



HOUSE OF LORDS

Select Committee on Charities

Corrected oral evidence: Charities

Tuesday 18 October 2016

5 pm

Watch the meeting

Members present: Baroness Pitkeathley (The Chairman); Baroness Barker; Lord Bichard; Lord Chadlington; Lord Foulkes of Cumnock; Lord Harries of Pentregarth; Baroness Jenkin of Kennington; Lord Lupton; Lord Rooker; Baroness Scott of Needham Market.

Evidence Session No. 6

Heard in Public

Questions 60 - 70

Witnesses

I: Aamer Naeem, Chief Executive of Penny Appeal; and Paul Hackwood, Executive Chair of Church Urban Fund.

Examination of witnesses

Aamer Naeem and Paul Hackwood.

Q60 The Chairman: Welcome and thank you very much indeed for coming to the second session this afternoon. We were due to have three colleagues but, sadly, one of them has sent his apologies this morning. I am very glad to welcome Aamer Naeem and Paul Hackwood. All my colleagues will ask you questions in turn, as I think you know. I would remind you that there is business going on on the Floor of the House which could lead to votes. You will not mistake it; the bell will be very loud, and, if that happens, we will have to adjourn the Committee for 10 minutes or so. This session is open to the public and it goes out live and is subsequently available via the parliamentary website. As soon as the session is over a verbatim transcript will be sent to you and we hope that you will be able to come back to us with any corrections to that at your earliest convenience. After this evidence session, if you feel you have not been able to say everything you wanted or you would like to add to what you have said to us this afternoon, you will be very welcome to send us further evidence or some clarification. Indeed, it may be that we will ask you for further clarification during the course of the session. That is all we need to say by way of introduction. Perhaps we can ask you to introduce yourselves and then we will move straight to the questions.

Paul Hackwood: I am Paul Hackwood. I am the executive director of the Church Urban Fund, which is a Church of England charity. I am also an executive director of the Near Neighbours programme, which is a social cohesion charity funded by the DCLG and the Church of England. I am also executive director of the Just Finance Foundation, which has come out of the Archbishop of Canterbury's work on credit unions.

The Chairman: Carry on if you have more to say.

Paul Hackwood: Do you want me make a statement or just an introduction?

The Chairman: Just an introduction. I hope what you want to say will come out of the questions.

Aamer Naeem: My name is Aamer Naeem. I am the chief executive officer at Penny Appeal. We are an international development agency. We work in some 30 countries in the fields of food security, safe water, hygiene, sanitation, responding to emergencies, child and orphan care, et cetera. We have quite a significant domestic footprint here in the UK too. Every one of our international programmes has a UK domestic sister. Where we do orphans internationally we do fostering here in the UK. We responded to the floods, for example, up in Cumbria. We have a programme of volunteers visiting elderly people in hospices and hospitals, which mirrors the work that we are doing internationally in caring for elderly people.

Q61 The Chairman: Could I stop you there? We will go into our questions. I

am conscious that we have a limited time for this and rather a lot of questions to ask you, so fairly succinct answers would be very much appreciated by us. Both of you do not need to answer a question if you feel the other one has said what you would want to say. At the same time feel free to chip in when you want to.

The first question is quite a general one. What is the role of charities in supporting community cohesion, in your view, and how can they best be supported in this role?

Aamer Naeem: I speak from a Muslim-led faith charity. When I say Muslim-led, we have a non-Muslim trustee, and one in four of our staff is non-Muslim, but we are confidently Muslim-led in that way. In the Muslim faith space a lot of the resources, as far as community is concerned, are held within the charity sector. For that reason anyone who is in either the faith space or charity space has that responsibility or that yearning to want to address issues around community cohesion anyway. That is where we draw our passion from; it is faith and humanitarian led. Our role is defined by the fact we are humanitarians and faith led in that sense.

Paul Hackwood: For us, particularly with the Near Neighbours programme, social cohesion is about rebuilding common good and getting communities to connect together in a way that creates a set of common values at neighbourhood level. We try to do that in three ways. The first is we do a lot of work on simply building relationships between different communities and individuals. There is often quite a lot of work to be done in brokering connections. We do a fair amount of that in the work that we do through our small grants programme.

The second thing is about creating spaces so that there can be a bit of a dialogue about how people join together on issues of mutual concern in their community. For instance, if there is a need around homelessness, you need to create a space so that people can have a conversation about how they can tackle that together. I think spaces are particularly important for young people for working out where they are in relation to their community and their individual identity.

The third thing we try to do—and I think this is very special to the Near Neighbours programme—is to create low-level, small organisations that cross ethnic and faith boundaries. The second you start to build a multi-ethnic, multi-faith civil society, you create automatically networks of communication so that when things go wrong in communities there are connections around that can help to resolve conflict.

The key thing that Government could do in the social cohesion space is to be very clear about the separation of counterterrorism and counterextremism work and social exclusion and social cohesion work, because I think there is a tremendous amount of suspicion in local communities that really this is work that is seeking intelligence, and that means that communities will simply stop working with a group if they

believe that to be the case. I have had to go and reassure mosques in particular that we are not an agency of the Home Office.

The Chairman: Did you want to add something?

Aamer Naeem: Paul's comments remind me of something. I have been very fortunate to deliver a leadership programme for Near Neighbours. Whether it be a leadership development programme, a capacity-building programme or charity, this is often an excuse for communities coming together in the same space, at the same time, to build those relationships. Thus there is a way that can be done. On that last point, it is really important to note that community cohesion addresses issues of radicalisation, but counter-radicalisation often runs counter to community cohesion, and it is quite important to separate those two in that way and understand them in their own way.

The Chairman: That is very helpful, thank you. Lady Jenkin.

Q62 **Baroness Jenkin of Kennington:** Regarding background, a recent survey by New Philanthropy Capital noted that faith charities raise £116 billion a year. How are you funded and what is your budget? What is the particular role of faith charities within the charity sector? How do they differ from other charities and what do they provide which others cannot?

Paul Hackwood: That is a few questions. We are funded partly by individual and church donations. That raises about £1 million a year. We get some money from the Church Commissioners, although we have to fight quite hard for that these days. We have some money from trusts and foundations. We have a few people in the City who support us. That is about £1 million. We have another £1.5 million from corporates—Virgin Money and HSBC are supporting us. We are also funded by DCLG to deliver the Near Neighbours programme which we put our own contribution into. That is our funding and it adds up to about £5 million altogether. What was the second bit of the question?

Baroness Jenkin of Kennington: It was about the role within the charity sector and how faith-led charities differ from other charities.

Paul Hackwood: I do not know if they have a special role in the charity sector but they have a different sort of shape. They tend to be very, very locally focused. They tend to be very values led. That is not to say that other charities are not values led but faith-based charities tend to have values on the outside. They tend to have problems with governance and they can sometimes be discriminatory, if I am honest with you. Part of what we have been trying to do with the Near Neighbours programme is raise the capacity of faith-based charities, and faith-based organisations in general so that governance is better dealt with and that they are very clear about the limits of the relationships they have with the communities they serve. There is quite a bit of work to be done on that, to be honest.

Aamer Naeem: Again we are funded predominantly by individual UK-based households. We closed our books last year at £13.8 million. We are a very tech-savvy organisation. You almost have to be if you are based in

Wakefield. Up until very recently the vast majority of our funds came in online. It is only because we have diversified the way we go to market, for want of a better phrase that some 40% of our income still comes in online. Our claim to fame is the fact we have more Facebook “likes” than Oxfam UK. For an organisation as young as we are that is quite an accolade. What faith-based charities are able to do is leverage the faith conversation as well as the humanitarian conversation. As far as the Muslim faith is concerned, there is a 2.5% alms tax you have to pay regardless every year. It is estimated that Muslim charities between them raise around £100 million in the month of Ramadan alone. That is quite a large amount. A lot of people save their zakat, which is 2.5%, for that particular month. We are able to leverage that faith conversation and leverage the fact there is a humanitarian crisis or an earthquake or homelessness on your doorstep. It is both.

Baroness Jenkin of Kennington: There is a supplementary to that which is about the trustees of faith-based charities. Do you think they have different obligations than others in the secular charities? Do you have a different kind of trustee?

Paul Hackwood: No, I do not think so. We are slightly different from most faith-based charities because we go for people who are able to deliver for us. It can often be the case that trustees of faith-based charities have a very representative function, so they can be representing different interests in a community as they come to their role. I do not think we ought to be creating a separate system of governance for faith-based charities. They have to step up to the mark and we have to encourage that.

The Chairman: Is that your view too?

Aamer Naeem: I would agree with that. The issue that Paul is perhaps pointing to—I am not talking now about the humanitarian space, which is the space I am in where we have professional trustees, for want of a better phrase—is they come into the space because they want to be trustees and, albeit they are volunteers, they are actively choosing it. In other faith-inspired charities these are often people of faith or people who cut their teeth as far as community work is concerned in the religious space, and they are having to fulfil that role now of governance and trustees. There is an issue there around capacity building and giving them the language, as opposed to the fact they are just a bunch of nice guys and girls coming together to try to do a good thing. There should not be a difference, but, in reality, there is in some places.

If I can speak to mosques, there is a big move for mosques to become registered charities. In the committees within mosques people are often first generation from overseas and there is a big need to build their capacity, especially if we are asking them to register with a commission that is going to hold them to account. There are those needs, for sure.

The Chairman: Thank you very much. Lady Scott.

Q63 Baroness Scott of Needham Market: It is really a continuation of this discussion because we have had evidence from a number of faith groups which say that the conventional governance structures and the regulatory model do not always sit very comfortably with faith traditions and structures, and you have begun to touch on that. Could each of you say a little more not just on whether there are problems and their extent but what some of the solutions are?

Paul Hackwood: There are two sides to that. Part of it is, if you come from a faith community, your engagement comes out of compassion for a particular issue locally. Food banks are a good example of this where people see a need and they mobilise to do something about it. Governance is a long way away from the compassionate engagement with the issue. Getting people from that level of compassion to a point where they can govern an organisation in a way that has some sort of control over its outcomes, evaluation and so on means that you need to put more effort in with faith-based charities because it seems to me they come into things from a different route. I would still want to maintain the position that I do not think we should make it easier for faith-based charities not to have good governance structures. I do not know whether that is behind the question.

Baroness Scott of Needham Market: I do not know that I was suggesting that they should have a lower bar. I just wondered whether there is anything in the nature of the dialogue with the regulators about flexibility and understanding, given that sometimes a particular faith group comes at something in a different way because of the nature of its faith. I think that is really what I was getting at.

Paul Hackwood: We have set up about 20 to 25 charities over the last couple of years working in local communities. They are faith-based charities and we have not found any difficulty with the Charity Commission. It has understood the issues and been open to the dialogue about how we get round the issues that we need to. We set up the Near Neighbours programme as a Christian charity because that is where the work started and they were okay with that. Under the Equalities Act they had no problem with what we were doing. It is about negotiation and of course the Charity Commission has fewer resources than it did so that level of negotiation with very small organisations is quite difficult.

Aamer Naeem: There is a definite will for all charities, whether they are faith based or not, to ensure that their governance is correct. I do not think it is any different for faith-based charities. Again to talk to the sector I am in, the Muslim charity sector, there is a new forum that was set up called the Muslim Charities Forum, which is funded by the various charities that are members of it. Successful or not, I suppose it shows a good intention of capacity building and wanting to bring resources together so as not to duplicate effort.

The only place I would have a concern is areas or organisations—and again I am talking to mosques—where they are perhaps being forced to become charities when they really never wanted to be. I think that is

where we are going to find an awful lot of red flags and concerns. It would be a shame for those concerns to spill over to the rest of the sector because those organisations are not up for it, and never particularly wanted to be up for it, to be frank.

Q64 **Baroness Barker:** Following on from that, your charities, to use your words, are of different shapes. Does the state assist your work as faith-based charities? At this point you might want to add a bit to what you said earlier about the counterterrorism strategies and so on.

Paul Hackwood: There are low levels of religious literacy, so people who we engage with in government departments and in local authorities, in particular, quite often do not understand the way religion works. That can be quite tricky if you are trying to start up a new activity. Street pastors is a very good example of this. Lots of church groups have set up street pastor organisations across the country, who go out on Friday and Saturday nights and give people bottles of water and flip-flops and stop them getting into trouble with the police. It is very positively received across the country, particularly with the police, ambulance and fire services, whose workloads have reduced as a result of it. It can be very difficult to get a local authority—because I think you have to apply to a local authority to be recognised and, quite often, for support to get the thing started—and the conversations often start with a conversation about, “Will you be converting people?” I do not think they would ask that of anyone else. It is okay for the conversation to reach there but not for the conversation to start there, and it almost invariably does. Recognising that people come to the work that they do in their local communities with a compassionate heart and a hope to do something positive should be recognised, it seems to me, and there should be a recognition that religious motivation is okay. I do not think there is a lot of that.

The other thing in particular about funding for faith-based work is that it can quite often be difficult to fund a single-faith group. Some of the negotiations we have had with big corporates have been about how, “We can’t support you because you’re the Church of England”, as if that means that we could not actually work with the Muslim or Hindu community. There is an assumption of discrimination that underpins quite a lot of the interactions that we have across the board. I do not know how you address that. I think that is in the nature of the way religion is understood in our society at the moment. Those are significant obstacles: religious literacy and a suspicion of faith.

Aamer Naeem: I completely agree. There are a few other areas where the authorities and the Government could help. Right now there are big issues around banking, for example. A lot of faith-based organisations, and definitely Muslim faith-based organisations, are under threat of their bank accounts being closed because of the risk appetite of various banks. There is very little we can do about it. We often would not even get to hear why. Some power to influence that conversation, or at least get an understanding of the reason behind these things, would be very, very useful.

The counterterrorism issue is really important and often it can be fuelled from different levels. The recent mayoral elections in London, for example, took a real turn, in my view, towards Islamophobic conversation, and that was from the highest of levels, to be quite frank. Again, that does not help in the community cohesion conversation and the trust-building within any sector.

One of the issues we have as a community, and it of course has a knock-on effect as far as the charity sector within the community is concerned, is an ever-moving and evolving line of who is a "good" Muslim and who is a "bad" Muslim in that sense. I do not necessarily get overly involved in this space yet—although I think I might do next year—but if you were to go to the Liberal Democrat or Labour Party conferences, for example, it would be perfectly acceptable for certain Muslim bodies to be there, whereas if you were to go to the Conservative Party conference they perhaps would not be. The lines are constantly changing and evolving regarding who can engage with whom. The Muslim Council of Britain, the Muslim Charities Forum, MEND are either the good guys or the bad guys, but it depends on the individual as opposed to necessarily anything which is a little bit more objective in that sense. I suppose the word is not "clarity", the word is "objectivity", in the approach towards the community and thus, by definition, the sector.

Baroness Barker: Can I unpack that a little? Is it something to do with particular Muslim organisations being listed, banned, proscribed by the Home Office?

Aamer Naeem: It cannot be because the same organisations would share platforms on some occasions and not be able to on other occasions. It often comes down to personalities and individuals in some of the decision making. If we were talking about Hizb ut-Tahrir, for example, it is a non-issue. We completely understand that and even I would not want to be sharing a platform with them. If you are looking at campaigning organisations such as MEND, the Muslim Charities Forum or the Muslim Council of Britain, they fall in and out of favour constantly depending on which way the wind is blowing. That can be really difficult for us to navigate.

Paul Hackwood: I am not sure it is down to a political party. I think it is just a very highly contested space.

Aamer Naeem: Yes, agreed.

Paul Hackwood: And when you are working in it the contours of it—I am talking about social cohesion work now—can change shape overnight according to events in other parts of the world or even in home communities. It is a very, very contested space. It is very difficult to work out what is going on in relation to different communities.

Baroness Barker: That is a clarification: it is not the attitude of a political party.

Aamer Naeem: Not at all.

Baroness Barker: It is the way in which government on any given day interacts with it.

Aamer Naeem: I apologise if I gave that impression. It is how it manifests. It might not be the cause or the disease or whatever but the symptom is: I am allowed here today but I am not allowed here tomorrow. That is how it manifests.

Q65 **Lord Bichard:** We have seen quite a growth in local government commissioning and contracting with charities. Are you comfortable with that in the sense that it means that charities are often now providing services which were previously regarded as state services? Does it provide any particular challenges for the faith community? While you are answering those two, I am quite interested to hear of the Faith Covenant. I do not know whether you have been involved in that, but there is an attempt to get some agreement between local authorities and faith organisations about their mutual obligations. Do you have anything to add around that subject?

Paul Hackwood: We could do an hour on that because that is quite a complicated set of issues. The values that the faith-based organisations bring into this space are really about the value of the human. When you get into a commissioning approach that sees things as objects, which is inevitably the nature of the way these things turn out, you immediately hit a values conflict that is quite difficult to negotiate. One of two things happens: faith communities walk away or they get co-opted into a way of working that does not fit with their ethos. This is very, very deeply held in most faith-based organisations. There is a recognition that you cannot pre-determine the end because you have not had the relationship. Commissioning almost universally requires the end to be predetermined as a part of the contractual agreement.

Lord Bichard: Can I challenge you a little on that? Are you saying that all commissioning is bad or are you describing bad commissioning?

Paul Hackwood: I am talking about when commissioning comes into what you might describe as low-level welfare. If you are commissioning hip operations—not that you are going to ask us to do that—it is clear because you can see the outcome and the work that needs to be done. If you can get price down, that seems to me to be a good thing. If you are trying to work out how to bring faith communities together in a way that enhances social cohesion how you pre-determine the outcome so you can create the contractual relationship seems to me to be impossible. That makes it very, very difficult for most faith-based organisations to enter into a commissioning relationship. I had this conversation with Eric Pickles when he was the Secretary of State for Communities and Local Government about the Near Neighbours programme. I had to say to him we are not prepared to do targets. We are prepared to do outcomes, to make the world change and to measure it, but we are not prepared to pre-determine the nature of the relationships that will be built as a result

of the process that we engage in with the Near Neighbours programme. He was happy to do that for a period. We measured the outcomes that we had had. We used the New Economics Foundation and we now use the University of Coventry to properly evaluate the outcomes of the activity so we could be accountable for public money. We did it in a way that allowed things to emerge rather than predetermine what the outcome was. I think that is the key for this lower-level welfare social cohesion.

Lord Bichard: Again what you are describing is bad commissioning, in that it is not appropriate for the circumstances you that you have described. It is possible, is it not, to commission a process, a series of activities, and in the world that you are describing that would be more appropriate than having targets and outcome measures.

Paul Hackwood: That is not my experience of the negotiation.

Lord Bichard: At the moment but I think I am inviting you to say: could and should we change it?

Paul Hackwood: Maybe we could commission a process. It is how that gets implemented contractually that is the problem.

Lord Bichard: I do not underestimate the problem and I understand the point you are making.

Paul Hackwood: As the previous speaker said, grants are an easier way to do it, and it is easier to make them accountable than commissioning processes that become quite complicated. You are already dealing with a very complicated set of issues. There is nothing more complicated than social cohesion it seems to me at the moment. It is everywhere. Every single bit of our national life seems to some degree to be fragmented. How you commission for that I think is quite difficult.

Lord Bichard: Can you say something about the Faith Covenant. Have you had any involvement?

Paul Hackwood: We worked with Stephen Timms on the very early stages, setting out a set of assumptions about how faith communities could work so that we could work with local authorities, and that has been very positive. We have been doing a bit of work with Middlesbrough Council on homelessness because they like our model, and we use the Faith Covenant as a way of opening the dialogue with them.

Lord Bichard: So it is having an impact. Is that widespread?

Paul Hackwood: I would not go as far as that. If you take it with you to the meeting that becomes possible. It is not in the DNA of local authorities.

Aamer Naeem: Obviously Paul is speaking from experience when it comes to commissioning. We have never been involved with the commissioning side of things. In theory, my approach would be, with all the caveats that Paul's experience brings to it, that we can access a

certain congregation that perhaps faith-based charities have the privilege of being able to access over others, in which case, as long as processes are correct and outcomes are appropriate to the objectives of our organisations, I cannot see why not, although it is not something I have had any experience of.

Q66 Lord Harries of Pentregarth: How can faith-based charities co-operate with other faith-based charities which perhaps have a different leadership, to promote community cohesion? Some charities are specifically Christian led and others that we have heard from are Muslim led. How can they co-operate with different kinds of charities and different faiths to promote cohesion?

Paul Hackwood: A lot of it goes on. Over the four years of our programme we have given out 1,300 grants for faith communities to work together on social action projects. I think there is increasing commitment to work together on local issues where that relationship is brokered. Because communities have become separated to some degree—although that is not always true—there is a degree of suspicion and fear of working with the other. Where the relationship is brokered, all sorts of things are possible.

I will give you a few examples. We gave a small Near Neighbours grant of £250 to the last synagogue in Bradford which had three elderly members. That created a link with a local Muslim community. The synagogue was about to close because its members were quite elderly and it had a problem with its roof. At the mosque they had a collection and paid for a new roof for the synagogue.

We have had another project in Nottingham where Jewish and Muslim people have set up what they call a pop-up cafe on a Friday night, where they bring in homeless people and people with mental health problems and they provide the sort of support they need. Some folk have moved away from homelessness and settled in accommodation. There is quite a lot that goes on that is very hidden. The problem is that because communities fragment it needs to be brokered. There needs to be an organisation of some kind—the local authority or the work we do with Near Neighbours—brokering that relationship to bring people together.

Aamer Naeem: A lot of the organisations do not have the resources to shout and scream about all the work that is going on. We do a lot of work feeding homeless people and the vast majority of that works out of churches in partnership with them because there are so many of them in the heart of the community which we can use as bases.

There was a really interesting BBC news report during the time of the Cumbria floods—in fact, there were floods in Yorkshire at the same time—where the BBC reporter was talking to one of the flood victims and he said, “Nobody’s come to help us. Nobody’s come. We haven’t seen a single soul. A bunch of Muslims showed up but that was it; nobody else has been”. For us that was wonderful because we homed in on this one

sentence. There is so much of it going on. It is just a lack of resources to talk about it.

We also make a point of doing intrafaith work, especially with the Sunni-Shia conflicts currently playing out around the world. For example, in Turkey we did a joint piece of work for Syrian refugees with a Sunni-led organisation like ourselves and a Shia-led organisation. We put a little bit of a budget behind making sure that was videoed and broadcast as appropriate, to showcase cohesion in that way. It all comes down to the ability to showcase it and put a budget behind showcasing it.

Q67 **Baroness Barker:** Do you seek to interact with non-faith organisations in your work? Do you provide services or reach out to people with faiths other than your own or no faith at all?

Paul Hackwood: That is what we do with the Near Neighbours programme. We are building relationships with local authorities, health service bodies, mosques, temples, gurdwaras, churches, different sorts of churches. The point of the whole thing is that we bring people together in a way that gets started this process of connecting together.

The work we do with the Just Finance Foundation, which is just starting, will again be at the point of delivery. It will be working with whoever wants to work with us. We have another piece of work called the Together Network, which is churches working in local communities across the country, and almost all that is delivered in a way that is anti-discriminatory. I would not say it is non-discriminatory. We are very clear that at the point of delivery we want to work with anyone who will work with us. We openly try to build. It is easy to work with Muslims; it is more difficult to work with the local authorities. That is beginning to break down. Our relationship with a lot of local authorities we have worked with has changed and where we were understood as providers we are now understood as partners. That has taken place over the last three or four years. I think that is a very healthy change that I am hoping we can build on over the course of the next few years.

Aamer Naeem: Internationally, it is very difficult not to. Locally in the UK we did some work with University College London Hospital providing gifts for children during the time of Eid after Ramadan. We do a lot of work with hospices. Yes, absolutely, there is nothing that stops us. We have to do the work we want to do and that, by definition, means engaging with any other partners that are available out there to help us deliver the work we want to do.

Baroness Barker: Can I follow up on something you have alluded to about the attitude of local authorities? As charities you are unique in that the bodies that you are linked to, your faiths, are allowed to discriminate in a way that is perhaps unique in this country. You have exemptions for your faiths. Does that have an impact on your work as charitable organisations operating within those faiths—and I say that as somebody who lives in a community that has quite often been on the receiving end of a tough time from charities, from faith-based organisations—or does it

have no influence on what you do?

Paul Hackwood: People with extreme views in any faith community influencing the way that faith community articulates itself can have a very negative effect. Goodness me, in the churches we need to apologise for that, it seems to me. In the work that we do at the Church Urban Fund we are very, very clear that we will not work with you if you discriminate against any of the listed minority groups. Discrimination full stop is unacceptable. You would not get a grant from us if you were anti-gay or anti-Muslim. It simply would not be the way we work. We do quite a lot of work in our Catalyst programme which works with young interfaith leaders. We spend a lot of time looking at equalities and discrimination. We get people from the LGBT group in the places where we are working to come in and talk about their experience of faith communities. We had a very, very interesting conversation with a rabbi and a group of young Muslim men in East London about the nature of Islamophobia and anti-Semitism. It seems to me that faith communities, if they are working at local level, must be attentive to that way of working. Quite a lot of what we have been trying to do with the Near Neighbours programme, with our Together Network—and we will do with the new work—is to make sure that we push down that approach. We try not to control work from above in the work that we do, but on equalities and discrimination we will do. People might still feel that faith communities are not anti-discriminatory and they are not neutral, but certainly I can say, hand on heart, that is not the way we work.

Aamer Naeem: It is about differentiating between a faith institution which is there to service a congregation of a particular faith, and the space that we are in, which is more around the humanitarian work. We have a confidently Muslim language such that we attract 99% of our funds from the Muslim community, but we are non-discriminatory in how we actually spend those funds. We ensure that we have a non-Muslim trustee on our board. We have five trustees of whom three are women. That is intentional and is constructed in order to provide role models and to showcase something. People may make assumptions about a Muslim-led organisation, and we often say we are doing the work because it is good work, but we also have a responsibility to be seen to be doing it as well.

When we responded to the floods in Cumbria—and there are next to no Muslims up in Carlisle where we did the work—we followed that through with a show on British Muslim TV “The Muslims are coming”. We went and completely renovated a community centre up there. Again it is about showing Muslims being confidently Muslims at the point of delivery, but working with people of any and no faith.

Paul Hackwood: Ideological positions emerge very easily from faith-based ways of working. Those of us who lead organisations have to be very careful that is not the approach we take in the work that we do.

Q68 **Lord Foulkes of Cumnock:** Can we turn to governance? Do you have a different approach from other charities to good governance and how are

your trustees appointed?

Paul Hackwood: The trustees of the Church Urban Fund which was established after Faith in the City in the 1980s, are appointed in the way they were then. Some are appointed by the Archbishop of Canterbury, some by the archbishop of York, some by the Church Commissioners, some by the Archbishops' Council, and we get to appoint two of our own. We are a Christian charity. I do not think that alters the way we do our governance. We make our trustees go on training. We try to get our governance structures to reach into the work of the organisation, so we have lots of sub-committees. We try to use that as a way of our trustees having quite a good oversight of the work that we are trying to do.

Lord Foulkes of Cumnock: Do you find that any of the requirements that are imposed on charities conflict with your religious obligations?

Paul Hackwood: No, I do not think so.

Lord Foulkes of Cumnock: We have some evidence suggesting that there might be.

Paul Hackwood: No. Do you have a specific question? Is there a specific thing?

Lord Foulkes of Cumnock: No, I just wondered.

Paul Hackwood: We sometimes have a difficulty getting the Charity Commission to answer letters.

Aamer Naeem: We have difficulty stopping the Charity Commission sending us letters. It is the other way round.

Lord Foulkes of Cumnock: What about governance in your organisation?

Aamer Naeem: It is no different to any other charity. You have to remember we are a very young charity. We were registered in 2009 and the substantive work only started in 2012, so we are only four years old. Two of the trustees are from the original set, but then we positively discriminated on the demographic of the rest of the make-up. Two of the new trustees are women and we wanted to make sure there was non-Muslim representation because one of our founding trustees was a non-Muslim, and she resigned, so we wanted to make sure we compensated for that. In the selection process after that, we made sure there were certain biases of gender and faith at that point, but, other than that, it was quite open and fair.

Lord Foulkes of Cumnock: You have had not had any conflicts between what you are expected to do and your religious obligations?

Aamer Naeem: No, not at all. They are very excited about doing the work. Very early on we engaged professional advisers. There is an organisation called OnBoard, for example, and they came and assisted in co-chairing some of the early trustees meetings. We have a professional

adviser, a solicitor, who is there regularly at every trustees meeting too. We have observers from other charities and other organisations that will often sit in and give their advice. Yes, it is a private board of trustees but we treat it in a very public way and whoever wants to sit in just comes and sits in.

Paul Hackwood: I do not think it is completely true of the sector. The governance structures we have are not the same as quite a few very locally faith-based charities.

The Chairman: We will bear that in mind. Lord Lupton.

Q69 **Lord Lupton:** The sector generally has suffered some trust issues in the last two or three years about governance and fundraising and other matters. Do you think you have suffered similar trust issues in the faith sector? Are they different, more, or less and, if so, how do you deal with them?

Paul Hackwood: We have not had any difficulties. Our income from individuals and churches has not dropped. We had two trawling letters from "The One Show" that naturally got dealt with in the system. People asking to come off our database lists and fortunately the whole system worked and off they came. We have not had anyone complain about the way we do our fundraising. Because with faith-based organisations people feel quite a lot of buy-in to what they are giving to, that means that our relationship with them is already quite close. We would never dream of some of the things that were happening with the review that has gone on. We would never work in that way.

Aamer Naeem: We are not immune to the issues of the sector. Maybe it is because of the way we fundraise online. Social media is a real opportunity and it has been one of the major tools that we have used to grow, but it is also a very nasty place, and it takes no time if someone is sitting in their bedroom tapping away for something to go viral on occasions. We are vulnerable to trust issues. We counter it by going out with equal vigour with the positive work we are doing. We are governed by the Charity Commission, but we feel we are also governed by God and the clerics, and by all the laws our jurisprudence requires us to operate in a certain way when it comes to certain types of funds. There are so many thorns on the side of the path, sometimes we have to make sure we do not prick ourselves.

The Chairman: We have one last question and this is one we are asking everyone who gives evidence to us.

Lord Rooker: Before we get to that very short last question, I want to ask you both about something that has just emerged. You mentioned in the Penny Appeal that because of its history you have someone not of the Muslim faith on the board. Is that pattern followed elsewhere in faith-based organisations?

Aamer Naeem: I do not think it is, but for us as an organisation, and as a community now too, we need to be seen to be doing things, as well as

doing them, if that makes sense. Someone very wise once said to me, "Connection is protection", and to a certain extent it is to help ensure we remain connected with the mainstream and wider society and as a reminder to us that we are very Muslim focused in our donor base. That is fine. That is no small achievement—£13.8 million from just the Muslim community in a short space of time.

Lord Lupton: Could we put Paul on the spot? I also noticed you have two women and a non-Muslim on a five-trustee board which, frankly, is counterintuitive. Paul, would you have a Muslim on your board?

Paul Hackwood: Yes, I think we would on the Church Urban Fund board. We have what we call a faiths advisory panel where we bring leaders from the different faith communities together and they offer a critique of what happens in a board meeting. We try to hold together, and it is this issue of single-faith organisations, and how you maintain the ethos of the organisation while at the same time making sure it does not go off in a direction that serves its own needs. The way we have dealt with that is to set up a separate faiths advisory panel, where we have all nine faith groups including a Muslim, a Hindu, a Sikh, a Jain, a Zoroastrian, which offers a critique on what happens in our board meetings.

The Chairman: Back to Lord Rooker.

Lord Rooker: I well remember the uproar caused by Faith in the City because I was on the Opposition team and I think I wound up the debate, which was one of the most acrimonious debates we have had here. The very point was made that there was no monopoly of this, and in some ways I would have thought it would be to be to the advantage of the Church Urban Fund for there to be a Roman Catholic among the trustees. Is there a Roman Catholic?

Paul Hackwood: On one of the boards there is, yes.

Q70 **Lord Rooker:** You see the point I am making. It seems to me that it goes back to the issue that was asked about earlier and the wider relationship with public trust, given the example that was raised by the Penny Appeal.

My question is very simple: when we do our report, if we have one recommendation to make in respect of charities and community cohesion, what do you think it should be?

Paul Hackwood: I will let you go first.

Aamer Naeem: Thank you very much. I am going to say what Paul started off with because I think it is that important. Community cohesion is completely separate to counter-radicalisation. If you address community cohesion overtly and directly, you can sometimes damage something else. It is about making sure we do not mix the two up, because they so often are.

Paul Hackwood: I do not know if this a point, but the key thing with social cohesion is not to try looking for a silver bullet. There is no simple answer to it. It is very, very complicated and it changes as it moves. Better understanding of what the issues are by policymakers would be a good thing.

The Chairman: Thank you. Were you going to say something else?

Paul Hackwood: I was just going to re-say it is very complicated.

The Chairman: It is very complicated. Thank you very much indeed for coming to see us this afternoon. We have enjoyed your evidence and found it extremely useful. Thank you on behalf of the whole Committee.