Speech: Baroness Stowell's speech at the NACVA Annual Conference 2018

Good afternoon, I am delighted to be part of your conference today, and to be spending time here in Sheffield.

I spent this morning with the dedicated people behind TimeBuilders, a charity based right here in St Mary's, whose purpose is to help people volunteer their time and their unique skills and talents for the benefit of those around them.

To help forge communities.

Forging community is of course the theme of this conference.

And it's one of the things charities, when they are at their best, do best.

Harnessing the talents, energies, and commitment of people living in a place, in a patch of city, town or country, and putting them to use for the benefits of all.

That work itself rarely makes headlines.

And those in turn who work behind the scenes to enable small local voluntary action to thrive – through organisations like yours – rarely receive the acknowledgement they are due. Your work is often just out of sight, in the background.

I am sure you don't do what you do for adulation or praise. And you don't need me or the Charity Commission to validate your work.

But I would nevertheless like to thank you for what you do. And highlight its importance and value.

Building communities, creating places in which people feel safe and of which people feel proud, is a task of vital importance.

And it's more important than it's ever been: Our country is divided, politically, socially, economically – and we face disruption and uncertainty as rarely before.

Charities and community organisations are a crucial part of the response to these challenges – and they therefore carry immense responsibility for doing their work well and in a way that helps people feel invested in the future of the place, and the society, they live in.

So the aims you have, and the way you go about meeting those aims matters.

It matters not just to the health of the geographical communities in which you operate. But to the good of our country as a whole.

And the work you do matters to the Commission, whose purpose, as I will explain, is to help charity thrive and inspire trust, so that it can improve lives and strengthen society.

And, indeed, it matters to me personally.

Because I am very conscious that the place I grew up in shaped the person I've become. And because that place taught me some important lessons about the role and potential of communities, of charity and of people.

Let me tell you about it.

I grew up in a small place called Beeston Rylands, which is its own self-contained part of a town called Beeston, near Nottingham.

At first glance there isn't anything flashy or distinctive about the town of Beeston. It was, and is, a very normal place, in one sense.

But what I felt then and see even more clearly in hindsight, is that Beeston – and the Rylands in particular – was a special place precisely because it is a community.

When I was growing up, I saw people, people like my parents, taking responsibility for the place they lived in and the people they lived alongside.

There was a sense of civic pride, and also of compassion and care: a sense that everyone matters, regardless of their circumstances.

And there was mutual respect. Between the people in formal positions of responsibility, authority and power – teachers, doctors, local councillors etc. And those whose authority was more informal, less tangible, but no less important to the making of a strong community.

It was recognised that a strong community relied on leadership of all kinds – not just the most obvious.

Let me give you an example: a local shopkeeper does not usually have a formal position of power in his or her community. But they might very well have significant influence, and show leadership in the expectations they set for how customers behave towards one another, in the way they maintain their shopfront and in the courage they show in challenging poor conduct.

But those of us with formal authority need to make sure that shopkeeper knows we think they are important.

What applies to shopkeepers applies even more to charities: No matter how small they are, or how on-a-shoestring their operations:

Charities in a local community have an impact and an importance far beyond the direct services they provide to their immediate beneficiaries.

They can help make the difference between a community that inspires people to

invest in the future and one whose inhabitants long for a past that cannot return.

And that’s why I know that I am stood now before some of the most influential and important people in the charity sector, and arguably, by extension, some of the most important people in our society.

You might not see yourself as such.

But as people, as organisations, whose purpose is to help local voluntary action in your communities thrive and succeed, you hold huge power.

And I know that the Charity Commission won’t fulfill its positive new purpose, or deliver on our ambitious new strategy, unless we bring people like you with us, unless we work in constructive partnership with you.

Let me tell you then about the Commission’s strategy, and how we arrived at it.

I started at the Commission nine months ago, in early February of this year.

I was excited then and I’m excited now about the difference the Commission can make if it does its job well.

And at its core, our job is to represent the public interest in charity. To help charities understand and respond to public expectations so that charities in turn can serve their beneficiaries, and have the wider positive impact I spoke about earlier.

And because we represent the public interest, we needed to recognise that regulation is not an end in itself. We don’t fulfill our statutory functions just for the sake of it.

Doing so must, we said, be a means to an end that serves the public good. And that end, is essentially about what you do; about charity, and the difference you make.

And so at the heart of our new strategy lies a positive, optimistic purpose.

We say our purpose is to ensure charity can thrive and inspire trust so that people can change lives and strengthen society.

And to put it another way: we want to help maximise the benefit charity has in our society. Everything we do from now on will need to serve that end.

We will still of course fulfil our statutory functions – registering charities, investigating mismanagement, providing guidance to trustees on their duties, etc. But we’ll do so in a way and to an extent that helps us achieve our purpose.

But there’s a significant hurdle in the way of our achieving our purpose.

Early into my time at the Commission came evidence that charities are not, at this time, meeting their undoubted potential.

Research into levels and drivers of public trust in charities revealed that, even though charities are by definition organisations that exist to provide public benefit, the public no longer give them the benefit of the doubt.

Of course individual people have more or less trust in individual charities. The point is that the concept of charity no longer evokes an automatic sense of confidence in the public.

There may well be all sorts of factors that feed into this change, for example the general decline in deference to and trust in institutions of all kinds.

But I felt strongly that such wider issues should not stop the Commission from asking whether there's something in and about charities that has contributed to the decline in trust too.

So we undertook, over the course of this summer, detailed further research. We wanted to delve deep to find out what it is people expect from and associate with charity, how they relate to charity and why.

And what we found was in some senses contradictory: because on the one hand there is no one public when it comes to charity.

People relate to charity in different ways, depending on who they are, where they live, and their general sense of security, notably financial security.

Some people, often older people who live in less diverse areas, generally think of charity in terms of local voluntary action. The charities you work with may well know people who fall into this group well, they may form a good proportion of their volunteers, for example.

Then there are those who see charity principally in terms of its potential to operate and make change at a national, global structural level. They are often younger and live in diverse communities.

Others still support professionally-run charities and the wider role that charities play in our society. They welcome the global footprint of some of our larger charities and are comfortable with the large salaries sometimes paid out to those in charge of complex organisations.

These are typically the people that most charities that work nationally spend most of their time talking to. They make up what I will mischievously call the charity sector echo chamber.

But the research found that, regardless of this diversity of view, there is a remarkable agreement on one basic expectation of charity.

Namely that being a registered charity should mean something. That charities should be held to higher standards of behaviour, conduct and integrity because they are charities. Or to put it the other way around: that

charitable aims don’t justify uncharitable means.

We all, according to our research, look to charities to be role models not just in what they seek to achieve for their beneficiaries, but also in how they go about pursuing that outcome.

People don’t expect to like everything every charity does, let alone to wish to support every charity with their time and money. This is not about charities competing for popularity.

What the public expect is to be able to respect a charity because of the way it conducts itself, the sincerity and authenticity with which it pursues its charitable objectives.

This view is held almost universally and shared between people who otherwise probably have little in common when it comes to charity or anything else.

And I think this agreement, this sense of shared expectation, gives us – the Commission and the charities we regulate – a great basis on which to make the changes that will help charity continue to thrive into the future. I’d like to give you two examples of the change I think we need to see.

One is about what the Commission will expect of charity.

The other is about what you as charities can expect from the Commission. Looking ahead, the Commission is going to do more to hold charities to account in the public interest.

This priority is about more than just compliance with the minimum legal requirements, as important as such requirements are. It’s about being accountable for the privilege of charitable status and the stewardship of charitable resources.

Don’t get me wrong: we’re not writing a new rule book. And we won’t be investigating charities just because we think their attitude or conduct has fallen short. It is right that we only use our regulatory powers within the legal framework.

What will change is that we will use our voice and authority to highlight the responsibility that charities and trustees have to that attention to how they meet their purpose not just what they do.

We will use our voice more strongly to encourage the behaviour that people expect.

But as important as our voice is, we can’t achieve much by way of changing behaviour unless we bring charities with us. Unless we see leaders in charities waking up to public expectations and thinking about what those expectations mean for their charity and their work.

There will be no one size fits all.

Authenticity and integrity in their nature result in different actions and different outcomes depending on the individuals and the organisations involved.

But there will be, on the part of the Commission, a growing expectation that charity leaders ask themselves and their organisations the right questions, even if they end up with slightly different answers.

But as regulator, we can't just step in or speak up when something's already gone wrong.

And this brings me on to what you can expect from us.

I recognise that we have to do more to help give trustees the understanding and tools they need to succeed. As you know, we already provide online guidance for trustees. But at the moment, it's aimed at all charities generically, and it's largely limited to saying what it is charities should not do.

I don't think that will cut it in the years ahead. To help trustees get things right before they go wrong, we need to be more targeted in the way we create and communicate our guidance.

We need to do more to fit with different charities' needs, including the needs of smaller charities, such as those you support.

I've been really heartened by the extent to which senior leaders in the sector have already said that that they support and welcome the Commission's new approach.

Who say they've recognised that disconnect between them or their peers and the communities they serve.

And indeed, the important and extensive research that Julia Unwin undertook as chair of the inquiry on Civil Society Futures led to findings that echo the Commission's: namely that change is needed if civil society is to reach its potential and counter the forces of division and disaffection.

And her report is so important because it paints the big picture: it recognises that charities and other voluntary groups are not about the icing on the cake of our national life, of our society.

We need civil society to flourish if our democratic way of life is to be secured into the future, for our children and grandchildren.

You might not in this room be leaders of household name charities or of big national inquiries.

But for the reasons I've set out, I am convinced that your leadership and your influence is every bit as important as that of CEOs of London based charitable institutions.

Working behind the scenes in your local communities, you can have an enormous impact in helping charities develop and grow in such a way as to inspire public trust and respect.

Now I don’t live in cloud cuckoo land. I know you don’t have spare time and resources to develop grand plans and initiate new projects.

I realise that financial worries, worries about demand and how your local voluntary sector can possibly meet that demand on the resources available them are what keep you awake at night.

I can’t resolve those challenges for you at the Charity Commission, I’m afraid.

But what I can do is help ensure the Commission meets its purpose, and supports you in making small changes that amount to a big difference.

Think, for example, about the approach you might take to supporting a first time trustee of a new charity. Do you just point her to her legal duties and responsibilities and to guidance on how to secure funding?

Or do you mentor and support her to bring her heart, soul and conscience to the work, and to be bold and brave in making the right decisions, for the right reasons, even when they are hard?

I didn’t come here to tell you how to do your jobs, I hope you know that.

I came here to let you know how committed I am about helping charities thrive and inspire trust.

And to encourage you never to underestimate your power or your ability to make changes that help not just your community, but help strengthen the fabric of our society.

And never to be distracted or discouraged from putting the interests of the people and communities you exist to help before everything else.

Thank you.