

Written evidence submitted by the Churches' Legislation Advisory Service

THE WORK OF THE CHARITY COMMISSION

About us

1. This response is submitted on behalf of the Churches' Legislation Advisory Service [CLAS]. CLAS is a registered charity, No. 256303.
2. CLAS is the successor to the Churches' Main Committee, which was set up in 1944 to coordinate action by the Churches on war damage claims and which evolved into a body which monitors policy insofar as it affects its member organisations and makes representations to Government.
3. Our membership includes most of the major denominations in the United Kingdom and, for historical reasons, the United Synagogue; and many of the smaller denominations have links with CLAS through ecumenical groups such as Churches Together in Britain and Ireland. It operates through Governors under the Chairmanship of a senior bishop of the Church of England, who together constitute the trustees of the charity. It is serviced by a part-time secretariat which discharges its day-to-day responsibilities subject to policy control and guidance given by the Governors.

The call for evidence

4. We welcome the opportunity to respond to the call for evidence. Our submission is directed to a single area only: the imminent ending of the exception for certain religious charities from registration with the Commission, and the issues associated with it.

The current situation

5. The Charities (Exception from Registration) Regulations 1996 excepted a wide range of religious charities from the obligation to register with the Charity Commission for England & Wales:
 - churches within the meaning of section 2 of the Baptist and Congregational Trusts Act 1951(1);
 - churches affiliated to the Fellowship of Independent Evangelical Churches;
 - member-churches of the General Assembly of Unitarian and Free Christian Churches;
 - the Presbyterian Church of Wales;
 - the Church of England;
 - the Church in Wales;
 - the Methodist Church;
 - the Religious Society of Friends (Quakers);
 - the Union of Welsh Independents; and
 - the United Reformed Church.¹

6. The exception applies to those religious charities of the excepted denominations whose annual income does not exceed £100,000.
7. The original expiry-date of the 1996 Regulations has since been extended by amending Regulations, most recently by the Charities (Exception from Registration) (Amendment) Regulations 2014, which extended Regulation 4(1) (temporary exception of certain religious charities connected with certain bodies) “until 31st March 2021”.
8. The issue that we feel needs to be addressed is this: ***what will happen when the exception from registration comes to an end?***

The problem

9. Under the Regulations, as subsequently extended, *exception from registration is obligatory*: so, for example, an excepted congregation with an income of £95,000 which thinks that it may soon trigger the £100,000 threshold cannot register voluntarily in advance of that happening.
10. As a result, we have a large number of small excepted congregations waiting to register on 1 April 2021, unless the Government chooses further to extend the exception: but the issue of a further extension is a matter for the Government, not for the Charity Commission.
11. No-one knows with any degree of precision how many excepted congregations there are, but the Baptist Union of Great Britain alone has about 1,400 excepted congregations and we understand that the Charity Commission itself has said that it anticipates about 60,000 new registrations.

The issue for the Charity Commission

12. The Commission has suffered serious budget cuts in the past few years and we wonder how it will cope with a possible 60,000 applications for registration on 1 April 2021. Even if the total proves to be significantly lower than that, it will still be an immense administrative burden that risks overloading the system.
13. Our suggestion is that the Commission should adopt a staged approach and require excepted charities to register in tranches by size of income, with those with the largest incomes being required to register first. Charities with incomes between, say, £70,000 and £99,000 are likely to be able to manage the registration process more easily than some of the very small ones (which are likely to require help).
14. An alternative would be registration by region – but we would not favour that option because of the unequal geographical spread of small congregations, which tend to be more strongly represented in predominantly rural areas.

¹ Charities linked to other faith bodies must register with the Commission if their income exceeds £5,000.

15. **We suggest that it would be worthwhile for the Committee to ask Baroness Stowell what preparations the Commission is making for the ending of excepted status, and whether the Commission intends to introduce any kind of staged approach to registration (for example, by income bands, as suggested above).**
16. In short, we wish to see an orderly process of registration rather than a log-jam.

Frank Cranmer

Secretary, Churches' Legislation Advisory Service [Reg Charity No. 256303]

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