



HM TREASURY

Minutes: HM Treasury Gift Aid forum

Meeting date: 8 February 2010

Location: HM Treasury, 1 Horse Guards Road, London SW1A 2HQ

Attendees

Ian Pearson MP	Economic Secretary to the Treasury
Jackie McGeehan	HM Treasury
Jeremy Sherwood	HM Treasury
Andrew Edwards	HM Revenue & Customs
Susan Hanley	HM Revenue & Customs
Sophie Chapman	Office of the Third Sector
Colin Tweedy	Arts and Business
Ralph Michell	ACEVO
Cathy Pharaoh	CASS Centre for Philanthropy
Hannah Terrey	Charities Aid Foundation
Helen Donoghue	Charity Tax Group
David Membrey	Charity Finance Directors' Group
Peter Fanning	Chartered Institute of Taxation
Joanna Motion	Council for Advancement and Support of Education
Louise Richards	Institute of Fundraising
Belinda Pratten	National Council for Voluntary Organisations
Cath Lee	Small Charities' Coalition
Tom Dumont	Society of Trust and Estate Practitioners
Kevin Russell	Stewardship

Apologies

New Philanthropy Capital
Heritage at the Heart of the Community

Proposed agenda	
Time	Item
1.	<p>Minister's introduction</p> <p>Ian Pearson MP, the Economic Secretary to the Treasury, said he wanted the new forum to move forward the debate over Gift Aid reform drawing on the findings of the donor research published in December. He wanted the group to work to a definite timetable and to come up with specific recommendations by 30 September 2010. Any proposals needed to be realistic in the light of the difficult fiscal environment, should achieve consensus as far as possible, and should not put at risk the success of Gift Aid.</p>
2.	<p>Terms of reference</p> <p>The group discussed whether membership was sufficiently representative and whether to invite others who had asked to join. It was agreed that church groups should be represented as major users of Gift Aid, and the Association of Church Accountants and Treasurers would be invited to join. It was agreed that the forum did not need another representative for major donors, this group's interests being represented by existing members.</p> <p>The forum discussed and agreed to broaden its remit beyond Gift Aid to cover other tax reliefs on giving (payroll giving and gifts of shares) but not issues regarding the taxation of charities, or proposals for new tax reliefs. However, Gift Aid would remain the priority focus for the group.</p> <p>The forum agreed to the proposed timetable of bi-monthly meetings and to producing proposals by 30th September for ministers to consider. The agreed terms of reference and an outline timetable would be sent to members after the meeting.</p>
3.	<p>Gift Aid donor research presentation</p> <p>Susan Hanley of HM Revenue & Customs gave a presentation of the main findings of the HMRC sponsored Gift Aid donor research into options for reforming higher-rate relief.</p>

<p>4.</p>	<p>Gift Aid reform options – initial views</p> <p>Members of the forum gave their initial views on the proposals considered by the research. Views on the composite rate option were mixed, with concerns from representatives of the religious, arts and education sectors that removing higher rate relief would reduce giving by major donors. A lack of awareness of higher rate relief among donors was also a significant issue.</p> <p>Some suggested there were two different groups of people who use charity tax reliefs: major donors, for whom charitable tax relief may be a significant factor in an overall tax planning strategy, and the vast majority of donors who gave smaller amounts, and were more concerned that their tax relief boosted charities' income.</p> <p>Some members were keen on the higher rate tick box approach, though HM Revenue & Customs noted that this approach could bring additional administrative burdens for charities.</p> <p>A key message from the forum was that simplification of the Gift Aid system should be the priority, especially to broadening take-up of Gift Aid amongst smaller charities</p>
<p>5.</p>	<p>Next meeting</p> <p>Provisional dates for future meetings were 15 April, 2 pm; 10 June, 2 pm; 9 September, 1:30 pm; 10 November, 2 pm.</p> <p>HM Treasury would circulate a suggested outline timetable of actions for the forum after the meeting.</p>