

## Written evidence submitted by NAVCA

Inquiry into the work of the Charity Commission

About NAVCA

The National Association for Community and Voluntary Action (NAVCA) is the only national membership body specifically for local sector support and development organisations (also known as local infrastructure) in England. Alongside our members, we are part of the movement for local social action.

We have an active network of around 180 members, who between them work with over 160,000 local voluntary sector organisations. The reach of our members into local charities across England (and voluntary organisations that may well become charities in due course) is greater than any other single organisation. We already work with parts of government, such as MHCLG, Public Health England, NHS England and the National Cyber Security Centre, to use our members as the 'front door' to that vast network of local charities. Through NAVCA, our members share knowledge, experience and best practice. NAVCA contributes to national forums and inquiries, to ensure that the views, opinions and concerns of our members are heard. We also ensure that the value and contribution of local sector support and development is fed in to policy makers and decision takers.

Because of the relationship we have with our members, we are uniquely able to give a voice to the community of local sector support and development organisations in England. By consulting directly with our members on key issues - and responding to the concerns they have - we are able to speak with credibility and assurance, representing the specific views of the local voluntary support and development sector.

Comments on the work of the Charity Commission:

NAVCA recently asked our members to tell us about their experience and perception of the work of the Charity Commission. This submission is a summary of the themes and issues which we heard about in response.

*Public trust*

From discussions with our members and also previous conversations with senior officers at the Charity Commission, including the Baroness Stowell, NAVCA feels that it is important to emphasise our members' (and our own) view that charities have no right to assume the trust of the public, and that public trust needs to be consistently earned in the ways charities (individually and en masse) carry out their business.

At NAVCA, as a charity ourselves, that means a continuing focus on good governance; appropriate, values based, behaviours; ethical approaches to income generation and financial management; and above all, a clear focus on the beneficiaries we are here to serve - and then finding creative and appropriate ways to share our story with a wider audience. We firmly believe that our members both support and strive to work to those same principles.

The message from the Charity Commission can seem to emphasise a loss of public trust. This may be due to the Commission's reporting the results of investigations which reveal failings by charities, which is not explicitly balanced out by reporting on findings of good or excellent practice. For

comparison, reporting on failing schools by Ofsted is part of a larger picture which also reports on good and outstanding schools, so the proportion of failing schools is apparent. We do not wish to propose an Ofsted-style regime for charity inspection but would like to see more pro-active work from the Charity Commission to publicise good work done by, and public trust in, the majority of charities. Although NAVCA members are probably more aware than most that occasionally a local, small charity may behave very badly and create a local scandal, they are consistently reporting to us that at local level they are not seeing any loss of trust or public support for the local voluntary sector – if anything, they tell us that recent big name scandals have actually improved trust and support for local charities.

### *Lack of recognition for good work*

There is a perception among some of our members that in the messaging from the Charity Commission there appears to be little recognition of just how much work is already being done through local infrastructure organisations to develop and support good governance, value-driven behaviour and so on.

The greatest difficulty is how to prove and demonstrate that we are ‘being the best we can be.’ In our view, the greatest proof that a charity is committed to and acting upon the highest principles is the way it handles a difficult issue (such as bullying, financial impropriety, sexual harassment or failure to deliver on its promise to beneficiaries.) Generally speaking, when handled appropriately those issues are dealt with at an early stage, away from the public view. The details may be used internally to develop learning and processes but cannot be shared externally. Maybe the absence of scandal is the strongest proof we can have that any individual charity is already being the best it can be, difficult though that is to express.

### *‘One size fits all’ guidance*

Another frustration, which we believe to be widely shared, is that there is often a ‘one size fits all’ approach in the guidance and advice put forward by the Charity Commission. Across the local infrastructure sector, and across the wider charity landscape, there is a massive variation between the largest charities and the vast majority of small and micro-charities, who find themselves bewildered and overwhelmed by messages that are summarised by the recipient audience (rightly or wrongly) as ‘you should do better’ when it is hard to clarify what ‘better’ means in that context.

In addition, very recent guidance from the Charity Commission in relation to the COVID-19 coronavirus outbreak has caused concern among members and the wider charity sector. The guidance issued on 12 March 2020 was a reminder to charities of the requirement to report incidents to the Charity Commission, such as suspension of services or financial risk, as a result of the virus outbreak. However, the reaction across the sector was that this was badly worded and failed to take account of the significant efforts already being made by the charity sector to understand the risks to their work. Although that guidance was changed on 13 March 2020, the damage done could have been avoided. Given the government’s announcement that additional legislation is being prepared to support volunteers within the NHS and social care sector, in response to the crisis, this was perceived by many to show a lack of understanding of the pressure charities are under and their prioritisation processes.

### *Need for more collaboration with Charity Commission*

What our members are very keen to do is to work in partnership with the Commission, and to be seen as valued partners by the Commission. As one member put it: “we are the front line for the regulator; we are the ones that steer local charities away from the bad behaviours and towards being the best they can be. We need and want the Commission to be the best regulator it can be, to support the system effectively, so that we have that platform to build on.” NAVCA members have expressed frustration over changes at the Charity Commission which have led to the loss of previously reliable good quality advice and guidance, delays in registration that can cause real damage to the success of a local charity, some of the basic functions of the Commission apparently just not being carried out, and the loss of engagement and support at local level.

NAVCA members are highly skilled at supporting new and established charities with their formation, their governance, and the management of difficult issues. They are also the ‘canaries in the coalmine’ – if something is going wrong in a local charity, they are the ones most likely to pick up on that and be able to challenge it early, for the protection of the public, the beneficiaries, and the charity itself. What they lack is the direct access to the expertise and guidance of the Commission.

Whilst capacity and resources are inevitably issues at every level and on both sides, there is therefore the potential for the Commission to develop, through our members, a delivery partnership of expert and trusted ‘outposts’. We should like the opportunity to work closely with the Commission on this aspect of their work. We believe NAVCA and the Commission could create a framework for these outposts to carry out, for example, pre-checks to enable fast track registrations; co-hosting of local engagement and development forums; guidance formulated as specifically relevant to small and micro-charities; and increase the level of engagement between the Commission and small local charities – the organisations that make up the greatest part of our sector.

*March 2020*