

CLAS CIRCULAR

2023/19 (15 November)

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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CHARITIES AND CHARITY LAW

Election campaigning by charities

For information

Bates, Wells and the Sheila McKechnie Foundation have produced a helpful guide: [General Election 2024: Charity Campaigning](#). The Electoral Commission Code of Practice is [here](#).

[Source: Bates Wells, 31 October]

EMPLOYMENT

Holiday pay for part-time workers

For information

In *Harpur Trust v Brazel* [2022] UKSC 21, which involved a music teacher who only worked during school terms and had a zero-hours contract, the Supreme Court upheld earlier rulings of the Court of Appeal and the Employment Appeal Tribunal that the amount of annual paid leave to which she was entitled did not need to be pro-rated so that it was proportional to that of a full-time employee. The impact of the judgment was that employers should not use (and should not have been using) the 12.07% holiday pay calculation for employees that had been common practice for those on zero-hours contracts.

The Government has now published a draft [Statutory Instrument](#) to come into force on 1 January 2024 which, *inter alia*, reverses the judgment of the Supreme Court. Amy Wren of Farrer & Co gives a helpful explanation of the change [here](#).

[Source: Farrer & Co, 13 November]

ODDS AND ENDS

UK Government reshuffle

For information

On 13 November, the Prime Minister reshuffled his cabinet and some of his wider government. The changes made were:

New posts:

James Cleverly: Home Secretary.
Lord (David) Cameron: Foreign Secretary.
Laura Trott: Chief Secretary to the Treasury.
Victoria Atkins: Secretary of State for Health and Social Care.
Steve Barclay: Environment Secretary.
John Glen: Paymaster General.
Lee Rowley: Minister of State for Housing.
Richard Holden: Conservative Party Chairman.
Esther McVey: Minister Without Portfolio (in the Cabinet).

Posts vacated:

James Cleverly: Foreign Secretary (reshuffled).
Suella Braverman: Home Secretary (dismissed).
Therese Coffey: Environment Secretary (resigned).
Jeremy Quin: Paymaster General (resigned).
Greg Hands: Minister of State at Department of Business and Trade (resigned).
Neil O'Brien: Secretary of State for Health and Social Care (resigned).
Nick Gibb: Ministry of State for Schools (resigned).
Jesse Norman: Minister of State for Decarbonisation and Technology (resigned).
George Freeman: Minister of State for Science, Technology and Innovation (resigned).
Rachel Maclean: Minister of State for Housing and Planning (dismissed).
Will Quince: Minister of State for Health and Secondary Care (resigned).

[Source: BBC News, 13 November]

PROPERTY & PLANNING

The King's Speech 2023

For information

[The King's Speech](#) included the announcement of two new pieces of legislation that are likely to be of interest to CLAS members.

The proposed **Leasehold and Freehold Bill** will reform the leasehold system by:

- “making it cheaper and easier for existing leaseholders in houses and flats to extend their lease or buy their freehold - so that leaseholders pay less to gain security over the future of their home”;
- “increasing the standard lease extension term from 90 years to 990 years for both houses and flats, with ground rent reduced to £0. This will ensure that leaseholders can enjoy secure, ground rent free ownership of their properties for years to come, without the hassle and expense of future lease extensions”;
- “removing the requirement for a new leaseholder to have owned their house or flat for two years before they can benefit from these changes –so that more leaseholders can exercise their right to the security of freehold ownership or a 990-year lease extension as soon as possible”; and
- “increasing the 25 per cent ‘non-residential’ limit preventing leaseholders in buildings with a mixture of homes and other uses such as shops and offices, from buying their freehold or taking over management of their buildings – to allow leaseholders in buildings with up to 50 per cent non-residential floorspace to buy their freehold or take over its management.”

(In addition, the **Renters (Reform) Bill** has been carried over from the previous Session and is currently awaiting its Commons committee stage.)

The **Terrorism (Protection of Premises) Bill** will implement the commitment made in the draft Bill of the previous session (which was subject to considerable criticism by the Commons Home Affairs Committee) “to protect public premises from terrorism in light of the Manchester Arena attack”. *The Government has announced that there will be a further consultation on the duties to be placed on standard tier* (ie, those with a capacity of between 100 and 799) prior to the introduction of the Bill. The Government wishes “to ensure the Bill’s measures strike the right balance between public protection and avoiding undue burdens on smaller premises such as village halls, churches and other community venues”.

(Of course, there will also be a **Finance Bill** that was not mentioned in the Speech at all. We await the Chancellor’s Autumn Statement to see what it is likely to contain.)

[Source: Prime Minister's Office, 7 November]

Modern leasehold: restricting ground rent for existing leases

For information **and possibly for action**

The UK Government has launched a consultation that will set out options including capping ground rents at a so-called "peppercorn" rate for existing leaseholders, freezing ground rents at current levels and capping the ground rents at a percentage of the property value.

The Department for Levelling Up, Housing, and Communities will consult on five proposals to decide the best way forward to benefit leaseholders:

- setting ground rents at a peppercorn;
- putting in place a maximum financial value which ground rents could never exceed;
- capping ground rents at a percentage of the property value;
- limiting ground rent in existing leases to the original amount when the lease was granted;
- freezing ground rent at current levels.

The consultation can be found [here](#), and **it is open until 21 December**.

[Source: DLUHC, 10 November]

SCOTLAND**Council Tax premium on second homes**

For information

Draft regulations allowing local authorities to charge up to double the full rate of Council Tax on second homes have been laid before the Scottish Parliament. This may impact on clergy who own a second property for their retirement while living in the manse or parsonage house associated with their charge.

If approved, local authorities would be able to apply the Council Tax premium on homes that are not used as a main residence.

This change, a Programme for Government commitment, attracted majority support in a joint consultation with the Convention of Scottish Local Authorities (COSLA). It will bring second homes into line with long-term empty homes from 1 April 2024.

In the 2024-25 financial year, it will be based on rates from 2023-24.

[Source: Scottish Government, 8 November]

WALES

Wales: Continued support and rent increase cap for social housing tenants

For information

Last year, the Welsh Government supported people in social rented accommodation as part of an agreement with local authorities and Registered Social Landlords. They have [announced](#) a continuation of that support from social landlords as well as a new maximum social rent uplift cap of 6.7% from April 2024.

The rent settlement for 2024-25 means that targeted support will be provided to those experiencing financial hardship to access support as well as investment in existing homes.

[Source: Welsh Government, 27 October]

Wales: Council tax consultation

For information

The Welsh Government has launched a consultation on 14 November seeking views on possible approaches to redesigning the Council Tax system.

The consultation includes different potential approaches, including adding new Council Tax bands, changing the tax-rates charged for each band, and reviewing discounts and reductions. The consultation also asks about the pace of change people would like to see. The earliest date for any changes coming into effect is 1 April 2025.

The Welsh Government's 3 proposed approaches are:

- minimal reform: a revaluation of properties to check they are up-to-date, but keeping the current nine bands and tax-rates. This would bring the current system up-to-date and result in a small move in the direction of fairness;
- modest reform: a revaluation plus further reforms to the tax-rates charged for each band to spread Council Tax more fairly. Bills for households in lower band properties would fall and bills for those in the highest band properties would rise. That would address both the outdatedness of the current system and also its unfair, regressive nature; and
- expanded reform: a revaluation plus further reforms including additional tax bands and changes to the tax-rates. This approach would see the number of bands increase from 9 to 12, adding 1 band at the bottom for the lowest value properties in Wales,

and 2 more bands at the top, for the most expensive properties valued at over £1.2 million.

The consultation closes on 6 February 2024, and can be accessed [here](#).

[Source: Welsh Government, 14 November]