

Rt Hon Baroness Stowell of Beeston MBE
Chair



CHARITY COMMISSION
FOR ENGLAND AND WALES

Julian Knight MP
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Digital, Culture, Media and Sport Committee
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14 April 2020

Dear Mr Knight,

Thank you for your letter of 18 March. I am pleased to attach the answers to your 19 questions. It is, however, worth placing these answers in the significantly changed context that the country now finds itself. The Covid-19 crisis is showing how fantastically generous the UK public is, as so many people volunteer to help. But at the same time, and when charities are needed like never before, we are also seeing the devastating financial consequences of the public no longer being able to support charities in the many small and myriad ways they do as part of their everyday lives.

Indeed, you heard first-hand about the serious financial pressures facing charities at the evidence session you held with representatives of the charity sector on 31st March. We have welcomed the Government's financial support announced on 8th April, which will assist charities as they struggle to continue their vital work in such difficult circumstances, though we recognise that charities will face some tough decisions in the months ahead.

During this critical time, the Commission is responding by easing the short-term regulatory burden on charities where possible and providing practical advice to help them to navigate their way through unique challenges. We will also support charities to merge or consolidate as and when that becomes necessary so they can keep serving their beneficiaries.

As we start the new financial year, the Charity Commission is reviewing its plans for 2020/21 in response to changing demands resulting from the Covid-19 crisis. As we reprioritise our operational activity we will be driven by our purpose and ensure that we assist and regulate charities to benefit society and uphold that which makes charity so important to people – and which leads them to contribute in so many ways to making charity happen every day.

Yours sincerely,

A handwritten signature in black ink that reads "Tina Stowell".

TINA STOWELL



Charity Commission Answers to Questions from the DCMS Select Committee **April 2020**

1. The Charity Commission's 2018-2023 Strategy puts emphasis on public trust and confidence in charities: how does the Commission determine what the public expects and thinks of charities, and what its proper role is as a regulator?

In 2018 the Charity Commission set out a clear purpose and committed to be driven by it in how we regulate. Our strategy and our whole approach is to ensure that we maximise the benefit of charity to society and that we uphold its good name in the public interest. We are taking this approach because people care about charity and the value it creates: the good it does for communities, for causes, and for those in need and the human instincts it represents. But we are also taking this approach because public support for charities as the vehicles of doing good and of people's charitable impulses cannot be taken for granted.

The charity sector faces a real challenge, which the Commission's purpose and strategy seeks to address. On the one hand, charities are in demand like never before: applications to register charities continue to rise and they are increasingly in demand to fill vital gaps in public services and support delivery of public policy. But on the other, public trust and confidence in charity has fallen and charities have lost some of the support on which they depend. Without the time and money given by the public and their tacit support for financial privileges, charity would be impossible. This goodwill in turn rests on an expectation that charities will do the right thing. People are no longer giving charities the benefit of the doubt just because they are charities. That is, in part, driven by big charity scandals in recent years, but also by the changing world in which we live. The public are demanding more accountability and that institutions understand and meet their expectations. Namely, that charities show they understand that how they undertake their work is a demonstration of what charity means, and therefore just as important as their cause and what they achieve. Promoting public expectations to the charity sector is a crucial part of our new approach.

At the Charity Commission we have brought serving the public interest front and centre. We are changing to become more responsive and inclusive in the way that we listen and respond to all parts of public opinion, including the volunteers and charity supporters up and down the country. And in doing so, we are ensuring that the Commission and the sector itself responds and meets public expectations.

The Charity Commission has been tracking public trust in the charitable sector for more than a decade and it has fallen significantly in recent years. Although our latest research (which we will publish shortly) shows a slight improvement in public trust, it has still not recovered to 2014 levels.

The Commission's statutory objectives, underpinning our role as regulator and registrar of charities, are set by an Act of Parliament. These remain unchanged and the Commission can only take regulatory action in line with the legal framework.

However, our purpose – to ensure charity thrives and inspires trust – is more than the sum of our legal obligations and we are clear that regulation is a means to an end, not an end in itself. We believe that increased public trust and confidence should be a natural consequence of us delivering our purpose and strategy.



2. Your letter of February 2020 stated that you were in contact with DCMS about potential changes to the Commission’s regulatory framework. What legislative changes do you think are needed, and how responsive has the Department been to those plans?

The Commission’s powers and regulatory framework must allow us to meet public expectations in the way that we regulate charities. Any potential changes we recommend will be driven by this fundamental principle.

As we continue to do our work in a purpose-driven way, the regulatory gaps that need to be considered and addressed are becoming clearer to us. The most significant of these is the extent to which people perceive and can rely on registered status as a guarantee that a charity is meeting their expectations in how they operate.

The Commission is currently undertaking a review of our powers, including how the current framework could be strengthened so that we and the sector can better meet public expectations. This work is at an early stage and will produce recommendations for action which may include legislative change.

We have made DCMS aware of our early thinking with regards to the regulatory framework but have not yet started formal discussions. We will continue to engage with them, and other stakeholders, as this work develops.

We also want to support charities to get on with their work by removing unnecessary regulation where possible. We have been supportive of the Law Commission Bill which would introduce a range of changes, such as reducing situations where charities need the Commission’s permission before they can act. We have encouraged the Government to introduce this Bill at the earliest opportunity. Indeed, we have also raised this again with DCMS in the context of our Covid-19 discussions because some of the measures could be of benefit to some charities in how they manage current financial pressures.

The Government has recently published its review of the Charities (Protection and Social Investment) Act 2016 which found that the Commission is using the new powers it was granted in 2016 effectively and proportionately.

3. The Commission’s Annual Report for 2018-19 stated that it had been the Commission’s ‘busiest year’. Does the Commission have the resources to deal with this increase in demand, and how are you ensuring it has the resources it needs for the future?

The Commission is performing its key statutory functions robustly and effectively with the resources that are available. Even though volumes of incoming casework have continued to grow, during 2019/20 we have reduced historic backlogs, improved systems and processes and introduced changes to ensure continuous improvement.

In our letter in March, we demonstrated the good progress that has been made in providing the quality of service which meets the public’s expectations, whilst also dealing with a significant increase in demand for our services. This has included reducing the total volume of work queued and awaiting allocation by 80% between January 2019 and the end of March this year (from 5,339 to just over 1,000), whilst also deciding a record 9,391 registration



applications (an increase of 25%) and supporting an extra 6,000 charities by answering 12,000 extra calls to our contact centre.

The addition of £5m to our budget baseline from April 2018 was agreed by HMT in recognition of the difficult operational circumstances the Commission continued to face at that time and following organisational improvements over the preceding five years evidenced by the NAO. The new funding was not in response to the Commission's new strategy and was also agreed prior to the Oxfam case in early 2018 and the significant spike in casework that resulted from it. The additional funding in 2018/19 allowed the Commission to recruit 85 new staff.

The majority of the new staff were recruited into operational roles in compliance functions, in our registration and support services, and in teams that provide professional regulatory advice, including legal and forensic accountancy. Since 2018/19, the Commission has maintained a similar proportion of staff in 'frontline roles' to allow us to deal with the significant volumes that we continue to face.

While we will continue to focus on delivering for the public, demonstrating value for money to the taxpayer and achieving even greater efficiencies in our operations, the pace of further progress in delivering our five-year plan in full is dependent on resource. We do not currently have the resources necessary to fulfil all of our ambitions, but that cannot be an excuse for us not making progress. We will continue to engage with HMT in advance of this year's spending review, whilst being conscious of the extraordinary circumstances the nation currently faces and the impact that this may have on public spending in the future.

4. **The Commission's inquiry into Save the Children lasted nearly two years. Are you satisfied with how long the investigation took, why did it take the length of time it did, and how did this compare to the Commission's targets?**
5. **Your letter of September 2019 estimated that the Oxfam inquiry cost £370,000 in staff time, equivalent to 1.3% of the Commission's annual budget. What proportion of the Commission's resources is spent on major inquiries, and how do you ensure that high-profile investigations do not divert resources from day-to-day operations?**

The Commission's inquiry into Save the Children UK involved examining over 15,000 documents and undertaking over 40 in-depth interviews with individuals. It is right that our investigation was as thorough and robust as those who raised concerns with us had a right to expect.

There is no fixed target for the length of a statutory inquiry, but the Commission's aim is to conclude investigations as soon as is practicable. The time an inquiry can take will depend on many factors, including: the nature and complexity of the issues being investigated; the responsiveness of trustees and third parties; the extent of legal challenge from interested parties; and whether other agencies are involved.

The majority of the Commission's statutory inquiries are complex and must be conducted thoroughly and comprehensively, in line with public expectations of the regulator. In general terms though, we do not differentiate between high-profile investigations, such as Oxfam and Save the Children, and all our other regulatory operations as all of this fits within our core functions.



The Commission assess issues against our ability to deliver on our purpose and in line with our risk framework. This approach ensures that no issue or complaint is overlooked, whilst at the same time making sure we are proportionate, prioritise the most serious issues and identify action appropriate to the risks of harm.

Fundamentally, when it comes to being held to account by the Commission charities should expect equal treatment regardless of their size. Failings in large, household-name charities can reverberate across the entire sector and it would be wrong to forgo inquiries because of this. It is simply that some inquiries will take more time and resources than others because of the complexity of the cases and the level of legal challenge that the charity and interested parties involved bring to bear.

6. The Commission has admitted that it failed to follow up on a complaint about the Alzheimer's Society's handling of staff grievances back in 2018. How can whistleblowers be confident that the Commission will handle their complaints fairly? Are you going to go back and review other complaints from that time to ensure no other important cases have been missed?

The Commission conducted a wholesale review of our approach to whistle-blowers in 2018. This resulted in improved guidance for whistle-blowers making it clearer and easier for them to know how and when to bring concerns to us; improved processes for the way we respond to whistle-blowers and handle their disclosures; and a specific team of caseworkers responsible and trained specifically to engage with whistle-blowers who report matters to us. Regardless of the nature or seriousness of concerns reported to us, we now follow up each whistleblowing report with a phone call to the complainant.

The Commission has also created a dedicated advice line for charity whistle-blowers, run by the charity Protect, for them to seek expert whistle-blowing and legal advice on how best to take forward their concerns – including whether they can contact us; this is especially important for anyone subject to a non-disclosure agreement who is unsure of their rights.

Furthermore, the Commission has completely overhauled our approach to casework with new systems and processes that make us more efficient and help us focus on not just what charities do, but how they do it. This approach allows us to deal with concerns much more effectively and in line with public expectations.

Our review of what went wrong in our handling of the complaint against the Alzheimers' Society in 2018 has showed the error was one of previous process not being followed, not an indication of systemic failure. We have made several attempts to contact the 2018 complainant in the Alzheimers' Society case, in line with our new whistle-blowing procedures. Unfortunately, the complainant has not responded, but our engagement with the charity about the matters raised by the whistle-blower is now active and ongoing.

- 7. The Commission is experiencing year-on-year increases in serious incident reports. How does the Commission triage the reporting of serious incidents to determine which are the highest priority?**
- 8. How is the Commission managing the serious incident reporting process to ensure it is not burdensome for charities?**



9. What is the average response time to charities that have reported a serious incident? How does this compare to the Commission's targets?

The Commission wants to make it as easy as possible for charities to report serious incidents to us. This will allow us to understand the risks facing charities, individually and collectively, and ensure timely and proportionate regulatory interventions. In order to make it as easy as possible, as well as dealing with the increased volumes, we have changed our approach.

In the first instance, we introduced a new online form in June 2019 for charities to use when reporting serious incidents. This form uses a series of bespoke questions relevant to the nature of the incident being reported to ensure the charity provides the correct information required for us to be able to triage the report at the point of submission. This includes information to enable us quickly to determine whether the charity trustees are handling the incident appropriately.

Prior to the introduction of the online form, only approximately 30% of Reports of Serious Incidents (RSIs) contained the correct information to enable us to triage them at the point of submission. In the 70% of cases where we had to contact the charity for more information, on average this involved three rounds of correspondence. The new online form means we are now receiving the correct information at the point of submission for approximately 90% of reports. The online form has made it easier and less time consuming for charities to ensure they are meeting their duties in reporting serious incidents.

Since the online form was introduced, the triage of serious incident reports has also been handled by a dedicated team. This is ensuring there is greater expertise and consistency in the triage of these reports.

When a charity submits a report, the team assesses the impact of the incident and any likely risk of future harm to determine whether further regulatory engagement is necessary. If trustees are responding appropriately then often there will be no role for the Commission.

Reporting charities now receive an email acknowledgement at the point of submission and will receive a formal response from our dedicated triage team within 10 calendar days. Current response times are actually considerably quicker than that – within 3 working days at the time of writing.

We have also made some changes to our online guidance on reporting serious incidents over the last 18 months to make it easier for charities to decide which incidents should be reported. For example, we have:

- changed our guidance on the reporting of safeguarding and people protection incidents to make it clearer what needs to be reported under this category;
- added more examples to our examples table of what to report and not to report;
- published some supplementary advice to clarify when it is necessary for charities to report incidents involving their partners.

The changes to our guidance, the online form and increased communications to charities on the importance of reporting, has resulted in a continued increase in reporting to us. In 2018-19, we received 3,895 RSIs, of which 64% were related to safeguarding. Since the development and introduction of the new online form, in 2019-2020 the Commission



received and processed 5,730 serious incident reports (an increase of 47%), of which 3,411 were safeguarding related (59%).

We are also planning to make further improvements to the online form, such as adding a save function and the ability to report multiple incidents in one session. These are all improvements that charities have told us will make reporting easier.

While we won't need to respond to or intervene in all cases, serious incident reports provide the Commission with crucial data on risks to charity as a whole, and themes and trends in the sector. We will look to report on this work further. One recent example saw a number of charities submit serious incident reports on a particular type of fraud. Following our analysis of the information received, we issued an alert to other charities to ensure they did not fall foul of the same issue.

10. What impact has the £5 million uplift that the Commission was given in 2018 had on how it handles serious incident reports and other cases?

The Commission has made substantial progress in its operational performance since receiving increased funding from HMT in April 2018. Although that funding was awarded as a result of the significant pressures we faced at the end of 2017, and the Commission has faced significant increases since which remain ongoing, the Commission has not been deterred.

As already stated in answer to question 3 above, our progress has included reducing the total volume of work queued and awaiting allocation by 80% between January 2019 and the end of March this year (from 5,339 to just over 1,000), whilst also deciding a record 9,391 registration applications (an increase of 25%) and supporting an extra 6,000 charities by answering 12,000 extra calls to our contact centre.

The majority of the extra HMT funding has enabled an increase in caseworkers and frontline staff. Some of these caseworkers are responsible for regulatory work resulting from serious incident reporting by charities.

The new online RSI form has had a major impact on ensuring the Commission is able to handle serious incident reports more efficiently (see answer to Qs 7,8, & 9 above) and more effectively, both in responding to specific concerns and in developing our understanding of the wider risks and trends affecting the sector as a whole.

11. In 2019 the Commission lost several senior staff. How did this impact on the Commission's relationships with stakeholders and its day-to-day operations?

The Commission has had lower levels of staff turnover compared with other similar bodies and a settled senior team for a number of years. Our longest serving member of the senior team had been with the Commission for 17 years. Senior directors left having made substantial contributions during a period of significant change between 2012 and 2017. We were delighted that they all departed for a promotion and that their skill and expertise has been recognised by others in the way that it was valued at the Commission.

We have recruited staff into senior roles on a permanent and interim basis and, due to business continuity planning, have seen no impact on our operational performance.



The Commission has good and professional working relationships with stakeholders, on a strategic and operational level, which we have maintained throughout this period.

12. Almost one-third of staff who left the Commission in 2018-19 resigned, and in 2019-20 the resignation rate has increased. To what do you attribute this trend? Were exit interviews carried out with those resigning, and if so what were the results?

Our turnover and resignation rates compare with other similar-sized departments and organisations and have remained consistent between 2019-20 and the previous year.

Staff leavers record reasons for leaving on the Commission's internal employee management system. Reasons for staff resignations vary, but a considerable number (a third) of the Commission's leavers in 2019-20 were where staff had successfully found new roles as they approached the end of fixed-term contracts. Just under a third of leavers cited career development or promotion as a reason for leaving the Commission. As a smaller department, career progression can be difficult to offer in the Commission.

Exit interviews are undertaken for SCS leavers and others where requested.

13. According to your 2019-20 KPIs, the Commission is not on track to meet its targets for complaint response times and the percentage of charities filing in a timely manner. What is being done to address these issues?

Complaint response times

This KPI refers to the Commission's internal complaint handling process, rather than complaints about charities.

The target of 30 working days specifically relates to second-stage complaints, i.e. where we give complainants the right to have the handling of their initial complaint reviewed by a complaints manager independent of the function that reviewed it initially. These are low in number (49 in 2019/20), often fairly complex and occasionally high-profile. As a result, the target is sensitive to small numbers of cases hitting or missing the threshold often by a matter of days. The challenge for us is that members of staff have to handle the complaint review alongside other priorities. The Commission is considering moving to a simpler single-stage complaint process that follows PHSO guidance and is potentially clearer for the complainant and easier for the Commission to administer.

Charities filing in a timely manner

Getting the basics right – providing clear, accurate, up-to-date information for the public – is absolutely critical in meeting public expectations. Submitting your annual return in a timely manner is an important part of this. The register receives millions of views per year which demonstrates the huge and growing public appetite for information about charities which is why this is an important key performance indicator – getting these basics right is absolutely vital.

As part of our strategic plan, the Commission has taken a more rigorous approach to high income charities not being transparent with the Commission and the public and we are sending better and more regular reminders. The Commission engaged directly with 1,639 charities to bring them up to date with their filing requirements earlier this year.



In January 2020 the Commission received a record volume of Annual Return and Account submissions from Charities and 98.8% of the sector's income is accounted for as a result.

But we know there is still work to do to support the charities who missed the deadline. In particular, the number of smaller charities missing deadlines and not updating the Commission on their income has increased. We are already working to communicate better with smaller charities to support them file on time.

Covid-19 is impacting charities in a number of different ways. As a temporary measure, we have offered a filing extension to charities unable to meet their current filing deadline and have asked that those that need to delay to contact us. This may impact on overall compliance rates.

14. In your September 2019 letter, you told our predecessor Committee that new charity registrations deemed lower risk are decided in under 30 days. What is the average length of time for higher risk applications to be processed, and how does this compare to the Commission's targets and past performance?

Applications to register a charity vary in complexity, and some require verification and comprehensive case handling. The length of time applications take to process depends on a number of factors, including whether all the necessary information has been included in the application in order for the Commission to make a decision.

To maintain the integrity of the register of charities, in line with the expectations of the public and Parliament, we handle these cases robustly and thoroughly. Applications which do not demonstrate that they will operate for the public benefit, or are presented without an exclusively charitable purpose, can take significantly longer to process because we are a robust registrar of charities determined to maintain the integrity of the register.

The overall average registration time for a successful application is 67 days, but 10% are registered within 48 hours, a further 13% within 7 days, and a further 9% within 21 days.

Registration applications in our two highest risk categories take on average 101 and 118 days respectively.

15. What preparations is the Commission making for the ending of excepted status for religious charities in March 2021, and will it be able to cope with the related increase in demand for its services?

We are conscious that 31 March 2021, the date on which the excepting regulations are currently due to expire, is drawing closer. We are in discussion with the Office for Civil Society to explore an extension to this and further options to help make the situation more manageable both for charities and the Commission.

When the measures do come into force, we will agree a phased approach, something that we would like to be able to discuss with church denominational bodies.



16. In your most recent letter to the Committee, you said that going forward the Commission’s performance will be measured against published “service standards”. How much detail will these include, and how have they been determined?

From 2020/21 the Commission will work to service standards that will remain unchanged for the remaining period of our five-year plan. These standards have been set and designed for the services we provide the public and trustees, those who rely on us as a regulator and on whom we depend, so that they can hold us to account.

We are pleased to be able to introduce this improvement from 2020/21 as a consequence of what the Commission achieved in 2019/20 to reduce significantly the backlogs of outstanding casework. These service standards and more meaningful performance reporting against them will provide a simpler and clearer picture of the timeliness, quality and effectiveness of our operational work, to support good governance in charities and protect beneficiaries. Our intention is to offer more information to ensure the public can see how, each year, the Commission is fulfilling its obligations to protect the public interest and the beneficiaries of charities.

From 2020/21, the Commission’s Annual Report will show its operations performance against service standards that report the:

- **Timeliness of the Commission’s response to requests and applications.** We will publish performance levels to show how long a charity or member of the public waited to receive our acknowledgement of a request, advice in relation to a query, or a substantive decision (for example to register a new charity).
- **The quality of our services.** We will publish information we collect from surveying our service users, in particular, how users rate our digital and telephony services that support charities to submit an Annual Return, change charity and trustee details, or submit applications relating to the purpose (objects) of a charity and use of their resources (assets and funds).
- **Use of our regulatory powers.** We will publish data showing the annual number of occasions that we have used our powers to ensure charities are well governed and support and protect beneficiaries. This will include the occasions in each year we: opened an inquiry; issued an official warning; required a charity to appoint an Interim Manager; seized assets or required a charity to address a financial error.

17. During your pre-appointment hearing you said you would “work very hard to make strong relationships with others in the sector”. What level of support and trust does the charitable sector have in the Commission, and how do you measure and evidence this?

My aim as Chair is to open up the Charity Commission to the widest range of people and opinions from people who care deeply about the good name of charity and its importance to our society. We are very clear that our responsibility is not to represent the interests of the sector to the public, but to represent the interests of the public to the sector.

Over the last couple of years, I have been delighted to meet 100s of people from the world of charity. From one-to-one meetings, addressing large audiences at events organised by different umbrella bodies, joining round-table events with representatives from household



names, small charities, foundations and grant-makers, different 'sub-sectors' and community groups, to visiting a wide range of big and small charities supporting people and different causes up and down the country.

During my charity visits I've met trustees, employees, volunteers and beneficiaries and seen the work done and the difference made at foodbanks, homeless shelters, children's services, research institutes, religious institutions, residential and educational centres for the disabled, veterans services, and community-groups of all kinds and sizes.

And the Charity Commission is now holding its Annual Public Meetings outside of London; first in Manchester, more recently in Bristol and, all being well, later this year in the West Midlands. Holding these meetings outside of London means they are attended by representatives from charities not normally able to attend our events.

With 168,000 charities on our register, we rely on the trustees as our first line of defence, helping charities and us as the regulator to serve the public better. So we are making it easier for the sector we regulate to hear from us, ask for our advice and to meet our staff. We have done this by extending our contact centre opening hours and ensuring that our guidance and services are designed with the direct input from charities. Importantly our effort is motivated by listening to all charities – particularly small charities – and not just the established sector voices.

We remain committed to building strong relationships with the sector and it is important that we maintain the confidence of the sector we regulate. We have received widespread support for opening up the Commission.

We have commissioned research to understand our impact on charities and their view of the service we provide them – and will be publishing this shortly. One important element of this research shows that – like the public at large – charities support the Commission in our determination to go beyond just upholding the letter of charity law. Charity trustees also support the Commission's desire to uphold the good name of charity by highlighting the fact that the way that charities pursue their cause is as important as the cause itself.

18. Some in the sector are concerned that language that emphasises a crisis in public trust in charities risks reinforcing that problem rather than solving it. Is the Commission striking the right balance in how it talks about the public's attitude to charities? What informs your conclusion?

All the evidence of recent years, whether that published by the Charity Commission or by other bodies such as the Charities Aid Foundation (CAF), show reduced public trust in charities. Indeed, CAF research shows a corresponding drop in donations.

Charity relies on public goodwill – and not just explicitly through donations of time or money. Charities rely on the public's tacit support for the special status that they enjoy. As the regulator representing the public interest, it is the Charity Commission's responsibility to show the public that we understand and respect that and respect all people's contribution to making charity happen. The more we can demonstrate we understand – and the more that charities join us in showing their own understanding and respect for the public support they rely on – the more willing people will be to continue their support.

People have clear expectations that charity should be distinct from, and different to, other types of endeavour. The key distinguishing feature for charities is that they be motivated by



their purpose and beneficiaries. Charities demonstrate motive through their actions and decisions and that is why we as the regulator are – with public and trustee support – emphasising that the way charities fulfil their purpose is as important as the cause itself.

The suggestion that by understanding and speaking to public expectation we are undermining the reputation of charities is plain wrong.

I am pleased to report that our latest survey of public trust – carried out before coronavirus became prominent in the UK – indicates a small increase. The level of public trust remains lower than 2014, but the suggestion that our approach is damaging public trust is not borne out by evidence.

We will be publishing our research shortly.

19. The Commission’s communications ahead of the general election cautioned charities about the ‘different’ political context. Why did it give an impression of exceptional circumstances, even though the rules about campaigning were exactly the same as in the previous election?

The Charity Commission’s guidance for campaigning and political activity is widely understood and has remained unchanged since 2008. The Commission’s guidance relating specifically to elections and referendums is also longstanding and was updated in 2014 only to reflect new legislation. In short, a charity can campaign to further its charitable purpose, but cannot campaign for or against any political party or individual politician.

In 2019 prior to the General Election being called, the significant political issues being debated cut across party divides. Charities were at risk if they engaged in these debates without proper consideration of being seen to be partial, even if they weren’t being seen to be party political.

At a time of heightened division in society which was not contained within party lines, it was right for the Commission to highlight the additional risks this political context presented to public trust in Charity.



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Rt Hon Baroness Stowell of Beeston MBE

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Charity Commission

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By email

18 March 2020

Dear Baroness Stowell,

Thank you for your letter to the Committee of 13 March. Further to the letter, we would be grateful for your responses to the following questions:

Work of the Charity Commission

- 1. The Charity Commission's 2018-2023 Strategy puts emphasis on public and confidence trust in charities: how does the Commission determine what the public expects and thinks of charities, and what its proper role is as a regulator?**
- 2. Your letter of February 2020 stated that you were in contact with DCMS about potential changes to the Commission's regulatory framework. What legislative changes do you think are needed, and how responsive has the Department been to those plans?**
- 3. The Commission's Annual Report for 2018-19 stated that it had been the Commission's 'busiest year'. Does the Commission have the resources to deal with this increase in demand, and how are you ensuring it has the resources it needs for the future?**

Recent high-profile investigations

- 4. The Commission's inquiry into Save the Children lasted nearly two years. Are you satisfied with how long the investigation took, why did it take the length of time it did, and how did this compare to the Commission's targets?**
- 5. Your letter of September 2019 estimated that the Oxfam inquiry costed £370,000 in staff time, equivalent to 1.3% of the Commission's annual budget. What proportion of the Commission's resources is spent on major inquiries, and how do you ensure that high-profile investigations do not divert resources from day-to-day operations?**
- 6. The Commission has admitted that it failed to follow up on a complaint about the Alzheimer's Society's handling of staff grievances back in 2018. How can whistleblowers be confident that the Commission will handle their complaints fairly? Are you going to go back and review other complaints from that time to ensure no other important cases have been missed?**

Serious Incident Reports

7. The Commission is experiencing year-on-year increases in serious incident reports. How does the Commission triage the reporting of serious incidents to determine which are the highest priority?
8. How is the Commission managing the serious incident reporting process to ensure it is not burdensome for charities?
9. What is the average response time to charities that have reported a serious incident? How does this compare to the Commission's targets?
10. What impact has the £5 million uplift that the Commission was given in 2018 had on how it handles serious incident reports and other cases?

The Commission's operational performance

11. In 2019 the Commission lost several senior staff. How did this impact on the Commission's relationships with stakeholders and its day-to-day operations?
12. Almost one-third of staff who left the Commission in 2018-19 resigned, and in 2019-20 the resignation rate has increased. To what do you attribute this trend? Were exit interviews carried out with those resigning, and if so what were the results?
13. According to your 2019-20 KPIs, the Commission is not on track to meet its targets for complaint response times and the percentage of charities filing in a timely manner. What is being done to address these issues?
14. In your September 2019 letter, you told our predecessor Committee that new charity registrations deemed lower risk are decided in under 30 days. What is the average length of time for higher risk applications to be processed, and how does this compare to the Commission's targets and past performance?
15. What preparations is the Commission making for the ending of excepted status for religious charities in March 2021, and will it be able to cope with the related increase in demand for its services?
16. In your most recent letter to the Committee, you said that going forward the Commission's performance will be measured against published "service standards". How much detail will these include, and how have they been determined?

Relationship between the Commission and the charities sector

17. During your pre-appointment hearing you said you would "work very hard to make strong relationships with others in the sector". What level of support and trust does the charitable sector have in the Commission, and how do you measure and evidence this?
18. Some in the sector are concerned that language that emphasises a crisis in public trust in charities risks reinforcing that problem rather than solving it. Is the Commission striking the right balance in how it talks about the public's attitude to charities? What informs your conclusion?

19. The Commission's communications ahead of the general election cautioned charities about the 'different' political context. Why did it give an impression of exceptional circumstances, even though the rules about campaigning were exactly the same as in the previous election?

We would appreciate your response by Tuesday 31 March.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Julian Knight', written in a cursive style.

**JULIAN KNIGHT MP
CHAIR, DIGITAL, CULTURE, MEDIA AND SPORT COMMITTEE**



**CHARITY COMMISSION
FOR ENGLAND AND WALES**

Julian Knight MP
Chair
Digital, Culture, Media and Sport Committee
House of Commons
London
SW1A 0AA

Charity Commission
102 Petty France
London
SW1H 9AJ

E:

13 March 2020

Dear Mr. Knight,

Thank you for your letter of 4 March requesting further information ahead of our session with the Committee on 18 March. I am pleased to enclose answers to your questions.

From my previous correspondence you will know that the Commission's priority in 2019/20, the first full year of our five-year strategy, has been to get our house in good operational order. We have started to introduce changes to how we work but were clear that real progress in our performance would not be possible until we had our caseload under better control; over the past year we have therefore focussed on reducing the legacy of backlogs in casework.

I explained in my letter of September 2019 that new operational measures and targets would be developed to provide a simpler and clearer picture of workloads and to monitor performance because the previous KPIs used by the Commission did not provide sufficient visibility of the Commission's performance internally. From 2020/21 the Commission's performance targets and measures will remain unchanged for the remaining period of our five-year plan and will be informed by published service standards which the public and trustees can hold us to account against. The targets we have operated against in 2019/20 were purposely set for one-year only in order to get us to the place we need to be from which to accelerate our progress and deliver on our plans. Attached in the annex to this letter are the 2019/20 targets and indicators and the Commission's current performance against them.

Helen Stephenson and I will of course be happy to answer further questions on this and other matters when we give evidence to the Committee – and we look forward to doing so.

*Yours sincerely,
Tina Stowell*

TINA STOWELL

ANNEX 1 – Responses to Committee’s questions

1. Staffing numbers

In your 3 September letter, you stated that there had been an increase in headcount from 305 to 410 during 2019. Has this changed since? Could you give us a comparison against earlier baseline staff numbers in 2018, 2017, 2016 and 2015?

Could you supply resignation data for 2019-20, and associated baseline figures for 2018, 2017, 2016 and 2015?

1.1 Our workforce number increased significantly in 2018/19 following the additional £5M (£4m resource, £1m capital) increase to our budget baseline. The figures below show the current position compared to previous years.

	31 Mar 2015	31 Mar 2016	31 Mar 2017	31 Mar 2018	31 Mar 2019	13 Mar 2020
Employee SIP/ Headcount *	288	306	307	305	410	404

1.2 Our resignation rate for the year to date is running at 5.2%. The comparable figures year on year are below.

	2015/16		2016/2017		2017/18		2018/19		2019/20 YTD	
	SIP	(FTE) *	SIP	(FTE)	SIP	(FTE)	SIP	(FTE)	SIP	(FTE)
Resignation	13	(12.1)	17	(17)	14	(13.2)	15	(14.2)	21	(19.64)
% of average SIP (FTE)	4.3%	(4.3%)	5.5%	(5.9%)	4.7%	(4.7%)	4.2%	(4.2%)	5.2%	(5.2%)

* SIP: Staff in Post/ Headcount; FTE: Full Time Equivalent

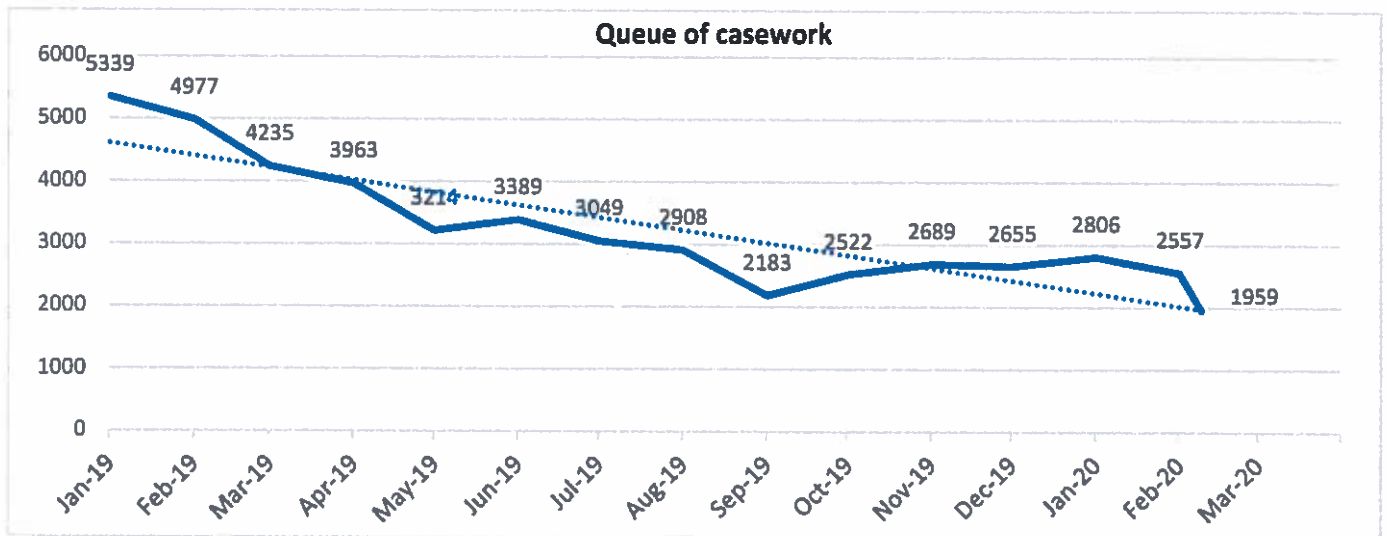
2. Key performance indicators

Are there any updated figures for progress against KPIs since 3 September 2019?

2.1 Our priority in 2019/20, the first full year of our five-year strategy, has been to get our house in good operational order.

2.2 In order to do so, we set targets to reduce historic backlogs and increase the timeliness in which we respond to casework, registration applications and other requests for advice or permission.

2.3 The total work queued awaiting allocation to a caseworker across all of our regulatory teams in January 2019, when we set the queue reduction targets, was 5,339. This compares to 1,959 in the first week of March 2020. This is represented in the table below.



2.4 This is set against continuing increased demand. The Commission is on track to receive 8,450+ applications to register as a charity by the end of this financial year – a new record for the Commission. To keep pace with that increase, whilst dealing with historic backlogs, we have increased productivity and as a result are on track to decide around 9,300 Registration cases this year - a 21% increase in decision volumes.

2.5 Our contact centre has answered over 12,000 more calls this financial year which has meant we have been there to offer our support to an additional 6,000 unique charities (up from c.24,000 to c.30,000).

2.6 During the current financial year we have received and processed 5,365 serious incident reports, already a 38% increase on the previous financial year (3,895 in 18/19) with one month still to go. As a result of our new form for submitting serious incidents, 90% of the reports received now have the correct information and don't need us to ask for further information, compared with 30% before. This provides us better data and allows us to identify the issues that need our intervention more quickly

2.7 The table below sets out our KPIs for 2019/20 and our RAG rating for current performance.

2019/20 Targets and Indicators					
KPI #	Metric	Target	RAG status		
1	Unallocated Priority 1 & Priority 2 registration applications	<80	A		
2	Unallocated Priority 3 & Priority 4 registration applications	<180	A		
3	Unallocated Permission and advice items	<800	A		
4	Unallocated Regulatory compliance cases	<50	G		
5	Number of active Investigation team statutory Inquiry (s.46) cases	150-200	G		
6	Gateway Items allocated or progressed within 5 days	90%	G		
7	Registration applications allocated within 30 days	40%	A		
8	Permission and advice items allocated within 15 days	70%	A		
9	Regulatory compliance cases allocated within 90 days	90%	G		
10	Priority 1 - Priority 3a (high risk) registration applications resolved in under 120 days	50%	G		
11	Priority 3b - Priority 4 registration applications resolved in under 30 days	90%	G		
12	Permission and advice items resolved within 15 days	60%	A		
13	Regulatory compliance cases resolved within 160 days	80%	G		
14	Pro-active monitoring cases resolved within 180 days	90%	G		
15	112 statutory Inquiry (s.46) cases targeted for closure resolved	95%	A		
16	Time to answer calls (seconds)	<120 sec	G		
17	Calls answered as a % of those received	70%	G		
18	Customer satisfaction with latest Annual return service (SUS score)	68	G		
19	'right first time' Reduction of users not finding what they're looking for on the first attempt	↓ 20%	A		
20	MP letters responded to within 20 days target	90%	G		
21	Complaints responded to within 30 working days of receipt	60%	R		
22	Registration applications granted charitable status	60%	G		
23	Compliance cases closed with a beneficial impact	90%	G		
24	Charities filing AR and accounts within 10 months of their financial year end	90%	R		
25	Sessions that view a charity page on the Register	90%	A		
26	Year on year Increased use of Commission's Compliance/ regulatory powers	Increase	G		
27	FOI requests resolved within the statutory timescale	90%	G		
RED (R)	Not currently on track and/or not likely to be achieved by 31 st March 2020	AMBER (A)	Progress towards the target is positive and may be achieved by 31 st March 2020	GREEN (G)	Target achieved and/or highly likely to be achieved by 31 st March 2020

- 2.8 From 2020/1, we will replace the targets we set to reduce historic backlogs with new service standards and commitments to the public that are more aligned to our purpose and strategy. Associated performance measures will be in place for the remainder of the five year plan.
- 2.9 We are finalising new service standards for our operational areas which, once approved by the Board, will be published.

3. Staff survey

We have previously highlighted areas of concern with your staff survey regarding pay, workload and opportunities for progression. Are there any updates since September 2019 – has the Commission undertaken any additional surveying on this?

- 3.1 Last October, the Commission participated in the Civil Service People Survey (CSPS). The Civil Service-wide results, including those of the Charity Commission, have not yet been published and will be published by Cabinet Office in due course. However, the Commission has provided the results that were specifically requested and has had agreement from Cabinet Office to do so.
- 3.2 In 2018-19 we increased our staff engagement score by 11 percentage points to 65% and we retained our 65% Engagement score in 2019-20—This is the highest EI scored in the Commission in the 10 years we participated in the CSPS, is against a backdrop of significant organisational change. 81% of the workforce participated, so we have high confidence in the feedback.
- 3.3 On the Pay and benefits survey theme, our overall score stayed the same (28% positive compared to 27% in 2018).
- 3.4 Three survey questions comprise the Pay and benefits theme.
- ***I feel that my pay adequately reflects my performance*** scores 29% positive, up 2 percentage points on 2018.
 - ***I am satisfied with the total benefits package*** scores 34% positive, up 2 pp on 2018.
 - ***Compared to people doing a similar job in other organisations I feel my pay is reasonable*** scores 21% positive. There is no change on our 2018 result.
- 3.5 The survey question ***I have an acceptable workload*** scores 58% positive, up 4 pp on 2018. This question is one of 6 that forms the *Resources and workload* survey theme which overall scores 69% (up 3 pp on 2018).
- 3.6 ***There are opportunities for me to develop my career in the Commission*** is a survey question we historically score low on because career progression is difficult to offer in a small department. Our 38% positive score fell by 7 pp on our 2018 result.



Digital, Culture, Media and Sport Committee

House of Commons, London SW1A 0AA

Tel 020 7219 6120 Email cmscom@parliament.uk website www.parliament.uk/cms

Rt Hon Baroness Stowell of Beeston
Chair, Charity Commission
PO Box 211
Bootle
L207YX

4 March 2020

Dear Baroness Stowell,

Thank you for your letter of 24 February welcoming me as the new DCMS Committee Chair, and offering to provide any information needed by the Committee.

We are grateful to you for making yourself available on 18 March to provide an update to the Committee about the Commission's activities.

In order to plan for the session, we would appreciate the provision of a few pieces of information. You kindly wrote to the predecessor Committee on 3 September 2019, giving details about staff turnover, progress on KPIs, the staff survey, and lessons from high-profile cases and investigations, among others.

Could we ask for a further update since September 2019, so that we have the most up-to-date figures to use in the session? Specifically, we would appreciate an updated information on the following:

- In your 3 September letter, you stated that there had been an increase in headcount from 305 to 410 during 2019. Has this changed since? Could you give us a comparison against earlier baseline staff numbers in 2018, 2017, 2016 and 2015?
- Are there any updated figures for progress against KPIs since 3 September 2019?
- We have previously highlighted areas of concern with your staff survey regarding pay, workload and opportunities for progression. Are there any updates since September 2019 – has the Commission undertaken any additional surveying on this? Could you supply resignation data for 2019-20, and associated baseline-figures for 2018, 2017, 2016 and 2015?

The Committee requests a response to this letter by Friday 13 March.

Yours sincerely,

JULIAN KNIGHT MP
CHAIR, DIGITAL, CULTURE, MEDIA AND SPORT COMMITTEE

Rt Hon Baroness Stowell of Beeston MBE
Chair



CHARITY COMMISSION
FOR ENGLAND AND WALES

Julian Knight MP
Chair
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~~XX~~

Sent via email:
julian.knight.mp@parliament.uk /
cmscom@parliament.uk

24 February 2020

Dear Ms. Knight,

Please accept my warmest congratulations on your election as Chair of the Digital, Culture, Media and Sport Committee.

As you know, charities deliver a huge benefit to the people and communities they serve and are a massive part of our national life. The Charity sector continues to grow with 168,000 charities on the register, an annual income of £79bn, and charities are increasingly central to the delivery of public services and government policy. As Government and Parliament considers how best to tackle geographical inequalities and other social issues which the electorate have demanded no longer be ignored, charities could have an even bigger role: part of their value comes from filling gaps and bridging divides, by reaching communities and tackling problems which are sometimes beyond traditional remedies.

Whilst the value and importance of Charity to the public remains high and has the potential to grow, at the same time people no longer give charities the benefit of the doubt and need to see that their expectations of these special institutions are respected and met by those who lead them.

This complex and changing landscape is informing how the Charity Commission is changing and our new strategy, which aims to ensure even more benefit from charity is delivered to society, is our response to it. We need to strike the right balance between giving people the space they need to harness goodwill and make a positive impact through Charity, whilst ensuring standards are maintained and improved so that the wider public feels confident that their interests are being taken seriously and reflected in regulation. Understanding what Charity means to people and what makes it special is also important so that in seeking to create more value from it, we navigate its boundary carefully.

We are just coming to the end of the first year of our five-year plan. A first priority has been to represent better public expectations in our regulatory work, and you will have seen this in some of the high-profile cases we've handled. Operationally over the last 12 months our first priority has been getting our own house in better order, driving greater efficiency in how we work by dealing with increasing demands in regulatory casework whilst reducing legacy backlogs.

In September I wrote to your predecessor about some of the progress the Commission had made to date. You will recall that the aid sector safeguarding scandal in 2018 led to the number of serious incidents reported to the Commission rising by more than a third, and the number of whistleblowing reports increasing too. This meant an increase of 20% in our regulatory compliance cases. These additional pressures arose after HM Treasury had approved a £5 million uplift to our

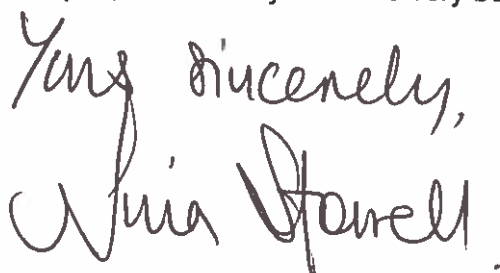
budget for April 2018 in recognition of our already challenging operational circumstances. I am pleased to report that as of January 2020, the total number of our active regulatory cases had decreased for the eighth consecutive month as we continued to reduce the backlog and deal more efficiently with the rise of new cases coming in. Indeed, we had 786 active cases as of January 2020, compared with 1,216 in January 2019. But our regulation remains robust: year-on-year we remain on course to increase the range of and number of times we have used our regulatory powers to hold charities to account. And crucially, we are currently on track to reach our year-end workload targets so we can start to introduce more changes to how we work.

The focus of the second year of our plan is being more 'open for business', ensuring that the trustees and members of the public trying to make a positive difference get the service they need from us – which in turn helps us regulate better. To that end we have already reduced waiting times considerably for some of our services. For example, while charity registration applications continue to increase significantly, all applications are now assessed within two days of receipt, and 92% of lower risk applications, which do not require specialist handling, are being decided in under 30 days.

We have also made it much easier for people to contact the Commission, by extending our contact centre's opening hours. The service level of our contact centre in recent months has seen a significant improvement as a result: since April 2019 we have answered 89% of calls offered with an average wait time of 112 seconds, a considerable improvement on the same period in 2018, which saw 64% of calls answered with waiting times in excess of 5 minutes. This significant improvement is also reflected in the total volume of calls answered: from 39,378 in 2017 to 66,687 in 2019. Whilst we aim to digitise more of our services as part of our five-year plan, we know that the profile and needs of small charity trustees means our contact centre is a vital resource for them.

But there is more we can and need to do. I've enclosed a copy of the Statement of Strategic Intent we published in October 2018 which summarises where we need to get to and what we plan to do. But further changes to our regulatory framework will be necessary for us to succeed. The Law Commission report from 2017 on "Technical Issues in Charity Law" provides an early opportunity for some limited legislative change. The Charity Commission supports the vast majority of its recommendations which would update some of our existing powers and deregulate some of the more onerous requirements placed on charities. It alone doesn't represent all the legislative changes we believe are needed and might ask for during the current Parliament to ensure that the regulatory framework keeps pace with a changing world and with public expectations – but it would be an important first step. We are in correspondence with DCMS Ministers about this.

I would welcome an early opportunity, along with Helen Stephenson (the Commission's Chief Executive), to meet soon so that we can brief you further on our work. We are also available, of course, to give evidence to the Committee at any time. In the meantime, I hope that this update is helpful, and I wish you all the very best in your new role as Chair of the DCMS Committee.

Yours sincerely,


TINA STOWELL

Enclosure – Charity Commission Statement of Strategic Intent



**CHARITY COMMISSION
FOR ENGLAND AND WALES**

Strategy 2018 – 2023

Statement of Strategic Intent

**Our purpose is to ensure charity can thrive and
inspire trust so that people can improve lives and
strengthen society**

Charity Commission Statement of Strategic Intent 2018-23

Context

When charity thrives, everyone benefits: the millions of people in every community who give to and benefit from charity at home; the millions more beyond our shores who are helped through our global charities; but above all our country. Put simply we are stronger and better as a country the more benefit charity delivers.

The charity sector is in robust health. There are some 168,000 registered charities¹ in England and Wales. Together they attracted an annual income of £76.7 billion in the past year². More than 11 million people in England and Wales volunteer at least once a month³, including around 700,000 trustees of registered charities⁴. Moreover, the demands on charities are growing. Many are providing essential services in tough times, often intervening where governments can't or won't to help some of our society's and the world's most vulnerable people. While the idea behind charity is still simple - acts of giving or helping – modern charity can often be complex and innovative.

Yet when it comes to trust and confidence, the challenges facing charity are considerable. The Charity Commission has been tracking⁵ public trust in the charitable sector for more than a decade and it has drifted lower in recent years to where it now stands: at the lowest level since our monitoring began. Some of this has been the result of high profile cases drawing attention to systemic shortcomings and failures. But there are also issues affecting trust and confidence which are a product of the times we are living in and these too need to be recognised.

Public scepticism about institutions is not going to go away and charities must adapt. Good works rely on goodwill. Without the time and money given by the public and their tacit support for financial privileges, charity would be impossible. Goodwill in turn rests on an expectation that charities will do the right thing. Public confidence is a precious commodity. Every organisation which enjoys the privilege of being a charity has the reciprocal obligation to protect and nurture public trust for the sake of everyone. The benefit of charity to people and society is a precious asset we can't afford to risk - and it has the potential to do much more. That is why the public's demand for high standards of behaviour from charity – evidenced by the Commission's own research⁶ - needs to be understood and taken seriously. It is the role of the Charity Commission to see that it is.

What we stand for

The Charity Commission was established by Act of Parliament and is charged with statutory objectives⁷ against which we must deliver – including the obligation to increase public trust and confidence. Our purpose, though, is more than the sum of our legal obligations. Regulation is a means to an end; it is not an end in itself. To command the public's confidence and to satisfy Parliament that we are discharging our responsibilities, the Commission has to demonstrate that its purpose is relevant to people's lives. That is why we are articulating our role differently: setting out here what we stand for and where we want to get to as a regulator over the next five years. Whether it is the public we serve, the staff we employ, the charities we regulate or the

Parliament we answer to, all need to know what we are trying to achieve and to what end.

Our purpose is to ensure charity can thrive and inspire trust so that people can improve lives and strengthen society

This purpose will inform everything the Charity Commission does. To be the effective regulator that the public demands and the sector requires, the Commission must do all it can to ensure that charities show they are being true to their own purposes, can demonstrate the difference they're making, and meet the high expectations demanded by the public. All charities are custodians of what it means to be a charity in the eyes of the public and so are we.

There is a further challenge: to demonstrate that our approach is delivering greater benefit to the public. It is sometimes easy to forget that no one watches regulated activity as closely as those who are being regulated or doing the regulating. The rest of the population have their own priorities and opinions that often differ from one another. We know from our own research, however, that they are united by one thing when it comes to charities: the public has high expectations of charities' conduct and behaviour because of the importance of the work they do and the vulnerability of some of their beneficiaries. Charities need to demonstrate to the public that they can be trusted. There is also a strong desire for charities to demonstrate that they make a real difference. For some people, it is about the opportunity to join together and contribute to their communities. For others it is about standing up for the most vulnerable. These are among the outcomes that would demonstrate to the public that the Charity Commission and the sector it regulates were delivering greater benefit.

Our strategic objectives

It is one thing to say what we stand for; it is another to translate our purpose into the day-to-day operations of a regulator. How we regulate should reflect why we regulate. We have therefore set out five strategic objectives, together with examples of how we intend to develop over the next five years. They are designed to show the kind of regulator we are working to become. Some of what we do will be new and different; some of what we do now, we will do differently.

In some areas our strategic ambition is greater than our current capacity to deliver. That is deliberate. We will only be able to make the case for the right resources and powers if we can demonstrate to Parliament and the charitable sector our vision for the future and our willingness to meet the challenges that lie ahead.

1. Holding charities to account

Making sure that charities live up to their purpose and the high expectations of the public is about more than just compliance with the minimum legal requirements: it means being accountable for the privilege of charitable status and the stewardship of charitable resources. Individual charities are custodians of something bigger than themselves. We will use our authority and influence as the regulator to draw attention to behaviour that could jeopardise public confidence in the sector as a whole.

We focus much of our work on compliance with the law – which is right, but to the public that can sometimes feel like we are missing the point. It is only within the legal framework that we can use our regulatory powers of protection and sanction. But we also have a leadership role and responsibility, and a powerful voice. In future we will highlight the responsibility that charities and trustees bear to pay attention to how they meet their purpose not just that they do. We will use our voice more strongly to encourage the behaviour that people expect of charities.

2. Dealing with wrongdoing and harm

To anticipate when things are likely to go wrong in a charity, or deal effectively with wrongdoing when it has occurred, requires good information and analysis. That in turn means equipping charities with the tools they need to protect themselves against abuse or mismanagement and, where these prove insufficient, interventions that are objective and timely. Anyone who has serious concerns about the way a charity is being run should feel able to report these to the Charity Commission, confident that their concerns will be heard.

Our investigations are thorough and in-depth, but this means they can be slow to conclude. We are already working to become less reactive to events, and more driven by risk. During the next five years, we will make better use of technology to handle more cases and conclude straightforward enforcement cases more swiftly. We will also make sure that no complaint is ignored. All complaints will contribute to our trend data even where no regulatory action is taken. This will help us to be more proactive, intervening at an earlier stage and preventing harm across the sector.

3. Informing public choice

Charities need to elicit the public's generosity to succeed. This means giving people the information they need to make informed decisions about where and how to support charity. As the regulator, it is the Charity Commission's responsibility to make sure that charities offer accurate, up-to-date and relevant information about themselves. This

information should be easy to access and use. It should allow charities to demonstrate how effective and efficient they are and the difference they are making. It should also help to identify gaps or duplicated effort in charitable provision which might suggest new enterprises, partnerships or mergers.

Today, we collect and display basic data about charities. The public and other stakeholders can check that a charity is registered, but our data isn't easy to access, share or compare with other datasets. We will use our data and our expertise to make it easier for the public to find the information that matters to them, to assess charities and the difference they make. We are committed to making sure our data is truly open.

4. Giving charities the understanding and tools they need to succeed

Effective regulation should involve offering guidance and support so that charities can maximise their collective impact. This includes the Charity Commission offering advice to trustees or giving them authority to act in appropriate circumstances. It might involve encouraging charities operating in similar spheres to collaborate, or even to merge, if this would increase the public benefit. It is sometimes about facilitating and communicating good practice. Our goal as a regulator is to help charities to fulfil the purposes for which they were created by working with them as well as monitoring them.

Currently, our guidance is aimed at all charities and limited mostly to describing the things charities should not do. To help trustees get things right before they go wrong and increase the difference they can make, we will need to target more of our guidance to fit with different charities' needs. This should allow us to concentrate our regulatory interventions where the risks are highest and the interventions most needed.

5. Keeping charity relevant for today's world

Registered charities must take account of how society is changing and the forces driving these changes. It is part of the Charity Commission's job as regulator to understand the wider context in which charities work. We will lead thinking about how charities can thrive in a changing world, helping to shape and update the environment in which they operate and the wider debate on their future activities.

The Charity Commission currently has limited capacity to engage in influencing government policy or stimulating public debate about charity. Over the next five years we will aim to shape the agenda. We will speak confidently and authoritatively across government, in Parliament and on charity matters as the expert regulator, informed by our experience and our data, with the intention of supporting a stronger charity sector.

Over the next five years

The Charity Commission will only succeed over the next five years by providing effective regulation with a purpose: to ensure that those we regulate are able to inspire even greater levels of public trust and confidence. For the public to have that greater confidence, their concerns must be understood and taken seriously, and the benefits of good regulation must be apparent in people's lives.

We cannot, however, succeed on our own. We need to work in partnership with others and draw on their expertise. As we determine how best to deliver our strategic objectives, we will do so in conversation with the charity sector, government and others. For charities to thrive and inspire public trust, we need co-operation from trustees, charities and bodies across the sector. For us to command confidence from our stakeholders, we will need to demonstrate our own openness and accountability.

Delivering the ambitions we have set out will mean changing the way we work. Our staff must think differently about the way they carry out their roles to ensure we are fulfilling our purpose. We do not have all the resources necessary to fulfil these ambitions, but that cannot be an excuse for us to wait.

We must start the journey now, which is what this strategy is all about: maximising the benefit of charity to the public by serving the public better. This is both the collective responsibility and the collective prize which we share with those we regulate.

October 2018

¹ Charity Commission register of charities <https://www.gov.uk/find-charity-information>

² in England and Wales as at 30 June 2018
<http://apps.charitycommission.gov.uk/ShowCharity/RegisterOfCharities/SectorData/SectorOverview.aspx>

³ NCVO UK Civil Society Almanac 2018 <https://data.ncvo.org.uk/category/almanac/voluntary-sector/volunteering/>

⁴ Taken on Trust research into the awareness and effectiveness of charity trustees in England and Wales
<https://www.gov.uk/government/publications/taken-on-trust-awareness-and-effectiveness-of-charity-trustees-in-england-and-wales>

⁵ Charity Commission Trust in Charities research 2018 and previous reports <https://www.gov.uk/government/publications/trust-in-charities-2018>

⁶ Populus strategy review focus groups report 2018

⁷ Charities Act 2011 <http://www.legislation.gov.uk/ukpga/2011/25/contents>