following user groups were mentioned:

- Parent and toddler groups (Under 5's groups and Kindergym)
- Schools
- Youth Clubs
- Brownies
- Sports Clubs (including Badminton, Pool, Darts, Yoga, Exercise Classes)
- Boating Clubs
- Music Groups (Fiddle & Accordion Club)
- Traditional Dance Groups
- Community Councils
- Post Office
- Church of Scotland
- Stepping Out
- Older Peoples Club
- History Groups
- Weight Watchers
- Royal Voluntary Service
- Shetland Women's Royal Institute
- Writers Group
- 500 Group
- Other community groups
- UnstFest
- Up Helly Aa meetings
- Ambulance Service
- Church meetings
- Craft groups (Maakin & Yakking Group)



## **How are Public Halls used?**

Public halls are used to host a wide variety of community events. The following were listed on the responses:

- Meetings
- Music practice and music nights
- Concerts (including Folk Festival)
- Weddings
- Birthday parties
- Other celebrations
- Teas and other fundraising events (including car boot sales, plant sales etc)
- Fish & Chip nights
- Chinese Takeaway nights
- Quiz and race nights
- Supper dances
- Sunday teas
- Youth club meetings
- Craft nights
- Whist nights
- Bingo nights
- Other social events

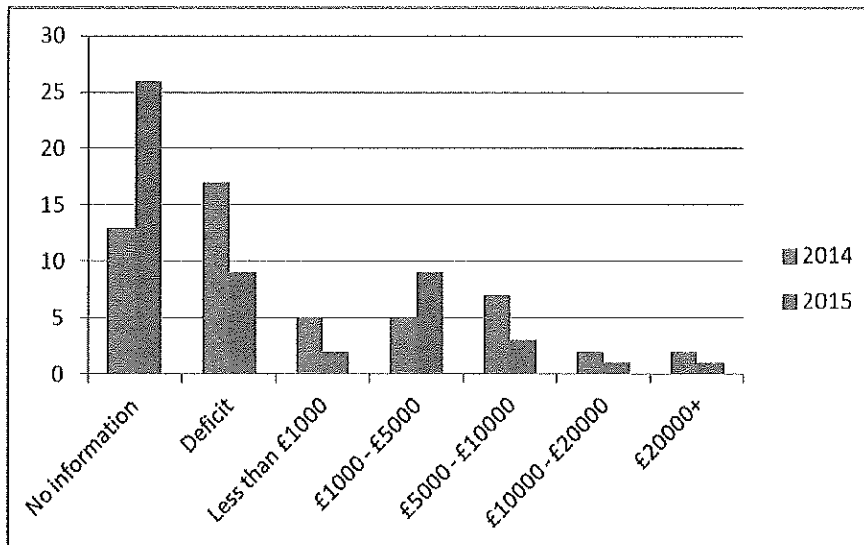
### Hall Income:

Net income figures for 2014 and 2015 were compiled from responses to the Survey and from OSCR records. The financial information for 2015 is incomplete as the deadline for receipt of accounts is still pending.

### Net Income:

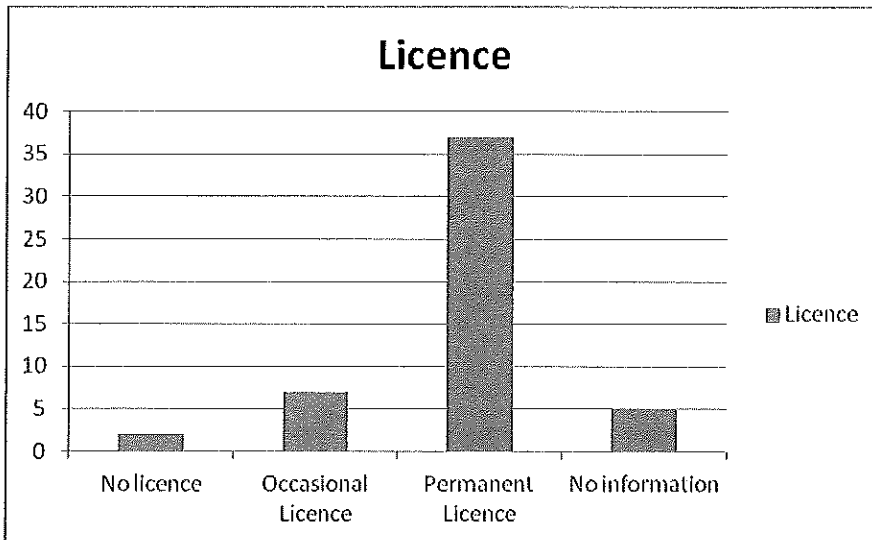
Net income per annum	2014	2015
No information	13	26
Deficit	17	9
Less than £1000	5	2
£1000 - £5000	5	9
£5000 - £10000	7	3
£10000 - £20000	2	1
£20000+	2	1
Total	51	51

### Net Income during 2014 and 2015:



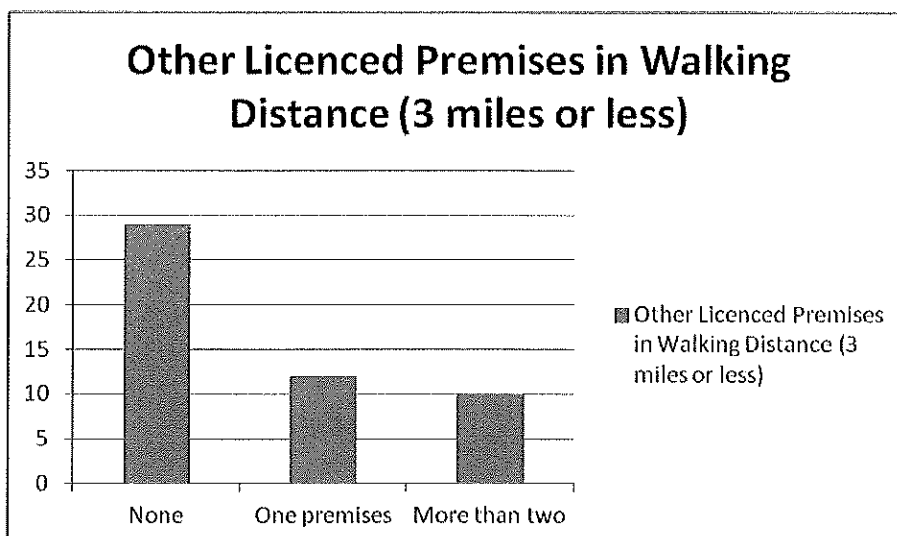
### Liquor Licence:

37 Halls have a permanent liquor licence, 7 Halls apply for an occasional liquor licence, 2 Halls do not apply for licences and no information was available for 5 Halls.



### Other Licensed Premises in the area:

There are 29 Halls which have no other licensed premises in their local area (within a walking distance of 3 miles or less). There are 12 Halls which have one other licensed premise in the area and 10 Halls which have more than two licensed premises in the area.



### **Water Bills:**

Of the 22 halls that responded, 11 have received water bills. The bills range from £257 per annum to over £2,000 per annum.

### **Comments from respondents:**

*"We feel very unfairly treated as we are not a business but a charity and we work hard to raise funds for our hall which could be better spent than on extortionate water bills"*

*"Our Committee is very concerned. We don't know what sort of bill we will end up getting."*

*"I think it is very unfair that community halls are being charged in this way because they have a full liquor licence. They must take into account how often and how long bar halls are actually open. In many cases, as ours there is no direct competition in the community. Many halls in Shetland will be unable to pay these extortionate charges."*

*"We have a long list of maintenance which is desperately required, so another large annual bill could lead to serious problems for the Hall."*

*"I feel the scheme is a valuable part of keeping halls active throughout Shetland."*

*"It's very worrying, am very glad this has been raised at Halls Association."*

*"Doesn't seem to be any logic. Bixter hall has a rateable value of £7,900 and a water rate demand for £567. Whiteness and Weisdale has a rateable value of £15,250 but a water bill of £257. Our profit last year was £537 but the rates are £567."*

*"We have been paying in the region of £1000 pa since 1999 so welcome the chance to reduce our water bills."*

*"As a registered charity which uses a permanent alcohol licence the new change will seriously impact us."*

*"I do not think it is fair to have a one size fits all attitude. Small voluntary places should not be treated the same as a licensed premises which is open 365 days a year."*

**Conclusion:**

This report shows the important, valuable and varied role that Public Halls play in life in Shetland. They provide a space and opportunity for collective activity, learning and community participation. They are vital to providing a focal point for neighbourhood activities and base for local groups within easy walking distance of home.

Many rural areas have an increasing aging population and also experience poor public transport links. The Halls help to provide services and facilities which enable aging rural people to stay in their homes and communities and also help to tackle issues like isolation.

As financial support for Public Halls from the Local Council has decreased volunteer committees are required to raise the funds to insure, heat and maintain the halls in good repair. Most committees are already working at capacity to fundraise for their halls to met these costs. The introduction of water charges will stretch an already stretched fundraising remit and for some halls will mean they will have to close.

Cabinet Secretary for Environment, Climate Change and  
Land Reform  
Roseanna Cunningham MSP



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T: 0300 244 4000  
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Mr Tavish Scott MSP  
The Scottish Parliament  
EDINBURGH  
EH99 1SP

Your ref: Thom050/260916/TS/ts  
Our ref: 2016/0032607  
25 October 2016

Dear Tavish,

Thank you for your letter of 4 October 2016 on behalf of the charities that operate public halls in Shetland regarding the water and sewerage charges exemption scheme.

I understand the concerns raised by public halls and Voluntary Action Scotland. However, as I explained in my letter of 6 July 2016, it has always been a feature of the scheme that charities and Community Amateur Sports Clubs (CASCs) in possession of a permanent alcohol licence are not eligible for support. This condition was retained to prevent unfair competition between licensed premises and supports the Government's alcohol policy. There are no plans to change the criteria of the scheme at present.

Voluntary Action Scotland has noted that some halls may not have received a discount in 2016-17. A discount of 50% on the wholesale charge is applicable in 2016-17 to those organisations that were exempt under the previous scheme which ended on 1 April 2015. If this discount has not been applied correctly, the village halls should contact their Licensed Provider.

As you know, Ministers have agreed to review the scheme in 2017. I will consider these representations when undertaking the review.

Yours

Roseanna Cunningham

Strategic Lead - Resources  
Email: !

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COUNCIL

Council Offices  
Garshake Road  
DUMBARTON  
G82 3PU

Our Ref: WDC/26.10.16  
If calling please ask for  
Email:

24 November 2016

Keith Brown MSP  
Cabinet Secretary for Infrastructure, Investment and Cities  
The Scottish Government  
St Andrew's House  
Regent Road  
EDINBURGH  
EH1 3DG

Dear Cabinet Secretary

**WEST DUNBARTONSHIRE COUNCIL MEETING – 26 OCTOBER 2016**  
**Funding to Community Organisations for Business Stream Water Charges**

At a recent meeting of West Dunbartonshire Council, Members considered a report on 'Funding to Community Organisations for Business Stream Water Charges' containing information in relation to the impact of Scottish Water charges on community organisations, tenants associations and community halls. A copy of the report in question is attached for your information.

Council agreed, amongst other things, that I write to the appropriate Scottish Government Minister on this issue, highlighting the financial risk to these types of organisations.

The attached report highlights the financial challenges being faced by a number of small community organisations. I would expect that this situation is being faced by a large number of such organisations across Scotland and would ask whether the Government could consider a change to this legislation in order to reinstate the exemptions that previously existed for such organisations.

The potential route out of this situation for these organisations would be to apply for and get approval of a charitable status thereby being able to claim exemption from the water charge. There is presumably a risk that some of the organisations roles may not be able to transform into a charitable role and therefore a risk that these organisations may struggle to be financially viable.

I thank you for your consideration of this matter and look forward to your response.

Yours faithfully

Strategic Lead - Resources

Enc.

## WEST DUNBARTONSHIRE COUNCIL

### Report by Strategic Lead – Housing & Employability

Council: 26 October 2016

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**Subject: Funding to Community Organisations for Business Stream Water Charges**

#### **1. Purpose**

- 1.1 The purpose of this report is to provide Council with information in relation to the impact of Scottish Water charges on community organisations, tenants associations and community halls.

#### **2. Recommendations**

- 2.1 It is recommended that Members review the risks outlined in this report and agree to:
- Establish a fund of £10,000 from reserves to support affected groups with Scottish Water Business Stream charges;
  - Support affected groups to pursue registered charity status to ensure future exemption from charges; and
  - Authorise the Strategic Lead – Resources to write to the appropriate Scottish Government Minister on this issue; highlighting the risk to community organisations.

#### **3. Background**

- 3.1 At a special Council meeting on 5 October 2016, a motion was presented regarding the charging of community organisations, specifically tenants associations, for business stream rates by Scottish Water. This is a recent issue, with tenants' organisations raising the issue with Members and officers.
- 3.2 The charges applied to these organisations are as a result of a change in legislation, following the Water and Sewerage Services to Dwellings (Collection of Unmetered Charges by Local Authority (S) Order 2014. This has resulted in non-domestic properties now being liable for water charges unless registered as a charity.
- 3.3 Community organisations and tenants' associations that are not already registered as a charity, and which have premises have now started to receive business stream bills from Scottish Water.



#### **4. Main Issues**

- 4.1** A number of tenants associations and community organisations utilise property provided by the Council, either through a lease or provision of a community flat or similar property. An indicative list of these groups has been prepared, although this is not an exhaustive list as it is reliant on databases developed for other purposes.
- 4.2** Running costs for these organisations are traditionally low. To date they have been exempt from these water charges. The change following the 2014 Order detailed above has only recently resulted in bills being issued to associations and organisations in West Dunbartonshire.
- 4.3** A number of tenants associations are supported by the Tenant Participation Team. These groups utilise community flats provided through the tenant participation budget. To date two of these organisations have been supported, through the tenant participation budget, to pay the bills issued by Scottish Water. A further four have yet to confirm the charges received and clarify if financial support is required.
- 4.4** In addition to these tenants associations there are a number of community managed halls which may be in the same position along with additional tenants groups not currently supported by the tenant participation team.
- 4.5** The initial scoping of affected groups has identified at least 14 groups and organisations that may be affected by the 2014 order and liable for business stream charges. It is likely that this number will be higher following further work. Based on the bills known and paid it is estimated that each organisation may be liable for an annual charge of around £500, however there may also be additional historical charges applied.
- 4.6** These groups do not have recurring funding and could not have anticipated the charges. To manage the impact in future council officers will be working with the groups and organisations to pursue charitable status where this is not already in place. However this may not be a suitable route for all organisations, meaning they have a recurring funding deficit going forward and a need to secure long term sustainable funding to meet this.
- 4.7** As a short term measure to support these organisations and groups to scope future options it may be helpful to these groups to establish a small fund to cover business stream costs. Eligibility would be restricted to community organisations running community venues on behalf of a defined neighbourhood – namely tenants associations and community hall management committees. While this fund could be used to provide crisis support to the groups in question, further work should also be done to identify alternative funding routes.
- 4.8** The changes to exemption criteria following the 2014 order will have an impact on community organisations and tenants' associations across Scotland

and pose a risk to the future of active community representation through these groups. It is suggested that the concerns of the Council should be provided to the relevant Minister in Scottish Government to highlight this significant risk.

## **5. People Implications**

5.1 There are no personnel issues associated with this report.

## **6. Financial and Procurement Implications**

6.1 The establishment of a fund specifically to support the affected groups would require to be funded from Council reserves. Based on the information known it is recommended that a fund of £10,000 is established.

6.2 There are no procurement implications arising from this report.

## **7. Risk Analysis**

7.1 There is a risk to the positive dialogue provided through these representative community organisations if this funding is not provided. If a long term solution cannot be found to meeting these new charges the organisations may not be able to continue to function.

## **8. Equalities Impact Assessment (EIA)**

8.1 The eligibility criteria for access to the fund will require to be impact accessed to ensure no groups are directly or indirectly disadvantaged.

## **9. Consultation**

10.1 This report has been prepared in consultation with the finance and tenant participation teams.

## **11. Strategic Assessment**

11.1 The existence of these community organisations and tenants' associations supports the council to deliver on its strategic priority of improving the well-being of communities and protecting the welfare of vulnerable people.

Strategic Lead- Housing & Employability  
14 October 2016

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**Person to Contact:** \_\_\_\_\_, Corporate & Community Planning  
Manager

**Appendices:** None

**Background Papers:** Special Council 5 October 2016 – motion  
**Wards Affected:** All

Cabinet Secretary for Environment, Climate Change and  
Land Reform  
Roseanna Cunningham MSP



Scottish Government  
Riaghaltas na h-Alba  
gov.scot

T: 0300 244 4000  
E: scottish.ministers@gov.scot

Mr  
Strategic Lead - Resources, West Dunbarton  
Council  
Council Offices  
Garshake Road  
DUMBARTON  
G82 3PU

Your ref: WDC/26. 10. 16.  
Our ref: 2016/0039987  
16 December 2016

Dear

Thank you for your letter of 24 November 2016 to the Cabinet Secretary for Economy, Jobs and Fair Work regarding water and sewerage charges from Business Stream for community organisations. I am replying as the water industry in Scotland falls within my Ministerial portfolio.

Following the public consultation, which closed on 14 February 2014, much consideration was given to respondents' views on the rules that should underpin the new Scheme including income levels and categories of organisations that should be considered for exemption. As you will appreciate, there are a wide variety of voluntary organisations working across Scotland. It was noted that determining which categories of voluntary organisations should be eligible would require a detailed assessment, similar to that already undertaken by the Office of the Scottish Charity Regulator as part its duties to determine which organisations can be charities. Furthermore, it was recognised that not only does Scottish Water not have the necessary skills currently to make the assessment, but verifying additional documentation would increase the administrative costs of the scheme. It was therefore concluded that eligibility should be restricted to Charities and Community Amateur Sports Clubs.

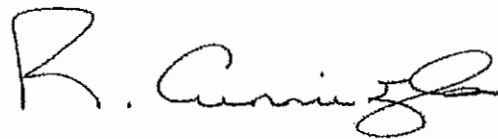
In addition, the information held by OSCR is published and is independently assessed. Organisations with charity status will also have passed the public benefit test and would not need to be assessed on an individual basis to determine if the scheme applies. Whilst I recognise you may be disappointed with this response, organisations may wish to consider if there are benefits of becoming a charity. Further information is available on OSCR's website at: <http://www.oscr.org.uk/charities/becoming-a-charity>. Alternatively you can contact OSCR on 01382 220446.



The Scottish Government has greatly modernised access to the exemption scheme. It should be noted that, in contrast to the previous scheme, the requirement for all charities to apply annually means that if a charity does not qualify in one financial year, it will not be prevented from applying in future years should it meet the criteria of the scheme. The Scottish Government is committed to a review of the scheme in 2017 to ensure it is operating as intended. I will consider representations from voluntary organisations when conducting the review.

I recognise that a number of organisations will not have been aware of the changes to the Exemption Scheme. I have therefore agreed that exemption should be backdated to 1 April 2016 if charitable status is awarded in 2016-17.

Yours



**Roseanna Cunningham**



Changes to Business Stream eligibility for discounted water rates come into force from 1st April 2016 which means only charities and community sports clubs will now be able to claim a rebate on their water bills.

Many halls are not charities and I would argue should not have to adopt a legal structure which is not appropriate for them. Form should follow function in that many Hall Committees do not own the asset, do not employ staff, and manage minimum levels of grant/income. They are exposed to a very low risk both individually and collectively and do not need to have incorporated limited liability status or charitable status. They should certainly not be forced into adopting a structure merely on the basis of attracting a rebate.

Business Stream has only recently contacted Federation member halls with an application deadline of the 31st March to apply for a rebate which can't be applied retrospectively. So even if a Hall decided to pursue charitable status they would be unable to obtain a rebate now for 2016-17 as OSCR can take up to 90 days to award charitable status.

I understand these changes were consulted on before the Scottish Government implemented the changes. I am attempting to identify which organisation/agency in Dumfries and Galloway was advised of the consultation and how many responses were submitted from Dumfries and Galloway. I have ascertained that Dumfries and Galloway is the most adversely affected by these changes in Scotland. Of the 117 village halls only 40 are registered on the OSCR site as a charity.

I would welcome your support in raising this as an issue with the Scottish Government.

Kind regards,

-----  
**the hub - your community action centre**

24-26 Friars Vennel

Dumfries

DG1 2RL


Tel:

Fax: 01387 269026

Email:

Web: [www.thehubdg.org.uk](http://www.thehubdg.org.uk)

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Cabinet Secretary for Infrastructure, Investment and Cities  
Keith Brown MSP

T: 0300 244 4000  
E: scottish.ministers@gov.scot



Dr Aileen McLeod  
By email ( ) \_\_\_\_\_

23 March 2016

Dear Aileen,

Thank you for your email on behalf of village halls in your constituency regarding the water and sewerage charges exemption scheme.

The new Water and Sewerage Exemption Scheme which started on 1 April 2015 is only open to Charities and Community Amateur Sports Clubs. This decision was taken because during the consultation period it became clear that there is no single definition of a voluntary organisation. Furthermore, the regulatory activities undertaken by the Office of the Scottish Charity Regulator means that the business community, which funds this scheme, can be reassured that exemption is being granted on a robust and transparent basis.

However, I recognise that there are particular issues relating to the village halls to which you refer. Initial discussions with the Scottish Council for Voluntary Organisations suggest that there may be up to 400 village halls affected by this change. I have asked officials to work with the Scottish Council for Voluntary Organisations and the Office of the Scottish Charity Regulator with a view to providing Ministers with some advice after the election.

Meantime, these village halls will be required to pay water and sewerage charges. A 50% discount in wholesale charges will be applied automatically in 2016-17 in line with the transition arrangements. I would encourage these village halls to consider whether charitable status is appropriate. I would also like to clarify that applications for exemption in 2016-17 can be submitted until 31 March 2017. The exemption will apply from the date that the organisation becomes a charity provided the charity applies before the closing date.

**KEITH BROWN**

Victoria Quay, Edinburgh EH6 6QQ  
www.gov.scot



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**From:**  
**Sent:** 03 October 2017 14:57  
**To:**  
**Subject:** RE: E - Charges -

Dear

Thank you for your email.

I can confirm that water and sewerage charges are payable for water, waste and drainage services provided to the property by Scottish Water. Normally the responsibility for paying these charges lies with occupier of the premises. In some instances, for example where there are a number of occupiers in the property, the landlord may opt to pay these charges and then seek to recover them through agreements made with the occupiers. You may wish to check the position in respect of the Queen Victoria Memorial Hall with Fife Council.

If your management Committee is a charity, you may wish to consider applying to the Water and Sewerage Exemption Scheme. Details on the eligibility criteria is available at: <https://www.mygov.scot/water-sewerage-exemption/> Enquiries about how to apply for this Scheme should be made to your Licensed Provider.

If the management Committee is not a charity and wishes to consider how it might become one, further information is available from the Office for the Charity Regulator <https://www.oscr.org.uk/charities/becoming-a-charity>. Provided that your organisation meets the criteria of the Scheme, exemption would apply from the date on which the charity is registered with OSCR.

The Scottish Government is currently reviewing the scheme to ensure it is operating as intended. As part of the review, we will consider whether eligibility should continue to be restricted to charities and CASCs. We expect to publish our results by the end of the year.

Regards,

Policy Officer  
Water Industry Team  
Scottish Government

**From:**  
**Sent:** 28 September 2017 17:01  
**To:** Central Enquiry Unit <[CEU@gov.scot](mailto:CEU@gov.scot)>  
**Subject:** Charges

The Queen Victoria Memorial Hall, Coaltown of Balgonie is owned by Fife Council. It has a Voluntary Management Committee which deals with the running of the Hall lets and payment of Gas and Electricity Bills.

We have now been landed with a water Bill for over £700; last year it was over £500! surely since it is a Council owned property then the Council should be paying their own Bill for Water & drains.

We voluntary run this property with objective of giving our Community a place for Leisure and pleasure.

Change have been made but not with Voluntary Groups in mind.

I'd like to know how you can charge the above amounts; most of those using the hall do not use enough water to credit such a bill.

A very disgruntled member on behalf of the Management Committee.

Vice Chair  
Victoria Hall,  
Coaltown,  
Glenrothes  
Fife KY& 6Hs

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**From:** Cabinet Secretary for Infrastructure, Investment and Cities  
**Sent:** 15 April 2016 11:07  
**To:** Ministerial Correspondence Unit  
**Cc:** Cabinet Secretary for Infrastructure, Investment and Cities  
**Subject:** For MACCS

**Categories:** Yellow, Blue Category

For MACCS please.



u418764\_15-04-...

Many thanks

\_\_\_\_\_| Assistant Private Secretary  
*Keith Brown - Cabinet Secretary for Infrastructure, Investment and Cities*  
2N.08 | St Andrew's House | Regent Road | Edinburgh | EH1 3DG |  
[CSIIIC@gov.scot](mailto:CSIIIC@gov.scot)

Chairperson  
Nithsdale Federation of Village halls / Community Centres  
5 Sunderries Ave  
Dumfries  
DG20AZ

Keith Brown MSP

07 APR 2016

Dear Keith Brown MSP

Dear Colleague

New water and Sewage Bill Charges/ Exemption

Ref: Nithsdale Federation of Village Halls/ Community Centres

I have read your correspondence relating this matter of business new water and sewage charges and proposed Charity status exemption. Addressed to Dr Aileen McLeod both Dr Elaine Murray.

Dumfries & Galloway, Community Halls/ Community Centres are Geographical spread across this region. We don't all live in the central belt whereby they would be able to attract a larger customer base thus having a better capital turnover. We must bearing in mind these village halls and centres are run by elderly members and community volunteers. (Providing pre nursery care, after school care, Girl guides/ Scouts activities, Elderly meeting places, Country, Highland dances, Carpet bowling activates Elderly care activities and many other community activities that will be a loss to these rural communities because.) In many cases they don't have enough income revenue to be able to support independent Accountancy Charitable status. Because their income and expenditure is usually just enough to pay and cover their Annual insurances premiums/ energy bills without adding more red tape and expenditure to their accounts.

New water and sewage charges, announced recently by Scottish Government has been through various consultations accordantly to your recent letters to other parties, but in accordance with the gauge reaction both the Nithsdale Federation Members and these rural geographical community's throughout the Dumfries & Galloway region, The first they knew about this new tax was when letters came through their respective post boxes so once again I ask the question where was the consultation process that had taken place.

This will have a diverse effect of Councils like D&G Council who are currently in the process of asset transfers of their formerly owned council village halls/ community centres, because it's just another bill to add to their yearly budget etc. At these recent meeting related to asset transfer held during the first quarter of 2016 there was no mention of any Scottish Government water/ sewage tax charges in the pipe line.

It's no wonder members who live in the Dumfries & Galloway region village halls/ community centres see this as just Scottish Government = Community Stealth Tax. Which will mean a number of theses community assets will close all together with a loss of communities actively working together, so much for the Governments Big Picture that were all in it together?

Yours Fraternally

Nithsdale Federation of Halls  
Chairperson

Environment and Forestry Directorate  
Water Industry Division



Nithsdale Federation of Village Halls etc  
5 Sunderries Avenue  
DUMFRIES  
DG2 0AZ

Our ref: 2016/0012981  
27 April 2016

Dear

Thank you for your letter to the Cabinet Secretary for Infrastructure, Investment and Cities regarding the water and sewerage charges exemption scheme. I work for the water industry team in the Scottish Government and have been asked to respond.

The Scottish Government recognises that there are particular issues relating to village halls. We have been asked by Ministers to work with SCVO and OSCR to consider if support can be provided to village halls that may lose exemption. The Cabinet Secretary has asked for advice following the election. I will write to you again once Ministers have made a decision.

Yours sincerely,

Policy Officer  
Water Industry Team



NICOLA STURGEON

First Minister, HOLYROOD

I am writing to you on behalf of the older members of Kirkcowan Autumn Social Club. The club is a non profitmaking club, specifically for older people to come and enjoy company, keep in touch with others of the same age, be entertained and enjoy a cup of tea and a cake. We have no income, and we are not a charity, we rely purely on bequests and donations etc. The 30 members love coming to the club, in some cases it is almost their only outing. Some also live in isolated homes outwith the village. Imagine our dismay when we were told a couple of weeks ago that we have now to pay £500 pounds a year for water and sewage fees.

The club only meets once a fortnight and the only water used is to boil 4 kettles for tea and of course use the toilet, if necessary. We meet for roughly 3 hours in the afternoon.

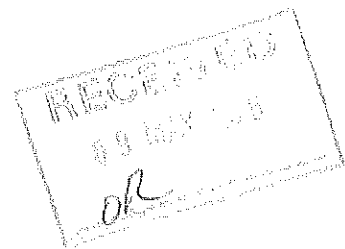
Needless to say we are dismayed and wonder if there is any way we can avoid this new charge!!

I would be obliged if you could look into this new charge, or if anything can be done to waive it!! If we have to pay it I am afraid we may have to close down.

Yours sincerely

secretary, Kirkcowan Autumn Social Club.

Address



13 MAY 2008  
MCO

Kirkcowan Autumn Social Club

Our ref: 2016/0014745  
9 June 2016

Dear

Thank you for your letter to the First Minister regarding the water and sewerage charges exemption scheme. I work for the water industry team in the Scottish Government and have been asked to respond.

Following the public consultation, which closed on 14 February 2014, much consideration was given to respondents' views on the rules that should underpin the new Scheme including income levels and categories of organisations that should be considered for exemption. As you will appreciate, there are a wide variety of voluntary organisations working across Scotland. It was noted that determining which categories of voluntary organisations should be eligible is very difficult and would require a detailed assessment, similar to that already undertaken by the Office of the Scottish Charity Regulator as part its duties to determine which organisations can be charities. Furthermore, it was recognised that not only does Scottish Water not have the necessary skills currently to make the assessment, but verifying additional documentation would increase the administrative costs of the scheme. It was therefore concluded that eligibility should be restricted to Charities and Community Amateur Sports Clubs.

In addition, the information held by OSCR is published and is independently assessed. Organisations with charity status will also have passed the public benefit test and would not need to be assessed on an individual basis to determine if the scheme applies.

Whilst I recognise you may be disappointed with this response, Kirkcowan Autumn Social Club may wish to consider if there are benefits of becoming a charity. Further information is available on OSCR's website at <http://www.oscr.org.uk/charities/becoming-a-charity>. Alternatively you can contact OSCR on 01382 220446.



The Scottish Government has greatly modernised access to the exemption scheme. It should be noted that, in contrast to the previous scheme, the requirement for all charities to apply annually means that if a charity does not qualify in one financial year, it will not be prevented from applying in future years should it meet the criteria of the scheme.

We do recognise that a number of organisations such as your own will have received bills. We are currently considering whether organisations in your situation that successfully obtain charitable status in 2016-17 could have exemption backdated to 1 April 2016, provided they meet the other scheme criteria. Following the decision of Ministers we will write to you again.

Yours sincerely,

.....  
Policy Officer  
Water Industry Team

# SCOTTISH PARLIAMENT

## WRITTEN ANSWER

20 July 2016

Index Heading: Enterprise & Environment

**Oliver Mundell (Dumfriesshire) (Scottish Conservative and Unionist Party):** To ask the Scottish Government what assessment it has made of the implementation of new legislation that gives effect to water and sewerage charges; how it will support village halls in their application for charitable status so that they are eligible for exemption from such charges, and what discussions it has had on this matter with the (a) Scottish Council for Voluntary Organisations and (b) Office for the Scottish Charity Regulator.

S5W-01207

**Roseanna Cunningham:**

Scottish Ministers' Principles of Charging Statement sets out the basis for calculating water and sewerage charges. It also sets out the terms upon which the Exemption Scheme is available to charities and Community Amateur Sports Clubs.

The terms of the new Exemption Scheme, which was introduced on 1 April 2015, were the subject of a consultation (<http://www.gov.scot/Publications/2013/11/9119>) at the end of 2013. Over 140 organisations responded including many voluntary organisations and their umbrella organisations. The Scottish Council for Voluntary Organisations (SCVO) and the Office for the Charity Regulator (OSCR) were closely involved in the design and implementation of the new Scheme and have publicised the consultation and the Scheme as agreed by Ministers.

My officials have spoken to officials at OSCR and SCVO to discuss how further assistance can be provided where village halls wish to obtain charitable status. In the light of these discussions, I have decided that, provided that these village halls obtain charitable status within the current financial year and meet all of the eligibility criteria, exemption will be back-dated to 1 April 2016.

SCOTTISH GOVERNMENT

# SCOTTISH PARLIAMENT

## WRITTEN ANSWER

**21 February 2017**

Index Heading: Communities

**Oliver Mundell (Dumfriesshire) (Scottish Conservative and Unionist Party):** To ask the Scottish Government what assessment it has made of the impact of water charges on small community halls and buildings.

S5W-06861

**Roseanna Cunningham:**

The Scottish Government recognises that small community halls and buildings are essential to the vibrancy of Scotland's small communities. Where these community halls are registered as charities with the Office for the Scottish Charity Regulator, have incomes of less than £200,000 and don't operate retail facilities, then they are eligible for full exemption on their water charges. Eligible charities must apply annually for their exemption from their Licensed Provider.

SCOTTISH GOVERNMENT



The Scottish Parliament  
Pàrlamaid na h-Alba



Mr Kevin Stewart MSP  
Minister for Local Government & Housing  
Scottish Government  
St Andrew's House  
Regent Road  
Edinburgh  
EH1 3DG

22 July 2016



Dear Minister

**Water Charge Exemption Removal – McFarlan Hall, Clarencefield**

I have been contacted by \_\_\_\_\_ Treasurer of the Management Committee of McFarlan Hall, Clarencefield regarding water charges for the hall.

\_\_\_\_\_ has commented as follows:-

*"May I suggest that the Government reconsider the setting of an exemption for voluntary management groups with incomes below a defined level. This was apparently proposed in the "Consultation" at £75,000 p.a., however a far lower level (say £10 to 20,000) would probably eliminate the problem for most volunteer management groups whilst safeguarding the scheme from any significant abuse. It would also remove the absurdity of exempting charities with incomes of up to £300,000 p.a. whilst charging volunteers who have incomes of a few thousand if they're lucky. It also seems contrary to the objective of the Government to promote 'social cohesion' in rural areas that they produce a measure that threatens the viability of village halls in rural areas by introducing what is effectively a 'Stealth Tax' on those communities."*

I look forward to hearing from you regarding this matter in due course.

Yours sincerely

**Oliver Mundell MSP**

**Oliver Mundell MSP**  
Member of the Scottish Parliament for Dumfriesshire  
The Scottish Parliament, Edinburgh EH99 1SP  
Tel: 0131 348 5631  
email: oliver.mundell.msp@parliament.scot

Cabinet Secretary for Environment, Climate Change and  
Land Reform  
Roseanna Cunningham MSP



Scottish Government  
Riaghaltas na h-Alba  
gov.scot

T: 0300 244 4000  
E: scottish.ministers@gov.scot

Mr Oliver Mundell MSP  
The Scottish Parliament  
EDINBURGH  
EH99 1SP

Our ref: 2016/0026183  
24 August 2016

*Dear Oliver,*

Thank you for your letter of 22 July 2016 on behalf of your constituent to the Minister for Local Government and Housing regarding the water and sewerage charges exemption scheme. I am replying as the water industry in Scotland falls within my Ministerial portfolio.

Following the public consultation, which closed on 14 February 2014, much consideration was given to respondents' views on the rules that should underpin the new Scheme including income levels and categories of organisations that should be considered for exemption. As you will appreciate, there are a wide variety of voluntary organisations working across Scotland. It was noted that determining which categories of voluntary organisations should be eligible would require a detailed assessment, similar to that already undertaken by the Office of the Scottish Charity Regulator as part its duties to determine which organisations can be charities. Furthermore, it was recognised that not only does Scottish Water not have the necessary skills currently to make the assessment, but verifying additional documentation would increase the administrative costs of the scheme. It was therefore concluded that eligibility should be restricted to Charities and Community Amateur Sports Clubs.

In addition, the information held by OSCR is published and is independently assessed. Organisations with charity status will also have passed the public benefit test and would not need to be assessed on an individual basis to determine if the scheme applies. Whilst I recognise your constituent may be disappointed with this response, McFarlan Hall may wish to consider if there are benefits of becoming a charity. Further information is available on OSCR's website at: <http://www.oscr.org.uk/charities/becoming-a-charity>. Alternatively you can contact OSCR on 01382 220446.

The Scottish Government has greatly modernised access to the exemption scheme. It should be noted that, in contrast to the previous scheme, the requirement for all charities to apply annually means that if a charity does not qualify in one financial year, it will not be prevented from applying in future years should it meet the criteria of the scheme. The Scottish Government is committed to a review of the scheme in 2017 to ensure it is operating as intended. I will consider representations from organisations, such as McFarlan Hall, when conducting the review.

I recognise that a number of organisations such as your constituent's will not have been aware of the changes to the Exemption Scheme. I have agreed that exemption should be backdated to 1 April 2016 if charitable status is awarded in 2016-17.

Yours

Roseanna

Roseanna Cunningham