



The Select Committee on Charities

Corrected oral evidence: Charities

Tuesday 1 November 2016

4.45 pm

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

Evidence Session No. 10

Heard in Public

Questions 97 - 104

Witnesses

[I](#): Shaks Ghosh CBE, Chief Executive, Clore Social Leadership; Marged Griffiths, Chief Executive, Y Bont; and Eve Martin, Chair of Trustees, Brook.

Examination of witnesses

Shaks Ghosh CBE, Marged Griffiths and Eve Martin.

Q97 **The Chairman:** Good afternoon and welcome on behalf of the Committee. We are very grateful to you for giving up your time to come to give evidence to us.

The session is open to the public, as you will know, and is being broadcast on the parliamentary website. A transcript will be taken of your evidence. You will be sent a copy of the transcript to check it for accuracy and to advise us of any corrections. After this session, if you wish to clarify or amplify any points made during your evidence or if you have any additional points to make, you are welcome to submit supplementary written evidence to us. I should remind you that we will all fire questions at you, not all at once but in turn. You do not all have to answer every question if you do not feel it is appropriate and please feel free to let your colleagues answer. We will, of course, have to be clear about the time at which we will finish, which must be by 20 minutes to six at the very latest. I hope I will not have to hurry you, but I might have to.

Perhaps you would like to introduce yourselves and then we will start with the questions.

Shaks Ghosh: My Lord Chairman, Lords and Ladies, my name is Shaks Ghosh. I am chief executive of Clore Social, which is a leadership programme. I have had various other roles before this one. I have served in the social sector for the last 40 years.

The Chairman: Can I just ask you to introduce yourselves briefly because we have had all your details?

Marged Griffiths: Good afternoon. My name is Marged Griffiths and I am CE of Y Bont, which is a small, local charity in south Wales. Our mission is to enable disabled children to fulfil their potential.

Eve Martin: Good afternoon. I am Eve Martin. I am chair of Brook, which is the national young people's sexual health and health and well-being charity.

The Chairman: Thank you very much. I will start with the first question, which is: what is the role of a governing body in a charity, and how can effective governance help charities seize opportunities, face their challenges and overcome problems, so the role of governance in a charity?

Marged Griffiths: I would say that the role of the governing body is to have an oversight of the charity's objectives and to forward-plan and, referencing Julia Unwin from the Joseph Rowntree Foundation, the Five Ss, which are: stewardship to manage all the matters effectively; scrutiny, checking details and asking questions; strategy, thinking ahead and direction; support of staff, volunteers and service-users; and stretch

in encouraging us to continue to improve, develop and adapt to changing times.

Eve Martin: The main purpose of the trustee board is to be the guardian of the charity and to maintain the focus on, this horrible word, "beneficiaries", which in my charity means young people, and not the organisation itself, to not subsume the beneficiaries' needs below the organisation's. A good board, in my view, is the keeper of the charity's values and provides strategic direction. That is probably its most important function. It steers the charity to achieve its aims and keeps alive the original passion that led to it being set up in the first place and the drive of the founders. A good board also uses expertise and experience to support the executive team, which I think is critical; it challenges performance, because that is the way of keeping it on track, and keeps the focus on ambition. I say to chief executives of charities where I am involved that I am only a bit interested in what has happened and I am much more interested in what will happen. I really think that is the role of the board, to keep looking forward and to keep the focus on ambition for the charity.

Shaks Ghosh: I would just add two points to that. One is the separation between the operational and the strategic. I think the role of the board has to be always, on the longer side, strategic. In addition to the points my colleagues have just made, I would say, and this addresses the second half of your question, that a board can be an incredible body of experts who can help you, advise you and mentor the team at the top. In helping the organisation in being more effective, that is a very critical role that the board plays.

The Chairman: Would you say that this role or these roles have changed in recent years and, if so, how have trustees adapted to that?

Shaks Ghosh: I would say that the fundamental purpose and role have always been there to be the guardians, the custodians and the value-holders for the charity. Obviously, as times change and the role of the charity changes or the different beneficiary needs change or, indeed, as new charities get set up and need to address different gaps that there might be in welfare services and so on, the trustees have a different need for the expertise that is required from those people. I think that is a continually changing feast and that is where the whole learning and development aspect comes in.

The Chairman: Does anybody else want to come in on that? If not, we will go to our next question from Lady Gale.

Q98 **Baroness Gale:** What are the key characteristics of good charity governance and effective charity leadership? What are the areas for development of key skill shortages and how might they be addressed?

Eve Martin: There are quite a lot of key characteristics of good governance and probably they do change and vary according to the type and size of charity. I think it is critical that trustees have a range of skills

and expertise relevant to the charity, but not exclusively from the charity field, otherwise their vision becomes too narrow. I think there absolutely have to be fixed terms of office for trustees because they need to not become too complacent and say, "We have always done it like that, so we will always do it like that". Good governance also requires commitment and time, trustees actually need time to do the job, and they have to have a good understanding of their role and responsibilities, being able to operate, as our colleagues said earlier, in a non-executive role and being comfortable with asking difficult or challenging questions of the executive. I think what is critical in good governance is clarity about what you want your chair to be and what kind of role you want for them. Charities quite often fall into the trap of appointing someone where they think they need a figurehead, but actually you can have someone else as a figurehead. What you need is a chair who may not necessarily be the spokesperson or the figurehead for the organisation, and you need someone who actually can manage the board effectively and develop an extremely good, respectful working relationship with the chief executive and the executive team, and that is not always necessarily the same person who is good at being a spokesperson.

Shaks Ghosh: I would say, "What does a good board look like or what does the governance look like? Can you recognise it when you see it?", and there are some things you would look for, one being a strategic partnership of the top team, by which I mean not only the trustees of the charity but also the chief executive and/or any directors that the charity may have, depending on its size. When you see that fantastic chemistry and the fantastic partnership that happens between the chair, the chief executive and the board, that is when I think you know you have spotted something that is really good.

I am also very impressed and taken by Julia Unwin's Five Ss of good governance. What I would add, which I have seen with boards I have really come to respect, has been what I would call the sixth S which is skills, that actually they are concerned about the skills around the board table, the skills within the organisation to do the job and, as was pointed out before, this issue about the changing needs of the organisation and the board and this continual need to update the skills. Where you see a board doing that, I think you are starting to see signs of really good governance.

Baroness Gale: You spoke about having a good partnership and the dynamic that comes from that. That is great if you can achieve it, is it not, and the personalities work well together, but there must be occasions when perhaps that does not happen? I would imagine that that could cause quite a lot of difficulties. If the chief executive and the chair just do not get on as well as people would want them to, that could be a bit of a problem, I would imagine.

I want to ask about the trustees as well because you outlined a number of things that you would need in trustees. How do you find all these trustees and how do you get them to that standard with all the training,

because they are all voluntary, are they not? Somebody might think, "Yes, I would like to be a trustee", but may not know much about how to be a trustee. How do you get the right trustees, which is the other problem, is it not, with the skills that are needed to be there for the charity?

Marged Griffiths: If I can add to that, obviously the skill set of the trustees is really important. Within the board itself, you need to have that real balance of the right skills, legal, financial, business and fundraising. Some of those things can be learned, as you say, but the challenge, especially for smaller charities where we have volunteer trustees, who quite often have full-time careers as well, is finding the time for that. For us, as a small charity based in health and social care working with disabled young children, it is crucial, and part of the articles, that we have a representation of the user group. I think that is really important for any charity, that you are having the voice of the users so that you continue to meet what that charity is about and what the needs of the user group are.

Baroness Jenkin of Kennington: Could you just give us an idea about the size of your charity and how many trustees you have, both of you? What sort of budget are we talking about?

Marged Griffiths: My charity is very small comparatively, about £300,000 to £350,000 per annum and we have at the minute 12 staff, six trustees and about a dozen or so volunteers in addition to the trustees.

Baroness Jenkin of Kennington: I know, Eve, that yours is much bigger.

Eve Martin: Yes, our turnover last year was about £14 million. I cannot tell you how many staff we have because it changes all the time, but hundreds. I have a board of 12/13/14, depending on who has just left and what we are looking for. At the moment, one of the biggest challenges is recruiting treasurers. There just are not enough accountants who want to be treasurers and have the time to do it. I am very grateful to central government because my treasurer is actually an accountant in central government and they give him a bit of time to help us, which is marvellous. I wish more employers would do that.

Baroness Jenkin of Kennington: Do you think there is a case for paying trustees and what might be any problems with doing so?

Eve Martin: I really do not like that idea. There is something really good about this being a voluntary role and that you do it because you are passionate about what the charity is doing and because you believe in it. I think there are other ways of supporting trustees, for example, encouraging employers to see this as a huge benefit and part of the development programme for their staff, because it is. I have learnt so much through my governance roles, but I am not sure that paying them would solve any problem that we have at the moment. I do not think paying them would attract necessarily different kinds of trustees and I

am not sure that it would be very easy to present paying trustees to the donating public.

Shaks Ghosh: If I may come in on that, I think there may be a case in some organisations to pay. In a previous life, I worked for the National Federation of Housing Associations and they crossed this Rubicon of should we pay board members or should we not. There was a consultation and a debate in the sector which lasted, I think, 18 months before they came to a decision, and they decided that, in some cases, there was a case to pay. The charity sector is really diverse and there are different needs of large charities, small charities and social enterprises now all coming into the place. I would say that there may be in some situations, but where I agree with my colleague from Brook is that, for me, it would be like jumping from first gear to fifth gear all in one go. The reason for paying might be because we are worried about skills or performance. There are a lot of other things we can do to improve the skills and performance of trustees and boards. It is not necessary for us to jump straight into saying, "We have to pay them" and that somehow that will be the easy fix.

I note that the second half of the question was about skill shortages. There are a lot of people who say, "Maybe, if we want to get those very high-quality skills, to get treasurers with the financial expertise to run a big charity, we have to pay", but I think there are lots of other things you can do. One of my strong recommendations would be that, instead of moving straight to paying trustees, you might ask charities to create a pot for training. That then becomes a great incentive also to recruit trustees. On your point about where can we get all these trustees from, maybe paying is one of the ways of creating an incentive and encouraging people to join boards. If being a charity trustee meant that you had access to a training pot and really great opportunities to learn, then I think that would be almost as good as actually paying people a salary.

Q99 **Lord Foulkes of Cumnock:** Baroness Gale has asked my main question, but I will forgive her completely. Eve, Brook is one of the charities I have a lot of affection for. Are you now a UK-wide charity?

Eve Martin: No. We operate in England, Scotland, Northern Ireland and Jersey. We do not operate yet in Wales.

Lord Foulkes of Cumnock: But nearly?

Eve Martin: Nearly.

Lord Foulkes of Cumnock: I am thinking now about the diversity of the board. You have three countries and Jersey. How do you manage to get a balance in gender, ethnic minority, regionally from all three different countries and Jersey, different social backgrounds as they are not all Lady Bountiful and you have some people who work at the coalface, and age? We have been concentrating on skills, getting in a treasurer who can count, but is it as important to get people from a wide variety of

backgrounds?

Eve Martin: Yes, it is, and that is quite a big challenge, particularly for different sizes of charities. Also, charities have different models for recruiting trustees. For example, at the moment almost half of my board are actually elected by Brook members. As a chair, I only have the option of currently appointing half of the board and two of my trustee places are for co-opted trustees from the age range of our service-users and beneficiaries, which is 16 to 25. Interestingly, we appoint trustees annually for up to three years and we are on to our second pair who are just about to enter their final third year and, because we have had such success in showing that we mean it, that we do put them on the board, we trust them and we do our best to develop them, two of my elected trustees are also in their early 20s, so I actually have four out of a current membership of about 12 on my board who are young people in their early to mid-20s. That is a completely different dynamic of a board and changes things quite a lot, and it is nothing but positive. I cannot say how positive it is. I would really urge other charitable boards to think seriously about how they recruit and develop young trustees.

We also have participation work, which is work with young people to enable them to have a voice, and one of the elected trustees has actually come up through our participation work. We are also trying to develop the trustees of the future as well as recruit them through an open recruitment process and, I have to say, we did not bother with traditional recruitment processes, we used social media. The most effective thing was having our Twitter feed retweeted, including by some celebrities, and the message got out that we meant it, that we did have young trustees, we trusted them, we gave them leadership roles, they were not side-line trustees or trustees in waiting, but they were actually trustees with full responsibility. I would say to charities, "You just have to trust them because actually they do know what they are doing". With the right support and development, they do know what they are doing and they are amazing at contributing and really challenging in asking why we do things in the way we do them.

Lord Rooker: Following on the very interesting points you have made, are your elections always contested? My other one relates to these four in their 20s. What are their occupations? Do they have full-time jobs as well as being a trustee, or are they not in work full-time?

Eve Martin: I will try and be brief. Our current young trustees are all working full-time, and that is a challenge because quite often they have to use their holiday to attend board meetings, but we only meet as a full board four times a year. We do a lot of board business by teleconference, email and other ways, and you have to these days, particularly when, as at one time with my board, I had one member in Cornwall, one member in Inverness and everywhere in between, so you cannot meet all the time, it is just not feasible. They do have full-time jobs because they are young, and that is a challenge about recruiting not just people like me, who are semi-retired and have a lot of time on their hands. At the

moment, we are the mainstay of trustee boards and people like me, certainly outside of London, keep charities going. That has to change because we are not necessarily current enough in our thinking and we do need input of different ideas. To do that, as my colleague said, we have to find ways of better supporting trustees and getting them access to having the time to put into it and giving them the development so that it gives them something, and that works a treat for young trustees; they learn so much, it builds their confidence and it opens up potential new job opportunities. One of my young trustees has recently gone back to college and has embarked on a career change really as a result of her involvement with the charity.

The Chairman: We will take on board your enthusiasm for young trustees. We should go on to your question, Lord Rooker, please.

Q100 **Lord Rooker:** I am more interested in what we have just heard than my question, to be honest. In some ways, you have more or less covered what I was down to ask, which is the approaches to governance and how they differ between larger and smaller charities. I am very conscious, by the way, that we have two chief execs and a chair here, so you are not a homogeneous group in what you are offering us today. That is not a criticism; far from it. There have to be more challenges for small charities, being those less than £1 million, the 97% of charities, and the aspects of governance have to be different from those big businesses, as they will be seen, with chief execs on six-figure salaries. Are there particular challenges for the smaller charities in delivering good governance that we could learn from to mould our recommendations?

Shaks Ghosh: There is a lot about situational awareness and the ability of good leaders, good chairs and good trustees to flex their style. The style with which you might lead a large organisation would be different from the style with which you lead a small organisation. Some of the boundaries, for example, which I mentioned earlier on, the difference between the strategic and the operational, get a bit blurred for some of the smaller charities where they just do not have a large number of staff to do the necessary. The only thing I would say in that situation is to be very careful that it is done deliberately rather than by drift. If you find the chair or board members starting to work on operational issues, because they have to because there is no other way, they need to be very deliberate about it and to think about how quickly they can move back into their role as being the strategic custodians of the organisation. The ability to flex style becomes quite an important skill that chairs and trustees need to develop, depending on what the requirements are of them.

The Chairman: Ms Griffiths, from your point of view as a very small charity?

Marged Griffiths: From my perspective as a small charity, the trustees do need to be more hands-on, not in actual operational work in our particular charity but, if I am meeting with the First Minister or the local

authority, heads of department and so on, they will attend those meetings, so there is a big ask on them again in time.

The other thing which is very different with the big charities is that they have the infrastructure and the teams of HR, finance, legal and marketing, which we do not have the luxury of in smaller charities. They are called on to offer expertise. For example, the chair of Y Bont has an expertise in HR, so I will quite often be phoning him to seek guidance or look at how we can move forward.

We are talking about charities here. In one of my previous roles, I worked with very small groups as part of the local CVS in Wales. Of course, many groups are very small and they do not have charitable status because they are so small and you have very small groups of trustees who inevitably have to be hands-on.

Lord Rooker: How wide geographically do you recruit? Are you just Bridgend for services and, if so, how wide do you go for recruiting your trustees? Are they necessarily just from Bridgend or is it a much wider geographical spread?

Marged Griffiths: Our services are in the local authority and boundary local authorities. At present, all of our trustees are from within that local authority area and we have quite a range of ages. We only have one male at the minute. We did have an imbalance of more male than female, but it has changed the other way. We have tried different sorts of recruitment, so we have advertised and used social media with great success, which was the best, and actually it is quite a challenge, particularly since all the bad press that charities have received. I think a lot of people are quite nervous about committing themselves to particularly small charities. Quite often, it is through word of mouth, headhunting almost people with the requisite skills.

Lord Rooker: On what you have just said, and I am not putting words into your mouth, have you felt actually impacted at your level, say, by Kids Company? Is that what you were referring to?

Marged Griffiths: In people's perhaps reluctance sometimes to get involved in the responsibility level, to be honest, the impact we have seen has been beneficial in some ways because we saw that the kind of ripple effect of that, I think indirectly, was local people coming to us who used to support big, national charities and saying, "Actually, we are going to support you, and we know that 90% of what we have raised goes towards salaries for payroll workers", for example.

Q101 **Baroness Barker:** The burden of responsibility in fundraising, data protection, et cetera, grows for all of us. Do you think that the trustee and governance structures we have at the moment are adequate or do they have to change to ensure that people are still willing to be trustees?

Eve Martin: We have talked already about the fact that trustee boards cannot sit still, they have to keep developing and getting new skills on board, so, in some ways, a good board is aware of new challenges. Part

of responding to the new challenge is to look at whether the board is adequate for the new challenge and to keep looking at the board. I have a review conversation with each of my trustees every year and every year the vice-chair does a review of me with the other trustees. That is a bit odd and not entirely comfortable, but actually it is essential because that is the only way we know whether we are doing the right things in the right way and it is also a way of identifying new skills gaps. With new challenges, boards have to be nimble and flexible and keep themselves developing to meet them, which is actually what charities are quite good at; charities can be very flexible and nimble.

Lord Foulkes of Cumnock: Is that trustee review widespread? Do a lot of charities do that?

Eve Martin: Yes, they do now. It is considered good practice.

Marged Griffiths: I would say that the changes are less the purpose and role, they remain the same, but it is the economic context and all of the other changes that have happened. It is really important, again speaking from the perspective of small charities, that we become aware of new requirements and the trustees are au fait with new requirements, and it is critical for us that we have CVSs in England and CVCs in Wales and the umbrella body, which is the WCVA, because they provide such a crucial role for us in keeping us updated, providing us with legal changes, newsletters, training and toolkits that we can use. That is really important for us.

Shaks Ghosh: I agree with that, that it is about skills and about continuing to think very flexibly about the governance of voluntary sector organisations. At Clore Social, we run this leadership programme and we have fellows not only from the charity sector but also from social enterprises, and they talk very differently about their relationships with their boards. Their boards are very often two or three people, they are quite small, fast, nimble and they are able to box and cox much faster than maybe larger boards that meet on a quarterly basis and so on. Some of it is about not thinking about a single governance model. It is important to have some principles around good governance, but then how it applies to the different charities may be quite different in the size of the board or the particular responsibilities that the boards have.

The last point I wanted to make is on the particular new skills that are required. What we need from our trustees is agility and wisdom. At the moment, we might be worried about the lack of fundraising skills or the lack of digital skills and tomorrow it will be a different set of issues, and what we need from our boards is the ability to continue to learn, to develop, to embrace the new and to have the resilience and agility to move their organisations forward.

Marged Griffiths: I think it is really important that we always bring it back to why this charity or third sector organisation is in place and why it exists. There is a danger that we knee-jerk and put in place lots of frameworks for measurement and scrutiny and mandate processes that

perhaps lose sight, and the balance is wrong so that there is more time spent on the monitoring and the scrutiny than on the actual delivery of what the charity exists for.

The Chairman: We have had some of this question, Lord Harries, but not all of it.

Q102 **Lord Harries of Pentregarth:** It is about the relationship between trustees and staff. In particular, when should trustees intervene in operational matters and how should they manage risk? It emerged earlier in our discussion because the word "risk" can be assessed in different ways and looked at from different points of view. How far should trustees intervene in operational matters?

Shaks Ghosh: I would say as seldom and as rarely as possible. Actually, and I am repeating myself here, there are situations when it happens and, as long as it is deliberate and trustees know that they are stepping over the line into the operational to put a finger in the dam or something like that, then it has to be done, but then they move back into their strategic role very quickly. The more you get involved with the day-to-day management and operations of a charity, the less able you are to take the foresight view, the longer view of what is required.

Eve Martin: I absolutely agree. I am very keen and clear on what we call a "scheme of delegation", which sets out what the role of the trustees is and what the role of the chief executive is, and they really should not cross that line, unless there are exceptionally unusual circumstances or a crisis and, at that point, it may be that the trustees have to step in for some reason. Certainly, in a medium-sized charity like my own, it is very important that staff, while understanding the role of the trustees, do not think that the trustees are a second line of management or an alternative opinion because that is really confusing, and I have seen that happen in some organisations. That is why for me it is important that there is a clarity of difference. It is, however, important that trustees have some way of testing the temperature of what is going on with staff, and that might be simply through a staff survey that comes to the board or it might be that trustees participate in some staff get-together of some kind, but that they are very clear in their role as trustees and not alternatives. That is useful because, otherwise, all they are getting may be a single view from the chief executive and the executive team who may be struggling with difficult decisions and see the staff as being awkward and difficult, whereas actually the staff are passionate and committed and raising legitimate questions. It is a difficult balance and a very difficult role to manage for quite a lot of trustees. Again, for me, that is why the chair is critical in leading that and helping trustees understand their role.

The Chairman: Do you think the chair is given sufficient support and recognition for doing what we recognise is a very difficult role?

Eve Martin: It depends. Sometimes they are and sometimes they are not. I do not think that very many people, except those of us who have

been chairs, quite understand what a demanding role it is. When you get a group of chairs together, they have a lot to talk about, but, outside of that group, probably no one really understands what we do or how much time it takes.

The Chairman: I have a personal foible, that I sometimes think that nobody should ever be a chair, unless they have also been a chief exec. What would your opinion be on that?

Eve Martin: I do not think it is essential to have been a chief executive. I was a senior manager in a local authority, so, in some ways, I had a huge clarity about being on the other side of the exec/non-exec, which was quite interesting to bring to this role of chair. I do think you have to have an insight into what running the operational side is to know that you should not go there. You might be able to learn it, but you can be more successful as a chair more quickly if you have had that insight.

Q103 **Baroness Stedman-Scott:** Are regulatory changes needed to improve governance and trusteeship, and perhaps you would let us know what you think the role of the Charity Commission is in that?

Marged Griffiths: I think that the role of the Charity Commission should be that of a critical friend. In my view and having spoken to the WCVA to gather the views of Wales-wide third sector groups, the opinion is that the Charity Commission could do a lot in supporting us or possibly coming in and doing health checks on charities, which obviously would be a huge commitment on the Charity Commission, not necessarily a regulatory kind of inspection but just coming in, flagging up the good practice and things that need to be changed and could be adapted to improve the organisation.

Shaks Ghosh: I would also say that at this stage I do not see the need for more regulation. I think it is great that we have a body that has regulatory powers and is pretty powerful on the radar of a lot of charities, but I would question whether the Charity Commission is sufficiently using the soft power that it has. I think the Charity Commission could do a lot more to support and guide. On the demonstration of good practice, again recalling my time in the housing association world and when I worked in local government, there was this phrase "to make the worst as good as the best", and I think the Charity Commission can do a lot more in that arena, which is about showcasing, because there are fantastic examples of good governance, good trusteeship and great leadership and we need to see more evidence and those things a lot more visible. There is a lot more that the Charity Commission can do with nudging, with understanding behavioural change, how you get charities to develop, modernise and change their behaviour before we move into regulation.

I think we are at a very critical time at the moment and the charity sector has been pretty beaten up by the media and lots of questions asked about it and public trust is falling. I think we are at a critical time where we have to act and the Charity Commission has to act. If it does not work, then there is always the fallback to regulation.

Eve Martin: I would not want to see more regulation and that is partly driven by the fact that my organisation is also regulated by the CQC, so the thought of more regulation by the Charity Commission just fills me with horror really. Some of the current debate about how charities are accountable for public money, either publicly donated money or through delivering contracted services in the public sector, could be dealt with. There are already mechanisms for monitoring the quality of the delivery of those contracts and people are getting muddled about whether we need to monitor the charity or whether actually we just do what we do anyway, which is monitor the quality of the work they do by the person who pays them for it and, indeed, whether they should also be monitored on the quality by the beneficiaries, the service-users, in my case young people.

I think there is something more the Charity Commission could do in supporting trustees, as my colleagues have said. We expect a lot from trustees and the burden is on us, as trustees, to stay on top of all the regulatory and legislative changes and actually there is very little proactively from the Charity Commission to support us with that. You have to sign up for their newsletter and it is a bit repetitive or it tells you something, but you have to go somewhere else to find out what that means. I think the Charity Commission could work with charities, and I mean a cross-section of charities, not just the big ones or the ones that are around the corner from their office, to find out ways of enabling trustees to stay more up-to-date and have a good sense of our responsibilities as trustees and in supporting us to execute them well rather than feeling that they come in at the end when something goes wrong.

Baroness Stedman-Scott: On the supportive element of the Charity Commission that you talk about, would you be prepared to pay for a health check?

Marged Griffiths: I think that puts smaller charities in a really difficult position.

Baroness Stedman-Scott: What keeps you awake at night?

Lord Foulkes of Cumnock: Coffee.

Baroness Stedman-Scott: What keeps you awake at night in your role?

Shaks Ghosh: In my particular role, the thing that always keeps me awake at night is how difficult it is to forward-plan because we have an annual budget cycle which is a deficit and where you never know from one day to the next whether you are going to be here next year or the year after. If my organisation, which is a second-tier infrastructure organisation delivering training, feels that way, then I can only start to imagine what chief executives on the front line must feel when they do not know if they are going to be there next year to provide that support.

If I think about though what it is in the world of governance and leadership that keeps me awake at night, it is the fall in public trust. It pierces me to my very heart that the charity sector, which is such a fabulous national asset in the UK, that actually the British public are starting to question our role and confidence in what we do.

Marged Griffiths: What keeps me awake is not having enough money sometimes just to do the job that we are there to do, letting down families and possibly having to make staff redundant.

Eve Martin: Yes, it is the same for me at the moment, the budget.

Lord Bichard: Sorry to disconnect it, but people are not always making the point about advice, guidance, support and the importance of that for the sector and how the Charity Commission could do more of that. My question is: are they the right people to do that?

Eve Martin: I do not know is the answer. They are there at the moment, they are in existence and they have that role, so perhaps we should try to get them to do it and see how well they can do it.

Shaks Ghosh: I have a slightly different answer, which is that I do not think they are the right people to do it, but it must be done in partnership with them because they have the levers. I would love Clore Social and a lot of the other organisations that exist to provide leadership development and so on to be able to do more, but with the partnership of the Charity Commission. It just needs that little nudge occasionally, for the Charity Commission to say, "Hello, new trustee. Here is a fantastic, new online application that you may want to take a look at. It will help you in your role as a new trustee". Just some of those little nudges could make all the difference to the actual take-up of trusteeships.

Lord Bichard: Other regulators, including the CQC, would see it very differently from that, would they not?

Shaks Ghosh: I think different regulators see it in different ways. The one, for example, that I have looked at quite closely is the Pensions Regulator, which says that it expects trustees to have a level of knowledge and experience of the regulations and the roles and responsibilities of being a pension trustee. Actually how you receive that knowledge, where you go for your education, training or learning, is then entirely up to you, and there are suppliers in the market who will provide that for you.

Lord Bichard: Quite, yes.

Lord Chadlington: I want to go back to the point you made about the lack of trust and to ask how is this demonstrated to you? We talk a lot about the media and Kids Company and all that stuff, but what actually happens at the sharp end that makes you say that it pierces your very heart, which is quite a moving thing to say?

Shaks Ghosh: I think there are two measures which, as charity chief executives, we track very closely. One is the Charity Commission's own trust and public confidence survey, which I think happens once every two years, and the other is a quarterly review of where the public are on trust and confidence. I remember more than ten years ago, when I was chief executive of Crisis, that it was a matter of huge pride for us that we were up there with the BBC and the NHS and doctors as having public trust, whereas now we are below supermarkets. That does not feel right when you think about the role that we have to play in society and when you look at the fantastic services that are being delivered, but it does feel right sometimes when you realise how many people do not have the training and the support and the skills that they need to do the important roles that they are being charged with doing.

The Chairman: I am really sorry, but we must move on to our last question from Lord Bichard. It is a question we are asking all of our witnesses.

Q104 **Lord Bichard:** I want to give you the opportunity of including one recommendation in our report. What would it be? You can have one each.

The Chairman: Just one.

Eve Martin: My recommendation would be that charities should be encouraged to recruit and develop young people as trustees and to trust young people to be excellent trustees and members of their boards.

Marged Griffiths: Mine would be around the inclusivity of any changes, whether it be the Charity Commission or whoever does it, that there is some consistency and clarity around roles for all levels of charities.

Shaks Ghosh: Mine would be a recommendation, almost as soon as you finish your deliberations and write your report, that you call for a task force for implementation. We have had the Mary Marsh report on leadership and lots of inquiries and reports, and my worry is that they do not get implemented.

Lord Bichard: But we have to have something to implement, so what is your recommendation for us to implement?

Shaks Ghosh: My big recommendation, as you probably know from everything else I have said, is that it has to be about support and training for the team at the top, whether it is executive or trustees.

The Chairman: Thank you very much. We must bring it to an end. You have given us a really fabulous session and thank you very much indeed; we really appreciate it. On behalf of all the Committee, thank you so much.