

**CLAS CIRCULAR
2009/13 (4 August 2009)**

FAITH & SOCIETY

Leafleting in town centres

One of our members has drawn a curious matter to our attention.

A town-centre management committee has been formed by the local authority and given a licence over most of the open spaces in the town. Anyone who wants to give out leaflets now has to ask permission to do so – and this includes the local churches. One of the local ministers has been given permission to hand out leaflets advertising major services at his church – Easter, Christmas and Harvest Festival – but the town-centre management committee refuses to let any other activities “of a religious or political nature” take place within the area that it controls.

It is difficult to see what – if anything – can be done about the specific case, since the situation is probably governed by local byelaws. But it would be helpful to know whether this is merely an isolated incident or symptomatic of a more general move towards regimentation. If it *is* widespread, then it might be worth taking up with DCLG.

ODDS & ENDS

Alcohol sales and premises licensing reform: update

The [Legislative Reform \(Minor Variations to Premises Licences and Club Premises Certificates\) Order 2009](#) is now in force. The new application process is intended to make it easier for licensees to change the layout of their premises, to serve hot food after 11pm or put on some live music events. The cost of the new process will be a flat rate of £89, as against the previous average fee of around £225. Under the new system the applicant will fill in a short form and will wait no more than 15 days for a response, against 28 days at present. There will also no longer be a requirement to advertise in a newspaper or for the licensee to make responsible authorities aware.

Also now in force is the [Legislative Reform \(Supervision of Alcohol Sales in Church and Village Halls &c.\) Order 2009](#), which gives licensing authorities the power to allow a committee or board of individuals responsible for managing community premises to authorise the supply of alcohol under a licence themselves, instead of having to employ or nominate a designated premises supervisor. For halls with permission to sell alcohol already, the cost of applying for permission for the committee to be collectively responsible for supply will be £23. For halls applying to sell alcohol for the first time and wishing to apply for the committee to be collectively responsible, there will not be any fee in addition to the normal licence application fee. More information is available on the [DCMS website](#).

[Source: *DCMS Media Release* – 29 July 2009]

TAXATION

Expenses and benefits

Those dealing with the tax and benefits of clergy and lay-workers may find it useful to know that HMRC has launched a new A-Z website on [employee expenses and benefits](#). The CLAS *Rough Guide* has been amended to include reference to it.

[Source: *HMRC What's New* – 23 July 2009]

HMRC Employer CD-ROM: update to errors

HMRC has identified a small number of errors on the updated edition of the Employer CD-ROM which it recently issued. The latest information and a downloadable file to correct the errors are available on HMRC's [CD-ROM updates page](#).

[Source: *HMRC What's New* – 24 July 2009]

VAT: works to listed buildings

The question has been raised as to whether or not fitting secondary double-glazing to a listed place of worship is zero-rated for VAT.

It should be emphasised that there is no hard-and-fast rule about zero-rating and works to listed buildings used for charitable purposes: the answer in each case is specific to the individual project. There are various matters to be taken into account:

- whether any commercial use of the property falls within the 10 per cent non-charitable use concession (which will be replaced from 1 July 2010 by a more flexibly calculated 5 per cent *de minimis* rule;
- if it does not, whether the building would qualify under the village halls concession;
- whether the proposed works are repair and maintenance (which are standard-rated) or new works (an 'approved alteration') – which depends on the scale and extent of the works and the reason for carrying them out; and
- whether the works have listed building consent (or the equivalent authority in the case of those denominations which enjoy ecclesiastical exemption from listed building controls).

The detail is set out in HMRC's [VAT Notice 708: buildings and construction](#).

The reason for flagging up the point is this. The large denominations (and particularly those in England and Wales with ecclesiastical exemption) have specialists who will know the rules about zero-rating: the Church of England, for example, operates an extremely useful on-line funding guide, [VAT & VAT Recovery Schemes](#). On the other hand, individual congregations in the smaller churches may be totally unaware that zero-rating exists *at all*. Equally, while

specialist architects and builders who regularly work on churches will be aware of the position, non-specialists may not be. There is a possibility that in some situations neither the customer nor the contractor is aware that a particular project should be zero-rated and VAT gets added to a bill when it should not be.

Congregations who worship in listed buildings need to investigate the VAT situation in relation to any building works well before the works start and, if necessary, seek the views of HMRC. It is no good relying on the local VAT office to correct mistakes: if an exemption certificate has not been issued, then the VAT office will simply assume – entirely reasonably – that the works attract VAT in the normal way.

WATER

Ofwat explanatory leaflet on surface water drainage charges

Ofwat has produced an explanatory leaflet, [Surface water drainage charges: Information for non-household customers](#), setting out its side of the argument (and telling us little, if anything, that we had not heard before). On charities, it says this:

Charities, community groups and places of worship have always paid for their surface water drainage. However, under the old rateable value system those charges were often unrepresentatively low. This did not provide any real incentives for customers to minimise the volume of surface water draining from their properties.

Which is slightly disingenuous: under the previous regime the charges were “unrepresentatively low” because it was Government policy that charities should not be overburdened by charges, given that they are not-for-profit organisations operating for the public benefit. Nor does the leaflet make any reference to the Government’s previous guidance that “it would be inappropriate to charge all non-household customers as if they were businesses”.

[Source: *Ofwat* – 16 July 2009]