

CLAS CIRCULAR

2025/12 (30 October)

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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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CHARITIES & CHARITY LAW

Charity Commission: *Charity Sector Risk Assessment*

For information

The Charity Commission has published its first-ever annual *Charity Sector Risk Assessment*, which identifies systemic risks that may impact on charities' ability to deliver against their aims, or on public trust in the sector – seen through the eyes of the regulator. The Commission encourages charities to consider the issues identified as they review their own risks, and it signposts relevant guidance for trustees.

Financial pressures: The assessment highlights the impact of financial pressures on the sector. Charities are experiencing multiple challenges, including increased demand for services, the rising cost of employing staff and the impact of inflation on the value of funding. This echoes research, published earlier this year, showing that the proportion of people receiving food, medical or financial support from charities [has tripled from 3% to 9%](#) over the past 5 years. While the sector is diverse and these pressures impact on charities in very different ways, depending on their size and the nature of their operations, overall, the Commission says that 22.5% of charities reported an operating deficit in their 2023 Annual Return, up from 20% in 2022. The regulator stresses that running a deficit does not mean a charity is insolvent, but that this finding continues a growing trend of charities drawing on reserves to bridge the gap between income and expenditure.

Risks to public benefit: The Commission's report also spotlights risks to public benefit arising from the misuse of charities. A small number of charities are being deliberately targeted by persons seeking private benefit, in some cases with attempts to set up a charity for the primary purpose of gaining unlawful benefit. This might include the misuse of charity property, unauthorised payments to private individuals, false Gift Aid claims and complex methods of tax avoidance or evasion.

The Commission stresses that the number of such incidents is small compared to the size of the sector but suggests that the impact on public trust of even one case can be significant and, therefore, presents a systemic risk for the sector and the Commission.

The full report on Charity Sector Risk Assessment can be found [here](#).

[Source: The Charity Commission, 25 Sept]

Consultation: reform of the licensing system for alcohol sales

For information and possibly **for action**

The Government is inviting views and evidence to inform what it describes as “the development of a modern, proportionate and enabling licensing system”. The call for evidence builds on the [Licensing Taskforce recommendations and the government’s response](#) and focuses on the “on trade” for alcohol sales, for example, at pubs, restaurants and nightclubs, and on all entertainment licensed under the Licensing Act 2003.

The consultation invites responses from a range of interested parties, including “cultural and community organisations”, and may be of interest to member Churches of CLAS. It closes on **6 November**, and views can be submitted [here](#).

[Source: Home Office and Dept for Business and Trade, 7 October]

Charities: wills

For information

Nadia Whittome (Lab, Nottingham East) asked the Chancellor of the Exchequer “what assessment she has made of the potential impact of the proposal to require charities to spend gifts from wills within a set timeframe in the draft Finance Bill 2025-6 on legacy giving”. In reply, the Exchequer Secretary to the Treasury, Dan Tomlinson, said this:

“Charities rightly enjoy generous tax relief. However, a small number of charities are receiving tax relief in ways not intended by Parliament. Charity tax rules are being strengthened to improve HMRC’s ability to challenge abusive arrangements in an appropriate and proportionate way.

The new charity rules in the draft Finance Bill 2025-6 for legacy giving will ensure that a charity uses tax relieved income for its charitable purposes. They will not require charities to spend gifts from wills within a set timeframe. The new rules will replace the current purpose test with an outcome test. This will better prevent the abuse of tax reliefs through arrangements designed to give financial advantages to donors in return for their donation.

Updated guidance will support charities and donors, giving clarity and reassurance around the rules and making it clear that the honest majority of donors charities will remain unaffected by these reforms.”

[Source: Commons *Hansard*, 14 October]

FAITH AND SOCIETY

Weddings law reform

For information

The Ministry of Justice has [announced](#) that it proposes to amend the law on weddings in England and Wales to allow couples to be married at a wider range of venues than at present – largely, we suspect, in line with the recommendations of the Law Commission. In a press statement, it said:

“The reforms will give couples more choice in how they get married, making the process simpler, fairer and less costly, while ensuring the dignity and integrity of marriage is protected.

Under the reforms, couples will be able to marry in a wider range of locations provided venues meet strict standards of being appropriate and dignified.

These changes will mean marriage law reflects modern Britain, making it more straightforward for couples to have legally binding religious ceremonies - including Sikh, Muslim, Buddhist and Hindu weddings - and allow non-religious groups, such as Humanists, to conduct legally binding ceremonies for the first time.

This will also be a significant boost to the economy as it is estimated the reforms could lead to a 3% increase in weddings in England and Wales, adding £535 million to the economy over the next 10 years, supporting 1,800 more businesses and delivering on the Plan for Change to kickstart growth.”

Minister for Family Law, Baroness Levitt KC said:

“Marriage is one of our country’s most celebrated traditions and our plans will allow couples to have the wedding day of their dreams.

Our reforms will protect the solemnity and dignity of marriage while providing more choice for couples and unlocking untapped opportunities for the economy.”

Shortly afterwards, the Government [published its response](#) to the Law Commission’s report on weddings law. In a letter dated 4 October, Baroness Levitt, Parliamentary Under-Secretary of State for Justice, wrote as follows:

“I am writing to confirm that the Government has today announced that it will be reforming weddings law when parliamentary time allows, with a view to undertaking a public consultation on the detail of reform early next year. In making this announcement, the Government wishes to acknowledge its immense gratitude to the Law Commission for its 2022 report on weddings law...

The first feature is that the law will shift from a system based on the regulation of buildings to regulation of the officiant responsible for the ceremony. This will mean that restrictions on where weddings can take place can be removed, subject to strict regulations ensuring that they remain dignified and serious.

The second feature is that there will be universal rules for all weddings. This will remove the wide range of inconsistencies in the current law, create equitable, clear rules and simplify the process for getting married.

These reforms will ensure a level playing field for all groups. And, in delivering these reforms, the Government commits to remove the difference in treatment of humanists that was found by the High Court in the case of *Harrison [R (Harrison & Ors) v Secretary of State for Justice]* [\[2020\] EWHC 2096](#).

The Government will launch a public consultation early next year on the detail of reform, drawing on the 57 recommendations in your report. The consultation will likely focus on protecting the dignity of wedding ceremonies, consider whether independent celebrants should be allowed to conduct legally binding weddings, and explore the criteria and safeguards for religious and non-religious organisations nominating officiants.

Thank you again for all the considerable work the Law Commission has undertaken on weddings law over the past decade. Your report provides an invaluable foundation for the Government's approach to reform. As we take forward the next phase of this work, we do so guided by the framework which you have recommended.

Please accept this letter as the Government's formal full response to your 2022 report."

No doubt CLAS will be responding to the next round of public consultation!

[Source: Ministry of Justice, 4 October]

Protecting religious communities

For information

In a [Written Question](#), Laura Kyrke-Smith (Lab, Aylesbury) asked the Home Secretary "whether her Department will consider taking steps to protect religious communities that don't have a designated place of worship".

Dan Jarvis replied as follows:

"The government and police regularly work closely together to review threats and strengthen protection for communities against terrorism and hate crime.

Work is currently underway to develop a new Faith Security Training scheme to raise awareness amongst faith communities of how to improve their safety and security, and to help them prepare to mitigate any threats they may face.

There are extensive resources available to venues and public spaces for free, to help them better protect the public in those locations. These include the ProtectUK platform, which offers free guidance, advice and training for staff. Training resources available include the Action Counter Terrorism (ACT) and See, Check and Notify (SCaN) training and e-learning, which are free resources developed by Counter Terrorism Police and available to the public.”

We were unaware of the Faith Security Training scheme: we shall “watch this space”.

[Source: Commons *Hansard*, 14 October]

Hazards in Social Housing (Prescribed Requirements) (England) Regulations 2025

For information and **possibly for action**

The Hazards in Social Housing (Prescribed Requirements) (England) Regulations 2025 (which the Government tends to refer to, rather confusingly, as “Awaab’s Law”) came into force on 27 October. The law applies to all homes and tenures in the social rented sector. “Chancel repair liability is an obligation on a landowner to pay for certain repairs to a local church. It has its origins in the feudal system and is rarely enforced, but when it is the liability can be huge.

Under its provisions, landlords must:

- investigate a potential hazard within 10 working days of becoming aware of it;
- provide a written summary of findings to the resident within three working days of the investigation;
- take action within five working days of finding a significant hazard — this could include beginning repair works or providing alternative accommodation if the hazard cannot be addressed immediately; and
- resolve emergency hazards (those posing an imminent health risk) by making safe or completing works within 24 hours.

Landlords will also be obliged to consider the circumstances of tenants that could put them at risk, including young children and those with disabilities or health conditions. Alternative accommodation must also be offered if homes cannot be made safe within the required timeframes.

Members who have social housing as part of their property portfolios are urged familiarise themselves with the new regulations.

[Source: MHCLG, 27 October]

The Leasehold and Freehold Reform Act and marriage value

For information

Charity property freeholders, London estates, and institutional investors have lost a legal challenge seeking to amend the Leasehold and Freehold Reform Act (LFRA) 2024.

In *ARC Time Freehold Income Authorised Fund & Ors v Secretary of State for Housing, Communities and Local Government* [2025] EWHC 2751 (Admin), the High Court dismissed six linked judicial review claims that key provisions of LFRA 2024 were incompatible with the European Convention of Human Rights. Two of the claimants, John Lyon's Charity and the Portal Trust, had argued that the Act's abolition of "marriage value" was in breach of Article 1 of Protocol 1 ECHR insofar as it provided no exception(s) for charities [49]. John Lyons had argued that it could lose around £1.4m as a result of the abolition.

The Court concluded at [535] that

"...this issue was considered extensively in the pre-legislative period, and the view consistently adopted by the Law Commission and the Government was that it was not appropriate to make an exception for freeholds held as an investment by charities for three reasons: the freeholds represented an investment made for monetary benefit as much for charities as other owners of freeholds; from the perspective of tenants, the unfairness inherent in leasehold as a form of tenure applies as much to those who held their leaseholds subject to the superior title of charities as for other landlords; and there was a risk of increased complexity and market distortion if charity landlords were treated differently. Those views were clearly articulated in Parliament during the passage of the Bill through Parliament, and attempts to include an exemption for charities failed to secure sufficient Parliamentary support for them to be put to a vote."

Further, at [536]:

“In those circumstances, the decision not to exempt charities from the removal of marriage value is entitled to a considerable margin of appreciation, and we conclude that there is no sufficient basis for challenging that decision in these proceedings”.

Claim dismissed.

[Source: Courts and Tribunal Judiciary, 24 October]

The Renters' Rights Act

For information and **possibly for action**

The Renters' Rights Bill received Royal Assent on 27 October 2025.

As members will know, the Renters' Rights Act amends the framework governing private tenancies in England, including ending Section 21 'no fault' evictions and revising the grounds for possession.

The Government states that it wants to "see tenants benefit from these reforms as quickly as possible" and we understand that the Government intends to introduce the new tenancy system for the private rented sector in one stage. The reformed tenancy system will apply to all private rented tenancies, so existing assured tenancies will become periodic, and any new tenancies will be governed by the new rules.

Most provisions of the Act will come into force on dates to be determined by the Secretary of State. Most provisions of the Act apply to England only.

[Source: CLAS, 29 October]