

CHURCHES' LEGISLATION ADVISORY SERVICE

Registered Charity No 256303

ANNUAL REPORT FOR THE YEAR ENDING 31 DECEMBER 2022

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 2022 and was renewed for a further year until 30 April 2023.

GOVERNORS & TRUSTEES DURING 2022

- Rt Revd David Urquhart, Bishop of Birmingham (Chairman *ex officio*: appointed 24 September 2020) (retired 30 October 2022)
- Mrs Joanne Anderton (Methodist Church of Great Britain)
- 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: retired 28 September 2022)
- Ms Caroline Sanderson (Baptist Union of Great Britain)
- Rt Revd Stephen Wright (Catholic Bishops' Conference of England and Wales: elected 28 September 2022)

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 2022 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 2022

While the work of the charity during 2022 continued to be overshadowed by the COVID-19 pandemic and to some extent hampered by it, it at last became possible to have in-person meetings and to hold the Annual General Meeting as normal rather than on-line. Zoom meetings continued, however, and we suspect that they will become a permanent feature of the way we operate in future.

Meetings of the trustees

The Governors of CLAS met on four occasions in 2022: on 25 May, 20 July and 12 December remotely, and on 28 September in person. Decisions taken in principle on 25 May and 20 July were confirmed at the meeting on 28 September.

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 four meetings in 2022:

- 31 March: basic security for places of worship, by Nicky Coorsh of SAFE: Security Advice For Everyone (held remotely).
- 20 July: Julie Moktadir and Stephen Ravenscroft, of Stone King LLP, on issues likely to affect churches and congregations post-COVID (held remotely).
- 28 September: Maria Strauss, Partner at Farrer & Co, on the fate of the Bill of Rights Bill and the possibilities for employment law post-Brexit (in person).
- 19 October: Professor Nick Hopkins and Professor Rebecca Probert, of the Law Commission, on the Commission's final proposals for reforming weddings law in England and Wales (held remotely).

The charity's Annual General Meeting was held on 28 September.

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. Possibly as a result of the pandemic and the fact that there were three Prime Ministers during 2022, it was a fairly quiet year for consultations.

The UK COVID-19 Inquiry

In April, we responded to the consultation by the UK COVID-19 Inquiry on its terms of reference, pointing out that the draft terms of reference did not include any reference to the impact of the various sets of restrictions on faith groups (or on volunteers and the voluntary sector in general). Nor was there any reference to the impact on life events (baptisms, weddings, funerals and equivalents for other faiths and beliefs). We noted the commitment in the draft Terms of Reference to hearing from bereaved families, but suggested that it be extended to providers of bereavement care such as faith groups, counsellors and funeral directors. More widely, we suggested that the Inquiry should hear from those whose religious practice was curtailed by the restrictions, such as Muslims who could not meet for Friday prayers and Christians who could no longer worship in church.

It transpired that we were not alone in our criticism. The Inquiry team received a large number of critical responses from faith communities and – much to our relief – the Terms of Reference were amended to include “the closure and reopening of the hospitality, retail, sport and leisure, and travel and tourism sectors, *places of worship*, and cultural institutions”.

Charity Commission Annual Return 2023

We responded to the Charity Commission's consultation on the questions to be included in the charity trustees' Annual Return for 2023. We were broadly supportive, but suggested that some of the questions needed to be tweaked slightly.

Treasury Committee inquiry into tax reliefs

In September, the House of Commons Treasury Committee announced an inquiry into tax reliefs and invited evidence from interested parties. The exact scope of the inquiry was not at all clear:

however, CLAS submitted a paper arguing for the retention of Gift Aid and the Gift Aid Small Donations Scheme in their present format. We also suggested that, post-Brexit and now that the UK was not constrained by the Sixth VAT Directive, it might be worth re-examining the Listed Places of Worship Grant Scheme with a view either to zero-rating repairs to listed places of worship for VAT rather than giving a matching grant as at present, or to establishing a VAT refund along the lines of that given to museums and galleries and for life-saving equipment used by charities such as the RNLI, under s 33 (Refunds of VAT in certain cases) Value Added Taxes Act 1994.

Welsh Government consultation on Non-Domestic Rates

In December, we made a joint response with Cytûn/Churches Together in Wales to the Welsh Government's proposals for reforming the Non-Domestic Rates regime in Wales: our response was broadly supportive of the proposals.

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.

OUTCOMES AND ONGOING ISSUES

The Protect Duty

As noted in last year's Annual Report, in 2021 we responded to the Home Office's consultation 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. During 2022 we continued to liaise with the Cathedral Security Group on the issue and, through the Group, with the Home Office. We were also in contact with SAFE (Security Advice for Everyone).

In December, the Home Secretary published a written statement in *Hansard* in which she announced the basic policy elements that would inform the upcoming Protect Duty Bill. Its two primary objectives will be to clarify who is responsible for security activity at locations within the scope of the Duty and to ensure that security activity is delivered to a consistent level. Inspection and enforcement will seek to educate, advise, and ensure compliance. and enforcement will be predominantly via civil rather than criminal sanctions. There will be two tiers of compliance: a standard tier for venues with a maximum occupancy of more than 100 people at any time and an enhanced tier for those with an occupancy of over 800. Those with a maximum occupancy fewer than 100 will not be within included in the Duty, though they will be encouraged to adopt good security practices voluntarily. Crucially, *all places of worship will be placed in the standard tier except for a small cohort of locations that charge for entry.*

Grant-aid for places of worship by parish, town and community councils

In July 2021, we made a submission to the Law Commission arguing that amending legislation was required to clarify the vexed issue of whether or not parish, town and (in Wales) community councils are permitted to grant-aid places of worship under the current legislation. The issue is now on the agenda of Historic England's Places of Worship Forum and it appears that Government is actively considering the matter.

Renting Homes (Wales) Act 2016

The proposal by the Welsh Government to bring into force the provisions of the Renting Homes (Wales) Act 2016 continued to cause difficulties. Under it, it would no longer be possible to issue a notice to quit in the first six months of a tenancy, meaning that all contract-holders would have a minimum twelve months of security at the start of their tenancy. Of particular concern to churches was that section 32 would impose a requirement 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. Various denominations received legal advice that an “occupation contract” would have the knock-on effect of changing the status from a recipient minister of religion from office-holder to employee, but the Welsh Government contested that view. The Act came into force on 1 December 2022: the implications of the change in the law for parsonage houses and short-term lets of church property remain to be seen.

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). On matters affecting churches in Wales, we liaise very closely with Cytûn, which tends to take the lead on purely Welsh affairs. We continue to attend meetings of the Cathedral Security Group. We also have 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. 17 circulars were issued during 2022 and covered a wide range of topics ranging from taxation and employment law to health & safety and property issues, though as life returned to the “new normal” there was less about 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 2022 the cash balance was £76,978.51, as compared with £72,649 on 31 December 2021.

“GOING CONCERN”

The Governors are content that the charity continues to have adequate unrestricted funds to enable it to operate throughout 2023.

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 2022), is involved in or uses the services of any third-party supplier involved in human exploitation or trafficking.



Richard Chapman

Chair



Frank Cranmer

Secretary

18 October 2023

ANNEX: MEMBERSHIP OF CLAS AS AT 31 DECEMBER 2022

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 of Great Britain

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 2022

Churches' Legislation Advisory Service (CLAS) (256303)

Receipts and Payments Account: Year to 31 December 2022

	2022	2021
	£	£
1. UNRESTRICTED FUND		
Income receipts		
Contributions for current year	78,805	78,815
Professional subscriptions	6,080	8,360
Interest received	220	4
Total receipts	<u>85,105</u>	<u>87,179</u>
Direct expenditure		
CLC fees	82,350	82,350
Meeting expenses	100	-
Internet costs	1,083	-
Catering at meeting	214	-
Insurance	350	421
Bank charges	81	96
Subscription	63	63
Total payments	<u>84,241</u>	<u>82,930</u>
Net receipts/(payments)	<u>864</u>	<u>4,249</u>
Cash and bank balances at 31 December 2021	76,978	72,729
Cash and bank balances at 31 December 2022	<u>£ 77,842</u>	<u>£ 76,978</u>

Churches' Legislation Advisory Service (CLAS) (256303)

Statement of assets and liabilities: 31 December 2022

	31.12.22	31.12.21
	Unrestricted	Unrestricted
	Fund	Fund
	£	£
Monetary assets		
Bank & cash balances		
Account and deposit at CAF bank	77,842	76,978
Receivables		
Prepayment	542	541
	<hr/>	<hr/>
	78,384	77,519
	<hr/>	<hr/>
Liabilities and accrued charges		
Accrued expenses	1,655	1,599
	<hr/>	<hr/>
	1,655	1,599
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Net monetary assets	<hr/>	<hr/>
	£ 76,729	£ 75,920
	<hr/>	<hr/>

Approved by the Trustees on 13th October 2023 and signed on their behalf by



Richard Chapman

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 2022.

I report on the financial statements of the Churches' Legislation Advisory Service for the year ended 31 December 2022 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: 17th October 2023

Churches' Legislation Advisory Service (CLAS) (256303)

Financial Statements

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