

CLAS CIRCULAR 2019/8 (10 May 2019)

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It would be very helpful if members could let us know of anything that appears to indicate developments of policy or practice on the part of Government or other matters of general concern that should be pursued.

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FUNDING

Gift Aid and the aggregated donations limit: further clarification

For information

In Circular 2019/7, we explained that HMRC had made an error when it stated that the limit for donations that may be aggregated when using Charities Online (which gives charities the option to add together small donations made under Gift Aid up to a total of £1,000 per entry) had been increased to £30. **HMRC subsequently stated that the limit for each donation to be aggregated remained at £20.** We also made it clear that the aggregated donations limit relates to processing Gift Aid claims and is entirely separate from the Gift Aid Small Donations Scheme (GASDS) and that ***the recent increase in the eligible donation value under the GASDS from £20 to £30 has not changed.*** However, it has since been suggested that, as worded, our note might imply that *any* donation not exceeding £20 at a single event (even a church service) can be aggregated.

That was not our intention. Gift Aid can only be aggregated and claimed on donations not exceeding £20 ***which have been received from donors who have completed Gift Aid declarations*** – unlike the relief available under the GASD Scheme in respect of donations not exceeding £30 received from individuals who have not completed a declaration.

The GovUK guidance is here: <https://www.gov.uk/guidance/schedule-spreadsheet-to-claim-back-tax-on-gift-aid-donations>.

[Source: CLAS - 9 May]

ODDS & ENDS

DBS fees

For information

The Public Accounts Committee (P.A.C) has submitted its latest report into the Disclosure and Barring Service's progress which includes an update on fees.

The full report can be found [here](#) however there is one particular line that members should be aware of. The report notes that "*the DBS has confirmed that unit costs for its products have fallen significantly since we last reported and that this will drive a reduction in fees by the autumn of 2019*".

It is important to note that the DBS is currently changing its supplier and we are still awaiting confirmation as to who this will be. The P.A.C has requested that the Home Office provide the Committee with an update on the progress it is making to reduce the fees to the users of the DBS's services in a letter before the summer recess. We will therefore be monitoring the situation as it develops.

[Source: Public Accounts Committee – 1 May]

Security at places of worship

For information

On 7 May, the Home Secretary made a Commons [statement](#) on security in places of worship. Recalling the acts of terrorism in Christchurch and Sri Lanka, he said that there was no doubt that people had been targeted because of their religion and that the Government was doing all it could to prevent such attacks in the UK. Specifically:

- it had increased the places of worship protective security fund to £1.6 million for 2019-20—double the amount awarded last year—and since the scheme was launched in 2016, more than £1.5 million had been awarded, with 63 grants to churches, 49 to mosques, five to Hindu temples and 16 to gurdwaras;
- a separate £14 million grant provided security for Jewish schools and synagogues;
- a new £5 million fund would provide security training for places of worship across England and Wales;
- the Government was consulting religious communities on what more should be done to help them, and would shortly announce a programme of engagement, “to help us understand what they need and how to make it work in a faith setting”;

- a Ramadan package of support for mosques, supporting Faith Associates to provide security training and advice in twelve workshops around England and Wales and guidance to over 2,000 mosques, community centres and madrassahs; and
- increased police patrols near mosques following the Christchurch attack.

He concluded: “We know that there are deep and genuine concerns in religious communities; we know that people are feeling vulnerable and scared, but have no doubt that I am listening to these concerns and we are responding ... The freedom to practise any religion or none is a cornerstone of our democratic society. People must have the peace of mind to worship without fear, and I am doing everything within my power to make this possible.”

[Source: *Commons Hansard* – 7 May]

SAFEGUARDING

IICSA: new investigation into child protection in religious organisations and settings

For information

IICSA has announced a new [investigation](#) into child protection in religious organisations and settings. The investigation will be thematic and will review the current child protection policies, practices and procedures in religious institutions in England and Wales.

Organisations falling under the remit of the investigation will include Nonconformist Christian denominations, the Jehovah's Witnesses, Baptists, Methodists, Islam, Judaism, Sikhism, Hinduism and Buddhism. This investigation is separate from IICA's investigations into the Anglican and Roman Catholic Churches.

IICSA states that religious settings such as mosques, synagogues, churches and temples will be within the scope of the inquiry. Places of faith tuition, such as Muslim madrassahs, Christian Sunday schools and places where children and young people gather in connection with their religious beliefs, including youth groups and camps, will also be investigated by the Inquiry.

Organisations and individuals are being invited to apply for core participant status. Core participants must have a significant interest in this investigation and have special rights defined by legislation.

A preliminary hearing will take place at 2 pm on **23 July** and public hearings will take place in 2020.

IICSA has also published its report on the Diocese of Chichester and the response to allegations against Peter Ball. You can read the full report [here](#).

[Source: IICSA – 2 May]

TAXATION

Making Tax Digital for VAT guidance updated

For information

HMRC has updated VAT Notice 700/22: [Making Tax Digital for VAT](#). One of the most important changes for churches concerns charity fundraising events, with HMRC relaxing the digital links reporting requirement as follows:

4.3.4 Charity fundraising events

A charity fundraising event can include a number of supplies that would need to be recorded on a VAT return. Charities may find it difficult to meet the strict digital record keeping requirements for events run by volunteers. Therefore, HMRC will accept that charities can record digitally all supplies made relating to the event as if it were a single invoice, and all supplies received can be treated similarly.

The following rule has the force of law: "Where supplies are made or received during a charity fundraising event run by volunteers you may treat all supplies made as covered by one invoice for the event, and all supplies received as covered by one invoice for the event, for the purposes of the digital record keeping requirements".

This relaxation only varies the requirements on maintaining records using functional compatible software. It does not change any other record keeping requirements set out in VAT legislation.

Example: A church fete is being run for a charity. During the event the volunteers create a record of the supplies made. When the event is over, the charity can record the total supplies made at the same rate of VAT and with the same tax point as a single entry in their functional compatible software and they can record all supplies received as a single entry in functional compatible software.

For churches required to comply with Making Tax Digital (those that are VAT registered with a taxable turnover above the VAT threshold of £85,000) the requirement to have digital links between all VAT records is not required until a year after the mandated start date. [Section 4](#) of the VAT Notice provides further details on the digital reporting requirements.

[Source: HMRC – 2 May]

VAT guidance on income that is a mix of sponsorship and donations

For information

HMRC has published new [VAT guidance](#) (updating VAT Notice 701/1: Charities) on mixed sponsorship and donations. This provides useful information on VAT issues relating to use of a charity's name and charity of the year arrangements.

[Source: HMRC – 2 May]

WALES

Consultation: Easy access to listed buildings in Wales

For information **and possibly for action**

The Welsh Government has issued updated guidance on access to listed buildings, on which it is consulting. The proposals aim to help people plan and improve access and the guidance summarises the regulatory framework governing changes to listed buildings. It also explains how access improvements can take account of Cadw's 'Conservation principles'.

[Easy access to listed buildings in Wales](#) is structured in four parts. Sections 1 and 2 provide an overview of why access matters and the statutory framework that governs changes to listed buildings. Section 3 looks at planning better access, including strategies, audits, conservation assessments and access plans. The final part, section 4, looks in more detail at how to put access plans into practice using real-life examples that show how easy access to listed buildings can be achieved.

The consultation closes on **19 July**. You can respond online at <https://gov.wales/easy-access-listed-buildings-wales>. Alternatively, you can complete the consultation response form and e-mail it to historicenvironmentleg@gov.wales or send a hard copy to Legislation and Policy Team, Cadw, Welsh Government, Plas Carew, Unit 5/7, Cefn Coed, Parc Nantgarw, CARDIFF CF15 7QQ.

[Source: Welsh Government – 25 April]