All Party Parliamentary Group on Civil Society and Volunteering

Update from the Charity Commission and the Scottish Charity Regulator

13 October 2015, 4.30pm, Committee Room 20, House of Commons

Chair:

- Baroness Pitkeathley

Speakers:

- Paula Sussex, Chief Executive Officer, Charity Commission for England and Wales
- William Shawcross, Chairman, Charity Commission for England and Wales
- David Robb, Chief Executive, Office of the Scottish Charity Regulator

Welcome from the Chair, Baroness Pitkeathley

- Introduced speakers to the APPG’s annual session with the Charity Commission, and welcomed, for the first time, the Scottish Charity Regulator.

William Shawcross (Charity Commission)

- Explained that it had been a difficult summer for charities, but that it was important to set out the vital role played by charities, and that the Charity Commission would be working hard to alleviate the battering caused by the actions of a small number of charities.
- Mentioned in particular the Etherington Review and that there remained a will to make self-regulation work, and Kids Company, on which a number of reviews were being carried out.
- Set out the next steps for the Charities Bill, which aims to close loopholes and extend the powers of the Charity Commission.

Paula Sussex (Charity Commission)

- Explained how the Charity Commission had been working to become more effective by adopting new processes, and using technology.
- Detailed the work they had done on upgrading key guidance, particularly around fundraising and investment, but acknowledged that how they presented the guidance was also important.
- Set out the broad results of the Charity Commission’s survey given heightened scrutiny of charities, and said they are encouraged that they’re on the right track.

David Robb (Office of the Scottish Charity Regulator)

- Explained the history of separate charity regulation in Scotland, saying that the Scottish Government wanted to take a different approach to regulation of charities. However, he pointed out that OSCR is in regular contact with the Charity Commission.
- Outlined some of the differences in approach, for example that in Scotland there is no minimum threshold for registration, so they have a greater number of smaller registered charities.
- Set out where they are focusing guidance, and how they are looking to focus limited resources on known areas of risk.
Q & A

- Baroness Young of Old Scone asked whether there was a role for regulators in standing up for charity, noting particularly negative stories over chief executive pay. William Shawcross accepted that the Charity Commission had a role as regulator and supporter. David Robb added that because of the diversity of charities, talking about the sector as one doesn’t make sense.
- Paul Monaghan MP asked what regulators could do to encourage more people to become trustees? Paula Sussex mentioned several resources including the trustee guide, Trustee Week and guidance. David Robb agreed and added the need to be proportionate and not add to red tape.
- Baroness Hollis asked about Right to Buy and how it would interact with charity law. Kenneth Dibble, the Charity Commission’s Senior Legal Adviser, said that the Commission would not look favourably on a restriction of trustee discretion.
- Michelle Donelan MP asked how we can foster and inspire volunteering? William Shawcross agreed this was important and said that while they may not be able to influence education, the Charity Commission was happy to visit schools.
- Peter Grant MP asked whether there is a danger that problems of governance in small charities are overlooked because they have a perceived lower impact? David Robb said that there was no direct relation between quality of governance and the size of the charity. Paula Sussex noted that risk-based regulation was able to pick up issues.
- Martin Docherty MP asked about how to change a charity’s culture, and whether charities are too reluctant to change their charitable purpose, or close when there is no longer a need? William Shawcross replied that a lot of their work was about helping to change charitable purposes, particularly for small charities, but that it was important charities were given freedom.
- Hannah Stoddart of Bond asked what criteria were used to choose what issues to pursue? Kenneth Dibble said that the framework was set out on the Charity Commission website, but that their approach wasn’t necessarily based on seriousness, but the best way to resolve.
- Peter Hills-Jones of the Public Fundraising Regulatory Association (PFRA), discussed the recommendations of the Etherington Review on the self-regulation of fundraising, welcoming the recommendation to merge the PFRA with the Institute of Fundraising (IoF), and separate advocacy from self-regulation.
- Josie Emberton of the Do-It Trust highlighted their volunteering database, which has 110,000 people signed up. She pointed out that while there was lots of interest, there weren’t necessarily always opportunities.
- Elizabeth Chamberlain of NCVO asked whether new powers for the Charity Commission in the Charities Bill could have an impact on trustees? Paula Sussex acknowledged that guidance was being tightened, but felt this would clarify rather than deter. David Robb added that there was a duty to inform trustees, but not in such a way that it becomes onerous.
- Chloe Stables of NCVO asked what the process would be in terms of exploring the charging of charities to fund the Charity Commission? William Shawcross said that the Charity Commission had started consulting and will continue. Kenneth Dibble stated that charging would almost certainly require primary legislation. David Robb confirmed that OSCR was not planning to introduce charging.