

# Speech: Chair's speech to the Charity Commission Annual Public Meeting

Good morning, I am grateful to you all for being here today and would like to express my thanks in particular to the Lord Mayor for her very warm words of welcome.

This is the first Charity Commission annual public meeting held outside London for many years – and I am delighted that we're here in Manchester.

I agree with the Lord Mayor in what she has said about this great city, and about the effect of charity within communities, and our society.

The Lord Mayor's reflections on the public response to the horrific attack of 2017 serves as a reminder of an important principle.

Namely that charitable institutions and organisations are the form and structure we give to something that is more important and precious: the charitable instinct itself.

An instinct, an energy that I know is in strong evidence here in Manchester.

It is vital that charitable endeavour can thrive and succeed.

On the most basic level, we need charity to thrive because we are increasingly reliant on the work that charities do.

An ever wider range of public and essential services are delivered through charity, and charities are leading clever, brave solutions to the challenges we face as a country.

An example: yesterday, I had the great pleasure of spending time with the staff, volunteers and beneficiaries of a project called Inspiring Change Manchester.

The project is a collaboration of charities and other agencies, led by Shelter, who are working together to break the cycle of homelessness for people with complex needs and make a lasting difference to their lives.

A small example of the essential, life-sustaining role charities play in our communities and in the lives of the most vulnerable among us.

But aside from the utilitarian need for the services of charities, there is a deeper, more profound reason why we need charitable endeavour to thrive.

At a time of division and uncertainty, charity has a unique potential to bring individuals and communities together.

Not because charity is easy, or fluffy – indeed charity is often involved in difficult debates about how best to tackle problems, how best to grasp

opportunities in our society and how resources should be allocated.

Charity's potential to bring people together lies not in a sameness of world view, but in similarity of those qualities that enjoy universal admiration and respect: selflessness, commitment to a cause greater than ourselves, a sense of public spirit, and of hard graft.

And an attitude that says: we can and must change our communities, our society, for the better.

The way in which Mancunians responded to the horrific experiences of 2017 highlights this: that response has not just been about helping those affected directly by the attack.

It has also been an expression of will on the part of a city that says: those acts do not define or represent us. Wherever our grandparents were born, whatever the colour of our skin, no matter our religion or political affiliation: we are united in a sense of common decency and humanity.

Galvanizing that sense of unity and solidarity is important not just for Manchester.

There are forces at work in our society that are driving a feeling of uncertainty and division.

Technological change that is giving rise to worries for us as citizens in a democracy, as parents, and as employees.

Increasing geographical mobility and uneven economic development that has left some people, in some communities, feeling left behind and forgotten.

Environmental warnings that challenge us to change our way of living and consuming.

And we face more immediate questions about how to heal the divisions that were exposed by the EU referendum and, most worrying, seem to be growing and hardening.

The big institutions and systems that used to provide a sense of belonging are no longer able to do that – affinities of class, of local community, even traditional political tribes are losing their power.

And the small moments and symbols of a shared identity are being lost too. When I was growing up, people of different backgrounds and ages could talk to one another about what was on the telly last night, or about the film showing at the local cinema.

That's now largely a thing of the past.

I'm not suggesting all change is for the worse – I do not look back nostalgically to the golden past. Far from it.

The point I'm making is that the ground beneath our feet is shifting more

profoundly and more quickly than it has for generations.

We need charities to live up to public expectations so that the sector, together, can be a much-needed source of hope, identity and pride.

But we have to face up to the fact that, as fantastic as the work of many charities is, charities collectively are not yet reaching that potential.

It's essential we understand why and respond.

In-depth research that we undertook last year shows that people conceive of charity in lots of different ways, depending on where they live, how old they are, how highly educated they are and so on.

But there is near universal agreement as to the basic expectations people have of charity.

Namely that being a charity is not just about what you say your aims are, or even that you meet them – but how you go about meeting those aims. About who you are, and how you behave.

And what the public want is for charities to show that they understand these expectations.

For charities to show that they are the custodians of something very precious.

The concept or notion of charity is not, and cannot, be defined by the institutions on our Register – because the idea of charity belongs to everyone and is there to be shared.

Julia Unwin's recent inquiry into the role and future of Civil Society made parallel findings: she found that civil society organisations are not, at the moment, living up to their potential as agents of social empowerment and positive change.

They are too often seen as part of an elite, an establishment that makes decisions for people, not with or on behalf of people.

I don't say these things to criticise individual charities or to put anyone in this room down.

I say it because for you to succeed, to deliver maximum benefit to your beneficiaries and society at large, you need the public's support – both explicitly and tacitly.

And I say it because I know you believe in the causes you support, and that you care. Not just for your beneficiaries, but for your communities and your society.

And because I believe charities, and the Charity Commission share, a collective responsibility for meeting legitimate expectations the public have of charity.

If we work together to meet those expectations, the prize for our society, for all of us, will be great.

For us at the Commission, that responsibility starts with recognising that regulation is not an end in itself.

We must fulfill our statutory regulatory functions, of course. But we must amount to more if we want to make a real difference.

Crucially, we must be the voice of the public, and the public interest in charity.

And so we have set ourselves a new purpose: we must help ensure charity collectively can thrive and inspire trust, so that people can change lives and strengthen society.

That purpose is at the heart of a new strategy that comes into effect next month.

That strategy sets out 5 new strategic priorities, which Helen will talk about in a little more detail later.

They are to:

- hold charities to account
- deal with wrongdoing and harm
- give charities the tools they need to succeed
- inform public choice, and
- keep charity relevant to today's world.

Each priority is aimed at helping us deliver on our purpose, and play our part in maximising charity's benefit to society.

I hope that from April and in the months beyond, you will begin to see change in line with our purpose and strategic priorities.

In the meantime, expect to see a more confident Commission.

A Commission that is unafraid to use its voice and authority to encourage behaviour and conditions that help charity thrive.

These interventions may not always be convenient to us, to others in positions of authority, or to individual charities. But they'll always be motivated by our purpose – and in the interest of the public we represent and for whom charity is so precious.

There are some important milestones ahead for us.

Soon, we will publish the findings and conclusions of our investigation into Oxfam. We expect that this will shine a fresh spotlight on charities and the way in which they protect the people who come into contact with them, above all their beneficiaries.

Also in the weeks ahead, we will publish new guidance for charities that have close relationships with non-charitable organisations.

The purpose of the guidance will be to help ensure that all of a charity's decisions are motivated by the best interests of its beneficiaries and the wider public they serve.

Charities must never be captured by uncharitable interests.

And while the primary function of the guidance is to advise trustees, it will also help us hold people to account when they misuse or mishandle relationships that involve charities.

So I hope you'll see a changed, more purpose-driven Commission in the years ahead.

And I expect charities, as well as the public, to hold us to account in the way we deliver against that purpose.

There are practical challenges for us, as there are for charities. I am determined that we do not lose sight of the basics.

That includes the quality of service we provide to charities that need to engage with us – whether as applicants for registration, when filing their annual information, or when they are subject to regulatory interventions.

We will be working hard in the months ahead to make sure we're fulfilling our statutory functions to the best of our ability.

We are tightly resourced, but we are absolutely clear that our financial limits don't give us an excuse not to meet the same standards of operational performance that we demand of those we regulate.

We are working hard to keep improving our efficiency within the resources available to us.

But no matter how driven and focused the Commission is, or how well resourced we might want to be, we can't alone ensure that charity inspires trust, and thrives, and makes the biggest difference possible.

Achieving that will involve charities – all charities – including everyone in this room.

I've been in post as Chair of the Charity Commission for just over a year now, and in that time, I've met with scores of people involved in charity in different ways.

I've met senior leaders in large household name charitable institutions.

I've met volunteers and staff at small, grassroots charities serving geographical communities, or providing very specific services at the national level.

And I've held or attended a wide range of round tables with groups of charities – faith charities, heritage charities, grant-making foundations and more.

I've been struck by the extent to which the sector's leaders recognise the need to do more, to show that their purpose and beneficiaries motivate all decisions, and to change how they operate to deliver those aims.

Recently, I spoke to the leader of a household charity that has significantly reformed its approach to raising funds from the public.

Its trustees and senior leadership team have taken that step, not because it's in the short term financial interests of the charity as an organisation.

In fact it's leading – at least for now – to a decline in funds raised.

They are making the change because they know that, by developing a more respectful relationship with their donors and supporters, they are inspiring long-term trust and confidence – which is in the best interest of meeting their purpose and serving their beneficiaries.

I was delighted to hear that story.

But I'm not the only person who needs to hear it. For that charity to gain the full long-term benefit of the change they've made in terms of growing public support and confidence – they need to be open about it, and explain why that change makes them better able to deliver on their purpose in the public interest.

That may involve saying that the way they used to approach donors was not good enough.

By describing how public concerns are being responded to is how the charity sector will convince the public that change is afoot and their expectations are understood and are being met.

We have become wary of authority of all kinds – politics, corporates, religious institutions. Partly because of a sense that institutions have been captured by a drive above all for self-preservation and self-promotion – of the institution itself, of the people that run them.

I can envisage a better society, where people feel empowered, and live in the expectation that their institutions are driven by what's right for those they serve.

I know that's a vision shared by people across the sector, like those I met at Inspiring Change Manchester.

Charities have the power – collectively – to make and shout about that change and provide examples of a better way of running an organisation.

So let's not leave it to others in our society to signal that change, let's start with charities, whose very purpose is to change lives and strengthen

society for the benefit of all.

Thank you.