

Speech: The future for charities can't be guaranteed if today's challenges are not met

I am delighted to be here with you, and to be following in the footsteps of so many diverse and eminent previous speakers on this platform – scientists, philanthropists, authors, and several of my fellow peers.

The theme for this forum, this series of events – Charity2020 – invites us to look ahead, to the future.

And so I would like to use this opportunity to take stock of the role charity plays in our society, and to consider what place it could, and should inhabit, in the years ahead.

I will of course explain my own and the Charity Commission's perspective on those questions, on the challenges and opportunities facing charity.

But my hope is for this to be a conversation, and exchange of ideas, and so I hope to hear from you later – your questions, thoughts, challenges and so forth. And that we can have a good discussion.

Before we think about our future we have to understand our present.

And when looking at the role of charity today, there's reason to be optimistic. Measured by certain statistical 'vital signs' the sector is in good health.

There are 168,000 charities on the Commission's register over all. Just under 5,000 new charities joined the register last year.

Together, registered charities attracted over £77 billion in income over the past year.

And they are overseen by 700,000 trustees of registered charities, most of whom are volunteers, many of whom serve more than one charity. Beyond that, over 11 million people in England and Wales volunteer at least once a month for charitable causes.

Charities are both present at the micro level, embedded in local communities and often largely under the radar, doing important work well: running village halls, supporting schools, hospitals, improving the places in which we live and work.

And at the other end of the spectrum in terms of size and visibility, charities are making an ever more crucial contribution to our national life.

Charities are providing essential, literally vital services: emergency response work, support for people in crisis, life-changing and life-saving

health and social support.

And charities also curate much of what makes life worth living:

The arts and culture, care for the natural environment and wildlife, the preservation of our national heritage for future generations, and so on.

Not to mention of course the work charities based in England and Wales do to support and promote the interests of people in need around the world.

Across the board, charities are doing work and offering services that the public and private sectors either cannot or will not.

And we know, from the Commission's own research, that the public care deeply about charity, that they are invested in the idea, and want it to succeed. And people continue to support charitable endeavour generously.

So at a first, perhaps superficial glance, all might be well and fine for the charitable sector.

And so it is tempting, perhaps, for those involved in charity to carry on with 'business as usual'. Certainly 'business as usual' challenges, such as matching resources to demand, can feel overwhelming enough. I know that's a challenge many charities face, and share with the Commission.

But a focus on short-sighted fire-fighting today risks complacency about charities' place in society tomorrow. And that would be a mistake.

Because while the sector is by some measures in sound health, there are clouds on the horizon, warning signals if you like.

These signs tell us that, at best, charities as institutions are not meeting their potential, and, at worst, that charities' place as the primary vehicles of philanthropy and social change in our country is being challenged.

Now, as the regulator of charities, my responsibility is protecting the public interest in what charity creates by way of benefit to society, and the reputation of charity – not to protect individual charities from public scrutiny.

So what are those signs that worry me?

First, and most important, there is evidence of a growing gap between public expectations of charity, of what charity is and means on the one hand, and the attitude and behaviour the public see in some charities as institutions on the other.

Last year, the Commission undertook extensive research into public expectations of charity, and into levels of public trust in charity.

That research found that the public no longer give charities the benefit of the doubt just because they are charities. There is no premium, in terms of public trust, on being a charity. In fact our research tells us that

charities are no more trusted than the average person in the street.

By drilling further down into why people feel the way they do about charity, we found that people from different backgrounds shared some fundamental expectations of charity, regardless of their preferences for the type of charity they supported.

Fundamentally, all people expect charities to be driven by purpose, to live their values and hold themselves to high standards of ethical behaviour and attitude, and to be prudent, and transparent in their stewardship of money.

These expectations are surprisingly unanimously held. People of different backgrounds and world views may support very different causes, but they agree on the basic standards of behaviour and attitude they associate with charity, and with being charitable.

And the research suggests that, too often, people see evidence that charities as organisations are disappointing them. Not meeting their hopes. Making them feel deflated, and perhaps a little cynical.

Principally this is because they see charities behaving in ways that don't reflect the feelings and attitudes they bring when they undertake acts of charity.

They see organisations often more focused on growth and expansion, and therefore on protecting their corporate reputations, than on the interests of the people they are supposed to be helping. That was at the heart of much of the outrage that we saw around the fundraising scandal, and latterly the revelations of exploitation by charity workers abroad.

What upset people so much about what they read and heard was not just that abuses or wrongdoing happened in the name of charity – that was bad, of course.

But what is worse, in the eyes of the public we serve, is when those who are running charities do not acknowledge why such problems represent a betrayal of the meaning of charity. When they try to justify them by reference to the charity's noble purpose, or seek to put them in some sort of context to the greater good they achieve; present abuses as collateral damage to be accepted and expected as they undertake their charitable work. That self-serving attitude frustrates, indeed infuriates.

Because while it's bad enough when we see the same from other parts of society – business, perhaps, or politics – people expect better from charity.

We, and the people who conducted our research last year, are not the only ones to recognise and worry about the frustrations caused by the unmet expectations of charity.

The work of the inquiry into the future of Civil Society, led by Julia Unwin, concluded that, civil society organisations, and I quote, have “lost their connection with the people they are there to serve” and “become too focused on protecting reputations and income streams”.

Her report concluded that “Civil society is not yet fit for this purpose.”

And there are other, more subtle challenges to charity as we know it: the growing role of informal philanthropic effort, supported and aided by technology and fundraising platforms.

The growing phenomenon of purpose-led businesses: profit-making businesses that employ people, provide services or make products – but do so with a higher aim, a bigger idea or mission in mind.

These developments should serve to remind all those involved in charity that they don't have an immutable monopoly on doing good.

I am convinced that, if they are to continue to thrive, and retain their place at the heart of our society, charities will need to demonstrate that they are more than organisations that have good aims.

Charities will need to show that they amount to more – that they are driven, relentlessly, by a charitable mission and purpose, and demonstrating charitable behaviour and attitude in everything they do and the way they do it.

Charities needs to be distinctive, special, and – I'll say it – better – than other types of institutions and parts of society if they are to survive, into the long term, as the vehicles of our better natures.

They need to be living, breathing examples of the charitable spirit, of charitable endeavour.

Now, let me be clear, I am not suggesting that all charities are failing to live up to public expectations.

There are examples of charities operating in ways that are true to what we instinctively associate with charity.

Take the merger between Breast Cancer Care and Breast Cancer Now, which took effect from April. The two former charities made the difficult decision to merge their operations not because it was convenient for anyone involved in either charity. And not because it was a last resort borne of financial imperatives. Both were financially stable. But because the merger was the right thing to do for the beneficiaries of both charities, and because it was right in principle.

A great example of the charitable spirit, rather than corporate expediency, guiding decisions in charities. I applaud that. It's exactly what the wider public expect and want to see.

Or there's a large household name charity that has willingly and knowingly risked a short-term hit in its income because of a new, better approach to fundraising which means donors are treated with more respect and humanity.

I want charities to offer more, many more such examples of charitable purpose and attitude. And to shout them for the rooftops for all to see and hear.

Because what really strikes me as I look ahead, is not so much that charity faces challenges, but that it has enormous potential.

Potential to be an even stronger force for good in our society.

Potential, indeed to help provide answers to the very obvious divisions and disruptions in our society that some believe pose a threat to our very democracy.

Divisions based on class, geography and world view, and divisions that are fuelled by changes to the way in which we live, work and communicate. Alongside this, our country is not alone in facing profound systemic challenges – notably in protecting our natural environments, and our planet as a whole.

Together, these developments make for a sense of collective uncertainty and anxiety. Because the social and economic certainties that once bound us, or perhaps created the comfortable illusion of unity, are weakening.

And that's where shared public expectations of charity come in again.

Again, it's enormously powerful to know that people who share little in common – not class, not politics, not faith, not tastes, personal circumstances or aspirations – they still agree on what charity really means.

Again, I stress, this does not imply cosy agreement on what causes are important, or should be resourced. There is lots of healthy debate about that, and I hope and expect that to continue in a plural society.

But I believe the consensus on the meaning of charity is something we as a society must harness.

We need to see and be reminded that the charitable instinct, charitable endeavour, is at work in our society, and we need the institutions that are most associated with that instinct to be examples, role models, leaders. Not infallible, of course, not places where mistakes never happen. Certainly not bland, controversy-free organisations that aim always to please everyone.

But organisations that demonstrate that they are striving, always, to be examples of that charitable attitude and behaviour.

That's what I see when I look to the future of charity, ahead to 2020, and to 2023, the lifespan of our current strategy.

That strategy has at its heart a clear purpose for the Charity Commission as regulator.

We exist to ensure charity can thrive and inspire trust so that people can improve lives and strengthen society.

That purpose informs and drives everything that we are doing from now on.

So fundamentally we see our job as being to help ensure charity continues to

'dial up the good' in our society.

We are not in opposition to charities, and we certainly can't confine our work to cracking the whip when charities have made mistakes.

We serve the public interest, and we believe we share, with the charities we regulate, both a collective responsibility and a collective prize: to maximise the benefit of charity to the public by serving the public better.

The [Charity Commission strategy document](#) sets out the ways in which we intend to meet our share of the responsibility.

I would invite you to take a look at that document – it is deliberately concise and high level.

I hope you'd see that each of our 5 strategic priorities set out in that text are in some relationship not just to the charities we regulate but the public we serve.

For example, one of our priorities for the years ahead is to ensure that the public are informed – and by informed also read empowered – in their choices about the charities on our register.

The work that will sit behind that aim will of course involve charities, and consultation with charities.

But the intention is to empower people.

Another of our priorities is to help keep charity relevant for today's world, and that means doing what we're doing here today in rather more scientific detail – looking ahead, and making sure charity is preparing for the challenges and opportunities that they are and will face in serving the public good.

And one of our express strategic priorities is to hold charities to account for the behaviours attitudes and ideas the public associate with charity.

This, again, to stress, doesn't just mean telling charities off when they've failed.

It will also mean highlighting examples of excellence.

And it may mean speaking out when others in society create conditions that mean charities operate in a way that is at odds with what the public associate with or expect of charity.

Let me give you one example: we recently published a concluding report on the Garden Bridge, the aborted project to build a pedestrian bridge across the river Thames in London.

Our regulatory conclusion set out in the report, is that the trustees of the charity set up to deliver the project met their legal duties and complied with the legal and regulatory framework, by and large.

In the past, that question, as to the trustees' decision making, would have been all we focused on.

But we felt that serving the public interest in charity required us to do more.

Because here we had a multi-million pound charity set up to deliver a project that did not materialise.

In the eyes of the public it was at the very least a regrettable failure. Their money had been wasted.

And so our report looked beyond the actions of the trustees at the circumstances under which the charity was tasked with delivering the project, and at its relationship with others, including public bodies.

And we drew some hard lessons that will have made uncomfortable reading for many involved in some way in the project, beyond the confines of the registered charity.

Our intention was to help avoid charity being implicated in a similar public failure again in future.

It was a conscious decision to express our conclusions in this way. We knew not everyone would welcome this shift in our approach.

But it was the right thing to do for the public we serve.

Expect to see more such interventions from the Charity Commission in the years ahead.

So to summarise.

When I look to the future for charities in the years and decades ahead, I want to see a sector that is not just managing to deliver their worthy services in the face of increasing challenges.

I want to see organisations and people that inspire and give hope. To work in ways that make all members of our society, regardless of their circumstances, feel invested in it, empowered to make changes and confident that their charitable endeavours are matched, exceeded even, by the attitude and behaviour that the charities on our register display.

To achieve this future requires nothing short of cultural upheaval in the sector, and it's requiring us as regulator to do our work in new and very different, difficult ways.

But the prize, if we achieve this, is so great. It's the prize of strengthening our society, our communities, our way of life, our democracy.

No other sector or grouping in society have this potential. Charities do.

I want them to meet it.

Thank you.