

CLAS CIRCULAR

2024/04 (08 March)

Disclaimer

CLAS is not qualified to advise on the legal and technical problems of members and does not undertake to do so. Though we take every care to provide a service of high quality, neither CLAS, the Secretary nor the Governors undertakes any liability for any error or omission in the information supplied.

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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CHARITIES & CHARITY LAW

Charity Commission guidance notes: updates

For information

The Charity Commission has updated its various guidance notes to reflect the changes in the law introduced by the Charities Act 2022 – for which see [Charities Act 2022: information about the changes being introduced](#).

The updated guidance notes are as follows:

- [Change your charity structure](#).
- [Collaborative working and mergers: an introduction \(CC34\)](#).
- [Dissatisfied with one of the Charity Commission's decisions: how can we help you?](#)
- [Environmental responsibility for charities](#).
- [Finding new trustees \(CC30\)](#).
- [How to close a charity](#).
- [How to link charities](#).
- [How to make changes to your charity's governing document \(CC36\)](#).
- [How to merge charities](#).
- [How to transfer charity assets to another charity](#).
- [Permanent endowment: rules for charities](#).
- [Register of merged charities](#).
- [Royal Charter charities](#).
- [Sales, leases, transfers or mortgages: what trustees need to know about disposing of charity land \(CC28\)](#).
- [Statutory inquiries into charities: guidance for charities \(CC46\)](#).
- [Trustee expenses and payments \(CC11\)](#).
- [Use of church halls for village hall and other charitable purposes \(CC18\)](#).
- [Village halls: answers to some common questions](#).
- [Work with other charities](#).

[Source: Charity Commission, 7 March]

Accepting, refusing, and returning donations to your charity

For information

The Charity Commission has published guidance on [*Accepting, refusing and returning donations to your charity*](#). It points out that on some occasions trustees must refuse or return a donation, and in other circumstances they can decide that it is in their charity's best interests to do so. The decision will often be significant for the charity, and trustees must always carefully balance all the factors that are relevant to their charity's circumstances.

The Guidance sets out the law on donations that *must* be refused:

- a donation that comes from an illegal source or with an illegal condition: for example, where the donation has come from terrorist or other criminal activity;
- a donation from a donor who does not have the mental ability ("lacks capacity") to decide to donate;
- a donation that cannot legally be given to your charity: for example, where the donor does not own the property that is being donated (which one might have thought was fairly obvious);
- a donation which, under the terms of the donation, must be returned in certain circumstances: for example, where a grant agreement says that any unused funds must be returned by a particular date, or where funds cannot be used for the purpose for which they were given.

It also lists donations that charities "are likely to need to refuse or return":

- where the donation is for purposes that fall outside the charity's purposes;
- where acceptance would result in a valid legal claim or risk of claim against the charity if it accepts or keep it: for example, where there is a reason to doubt that the donor owns the property that is being donated;
- where it has features or conditions that may undermine the charity's independence: for example, a condition that would require trustees to agree key decisions with the donor;
- where acceptance would bring unacceptable burdens that outweigh the benefit to the charity: for example, a gift of land with an unaffordable mortgage;
- where it might involve unacceptable private benefit to an individual or organisation: for example, "where a donor of property wishes to keep rights to use it privately that are too significant".

[Source: Charity Commission, 4 March]

UK general election 2024: non-party campaigning

For information

Quakers in Britain have published a short note, [Guidance for Quaker communities](#) on non-party campaigning, which members more generally may find helpful. The Electoral Commission guidance, updated in December 2023, is [here](#).

[Source: CLAS, 6 March]

FAITH & SOCIETY

Burial, cremation and commemoration of the dead: VAT

For information

HMRC has updated [Burial, cremation and commemoration of the dead \(VAT Notice 701/32\)](#). It explains the VAT liability of funeral services, burials and cremations, goods and services connected with the commemoration of dead people, other goods and services connected with organising funerals, and other activities relating to the disposal of the remains of the dead, including transport of the deceased. It covers:

1. [Overview](#).
2. [VAT liability](#).
3. [Supplies made by undertakers and funeral directors](#).
4. [Prepayments and funeral plans](#).
5. [Cemeteries and crematoria](#).
6. [Commemorating a deceased person](#).
7. [Transporting deceased people](#).

In general, the following services are *exempt from VAT*:

- the disposal of the remains of a deceased person;
- the making of arrangements for, or in connection with, the disposal of the remains of the deceased; and
- the services of one undertaker to another in connection with a specific funeral of the deceased.

Specifically in relation to places of worship:

- fees payable to churches for ministers' services are *outside the scope of VAT*;
- orders of service for use in funeral commemorative services are *zero-rated* (read [Zero-rating of books and other forms of printed matter \(VAT Notice 701/10\)](#))
- burial (including reburial), cremation and interment of ashes are *exempt from VAT*, as is the digging, preparation and refilling of a grave.

Any grant of an interest in, right over or licence to occupy land is *exempt from VAT* (see [Land and property \(VAT Notice 742\)](#)) unless an option to tax has been notified by the land owner (see [Opting to tax land and buildings \(VAT Notice 742A\)](#)). This will include the granting of a

right to any grave space or the right to place an urn in a niche, and the supply of a live streaming service showing the cremation or burial of the remains of the deceased.

[Source: HMRC, 29 February]

PROPERTY & PLANNING

Social rented sector landlord portal

For information **and possibly for action**

The Government has created a [Social Rented Sector Landlord Portal](#). The Universal Credit Landlord Portal allows social rented sector (SRS) landlords to verify rent, support tenants and manage payments online. If you are a social rented sector (SRS) landlord, you can use the Landlord Portal:

- to verify a tenant's housing costs so that the Department of Work and Pensions can make payments as quickly as possible;
- to request rent payments direct from a tenant's Universal Credit if a tenant is having difficulty paying the rent;
- to request deductions from a tenant's Universal Credit to recover outstanding rent arrears; and
- to request a change in tenant payment frequency (also known as "more frequent payments").

[Source: Department of Work and Pensions, 6 March]

Stamp Duty Land Tax relief for land or property transactions on social housing

For information **and possibly for action**

The Government has updated its [information about registered providers of social housing for Stamp Duty relief](#) on property transactions to explain whether or not relief from Stamp Duty Land Tax can be claimed.

If a registered provider of social housing buys land and property, it can claim relief from Stamp Duty Land Tax if the purchase is funded with the assistance of a public subsidy.

If the purchase is *not* funded with the help of a public subsidy, a registered provider of social housing can still claim the relief, *but only if it is a "relevant housing provider" and one of the following applies:*

- most of the board members are tenants living in properties owned or managed by the provider; and/or
- the seller of the property is a "qualifying body", for example a local council.

A "relevant housing provider" is either:

- a non-profit registered provider of social housing;
- a housing association in Northern Ireland registered by the Department for Communities; or
- local authority in England that is a registered provider of social housing.

Enter relief code '23' in the return to claim the relief.

There is more information about registered providers of social housing [here](#).

[Source: HMRC, 6 March]

Terrorism (Protection of Premises) Bill: further update

For information and possibly for action

A reminder that the Home Office's [further consultation on smaller premises which would fall within the standard tier](#) under the draft Terrorism (Protection of Premises) Bill consultation closes at **11:59 pm on 18 March**. Responses must be made online at [this link](#).

The Secretariat has already done so on behalf of CLAS – and it was a deeply frustrating experience, because the format of the consultation is very directive and gives very few opportunities to express reasoned opinions on the proposals.

[Source: Home Office, 5 February]

TAXATION

Budget 2024

For information

There was relatively little in the Budget that was of immediate impact on religious charities and places of worship. The following, however, may be of interest:

- as was widely predicted, employees' NICs contributions are to be reduced from 10% to 8%, with the rate for contributions from self-employed people reducing from 8% to 6%;
- the VAT registration threshold is to rise from £85,000 to £90,000 from 1 April, which may benefit some small businesses linked to places of worship, such as cafés and bookshops;
- legislation will be updated to ensure that from 6 March, registered providers of social housing in England and Northern Ireland will not be liable for Stamp Duty Land Tax (SDLT) when purchasing property with a public subsidy, and public bodies will be exempted from the 15% anti-avoidance rate of SDLT; and
- perhaps most important, the Government is going to amend the existing Gift Aid legislation by Statutory Instrument to ensure that charities will be able to continue to claim Gift Aid while complying with the new protections for consumers who take out subscription contracts under the provisions of the Digital Markets, Competition, and Consumers Bill currently before Parliament – the intention being that these amendments to the Gift Aid regime will be in place by the time the relevant provisions of the Bill come into force.

In addition, theatres, museums and galleries will be given a permanent higher rate of tax relief from 1 April 2025, at 40% – which might possibly be of interest to a museum or gallery attached to a major religious building.

[Source: HM Treasury, 6 March]