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The Charity Tax Group Newsletter

January 2026

We hope that you have all had a good break over the festive period and that you enjoyed the calm before storm Goretti.

As we are packing away our festive decorations here at CTG, we are very much looking forward to the year ahead with the development of our new website and arrival of our new CEO, who shares his thoughts below.

**Richard Bray,
Chair, CTG**

A message from Luke Hall, CTG's new Chief Executive

Dear supporter,

I am hugely excited to introduce myself as CTG's first Chief Executive. It's such a privilege for me to join an organisation with a proud history as the trusted voice of charities on tax.

I spent much of the last 10 years as a Member of Parliament and serving as a government minister. During that time, I worked with some incredible charities, both as a local MP, and nationally working towards delivering policy change.

One of my proudest achievements has been helping deliver the Neonatal (Care) Leave and Pay Act, giving parents of prematurely born children extra paid leave whilst their child is in neonatal care. It was this experience of working alongside some truly passionate charities and campaigners, alongside my own family's journey with

premature birth which shaped my conviction that charities are essential partners in building a fairer society.

I've joined CTG because I believe to my core that charities should be able to invest the support they receive into the causes they represent, not lose it to unnecessary tax burdens and overcomplicated structures.

CTG is already leading the way. Looking ahead, I'm ambitious for us to go even further, to play an even bigger role in the national conversation and strengthen our place as the go-to facilitator for our members and observer members on charity tax. I want CTG to be a space where we continue to share insight, offer informed support, and secure lasting improvements for the sector.

I hope to meet you at one of our expert insight sessions, our regional tax update events or observer meetings in the coming weeks. In the meantime, please do get in touch with your ideas, priorities, or just to say hello. I'd love to hear from you at luke.hall@charitytaxgroup.org.uk.

With my very best wishes,
Luke



Latest News

New year spring cleaning

We all have items at the bottom of our laundry baskets or on our to do list that are a bit tricky and not yet a burning platform...but if you are looking for worthwhile new year resolutions, perhaps reviewing your tax compliance should finally make it onto your real to do list. If so, you may want to take a look at HMRC's Guidelines for Compliance series. This is a 'franchise' of new style HMRC publication, offering HMRC's view on "complex, widely misunderstood or novel risks that can occur across tax regimes". One of the most useful is the imaginatively named [GfC8](#) which aims to help businesses review and implement controls to reduce the risk of VAT error, including examples of good practice. Definitely worth a look if you have some

breathing space and are ready for it...

Time to get creative?

Whilst some of our readers will have resolved to take up new creative pastimes as part of their new year resolutions, many charities are already engaging in creative activities and so may be eligible to claim creative sector reliefs. Peter Chapman, a partner at KPMG who presented an excellent session at our December conference, has written an article for us on how these valuable reliefs work and how you would go about putting in a claim. You can find the article [here](#) on our website. He is also running an Expert Insight session for us on 28th April which will be open for bookings shortly. Perhaps one of the key points that Peter makes is that many charities overlook their potential to make a claim. So don't assume the reliefs could not apply to you!

Giving back to the parent

Many charities make use of trading subsidiaries to undertake activities which cannot be carried out by the charity, or where a trading profit would arise. The mechanism to shelter taxable profits in these subsidiary companies is to make a Gift Aid payment to the parent charity. This has the additional benefit of returning surpluses to the parent charity. However, managing Gift Aid from subsidiary companies can be more complicated than you might think. Crystal Leader, Senior Manager from Moore Kingston Smith, who presented a very well thought out session at our December conference, has written an article for us on how Gift Aid works and where things can get complicated. You can find the article [here](#) on our website. She is also running an Expert Insight session for us on 19th May which will be open for bookings shortly.

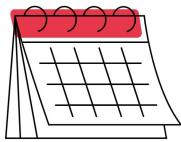
VAT on supplies of temporary medical staff

As the NHS faces its very busy period, HMRC issued their final Revenue and Customs Brief of 2025 in mid December on the VAT liability of the supply of temporary medical staff [[RCB 9/25](#)]. Exemption is available under Item 5, Group 7, Schedule 9, VAT Act 1994 for "The provision of a deputy for a person registered in the register of medical practitioners". However, HMRC's narrow interpretation was that the exemption was limited to deputising services such as the GP out of hours service. HMRC considered all other supplies of temporary medical staff to be subject to VAT at the standard rate.

However, the First Tier Tribunal (FTT) decision in [Isle of Wight NHS Trust v HMRC \[2025\] UKFTT 1114 \(TC\)](#) disagreed with HMRC's position and offered a much wider interpretation. The FTT found that the exemption applied to locum

doctors, including those provided by employment businesses and was therefore not limited to out of hours GP cover.

HMRC has not appealed against this decision and advise that they are reviewing their policy. In the meantime, the RCB also provides details of how taxpayers can make a claim for repayment of overdeclared output VAT on the supply of locum doctors.



Future Events

Mills & Reeve joint events with CTG

Whilst the next CTG annual conference is not now until next autumn, Mills & Reeve are partnering with CTG to run two regional tax update events for charity members. They will be held in Cambridge (21 January) and Oxford (29 January). Booking is open [here](#) for the Cambridge event and [here](#) for the Oxford event. If you have any queries, please contact [Mills & Reeve](#).

CTG Expert Insight Sessions

Our next Expert Insight session will be a session on Section 33 bodies and reclaiming VAT. Section 33 bodies include approved museums and galleries, academy schools, charities providing palliative care, medical couriers, search and rescue and air ambulances. This will be hosted by Kieran Smith, a partner from Crowe UK on 12th February. [Booking is now open](#).

Charity Finance Group

The Charity Finance Group (CFG) are also running a number of events in early 2026 that may be relevant to members. Booking and more details can be found here:

- 11th February – Risk Conference https://cfg.org.uk/events_and_training/risk26
- 26th February – Technical Update Conference https://cfg.org.uk/events_and_training/techupdate26

Our **Gift Aid** and **VAT** practical issues working groups give charitable organisations the opportunity to discuss the details of these two important areas of tax. Meeting links will be sent out direct to your inbox however please [get in touch](#) if you have any questions.

Gift Aid Practical Issues Working group meetings:

- Tuesday 24th February at 4pm
- Tuesday 21st April at 4pm
- Tuesday 16th June at 4pm
- Tuesday 15th September at 4pm
- Tuesday 17th November at 4pm

VAT Practical Issues Working group meetings:

- Thursday 11th December at 4pm
- Thursday 26th February at 4pm
- Thursday 23rd April at 4pm
- Thursday 18th June at 4pm
- Thursday 17th September at 4pm
- Thursday 19th November at 4pm

Our **Customs** practical issues working group meetings give charitable organisations the opportunity to discuss customs duties which arise on importing and exporting goods.

Customs Practical Working group meetings:

- Tuesday 20th January at 4pm
- Wednesday 30th September at 4pm

*registration links will be sent out direct to your mailbox approx 6 weeks before event.

We run regular sessions for our **Observer members** to share their experiences and the latest news and developments in charity tax. Meeting links will be sent out direct to your inbox however please [get in touch](#) if you have any questions.

Observer Member Meetings:

For upcoming meeting dates visit our [website](#)

*registration links will be sent out direct to your mailbox approx 6 weeks before event.

Our previous Expert Insight Sessions recordings and Newsletters can be viewed by clicking the buttons below:

Expert Insight Recordings

Previous Newsletters

We are pleased to feature our current Observer members on our website. To see the current list of members and learn more about their organisation please visit the [Observer section](#) on our website.

[OUR WEBSITE](#) / [CHARITY TAX INFORMATION](#) / [SUPPORT US](#)

If you have any questions, feedback or need assistance, please do not hesitate to get in touch. info@charitytaxgroup.org.uk

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