

**CHURCHES' LEGISLATION ADVISORY SERVICE**  
Registered Charity No 256303  
**ANNUAL REPORT FOR THE YEAR ENDING 31 DECEMBER 2021**

**DESCRIPTION OF TRUSTS**

The Churches' Legislation Advisory Service came into existence on 8 March 2008 as the successor to the Churches Main Committee when the Charity Commission for England and Wales sealed the Scheme approving the changes. The object of the charity is to advance the religious and other charitable work of its members by promoting their common interests in matters relating to the delivery of their work.

In pursuance of the object of the charity, its Governors have the following powers:

- (1) to provide information and general advice to members on issues such as those relating to property, finance, tax, employment and charitable status and, when appropriate, to arrange meetings for this purpose;
- (2) to co-operate with churches, other faith groups and secular bodies and to exchange information and general advice with them;
- (3) to act as a liaison body between members and Government in the UK and Europe and other statutory authorities, to conduct negotiations with those authorities relating to matters within the charity's object and to take such action as may be thought fit in response to these negotiations;
- (4) to delegate the performance of any act, including the exercise of any power or discretion, to a sub-committee consisting of any two or more of the governors. The governors must exercise reasonable supervision over the sub-committee and the sub-committee must promptly report their acts and proceedings to the governors;
- (5) to appoint staff (who must not be trustees) and pay them reasonable remuneration, including pension provision for them and their dependants; and
- (6) to make rules and regulations consistent with the scheme for the management of the charity, including rules relating to membership and the conduct of elections.

**ORGANISATIONAL STRUCTURE**

The membership of the Churches' Legislation Advisory Service comprises a wide range of different Christian denominations and organisations in the United Kingdom, together with representation from the Orthodox Jewish community, as Members and Associate Members. It also includes a group of Professional Members consisting of solicitors and accountants who advise religious organisations. It operates through a group of Governors – the trustees – elected by the Members, who meet three or four times a year under the chairmanship of a senior Bishop of the Church of England who has a seat in the House of Lords. The Chairman is appointed by the Archbishop of Canterbury: the other Governors are either elected at the Annual General Meeting or co-opted. The charity is serviced by a secretariat, supplied under contract by Central Lobby Consultants Ltd (CLC), which discharges the day-to-day responsibilities of the charity, subject to the management and guidance of the Governors. The most recent contract ended on 30 April 2019 and was renewed for a further three years until 30 April 2022.



## GOVERNORS & TRUSTEES DURING 2021

- The Rt Revd David Urquhart, Bishop of Birmingham (Chairman *ex officio*: appointed 24 September 2020)
- Ms Joanne Anderton (Methodist Church of Great Britain) (co-opted 24 September 2020)
- Mr Richard Chapman (Church of England)
- Ms Memuna Levan-Harris (United Reformed Church)
- Ms Mary Macleod (Church of Scotland)
- The Revd Paul Rochester (Free Churches' Group)
- The Rt Revd Mgr Nicholas Rothon (Catholic Bishops' Conference of England and Wales)
- Ms Caroline Sanderson (Baptist Union of Great Britain)

*The designated Secretary is Frank Cranmer, but Central Lobby Consultants Ltd provides secretariat services corporately.*

## WORKING FOR THE PUBLIC BENEFIT

Under the legislation in all four jurisdictions, 'The advancement of religion' is a charitable purpose, provided it is 'for the public benefit'. The principal object of the Churches' Legislation Advisory Service is to offer advice and help to its member Churches in relation to what are often complex matters of public policy and Government regulation and our work during 2021 in support of this is summarised in greater detail later in this Report. This is particularly important for the smaller Churches, most of which have very little in the way of full-time central administration or in-house legal advice. We also provide a focal point for responses to consultations by Government: only very rarely does a consultation divide the Churches on denominational grounds because most deal with technical issues relating to such matters as secular law or taxation rather than with matters of theology or religious belief.

In setting our objectives and planning our activities, our trustees have given careful consideration to the Charity Commission's general guidance on 'public benefit'. We would argue that the work of the Charity contributes significantly to the public benefit by bringing to the attention of member Churches issues of legislation and policy that might affect their activities, by acting as a clearing-house for ecumenical responses to Government policy proposals and, where appropriate, by engaging with Government in relation to those proposals – thereby helping to free member Churches to concentrate on their own core mission: *the advancement of religion for the public benefit*.

## PRINCIPAL ACTIVITIES OF THE CHARITY FOR THE YEAR ENDING 31 DECEMBER 2021

As in 2020, the work of the charity during 2021 continued to be overshadowed by the COVID-19 pandemic and to some extent hampered by it. As in 2020, though we continued to keep members updated about the rapidly changing regulations and guidance on what was permitted during the various lockdowns it was only possible to hold meetings remotely via Zoom.

### Meetings of the trustees

The Governors of CLAS met on two occasions in 2021: on 18 June and 11 November. The meetings were held remotely.



## General meetings

The purpose of general meetings is partly to enable specialists within Member Churches to focus on particular current issues as they affect the Churches and partly to provide an opportunity for them to exchange views informally. There were two meetings in 2021, held remotely because of the pandemic:

- 21 June – members were invited to attend the Charities' Property Association's webinar on energy efficiency and renewables.
- 26 July: Julie Moktadir, Partner at Stone King, gave a webinar on the immigration system in relation to Ministers of Religion and Religious Workers.

The charity's Annual General Meeting was held remotely on 26 July, immediately after the webinar.

## Responses to consultations

CLAS seeks to ensure that the interests of its members in relation to current and future legislation are properly represented at every opportunity. Part of that process is to issue Circulars and e-mail briefings to alert members to matters of concern so that they can make appropriate representations themselves. Equally important, however, are Government consultations; and we have responded to a series of formal and informal consultations during the year under review, some of them very general and others extremely technical.

The year began with a response to the Law Commission's consultation on weddings law in England and Wales. This has been a continuing issue since the Commission produced its initial Scoping Paper on the subject in December 2015 and was still unresolved by the end of 2021.

Also in January, we responded to the Treasury's call for submissions on the forthcoming Spring Budget on a single issue: the imminent ending of the Listed Places of Worship Grant Scheme, which was due to expire on 31 March 2021. It was announced in February that the Scheme would be continued for a further twelve months. In September, we made a similar submission in advance of the Autumn Budget, and it was announced in January 2022 that the Scheme would be continued for a further three years from 2022 until 31 March 2025.

Another major issue has been the proposal by the Welsh Government to bring into force the provisions of the Renting Homes (Wales) Act 2016. Under section 32, a requirement would be imposed on religious bodies to give their clergy and lay workers occupying their property a written statement of an "occupation contract" which would spell out the "other consideration" required from that person under section 26 to allow his or her occupation of the dwelling. The problem was, and remains, that clergy are not normally regarded as "employees" but as "office holders", and that for some Churches, notably the Methodist Church, an "occupation contract" would run the risk of altering the relationship between the Church and its clergy in a way that was contrary to its theology of ministry. Cytûn took the lead on this, but CLAS was involved in drawing up the submission and took part in discussions with Welsh Government civil servants. The matter remained unresolved at the end of 2021.

In July, we made a submission to the Law Commission on the vexed issue of the powers of parish, town and community councils to grant-aid places of worship. The law in this area is unclear, the contention being that s 8(1)(i) of the Local Government Act 1894 prohibits such financial support and that – unlike other aspects of that Act – there has been no subsequent legislation that overrides that prohibition. The issue was highlighted by the Government's *English Churches and Cathedrals Sustainability Review* chaired by Bernard Taylor, which, in its final report in 2017, *Sustainability of English Churches and Cathedrals*, called for the law to be clarified 'to establish that local authorities are not prohibited from awarding funding to churches'. We subsequently made a similar submission



to the Welsh Government in association with Cytûn, and the matter is now on the agenda of the Places of Worship Forum convened by DCMS.

We responded to two technical consultations by HMRC: on its Third Party Data Reporting Review insofar as its proposals related to Gift Aid claims, and on its consultation on Making Tax Digital for Corporation Tax. As to the latter, we argued that the proposals would be extremely costly and onerous, especially for small charities, and suggested that they should be exempt. A third technical consultation was by DEFRA on the draft exemption conditions for small-scale cemetery developments in low-environmental risk settings – which include existing church burial grounds.

In October, we made a joint response with the Charities' Property Association to the consultation on the reform of Domestic Energy Performance Certificates (EPCs) to introduce a third metric – Energy Use Rating – in addition to the current Energy Efficiency Rating and Environmental Impact Rating metrics. We expressed our concern about the underlying methodologies used to calculate EPCs, particularly in relation to historic and listed properties.

Possibly the most difficult issue on which we responded was the Home Office's consultation in July on the Protect Duty: in brief, that 'Venues and organisations owning, operating or responsible for publicly accessible locations should take appropriate and proportionate measures to protect the public from [terrorist] attacks' and should 'prepare their staff to respond appropriately'. We argued for a proportionate approach: what would be appropriate for a major place of worship such as a cathedral would be entirely disproportionate for a rural church or chapel. A final decision from Government is still awaited.

As well as responding to formal consultations and submitting memoranda to inquiries, the Secretariat continued to have informal contacts with a range of Government departments and regulatory bodies.

## **COVID-19**

The period under review continued to be overshadowed by the COVID-19 pandemic, and meetings had to be held by videoconference.

## **OUTCOMES AND ONGOING ISSUES**

### *Registration of excepted charities with the Charity Commission*

We have raised the issue of exception from registration in previous Annual Reports and have argued for a system of phased registration, starting with the larger excepted charities. A ten-year extension to the current exceptions was agreed in January 2021 – much to the relief of the sector, which feared a sudden end to the exception, followed by an unseemly scramble to register. In December 2021, however, the Charity Commission announced in its *Business Plan 2021 to 2022* that it would:

... begin preparations for an expanded Register, working with the Church of England to pilot and manage the receipt of applications from cathedrals applying for charitable status and then up to 35,000 excepted church charities over the next decade.

### *Taxation*

In our last Annual Report, we noted the negotiations with HMRC, led from our side by Sarah King, the Secretary of the Association of English Cathedrals, on its apparent change of policy regarding the VAT position of cathedrals and major churches in relation to supplies connected with occasional offices such as weddings and memorial services. The change was apparently in repudiation of the agreement originally negotiated between HM Customs & Excise and the Churches Main Committee, our



predecessor, and would have obliged some cathedrals to pay very large assessments for uncollected VAT which they would then have been unable to re-charge. To general relief, the negotiations turned out to be successful, and the VAT position reverted to the *status quo ante*.

#### *Weddings law*

The issue of reforming the law on weddings in England and Wales has been on the Law Commission's agenda since December 2015, when the Commission published a Scoping Paper on its possible reform. The Commission published a consultation paper in September 2020 and, as noted above, we submitted a response at the beginning of January 2021. The Commission was considering responses to the consultation and was aiming to publish its final report, with recommendations to Government, in July 2022.

#### *The Protect Duty*

As noted above, in July we responded to the Home Office's consultation in July on the Protect Duty, urging that any new duty on places of worship should be proportionate to their size and location and to their ability to put adequate security measures in place: in a nutshell, church congregations cannot be expected to start employing bouncers. We have also been liaising with the Cathedral Security Group on the issue. The Home Office published its response to the consultation in January 2022, concluding that the majority of respondents supported its proposals to introduce a legal requirement that some public places should ensure preparedness for and protection from terrorist attacks. One-third of responses to the consultation were from places of worship: a surprisingly high figure that no doubt reflected their concerns that they might be expected to put in place measures that would be beyond their staff resources.

#### *Liaison with others in the sector*

The Secretariat, collectively, continues to be involved in the activities of Historic England's Places of Worship Forum, the Historic Religious Buildings Alliance, the Churches' Funerals Group (of which the Secretary is a member *ex officio*), the Charity Law Association and RADAR (the monthly meeting of the parliamentary liaison officers of the various denominations, of which the Secretary of CLAS was chair for the first four months of the reporting year). On matters affecting churches in Wales, we liaise very closely with Cytûn, which tends to take the lead on purely Welsh affairs. As a result of concerns about the possible outcomes of the Home Office consultation on the Protect Duty, we became regular attenders at meetings of the Cathedral Security Group, for whose help we are most grateful. CLAS also has close relations with the Charity Tax Group and the Charity Property Association in relation to matters of mutual interest.

#### **PUBLICATIONS**

Circulars are issued as and when the need arises: sometimes purely for information and sometimes because member Churches need to react to changes in legislation. Twenty-five circulars were issued during 2021 and covered a wide range of topics ranging from taxation and employment law to health & safety and property issues – though, as in 2020, much of the focus during 2021 was the changing situation in relation to COVID-19. Individual items from circulars are posted on the members-only part of the website.



## COMPLIANCE AND OTHER GOVERNANCE ISSUES

### RESERVES POLICY

The Governors have adopted a policy of retaining a reserve equivalent to six months' operating costs, in line with the recommendation of the Charity Commission. On 31 December 2021 the cash balance was £76,978.51, as compared with £72,649 on 31 December 2020.

### "GOING CONCERN"

*The Governors are content that the charity continues to have adequate unrestricted funds to enable it to operate throughout 2021.*

### RISKS

*The Governors review possible risks to the charity: no such risks have been identified.*

### REPORTING SERIOUS INCIDENTS

*There were no serious incidents during the reporting year that the Trustees failed to bring to the Commission's attention.*

### SAFEGUARDING

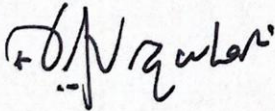
*Since the Charity does not work with children or vulnerable adults it does not have a safeguarding policy.*

### DATA PROTECTION

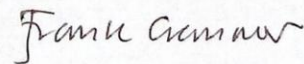
*The charity gathers and processes data (primarily contact information) about organisational members on the legal basis that it is necessary to do so in order to fulfil the charity's obligations to its membership and/or in its legitimate interests of being able to conduct membership administration and act effectively as a representative body. In line with its obligations under the Data Protection Act 2018, CLAS has published an updated privacy notice on the website, explaining its data retention policy.*

### MODERN SLAVERY

*Although the charity is not obliged to make a statutory report pursuant to s 54 (Transparency in supply chains etc) of the Modern Slavery Act 2015 because its annual turnover does not exceed £36 million, the Governors and Trustees are conscious of the need to guard against slavery and human trafficking. Neither they, nor to the best of their knowledge and belief their suppliers, Central Lobby Consultants Ltd and Datadial Ltd (which hosted the charity's website during 2021), is involved in or uses the services of any third-party supplier involved in human exploitation or trafficking.*



Chairman



Secretary

28 September 2022

## **ANNEX: MEMBERSHIP OF CLAS AS AT 31 DECEMBER 2021**

### **Members**

Association of Grace Baptist Churches (SE)  
Baptist Union of Great Britain  
Baptist Union of Wales/Undeb Bedyddwyr Cymru  
Church Communities UK  
Church in Wales/yr Eglwys yng Nghymru  
Church of England  
Church of Ireland  
Church of Scotland  
Churches Together in Britain and Ireland  
Churches Together in England  
Congregational Federation  
CYTŪN  
Elim Foursquare Gospel Alliance  
Free Churches Group  
Free Church of Scotland  
Independent Methodist Churches  
Methodist Church  
Moravian Church  
Presbyterian Church of Wales/Eglwys Bresbyteraidd Cymru  
Religious Society of Friends (Quakers)  
Roman Catholic Church in England and Wales  
Roman Catholic Church in Scotland  
Salvation Army  
Scottish Episcopal Church  
Union of Welsh Independents/Undeb yr Annibynwyr Cymraeg  
United Free Church of Scotland  
United Reformed Church

### **Associate members**

Association of English Cathedrals  
Association of Provincial Bursars  
Church of Christ, Scientist  
Seventh-Day Adventist Church  
Stewardship  
Unitarian and Free Christian Churches  
United Synagogue

### **Professional members**

Association of Church Accountants & Treasurers  
Bates Wells & Braithwaite LLP  
Birketts LLP  
Farrer & Co  
IBB Solicitors  
Pothecary Witham Weld Solicitors  
Sheen Stickland LLP  
Stone King LLP



**Churches' Legislation Advisory Service (CLAS) (256303)**

**Financial Statements**

**31 December 2021**



**Churches' Legislation Advisory Service (CLAS) (256303)**

**Receipts and Payments Account: Year to 31 December 2021**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>1. UNRESTRICTED FUND</b>		
<b>Income receipts</b>		
Contributions for current year	78,815	78,815
Professional subscriptions	8,360	6,080
Interest received	4	1
<b>Total receipts</b>	<b>87,179</b>	<b>84,896</b>
<b>Direct expenditure</b>		
CLC fees	82,350	81,536
Web site update	-	929
Printing & stationery	-	43
Postage	-	30
Internet costs	-	1,051
Meetings	-	80
Insurance	421	325
File storage	-	301
Bank charges	96	50
Independent examination	-	1,122
Subscription	63	63
<b>Total payments</b>	<b>82,930</b>	<b>85,530</b>
<b>Net receipts/(payments)</b>	<b>4,249</b>	<b>(634)</b>
<b>Cash and bank balances at 31 December 2020</b>	<b>72,729</b>	<b>73,363</b>
<b>Cash and bank balances at 31 December 2021</b>	<b>£ 76,978</b>	<b>£ 72,729</b>



Churches' Legislation Advisory Service (CLAS) (256303)

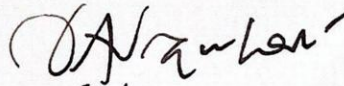
Statement of assets and liabilities: 31 December 2021

	31.12.21	31.12.20
	Unrestricted	Unrestricted
	Fund	Fund
	£	£
<b>Monetary assets</b>		
Bank & cash balances		
Account and deposit at CAF bank	76,978	72,729
Receivables		
Prepayment	541	478
	<hr/>	<hr/>
	77,519	73,207
	<hr/>	<hr/>
<b>Liabilities and accrued charges</b>		
Accrued expenses	1,599	558
	<hr/>	<hr/>
	1,599	558
	<hr/>	<hr/>
<b>Net monetary assets</b>	<hr/>	<hr/>
	£ 75,920	£ 72,649
	<hr/>	<hr/>

Approved by the Trustees on

25 May

2022 and signed on their behalf by



Rt Revd David Urquhart

Chair



## **Churches' Legislation Advisory Service**

### **Independent Examiner's report to the Trustees on the unaudited financial statements of Churches' Legislation Advisory Service for the year ended 31 December 2021.**

I report on the financial statements of the Churches' Legislation Advisory Service for the year ended 31 December 2021 which are set out on pages 1 to 2.

This report is made solely to the charity's trustees, as a body and in accordance with section 145 Charities Act 2011 and regulations made under section 154 of that Act. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an Independent Examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my work or for this report.

#### ***Responsibilities and basis of report***

As the charity's trustees, you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ("the Act").

It is my responsibility to:

- examine the financial statements
- follow procedures laid down in the General Directions given by the Charity Commission, under section 145(5)(b) of the Act; and
- state whether particular matters have come to my attention.

#### ***Independent examiner's statement***

I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

*Anthony Alford.*

Anthony Alford  
Chartered Accountant

Date: 9th August 2022