

## Changes to the Charities Act



The first of three sets of changes to the Charities Act 2011 came into force on 31 October 2022. Here we take a look at the changes, and what this means for charities.

### Changes to the Charities Act 2011 in October 2022

The following changes were introduced:

#### The ability to pay trustees for goods provided to the charity

Existing statutory powers allow charities to pay trustees for providing a service or goods connected to that service, for example, plumbing or painting service and any associated materials such as plumbing parts or paint.

The Charities Act 2022 (“The Act”) widens this statutory power and allows charities to pay trustees for just providing goods to the charity, for example, supplying stationery to the charity

#### Simplified process where fundraising appeals do not raise enough or raise too much

The Act simplifies the process for trustees where appeals raise insufficient funds to deliver the intended aim, or raise too much leaving leftover funds:

- Charities will no longer need to wait six months for donors to ask for a refund;
- A simpler process for obtaining commission authority will replace the need for the commission to make a scheme; and
- If the total value of donations to be used for new purposes is £1,000 or less, they can be spent without the



commission's involvement.

To avoid the problem, commission guidance recommends broadly wording the appeal or including a secondary purpose.

### Power to amend Royal Charters

Charities can change sections in their Royal Charter which they are currently unable to change, if that change is approved by the Privy Council.

We will write further updates once the additional changes come into force in spring and autumn 2023.

### How we can help

Our dedicated charities team can provide you and your trustees with advice on a wide range of matters including the changes that have been announced regarding the Charities Act. We will keep this up to date with future updates as and when these are announced. If you have any questions in the meantime, please contact our [Charities team](#).



[Harriet Page](#)

Senior Associate