

Scottish Government Water Charges and Sewerage Exemption Scheme

What is the scheme?

In January 2015, Scottish Government introduced a new scheme to assist charities and Community Amateur Sports Clubs (CASCs) with the payment of water and sewerage charges. Further information is available on the [mygov.scot](https://www.mygov.scot) website and from [Scottish Water](#).

Who is Eligible?

- Charities (and CASCs) with an annual income up to and including £200,000 are exempt from charges.
- Charities (and CASCs) with an annual income between £200,000 and £300,000 pay a reduced charge of 50% off wholesale charge.

The new scheme increased the number of charities that are eligible for exemption or for a reduction in charges.

How does the scheme work?

Organisations apply to their water supplier, called the 'Licensed Provider'. See [Scotland on Tap](#) for more information about suppliers. Your supplier can answer questions about the application process. They will check each application and if the information is correct, they will send the application to Scottish Water. Scottish Water advises the Licensed Provider of the application outcome. Your Licensed Provider will let you know the decision.

If your organisation wants to apply for an exemption to water charges then it **must**:

- Meet the eligibility criteria
- Make an application annually and be aware there is a deadline date
- Make sure its accounts are up to date and submitted to OSCR on time

Are there exceptions?

There are a few exceptions. OSCR registered charities and CASCs will not be eligible for the scheme if:

- The organisation holds a permanent licence to sell alcohol at the premises.
- The premises are used for the purposes of retailing new or second hand merchandise. This includes charity shops and other types of premises.
- The premises operate as a café that is open to the public and operated on a regular basis to generate income. This does not include canteens that have been provided by a charity to support its own volunteers.
- The organisation is a Local Authority or an Arms Length External Organisation (ALEO).

How do I become a charity?

We are aware that there are many small organisations who are not charities but would be eligible for the exemption scheme if they were - for example village halls run for the benefit of the local community.

In Scotland, organisations must apply to OSCR and meet the Charity Test to become a charity. If you are thinking of becoming a charity so that you can benefit from exemption to water charges you should first consider whether becoming a charity is the right decision for your organisation. For more information on what it means to be a charity and how to apply see our guidance on [becoming a charity](#).

How do I become a CASC?

Organisations wishing to be recognised as a CASC must register with HMRC. You can find out about [applying for CASC here](#).