

CHURCHES' LEGISLATION ADVISORY SERVICE

Registered Charity No 256303

ANNUAL REPORT FOR THE YEAR ENDING 31 DECEMBER 2023

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/Trustees 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 subsequently renewed for a further period.

GOVERNORS & TRUSTEES DURING 2023

- 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)
- Ms Caroline Sanderson (Baptist Union of Great Britain)
- Rt Revd Stephen Wright (Catholic Bishops' Conference of England and Wales (resigned on 13 October 2023 on his appointment as Bishop of Hexham & Newcastle))

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 2023

Meetings of the trustees

The Governors of CLAS met on four occasions in 2023: 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 three meetings in 2023:

- 28 February: webinar on landlord and tenant law (held remotely).
- 31 March: webinar on property issues (held remotely).

- 18 October: Annual General Meeting (in person), at which the meeting agreed to start the process of transitioning to a Charitable Incorporated Organisation.

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.

2023 Spring Budget

We responded to the invitation for submissions to HM Treasury in advance of the Spring Budget, concentrating on the remaining challenges in updating the Gift Aid scheme to take account of digital methods of payment, a plea for the £2,000 ceiling on the Gift Aid Small Donations Scheme to be raised to £2,500 to take account of inflation since the Scheme's inception in 2016, and for the Listed Places of Worship Grant Scheme either to be placed on a reasonably-permanent footing instead of the current annual extensions or to be replaced with either a zero rate for repairs to listed places of worship for VAT or a VAT refund under s 33 (Refunds of VAT in certain cases) Value Added Taxes Act 1994.

Grants by parish and town councils to places of worship

In 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. In 2023, the Department for Levelling Up, Housing and Communities issued a consultation on the matter to which we responded. We were delighted that the point was finally addressed to our satisfaction by a clarificatory section in the Levelling Up and Regeneration Act 2023 which amends the Local Government Act 1894 to put the matter beyond doubt.

Law Commission scoping exercise on disposal of the dead

In association with the Churches' Funerals Group we made a submission to the Law Commission on several areas in which the current law is either unclear or simply out of date: the law relating to cemeteries, cremation law, reuse of graves and closed churchyards, public health funerals and novel methods of disposal being the main ones. The Commission's project on burial law is still at the pre-consultation stage; and it has also announced two further projects on new funerary methods (such as alkaline hydrolysis) and on rights and obligations relating to funerary methods, funerals and remains. Both are at what it described as the "pre-project" stage – but they will no doubt engage our attention at some point in the future.

VAT on energy saving materials relief

In June, we responded to the consultation by HMRC on VAT energy saving materials relief – improving energy efficiency and reducing carbon emissions, primarily supporting the proposal that battery storage should be included in the relief, whether retrofitted to a solar panel or otherwise, and citing the recent decision to instal solar panels on the roof of King's College Chapel, Cambridge, as an example of a growing trend to using solar energy as a means for churches to reduce their CO² emissions.

Pre-legislative scrutiny of the draft Terrorism (Protection of Premises) Bill

As noted in previous Annual Reports, 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. In December 2021, the Home Secretary announced that the draft Bill would provide for 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. All places of worship would be placed in the standard tier except for a small cohort of locations that charge for entry, and those with a maximum occupancy below 100 would not be included at all. The result of that consultation emerged as the draft Terrorism (Protection of Premises) Bill – on which the Commons Home Affairs Committee conducted a pre-legislative scrutiny inquiry. In brief, we argued strongly for a light-touch approach to security for places of worship, especially those in rural areas, given that individual congregations are often quite small and with a preponderance of older people.¹ The Home Affairs Committee's report was highly critical of the proposals in the draft Bill.

Charities' tax compliance

In July, we responded to a consultation by HMRC on compliance by charities with charity law, principally focused on preventing donors from obtaining a financial advantage from their donations, otherwise known as the Tainted Charity Donations rules. We suggested that if there was a problem with the operation of the Tainted Charity Donations rules it would be preferable to amend them rather than starting afresh with new legislation.²

Exempting categories of dwellings from the council tax premiums in England

We responded to the consultation arguing, principally, that because parsonage houses and retirement properties for clergy may be unoccupied for quite long periods between one resident moving out (or dying) and another moving in, merely by force of circumstance, such properties should not be subject to council tax premiums.

Business rates avoidance and evasion

We responded to the consultation by HM Treasury and DLUHC on business rates avoidance and evasion expressing concerns at the proposals for amending the Empty Property Relief scheme.

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.

ONGOING ISSUES

The Protect Duty and Terrorism (Protection of Premises) legislation

As noted above, we expect this to continue to be an issue in 2024. There is clearly a serious issue here: our concern, however, is that the duties of compliance placed on places of worship should not be unduly onerous.

Burial law

The Law Commission has not yet issued a consultation document on the reform of burial law. Although we have been involved at the pre-consultation stage, we would expect to respond to any consultation in due course, in association with the Churches' Funerals Group.

¹ As a result of the dissolution of Parliament, the draft Bill was not proceeded with – but we would anticipate that the new Parliament will return to the issue,

² At the time of writing, HMRC had not responded to the consultation.

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 Charities' 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. 22 circulars were issued during 2023 and covered a wide range of topics ranging from taxation and employment law to health & safety and property issues.

COMPLIANCE AND OTHER GOVERNANCE ISSUES

RESERVES POLICY

The Governors/Trustees 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 2023 the cash balance was £73,319.96, as compared with £76,978.51 on 31 December 2022.

"GOING CONCERN"

The Governors/Trustees are content that the charity continues to have adequate unrestricted funds to enable it to operate throughout 2024.

RISKS

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

REPORTING SERIOUS INCIDENTS

There were no serious incidents to bring to the Charity Commission's attention during the reporting year.

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

and associated secondary legislation, there is a privacy notice on the CLAS website explaining its data retention policy: <https://www.churcheslegislation.org.uk/disclaimer-and-privacy-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 2023), is involved in or uses the services of any third-party supplier involved in human exploitation or trafficking.



Chair



Secretary

25 September 2024

ANNEX: MEMBERSHIP OF CLAS AS AT 31 DECEMBER 2023

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 2023

Churches' Legislation Advisory Service (CLAS) (256303)

Receipts and Payments Account: Year to 31 December 2023

	2023	2022
	£	£
1. UNRESTRICTED FUND		
Income receipts		
Contributions for current year	73,813	78,805
Professional subscriptions	4,740	6,080
Interest received	903	220
Total receipts	<u>79,456</u>	<u>85,105</u>
Direct expenditure		
CLC fees	82,350	82,350
Legal fees	1,140	
Internet costs	-	1,083
Meeting expenses	1,177	314
Insurance	360	350
Bank charges	60	81
Subscription	68	63
Total payments	<u>85,155</u>	<u>84,241</u>
Net receipts/(payments)	<u>(5,699)</u>	<u>864</u>
Cash and bank balances at 31 December 2022	77,842	76,978
Cash and bank balances at 31 December 2023	<u>£ 72,143</u>	<u>£ 77,842</u>

Churches' Legislation Advisory Service (CLAS) (256303)

Statement of assets and liabilities: 31 December 2023

	31.12.23	31.12.22
	Unrestricted Fund £	Unrestricted Fund £
Monetary assets		
Bank & cash balances		
Account and deposit at CAF bank	72,143	77,842
Receivables		
Prepayment	-	542
	<hr/> 72,143 <hr/>	<hr/> 78,384 <hr/>
Liabilities and accrued charges		
Accrued expenses	2,250	1,655
	<hr/> 2,250 <hr/>	<hr/> 1,655 <hr/>
Net monetary assets	<hr/> £ 69,893 <hr/>	<hr/> £ 76,729 <hr/>

Approved by the Trustees on

16 July 2024 and signed on their behalf by



Richard Chapman

16.7.24

Chair

Independent Examiner's report to the Trustees on the unaudited financial statements of Churches' Legislation Advisory Service for the year ended 31 December 2023.

I report on the financial statements of the Churches' Legislation Advisory Service for the year ended 31 December 2023 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: 26th July 2024

Churches' Legislation Advisory Service (CLAS) (256303)

Financial Statements

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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.

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Chartered Accountant

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