

## CHURCHES' LEGISLATION ADVISORY SERVICE

Registered Charity No 256303

### ANNUAL REPORT FOR THE YEAR ENDING 31 DECEMBER 2017

#### 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 some 40 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, accountants and chartered surveyors 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 part-time secretariat, supplied under contract by Central Lobby Consultants Ltd (CLC), which discharges the day-to-day responsibilities of the charity, subject to policy control and guidance by the Governors. The most recent contract ended on 30 April 2016 and was renewed for a further three years until 30 April 2019.

### GOVERNORS & TRUSTEES DURING 2017

The Rt Revd Alastair Redfern, Bishop of Derby (Chairman *ex officio*)

Dr Helen Cameron (Salvation Army)

Mr Richard Chapman (Church of England)

Mrs Sheila Duncan (United Reformed Church)

The Revd Paul Rochester (Free Churches' Group)

The Rt Revd Mgr Nicholas Rotherham (Catholic Bishops' Conference of England and Wales)

Ms Caroline Sanderson (Baptist Union of Great Britain)

Mrs Louise Wilkins (Methodist Church)

*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'.<sup>1</sup> 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 this year 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

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<sup>1</sup> England & Wales, Charities Act 2011 ss 2(1) & 3(1); Scotland, Charities and Trustee Investment (Scotland) Act 2005 s 7(1) & (2); Northern Ireland, Charities Act (Northern Ireland) 2008 s 2(1) & (2); Ireland, Charities Act 2009 s 3(1) & (2).

the Churches on denominational grounds because most deal with technical issues relating to such matters as secular law or taxation, not with theology.

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 Churches' Legislation Advisory Service 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 2017**

The Governors of CLAS met on four occasions in 2017: 2 March, 6 July, 28 September and 30 November.

### **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. Keynote speakers at the meetings have included specialists from within the Churches themselves, political commentators and academics and officials working on the relevant policy areas within Government. There were four meetings in 2017:

- in March, with Lord Bourne of Aberystwyth, Minister for Faith and Integration, who addressed members on issues including the Government's attitude towards faith-communities and their place in society generally;
- in July (the Annual General Meeting), with Natasha Ramalinga-Chetty, of the Home Office, on the Government's Refugee Resettlement Programme;
- in September with Steve Carroll of HMRC's Charities Outreach team, Louise Bralsford of Farrer & Co and Paul Ridout of IBB Solicitors, who provided updates on a wide range of policy areas, including Gift Aid and the Gift Aid Small Donations Scheme, Legal Entity Identifiers and trustee responsibilities and liabilities; and
- in November, when the Chairman talked about his own role and the role of the Bench of Bishops in the House of Lords more generally. Helen Cameron talked about the work of the Salvation Army's Public Affairs Unit and Graham Elliott of City and Cambridge Consultancy also updated members on charity tax changes made over the course of the last year.

### **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 newsletters and e-mail briefings to alert members to matters of concern so that they can make appropriate representations

themselves. In addition, however, we have responded to a series of formal and informal consultations during the year under review.

### ***Formal consultations***

Possibly as a result of the General election, 2017 was a quieter year for consultations than 2016. CLAS responded to the following formal consultations and calls for evidence:

- The Scrap Metal Dealers Act 2013: consultation, 30 January
- Taxation of Employee Expenses: call for evidence, 19 June
- Making a Will: Law Commission consultation, 6 November
- Charity Commission Annual Return 2018: consultation, 24 November.

At the beginning of 2017 we responded to the Law Commission's consultation on its 13th Programme of Law Reform, proposing that the Commission should include projects on burial law and certification of births. In March 2017, we were informed that both our proposals for subjects to be included in the Law Commission's 13th Programme of Law Reform had survived the Commission's first sift. In the event, it was decided not to include certification of birth in the 13th Programme, but the reform of burial and cremation law is to be taken forward under the title 'A Modern Framework for Disposing of the Dead'.

In December 2015, the Law Commission published a Scoping Paper on the possible reform of marriage law and we attended a meeting with the Commission at which we argued that the law required proper consolidation at the very least. In October 2017, however, the Commission told us that the Ministry of Justice – which had asked the Commission to undertake the scoping work – had decided that it would not support a full review, though ministers had not ruled out the option of further Law Commission work in this area in the future and were keeping the situation under review. The response of the Commissioner in charge of the project, Professor Nick Hopkins, was that "Our Victorian laws haven't kept pace with the modern world. Reform has the potential to allow all couples to marry in a way that's meaningful to them. We understand parliamentary time is precious at the moment but don't believe that the need for reform will go away". We agree – but we are not holding our breath.

### ***Informal consultations***

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

## **Outcomes and ongoing issues**

### ***Benefits-in-kind and expenses in employment***

As we have noted in previous Annual Reports, after almost two years of discussions with officials the Government included in the Finance Act 2015 special measures on benefits-in-kind and expenses in employment to safeguard the position of ministers of religion: see section 13 (Extension of benefits code except in relation to certain ministers of religion). At the time, we regarded this as a satisfactory solution to a complex problem. In the Autumn Statement 2016, the Chancellor announced that the Treasury would revisit the issue of employer-provided accommodation and benefits-in-kind and we expected to make a response; but the promised consultation did not materialise, presumably as a result of the hiatus caused by the General Election.

The Government has reiterated its intention of consulting on the issue and, given its importance for clergy and key employees ‘for the better performance’ of their duties, we shall be responding to the consultation when it finally appears.

#### *Gift Aid donor benefit rules*

HMRC issued a call for evidence on the Gift Aid donor benefit rules in July 2015 and a consultation on options for proposed reform which closed in May 2016 – to which CLAS responded. The exercise did not reveal any consensus, so HMRC held a further consultation, considering three new options for thresholds at which the rules would operate and a low-value disregard set at £3. At the time of the Autumn Budget, HM Treasury announced that the different categories of donations would be reduced to two: for donations of up to £100, the 25 per cent value limit would stay in place, but for bigger donations the benefit could now be worth a total of 5 per cent of the amount of the donation over £100 and 25 per cent of the first £100. The £2,500 maximum benefit remains in place.

This is of hardly any relevance to CLAS members *as churches*; however, it is highly relevant to the activities of some religious charities. We continue to wonder, however, whether many religious charities are aware of the rules at all.

#### *Taxation*

As in previous years, the Secretariat has continued to have regular discussions with officials in HM Treasury and HMRC about taxation issues generally and, in particular, their effects on the Churches as charities.

#### *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). CLAS also has close relations with the Charity Tax Group 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-nine circulars were issued during 2017 on activities in which CLAS was involved and dealt with a wide range of topics, ranging from taxation to health & safety issues. Individual items from circulars are posted on the members-only part of the website. In addition, as a general service to interested enquirers, the following are posted on the publicly-accessible area of the website and revised and updated as and when necessary:

- *Charity Commission visits: a report framework.*
- *Taxation of Ministers of religion: a rough guide.*
- *Fire Safety: a guide for churches (together with a standard appliance servicing and supply contract with Chubb Fire Limited).*
- *VAT Guide.*

- *The Churches and European Law.*
- *The Vetting and Barring Scheme.*
- *Employment of church workers.*
- *Chancel repair liability.*
- *Occasional events checklist.*
- *Food hygiene*

## **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. Expenditure during 2017 was £78,119 and the assets at the end of the year were £62,575.

### **RISKS**

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

### **REPORTING SERIOUS INCIDENTS**

*In pursuance of the Charity Commission's guidance on reporting serious incidents, the Governors and Trustees hereby declare that during the reporting year there were no serious incidents that they failed to bring to the Commission's attention.*

### **SAFEGUARDING**

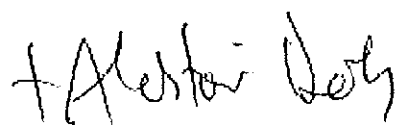
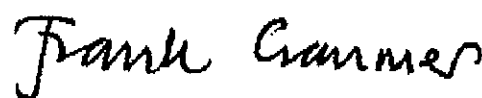
*Since the Charity does not work with children or vulnerable adults it does not have a safeguarding policy.*

### **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 operates and services the charity's website), is involved in or uses the services of any third-party supplier involved in human exploitation or trafficking.*

Chairman

Secretary

04 June 2018

## **ANNEX: MEMBERSHIP OF CLAS AS AT 31 DECEMBER 2017**

### **Members**

Archdiocese of Thyateira and Great Britain (Greek Orthodox Church)

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

Evangelical Alliance

Free Churches Group

Free Church of Scotland

Independent Methodist Churches

Lutheran Council of Great Britain

Methodist Church

Moravian Church

Presbyterian Church in Ireland

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

Stewardship

Association of Provincial Bursars

Unitarian and Free Christian Churches

Church of Christ, Scientist

United Synagogue

Seventh-Day Adventist Church

**Professional members**

Association of Church Accountants & Treasurers

Lee Bolton Monier-Williams

Bates Wells & Braithwaite LLP

Pothecary Witham Weld Solicitors

Birketts LLP

Sheen Stickland LLP

Farrer & Co

Stone King

Haysmacintyre

Thursfields Solicitors

IBB Solicitors



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

**Receipts and Payments Account: Year to 31 December 2017**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>1. UNRESTRICTED FUND</b>		
<b>Income receipts</b>		
Contributions for current year	78,890	78,090
Professional subscriptions	7,260	6,400
Subscription for 2018	735	-
<b>Total receipts</b>	<b>86,885</b>	<b>84,490</b>
<b>Direct expenditure</b>		
CLC fees	74,321	73,585
Membership fee refund		10
Web site update	-	1,800
Printing & stationery	360	452
Postage	48	55
Internet costs	69	52
Meetings	2,148	1,037
Insurance	238	222
File storage	366	355
Bank charges	70	69
Travel	28	196
Independent examination	330	300
Subscription	141	57
<b>Total payments</b>	<b>78,119</b>	<b>78,190</b>
<b>Net receipts/(payments)</b>	<b>8,766</b>	<b>6,300</b>
Cash and bank balances at 31 December 2016	49,296	42,996
Cash and bank balances at 31 December 2017	<b>£ 58,062</b>	<b>£ 49,296</b>

Churches' Legislation Advisory Service (CLAS) (256303)

Statement of assets and liabilities: 31 December 2017

	31.12.17 Unrestricted Fund £	31.12.16 Unrestricted Fund £
<b>Monetary assets</b>		
Bank & cash balances		
Account at HSBC	58,062	49,296
Receivables		
Prepaid CLC fees	6,188	6,127
	<hr/> 64,250 <hr/>	<hr/> 55,423 <hr/>
<b>Liabilities and accrued charges</b>		
Accrued expenses	940	713
Deferred income	735	-
	<hr/> 1,675 <hr/>	<hr/> 713 <hr/>
<b>Net monetary assets</b>	<hr/> £ 62,575 <hr/>	<hr/> £ 54,710 <hr/>



Right Reverend Alastair Redfern

Chair

For and on behalf of the trustees

8th March 2018

## Independent Examiner's Report to the Trustees of the Churches' Legislation Advisory Service

I report on the financial statements of the Churches' Legislation Advisory Service for the year ended 31 December 2017 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.

### *Respective duties of the charity's trustees and examiner*

The charity's trustees are responsible for the preparation of the financial statements, and they consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the Act) and that an independent examination is needed.

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.

### *Basis of independent examiner's report*

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the statement below.

### *Independent examiner's statement*

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements
  - to keep accounting records in accordance with section 130 of the Act; and
  - to prepare financial statements which accord with the accounting records and comply with the accounting requirements of the Act have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

*Anthony Alford*

Anthony Alford  
Chartered Accountant

Date: 9th March 2018