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CLAS CIRCULAR 2021/07 (4 March 2021)

Disclaimer

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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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BUDGET 2021

For information and possibly for action

The Chancellor announced a range of measures as part of Budget 2021, with a focus on supporting recovery from the pandemic. There are not many measures that will specifically support charities – let alone churches – over and above the generic support, such as the furlough scheme's extension.

Links to various Budget resources are available here:

- The Red Book outlining all the Budget announcements can be read [here](#).
- A press release “Budget 2021: What you need to know” can be read [here](#).
- A press release “Budget 2021 sets path for recovery” can be read [here](#)
- The Overview of tax legislation and rates (OOTLAR) can be read [here](#).

Please find below, a summary of the headline announcements that may be of interest to members.

- **Job Retention Scheme:** Extended by five months until the end of September. Employees will receive 80% of their monthly salary (still capped) till its closure, with a 10% employer contribution from July and 20% from August.
- **Business rates:** The Government will continue to provide eligible retail, hospitality and leisure properties in England with 100% business rates relief from 1 April 2021 to 30 June 2021. This will be followed by 66% business rates relief for the period from 1 July 2021 to 31 March 2022, capped at £2 million per business for properties that were required to be closed on 5 January 2021, or £105,000 per business for other eligible properties.
- **VAT deferral:** Reannouncement of the new scheme to stagger repayments of deferred VAT.
- **VAT registration threshold:** Will be frozen at £85,000 until 2024.
- **Inheritance tax, pensions, and Capital Gains Tax:** Inheritance tax, pensions lifetime allowance, and annual Capital Gains Tax will be held at their current rates.
- **Investment in HMRC resources and digital capacity:** This could have implications for Making Tax Digital and the digitalisation of business rates, as well as increased compliance capacity.
- **Income tax exemptions for COVID-19 tests and home office expenses:** Extended to the 2021-22 tax year.
- **Contactless payment card limit:** Single contactless payments up to £100, and cumulative contactless payments up to £300, will be permitted without the need for customers (or potential donors) to input their chip and pin.

- **National Living Wage increase:** The National Living Wage will be increased to £8.91 in April.
- **Restart Grants:** Funding in England of up to £6,000 per premises for non-essential retail businesses and up to £18,000 per premises for hospitality, accommodation, leisure, personal care and gym businesses. The Government is also providing all local authorities in England with an additional £425 million of discretionary business grant funding.
- **VAT reduction for the UK's tourism and hospitality sector:** The Government will extend the temporary reduced rate of 5% VAT for goods and services supplied by the tourism and hospitality sector until 30 September 2021. A 12.5% rate will apply for the subsequent six months until 31 March 2022.
- **Recovery Loan Scheme:** a new guarantee for lenders of 80% on eligible loans between £25,000 and £10 million. The scheme will be open to all businesses, including those who have already received support under the existing COVID-19 guaranteed loan schemes.
- **Income Tax and NICs:** The income tax Personal Allowance and income tax higher rate threshold will rise as planned from April 2021 and will remain at this level until April 2026. The same will apply to National Insurance Contribution thresholds.
- **Funding:** Support for charities supporting veterans on mental health issues and victims of domestic abuse.
- **Levelling Up Fund prospectus launch:** The Government is launching the prospectus for the £4.8 billion fund, which will invest in infrastructure that improves everyday life across the UK, including town centre and high street regeneration, local transport projects, and cultural and heritage assets.
- **Apprenticeships:** New financial support and incentives for organisations to take on more apprentices.
- **Stamp Duty:** The Stamp Duty nil-rate has been extended until 30 June. The nil rate band will then lower to £250,000 until the end of September and will return to £125,000 from 1 October.
- **Corporation Tax:** In April 2023, Corporation Tax paid on company profits will increase to 25%. Small business with profits of £50,000 or less, will fall under a small business rate maintained at the current rate. There will also be a taper above £50,000 profits, so that only those with profits of £750,000 or greater will be taxed at the new 25% rate.
- **UK Infrastructure Bank:** Establishing the UK Infrastructure Bank, which will invest in private and public projects in the UK. It will start in the spring with an initial allocation of £12bn.
- **Visa reform:** There will be a visa reform for highly skilled migrants – including one that does not need a sponsor – though the details remain to be seen, and the implication of the Chancellor's speech was that this is aimed at STEM subjects rather than, eg, Old Testament scholars.

- **Universal Credit:** Extension of the temporary £20 per week increase to the Universal Credit standard allowance for a further six months, with eligible Working Tax Credit claimants receiving a one-off payment of £500.
- **Tax treatment of losses:** Changing the tax treatment of losses to allow businesses to carry back losses for three years.
- Barnett Formula increases of:
 - £1.2bn in Scotland
 - £740m in Wales
 - £410m in Northern Ireland

[Source: HM Treasury, 3 March]

It should be noted that this is not the whole story: the Chancellor has already announced that HM Treasury will lay a Command Paper, "Tax policies and consultations (Spring 2021)", on 23 March which will contain further announcements relating to tax policy. It will include a number of consultations, most of which will be published on the same day.

FAITH & SOCIETY

The Civil Partnerships, Marriages and Deaths (Registration etc.) Act 2019

For information and possibly for action

With thanks to a member for flagging it, the GRO's clergy newsletter has [confirmed](#) that 'the regulations which will make the required amendments to the Marriage Act 1949 have been laid in Parliament today 22 February 2021, and subject to approval, will come into force on **4 May 2021**.'

The following is reproduced from the newsletter.

'How will this impact the work and responsibilities as a member of the Clergy?

What won't change:

- You will still be required to ensure couples meet the requirements to marry in your building.
- You will still be required to ensure couples complete the relevant preliminaries, i.e.: the calling of banns, issue of common or special licence or, where required, the prior attendance of the couple at the relevant register office to give their notices of marriage in the correct timescale.
- You will still be required to conduct pre-marriage checks and confirm that the details contained on the marriage document or marriage schedule are correct before the marriage proceeds.
- The marriage will still be performed by Church of England or Church in Wales rites.
- You will still use registration ink to complete the marriage schedule.

What will change:

- You will be required to create a marriage document or obtain the marriage schedule prior to the date of marriage.
- You will no longer complete the formal register for the marriages you solemnize (There will still be a register kept by you for the records of your church).
- You will no longer issue the legal marriage certificates.
- The completed marriage document or marriage schedule must be returned to the register office for the registration to take place in the electronic marriage register before a certificate can be issued.

- You will no longer need to complete quarterly returns for marriages which take place in your building.
- You will no longer be responsible for corrections in marriage registers. After the changes are introduced, all corrections to marriage entries will be carried out by the registration officers or GRO.
- The electronic register will also allow for the names of parents of the couple (mother / father / parent) to be included in the marriage entry instead of only their fathers' names as is currently the case.

What happens next?

In the coming weeks we will provide you with training materials and instructions for the new procedures which will support you as we move to the new marriage schedule system. The support material will also include a step by step guide of the new processes and a frequently asked questions document. The first of the support materials will be available shortly. There will also be an opportunity to attend a question and answer session with GRO representatives prior to the implementation of the marriage schedule system.'

[Source: GRO, 23 February]

PROPERTY & PLANNING

Protect Duty consultation

For information **and possibly for action**

The Home Office has [published](#) a consultation – closing on **2 July** – on how the Protect Duty can make the public safer at publicly accessible locations. The consultation is targeted at those who own or operate a publicly accessible location(s) or others whom a Protect Duty would potentially affect.

A “publicly accessible location” is defined as any place to which the public or any section of the public has access, on payment *or otherwise*, as of right or by virtue of express or implied permission. Publicly accessible locations include a wide variety of everyday locations, and the list in the consultation document includes “places of worship”.

The Secretary attended a Zoom meeting on 3 March with Church of England cathedral security officers, under the auspices of the Association of English Cathedrals. Also present was Andrew Cameron, from the Business Engagement Team of the National Counter Terrorism Security Office, who was at pains to emphasise that the Government wanted to take a proportionate approach.

The consensus of that meeting was that even if a single response on behalf of the Churches is inappropriate, everyone should be trying to point in the same direction. Our impression is that the consultation is a genuine one, rather than just for show; equally, however, the Secretary reminded Andrew Cameron that a lot of congregations are entirely made up of volunteers, without even a stipendiary minister of their own (we believe the C of E’s top score for parishes grouped under one incumbent is over 20) and that in some places the congregation’s average age will be over 60.

We certainly intend to submit a response on behalf of CLAS, and *any input from members would be very welcome indeed*. It would be particularly helpful if we could be copied in to any individual responses.

We fear that the proposal may cause problems, even accepting that the Government is serious about proportionality – particularly if the emphasis is on capacity of buildings rather than the numbers using them. Rural churches and chapels, especially, were often built for congregations numbering in the hundreds and now have congregations numbering in the twenties.

[Source: Home Office, 25 February]