

Speech: New Chair of Charity Commission gives first major speech

Good morning

I am delighted to be here with you this morning. It is great to be among so many people involved in such a wide range of charitable endeavours. Thank you for having me here.

This is my first substantial speech as Chair of the Charity Commission. I started in the role at the end of February.

So it is early days for me. And I don't come here this morning pretending to have all the answers. I know I have much to learn from you about the charity and voluntary sector.

But I am clear on what motivated me to take on the role, and on what I want to achieve in the job.

And I'd like to use this opportunity today to set that out.

What drives me, first and foremost, is the importance and immense potential of people's charitable endeavour for our society.

Charity has a meaning and a value that is immeasurable, and lies beyond the sum of what individual charities achieve for their beneficiaries.

It's a value that endures well beyond the reach of any organisational structure.

At its heart, charity is about attitudes, behaviours and qualities that unite us and that we can all sign up to.

Qualities such as purpose, conviction, selflessness, generosity.

Qualities that we admire when we see them in strangers, and that make us feel proud. So much so we look for ways to associate ourselves with people who display them: they are our fellow Brits, our family, friends and neighbours – whatever their race or religion.

And they are qualities that make our communities stronger, and better.

This potential of charity to build meaning and to contribute to a healthy, successful society is profound.

So it must be nurtured and promoted. And many of you do that, every day, as do the thousands of people who work alongside you in your organisations.

But we have a problem.

Some organisations that act as the vehicles of that charitable endeavour, namely the charities on the Commission's register, are no longer trusted automatically by the public to foster what it is I've just described.

And that means all charities can no longer expect the public to give them the benefit of the doubt.

That's not just my opinion. It's the conclusion of extensive, independent research, the latest of which is underway right now and will be published later this year.

I have seen some early findings. And they are sobering.

They show that people now trust charities no more than they trust the average stranger they meet on the street.

It is vital, in my view, that we understand why that is the case – and work together to change what's gone wrong so we can put it right.

Sir Stuart suggested earlier that increased public scrutiny of charities is part of a wider trend. And I agree with him.

We need to examine the problem through the same lens that we use to understand the decline in trust in big business and politics.

People clearly are less trusting of institutions and of those in positions of authority than they once were. But that's not because our parents and grandparents were more naïve.

It's because people now have more evidence to prove their suspicions. They are more sceptical of those in powerful roles or in positions that were once associated with respect, because they can see or have experienced directly how those groups really have let them down.

The failings may manifest themselves in different ways. And in the worst cases we've seen people horrifically abuse and show contempt for the respected position that they hold. But whatever the failing, it adds up to people seeing and believing that those in charge of important institutions are running them in their own interests, for their own benefit.

What we can't escape, is that the underlying causes of public distrust are the same in the public, private and our own sector.

Just as some big businesses have failed the reasonable expectations of the public, so have some charities.

And what we need to understand is that, the expectations of you are even higher because you are charities.

In this modern world of swift communication and greater democracy, people have been provided enough proof to realise they can't even rely on those they thought always do better – because they exist for no other reason than to do

good.

I am not holding charities responsible for failings in other sectors. But nor are they innocent bystanders.

The revelations about Oxfam in Haiti and senior staff conduct in other big charities shows that this sector is part of that wider story.

And it's a story that matters more for charities than it does for organisations that measure success by size, or by the bottom line.

For example, the brand of a big supermarket will be damaged when the public see its leaders fail. But people will still buy their groceries. The supermarket's fundamental purpose is not fatally undermined as a result.

But all a charity has is its purpose. So when a charity's purpose is undermined, whether through misconduct or other failures, your very reason for existence comes into question.

That's why people are so appalled when charity workers in a devastated country exploit the vulnerable they were sent to help.

That's why people feel betrayed when charities seem to respond to misconduct among senior staff by protecting the charity's reputation, rather than by rooting out and stopping the bad practice.

And that's what leads them to question very high pay in charities and doubt whether money that's raised and donated makes it to the end cause.

It's therefore no surprise that the research I've already mentioned... also tells us that people want transparency from charities.

But again, we need to really understand why they are asking for this.

After all, most of us lead busy lives. Few of us are prepared to spend our free time working out which energy tariff is most cost effective for us, never mind want to spend time looking at detailed financial information about charities.

So why the focus on information about and from charities? It is a proxy for something far more profound. They want proof that you are who you say you are.

The phrase Sir Stuart has used is 'living your values'. It's a useful form of words, because it is evocative.

But I want to add to it. What I propose we're talking about here are standards; standards of conduct and behaviour, and standards of competence.

I really welcome the NCV0's decision to ask Dame Mary Marsh to develop a code of conduct for safeguarding in charities. But we must keep in mind that Dame Mary's important work will be a means to an end, and not an end in itself. People want us to show, not tell.

The public want to be able to trust that, no matter how you slice a charity, what you'll find is a relentless focus on its charitable purpose. And that means demonstrating that the way charities prioritise, behave and conduct themselves is focussed solely on delivering the right results.

I had the pleasure, a few weeks ago, of visiting a charity in Nottingham, my home town.

The charity is called ThinkForward, and it works in deprived areas helping young people make the difficult transition from education to employment. It focuses on those young people most at risk of dropping out.

I met Sally, an impressive, driven young woman who is a beneficiary of ThinkForward.

She told me, in terms, that one of the reasons the charity has made such a difference to her – to her perspective and outlook – is that she believes those running it are genuine, and really care about helping people like her. In other words, that they are walking their talk.

Sally was an inspiration for lots of reasons. And listening to her brought home to me the immense responsibility charities have.

Imagine what might happen in the heart and mind of a young person like Sally if she had a bad experience with a charity claiming to help her. If she had reason to believe those running it were in one sense or another exploiting her.

That charity would not just have failed to make an impact for Sally. It wouldn't just be a case of one less point on the impact measurement scale. It would have done active harm.

That's why it matters so much that charities are relentlessly focused on their mission for the public benefit and on achieving that mission with earnest diligence and while working to the highest standards of conduct and decency.

I've spent a long time setting out the problem of public trust. So let me give you my early thoughts on what we need to do about it.

And this is where the Commission as regulator comes in.

We're currently reviewing our strategy; our current strategic plan ends this year. But what is already clear to me, is the fundamental aim of the Commission.

To help increase – I would say rebuild – trust in charities as vehicles for charitable endeavour.

And the way we will do that is by understanding and articulating the public interest in charity.

This is about more than careful and faithful application of charity law. It's about setting the bar that we believe charities can be expected to reach based on what we know about the factors that drive trust.

Because the Commission's job is not to represent charities to the public, but to represent the public interest to you.

To help you understand what the public expect, and to help you respond.

Not to undermine the independence of individual charities. But to help the sector respond to the reasons the public cherish what it is you do. And to hold the sector as a whole, and its leadership, to account against that bar. I am clear, this is the single most useful and supportive thing we as the regulator can do for charities, and the sector.

We also have our own challenges at the Commission.

First, we are under intense resource pressure. We have seen significant increases in volumes of case work – including most recently around safeguarding concerns. And like other public bodies, we have seen our funding cut drastically – by 50% in real terms over the past 8 years.

I am grateful to my predecessor William Shawcross for all of his work for the organisation.

During his time as Chair, William led a transformation of the Commission. As a result, the Commission has become more proactive, more robust, more effective at holding charities to account on behalf of the public. And most recently, William was successful in securing additional short term funding for the organisation, which will go some way to helping us manage the increased work load.

But we need to do more.

In the context of rebuilding public trust, we must be able to do two things:

The first is to step in and investigate where there are serious concerns about a charity.

It won't have escaped you that we recently placed several well-known charities under formal inquiry – Oxfam, RNIB, The Save the Children Fund.

I am absolutely confident that investigating these charities is merited on the basis of the evidence the Commission holds.

In each case we have different but very serious concerns that we must examine within the confines of a formal investigation.

But as the regulator that promotes the public interest in charities, we have to do more than just investigate when things go wrong.

The second thing we need to do, is help make sure things stay right.

Promoting trust also requires us to be effective in setting out what the public expect from charities. So that charities can help prevent bad things from happening in the first place, and respond in a way that promotes trust when, sadly, human failings do occur.

And so the very same principle I set out earlier applies to the Commission. We too must be crystal clear about our purposes and aims. And we must be able to demonstrate that everything we do – from registering charities, to providing guidance, to investigating – and how we conduct ourselves, is in single-minded pursuit of our purpose.

To help rebuild public trust in charities, so that they continue to inspire charitable endeavour, for the benefit of our society.

The Commission's strategy review continues. We plan to publish our new strategic plan in the summer.

Between now and then, I intend to do a lot of listening. First, to the public whose interest we exist to represent.

And, not least of all, to charities. To you.

Because I believe we can and must work together to ensure that the public – whom we all serve – has well-founded confidence in charities.

I hope what I've said today hasn't sounded too dour. I don't mean to be down-beat. Because I am optimistic.

Yes, we have a problem. But I am confident that we also have the solution.

I am confident in charities' ability to rebuild public trust in their organisations, if they set their minds to it.

And I believe that you have the power, to begin reversing the trend of declining public trust and social cohesion in society more generally.

If you can't lead this change – when you don't have to worry about the sometimes conflicting demands of shareholders – then nobody can.

As I said at the start, I believe charity – what you in this room here and the other 167,000 charities on our register do – is at the very heart of our society.

Collectively, you have a crucial collective importance and amazing potential.

That's why I joined the Commission and that's why I am looking forward to working with you in the months and years ahead.

Not as an adversary, nor as a cosy friend, but as your partner. Your partner in a shared, vital mission to rebuild public trust in what charity does and has the real potential to help our society achieve.

Thank you