



Water and Sewerage Charges – Exemption Scheme for Small Third Sector Organisations Consultation Summary

The current water and sewerage exemption scheme exempts third sector organisations meeting the following criteria:

- The organisation did not pay for water and/or sewerage charges in respect of their property in 1999
- The organisation's income is less than £64,500 (for 2013/14)
- The organisation does not possess a permanent alcohol licence.

This consultation and future amended legislation aims to resolve the following flaws:

- Ineligibility of Third Sector organisations created since 1999
- The income threshold of £64,500 is too low
- In addition, since the creation of the scheme, the eligibility of existing members of the scheme has not been retested and therefore some organisations, which now have considerably greater income than the threshold, continue to receive exemption.

The proposed new criteria to be met for exemption are as follows:

- All third sector organisations will be able to apply
- The organisation must have a gross annual income of less than £75,000
- All third sector organisations, including those already members of the current scheme will be required to apply.

Likely Outcomes:

- A larger number of small-medium sized third sector organisations will benefit from the exemption
- Re-application by those currently exempt will likely result in a number of organisations losing their exemption due to increased income

If the legislation is updated, changes will be put in place by April 2015. For organisations no longer exempt, they will not be required to pay until April 2016 to allow for adjustment.

The consultation does mention the option of a discount scheme instead of an exemption scheme but it is predicted that the greater administrative costs of such a scheme would outweigh the benefits of any savings made from not having an exemption scheme.