

# **Submission from the Sheila McKechnie Foundation (supported by Children England) to the Digital, Culture, Media & Sport Select Committee**

## **Work of the Charity Commission inquiry: session with the Charity Commission, Wednesday 18 March 2020**

### **1. About us**

1.1 The Sheila McKechnie Foundation works to unlock civil society's power to drive transformational change. We support people and organisations to effect positive and lasting social change – in their local community, nationally or globally – by:

- Championing and defend civil society's right to drive change
- Building capacity in civil society to drive transformational change
- Being curious: listening, learning, convening and generating insight into the future of social change

### **2. Why we are making a submission**

2.1 Civil society exists wherever two or more people come together to press for change that has benefits beyond their own lives, unmotivated by monetary profit. Charities make up a significant portion of civil society, in terms of resource, expertise, connection and longevity. They are instigators, partners, supporters and observers of change. As such, their regulation, particularly in terms of 'voice', is of profound interest to us and the people we serve.

2.2 As a small charity, the Sheila McKechnie Foundation also has a direct interest in effective and fair regulation.

### **3. Scope of our submission**

3.1 Our contribution is centred around the Committee's question of whether and how Baroness Stowell has been successful in maintaining political neutrality in her role as Chair of the Charity Commission. We take political neutrality to mean avoiding partisanship, rather than the avoidance of political debate.

3.2 The Sheila McKechnie Foundation is clear that 'politics' is the broader domain in which the decisions, policies and attitudes that shape our world are debated and decided. It is entirely legitimate for public and charitable bodies to actively participate in this domain. It is distinct from 'partisan' or 'party' politics, which seeks to secure formal political power for a particular political grouping.

### **4. Lack of ongoing dialogue**

4.1 Since her appointment in February 2018, Baroness Stowell has run a strong programme of outreach to charities of all sizes. This was a welcome development and reassured many in the charity sector that she was serious about improving her understanding of charities and the issues that affect them.

4.2 Since then, however, her interpretation of what the Charity Commission should expect of charities appears to have markedly diverged from that of charities themselves. Where early outreach might be expected to grow into a consensus-building dialogue about what the role and operation of charities needs to look like today, in order that they can fulfil their charitable purposes, we have instead seen the repeated rehearsal of an analysis of 'charity' that does not reflect either the experience of charities or broader research.

- 4.3 We would be interested to know what balance she is hoping to strike between ‘regulation by consent’ through consensus-building dialogue and ‘regulation by power’ through the enforcement of legislation and guidance, and imposition of her own analysis and narrative.
- 4.4 Further, we would be interested to understand how she is doing that, and whether she feels she is successfully achieving this balance.

## 5. Insistence on a crisis of trust

- 5.1 In October 2018, the Charity Commission published its new ‘Statement of Strategic Intent’, which rightly identified that public trust is one of charities’ (and charity’s) most valuable assets. However, the way that the Charity Commission’s own research was framed suggested that trust in charities was at crisis levels, described as ‘at the lowest level since our monitoring began’<sup>1</sup>. The new Charity Commission purpose included in the Statement of Intent focused heavily on the issue:

‘Our purpose is to ensure charity can thrive and inspire trust so that people can improve lives and strengthen society.’<sup>2</sup>

- 5.2 It is absolutely the duty of the Charity Commission to ‘increase public trust and confidence in charities’<sup>3</sup>. How that is interpreted is, to a large degree, subjective. What is meant by ‘trust and confidence’? What levels are they currently at? What is within the remit of the Charity Commission that would see them increase? Are these factors different for different people?
- 5.3 Baroness Stowell has repeatedly cited the Charity Commission’s own research as the basis for her analysis that trust in charities is a priority issue for it to tackle. The problems with this have already been expertly unpacked by Andrew Purkiss<sup>4</sup>, who said:

‘...her sweeping generalisations about what “the public” (as if it were a monolith) expects of “charities” (as if they were not endlessly diverse) have become detached from the reality of this relatively thin research base.’

His key points about interpretation of the research were:

- Most of the public have little or no idea what is a charity and what isn’t. Populus warned that this limitation must be borne in mind when interpreting what the public think about ‘charities’.
- The behaviour of charities (as reported by the media) is by no means the only driver of trust or mistrust. In addition, this is all set within the context of the general growth of distrust towards institutions in our society.
- A majority of the sample maintained or in a few cases increased their trust in charities. Only a minority, who in general are less familiar with charities, say their trust has decreased. In 2016, the year when the overall measure of trust dipped, it was still 67 per cent.

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<sup>1</sup> Charity Commission Statement of Strategic Intent 2018-2023

<sup>2</sup> Ibid

<sup>3</sup> Section 14, Charities Act 2011 (The Commission’s objectives)

<sup>4</sup> What does the Charity Commission’s research into public expectations really show?

<https://andrewpurkis.wordpress.com/2020/01/08/what-does-the-charity-commissions-research-into-public-expectations-actually-show/>

- Only a minority (41 per cent) within that minority say their loss of trust has led them to donate less.
- By far the most important reasons people give for donating to a charity are belief in the cause, and belief that the charity is making a difference – people give to a cause and a particular charity, not to ‘charity’ in general.

5.4 The full facts do not support Baroness Stowell’s analysis and narrative. Our conclusion, then, is that they are being selected to do so. The motivation for this selectivity is one we would like explained.

## 6. Should charities be popular or effective?

6.1 Baroness Stowell’s has repeatedly shared her analysis that charities should build public trust by meeting public expectations about ‘charity’. This is not supported by any in-depth evidence about what public expectations are or whether meeting them actually will increase trust.

‘We need to help charities deliver even more benefit by helping them understand public expectations and ensure that, together, we meet them.

‘...People want to see that what goes on in a charity is motivated by the same spirit of charity that prompts them to volunteer at a shelter on Christmas day, or sacrifice a luxury for themselves in order to make a larger Christmas donation.’<sup>5</sup>

6.2 This conception of ‘charity’ and charitable behaviour is not reflected in the research and is deeply outdated. After all, if being a ‘good’ charity relied on mass public approval, then the likes of Stonewall or the Fawcett Society, whose core messages of equality are now mainstream, would have fallen at the first hurdle.

6.3 This viewpoint is particularly unhelpful when, for the past few years, public expectations are themselves being influenced by similar (and similarly unsupported) party political narratives that it is not in the public interest for charities to speak out in the interests of the people they serve.

6.4 We see formal examples of this in the Lobbying Act (as a result of which the Sheila McKechnie Foundation’s own research found evidence of a ‘chilling effect’ upon charity advocacy and campaigning<sup>6</sup>) and the continued use of ‘anti-advocacy’ or ‘gagging’ clauses in grant contracts<sup>7</sup>.

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<sup>5</sup> Speech to women Chairs and CEOs of charities, 12 December 2019

<https://www.gov.uk/government/speeches/charity-can-and-should-lead-the-way-in-taking-peoples-expectations-seriously>

<sup>6</sup> The Chilling Reality: how the Lobbying Act is affecting charity & voluntary sector campaigning in the UK, Sheila McKechnie Foundation, June 2018 [https://smk.org.uk/wp-content/uploads/SMK\\_The\\_Chilling\\_Reality\\_Lobbying\\_Act\\_Research.pdf](https://smk.org.uk/wp-content/uploads/SMK_The_Chilling_Reality_Lobbying_Act_Research.pdf)

<sup>7</sup> Funding: making terms & conditions transparent, Kristiana Wrixon, ACEVO, 6 March 2019

<https://acevoblogs.wordpress.com/2019/03/06/campaigning-for-the-removal-of-anti-advocacy-clauses/>

- 6.5 Less formal, though arguably more insidious, is the case made again and again that charities should stay out of political debate. The now infamous ‘sock puppet’ narrative<sup>8</sup> says that charities should never use public money to press for change on ‘unpopular’ issues. The Sheila McKechnie Foundation encounters the attitude that charities should ‘stick to the knitting’ regularly, from politicians, public servants and charity funders.
- 6.6. Just in the past few weeks, the Telegraph has published an emotive comment piece about public funding of advocacy, which will help to harden such views<sup>9</sup>. As Culture Secretary, Matt Hancock rolled back on the ‘stick to the knitting’ comments (originally made by Gwythian Prins, then a member of the Charity Commission board, and repeated by Charities Minister Brooks Newmark) but still said that charities should not spend their time on ‘ideological crusades against the government’<sup>10</sup>. This suggests that such crusades are taking place, for which, again, there is no evidence.
- 6.7 In the light of this political re-imagining of the role of charity, we would like to understand in what Baroness Stowell’s analysis, that charities should build public trust by meeting public expectations, is rooted.

## 7. Key questions

- 7.1 What balance does Baroness Stowell hope to strike between ‘regulation by consent’ through consensus-building dialogue and ‘regulation by power’ through the enforcement of legislation and guidance, and imposition of her own analysis and narrative?
- 7.2 How she is pursuing that balance, and does she feel she is successfully achieving it?
- 7.3 Can Baroness Stowell explain why the findings of Charity Commission research on public trust have been presented so selectively?
- 7.4 How has Baroness Stowell reached the conclusion that public trust must be built by meeting public expectations of ‘charity’? Can she elaborate on those expectations and who holds them?

**Children England, the independent voice of children’s charities, fully supports this submission.**

**For more information, contact Chloe Hardy, Director of Policy & Communications, at the Sheila McKechnie Foundation: [chloe.hardy@smk.org.uk](mailto:chloe.hardy@smk.org.uk)**

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<sup>8</sup> Sock puppets: How the government lobbies itself & why, Institute of Economic Affairs, 2012

<https://iea.org.uk/publications/research/sock-puppets-how-the-government-lobbies-itself-and-why>

<sup>9</sup> It’s time taxpayers stopped footing obscene bills for Left-wing quangos, Daily Telegraph, 22 February 2020  
<https://www.telegraph.co.uk/news/2020/02/22/time-taxpayers-stopped-footing-obscene-bills-left-wing-quangos/>

<sup>10</sup> Charities should not ‘stick to their knitting’, culture secretary says, Third Sector, 16 May 2018

<https://www.thirdsector.co.uk/charities-not-stick-knitting-culture-secretary-says/policy-and-politics/article/1464877>