

Scottish Sports Association

Scottish Government Water and Sewerage Charges - Exemption Scheme for Small Third Sector Organisations Consultation Paper

A submission on behalf of the Governing Bodies of sport in Scotland



Water and Sewerage Charges Exemption Scheme for Small Third Sector Organisations – Consultation Paper Submission from the Scottish Sports Association

The Scottish Sports Association (SSA) thanks the Scottish Government for the opportunity to respond to this consultation. Should any queries result from our response, or if further engagement with the SSA or our members would be beneficial as this process develops, please do not hesitate to contact us.

The SSA is the independent and collective voice for Scottish Governing Bodies of sport. We represent their interests and currently have 52 full members and 21 associate members. The governing bodies of sport are responsible for the governance, development and delivery of their individual sports and provide a formal structure for the over 900,000 individuals in Scotland who are members of one of Scotland's 13,000 sports clubs. Most of these organisations are run on a not-for-profit basis and are managed by volunteers. They provide coaching, competition and youth participation development opportunities for their local communities and most of the 195,000 people who volunteer in sport do so within the club structure.

The SSA has compiled this response following consultation, as usual, with our member Scottish Governing Bodies (SGBs).

The following points summarise key areas of priority for SGBs of sport:

- **Proposals Welcomed:** The proposed changes to the rate exemption scheme are welcomed by SSA members – sport in Scotland is built at community level, often small clubs supported largely by volunteers and so expanding eligibility for rate exemption will be a welcome saving to clubs working at grassroots level producing a significant range of community benefits.
- **Full Exemption:** SSA members support the proposed full exemption scheme. Although there are merits in a tiered approach the administrative costs and lack of clarity involved in such a scheme would outweigh its benefits e.g. what would be the situation where a club grows – would it easily move up or down a tier? A full exemption scheme would keep the process more straight-forward and would allow organisations to clearly assess their eligibility.
- **Income Threshold:** SSA members welcome the proposal to increase the income threshold. However, we would suggest the threshold could be higher still, closer to the £100,000 mark. This is based on our estimates of club membership numbers and club membership

fees which would easily see a large number of clubs falling into an income range of around £100,000.

- **All Third Sector Organisations:** SSA members support the scheme being open to all third sector organisations. Our members represent 13,000 sports clubs in Scotland, the majority of which do not have charitable-status but provide substantial benefits on a daily basis to Scotland's communities. This is a substantial number of clubs, especially when it is considered that there are around 45,000 voluntary organisations in Scotland in total. To exclude the scheme to charities-only runs the risk of excluding up to 30% of voluntary organisations. Furthermore as a percentage of volunteers, sport's 195,000 is a notable part of the 1.3 million across Scotland as a whole listed by SCVO – sport simply makes too significant a contribution to Scotland and to the third sector to be ineligible for these rate exemptions.

The legislation should allow eligible clubs to demonstrate their community impact through for example, showing that any profits are re-invested back into the club and/or community and do not benefit any private or public shareholder. On this particular issue we fully support SCVO's point in disagreeing with the consultation's third criteria in defining a third sector organisation – this would still allow organisations to distribute profits for private gain.

It should be noted that a formal structure for clubs is provided at national level from their **sportscotland**-recognised SGB. You can see a list of these [here](#).

- **Exclude Capital Grants:** The scheme should exclude capital grants for building works from consideration of an organisation's income. It would be unfair for one-off payments like this to exclude an organisation from exemption eligibility.
- **Clear Guidelines:** Should the scheme be updated it will be important that all eligible clubs and organisations are fully informed on how to apply or re-apply for exemption. Often uptake in such schemes may not be as high as it could be due to a lack of awareness and so clear guidelines are key requirement. The SSA and member SGBs can help in communicating any guidelines.

Respondent form



WATER AND SEWERAGE CHARGES - EXEMPTION SCHEME FOR SMALL THIRD SECTOR ORGANISATIONS: CONSULTATION

RESPONDENT INFORMATION FORM

Please Note this form **must** be returned to ensure that we handle your response appropriately

Please ensure that we receive your response by Friday 14 February 2014. We would welcome early responses.

Responses should be sent to:

- By email to: waterexemptionscheme@scotland.gsi.gov.uk
- Or by post to
Water and Sewerage Charges – Exemption Scheme
Water Industry Team
Scottish Government
Area 1-D (South)
Victoria Quay
EDINBURGH
EH6 6QQ

1. Name/Organisation

Organisation Name

Scottish Sports Association

Title Mr Ms Mrs Miss Dr Other Please tick as appropriate

Surname

Ronald

Forename

Catherine

2. Postal Address

Caledonia House

South Gyle

Edinburgh

Postcode EH129DQ Phone 0131 339 8785

Email catherine@info-ssa.org.uk

3. Written Responses – Permissions

If you are providing a written response please complete the following section.

I am responding as...

Individual	/	Group/Organisation
<input type="checkbox"/>	Please tick as appropriate	<input checked="" type="checkbox"/>

<p>(a) Do you agree to your response being made available to the public (in Scottish Government library and/or on the Scottish Government web site)?</p> <p>Please tick as appropriate <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>(b) Where confidentiality is not requested, we will make your responses available to the public on the following basis Please tick ONE of the following boxes</p> <p>Yes, make my response, name and address all available <input type="checkbox"/></p> <p style="text-align: center;">or</p> <p>Yes, make my response available, but not my name and address <input type="checkbox"/></p> <p style="text-align: center;">or</p> <p>Yes, make my response and name available, but not my address <input type="checkbox"/></p>	<p>(c) The name and address of your organisation will be made available to the public (in the Scottish Government library and/or on the Scottish Government web site).</p> <p>Are you content for your response to be made available?</p> <p>Please tick as appropriate <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
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<p>(d) We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?</p> <p style="text-align: center;">Please tick as appropriate <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>

4. Written Responses – Questions

Purpose of a new scheme

1) Do you agree that the purpose of the new scheme is correct?

Yes No

2) Do you agree that the principles form a sound basis upon which to design a new scheme?

Yes No

Proposals for a new scheme

3) Do you agree that the new scheme should be an exemption rather than a discount scheme?

Yes No

4) Are there other ways in which third sector organisations which are not charities can demonstrate eligibility?

Yes No

As mentioned above, Scotland's 13,000 sports clubs provide a wide range

of community benefits which impact positively for example in the fields of health, education and crime reduction. The legislation should set out clearly how organisations can demonstrate this wider community purpose. Of the 4 criteria listed it is the least defined and yet it is the most important in ensuring non-charitable third sector organisations can demonstrate their eligibility for exemption. Any guidelines must be clear in how organisations go about this.

5) Given the additional costs of administration associated with organisations which are not charities, should the scheme be restricted to charities only?

No. See above.

6) Do you agree that, for charities, income information should be sought from the Office of the Scottish Charity Regulator?

Yes No

7) Do you agree that membership should be renewed annually?

Yes No

8) Do you agree that the start date for the new scheme should be 1 April 2015?

Yes No

9) Do you agree that transitional measures are required to assist those organisations which lose their current exemption?

Yes No

10) Do you agree that a two year notice period for those organisations losing exemption is sufficient?

Yes No

11) Do you agree that the new scheme should be reviewed after 2 years to ensure it is operating as envisaged?

Yes No