Good afternoon, I’m delighted to be here with you this afternoon.

I know it’s been a full day, as always, here at Trustee Exchange.

The team at Civil Society have curated a varied, thoughtful programme and I hope you’ve enjoyed the experience, learnt something, made some new connections. And that you’ve got enough energy left to engage with this final session of the day.

This is always an important event for us at the Charity Commission. Because it’s an opportunity to hear from, and speak to, the people who really matter in charities: you, the trustees.

Regardless of how large and well-staffed a charity is, the buck always stops with you. You are always the strategic driving force, asking the big questions, and making the big decisions. Steering the ship of your charities through waters smooth and stormy.

And most of you do this work for no financial reward and on top of already busy working and home lives.

It’s an immense service, not just directly for your beneficiaries, but for your communities, and our society.

Collectively, you make our country kinder, stronger, more cohesive.

The Commission’s role, fundamentally, is to protect that good work by nurturing the ancient contract of trust between the public, charities – you as trustees – and the state, which has existed down the centuries.

That contract requires us, at times, to use the powers Parliament has bestowed on us to investigate charities, and, where appropriate, to take firm action.

But the vast majority of charities – the vast majority of trustees – will never be subject to a commission investigation or compliance case.

And I said when I started as CEO of the Charity Commission that I was determined that we don’t forget the millions of trustees up and down England and Wales who just want to get it right, and need our support to do so.

One of the ways in which we do that is by providing guidance that is clear, accessible, and that helps trustees make confident decisions that are right for their charity, and in line with trustees’ duties.

Over recent years, we’ve invested huge effort in improving and updating our library of guidance.

For example, I’m pleased to announce that, earlier today, we published an updated version of one of our most-used pieces of guidance.

Charities and internal financial controls, which some of you may know as CC8, is a basic – all charities need to get this area right, from the smallest, to the very large.

We have worked hard to make CC8 clearer and more accessible, and to update it, for example to cover the use of services such as Apple Pay and Google Pay, and working with cryptoassets. Our guidance stresses the risks involved in the use of crypto currency, and advises trustees to exercise caution.

As part of this process, we wrote to around 1,000 trustees to user test the new guidance, and 93% of those who responded said they were now more confident on their responsibilities around internal financial controls.

I hope you have the same experience when you use the new guidance. I encourage you to take a look.

Similarly, we’re now undertaking user-testing on our revised investment guidance, following a consultation in 2021, and more recently a court judgment.

Our guidance team have managed to shorten that guidance to a quarter of its previous length – reducing it from around 24,000 words to 5,600.

Our assumption is that this alone makes the guidance easier to understand and follow – but it’s precisely to test that assumption that we’ve asked a representative sample of charities and a small number of other groups to give us feedback on style and format.

I know that in the past, our guidance was not always as user-friendly as it could have been.

I hope you agree that we’ve come a long way since then.

But there is further for us to go.

My commitment to you, is that we’ll keep refining and improving our guidance, and the way in which we make it available to you – helping you get it right, in the interests of those you serve.

But I have an ask of you, in return.

And it’s that you actually use our guidance to inform your decision-making, in running your charity.

Unfortunately, too few trustees currently do.

Our research indicates that just over 40% of trustees never come to the Commission when they are looking for advice and guidance.

Just under a third come to us less than once a year. And only 10% come to us regularly in a given year.

Unfortunately, this shows in some trustees’ conduct and decision making.

Experience is not necessarily a guarantee that you’ve understood how your trustee duties play out when you face a new situation, or a new decision.

There are real world consequences when this doesn’t happen.

In serious cases, you may face a Commission compliance case or investigation.

But even when problems do not require our involvement, they can be costly and distracting. Robbing your charity of time, resources, energy and passion that should be going on the cause.

So it is vital that all trustees – those new to the role, and those who are more seasoned – know when they need guidance and support, and come to us as their regulator, as their first port of call.

I would also like to use this opportunity to raise another matter that is causing me concern at the moment, namely the frequency with which we see problems in relationships in charities, and the huge rupture and, frankly destruction, such disputes can wreak for charities and their beneficiaries.

I see too many cases that revolve, fundamentally, around fractious arguments, often involving two or more warring parties with differing visions for the future of the charity, and often crystalising around disputes as to who the rightly appointed trustees actually are.

Arguments that might have been settled, had trustees shown goodwill and commitment, and a willingness to compromise their position.

These arguments should not land at our front door. We have a role in promoting public trust in charities and upholding the law. But it’s not our job to mediate between, or indeed pick sides between rival groups of trustees.

It is not my intention to dissuade genuine whistleblowers within charities from raising their concerns with us. We want to hear from you if you are worried about wrongdoing in your charity.

Indeed, part of being an expert Commission that is fair and balanced is that we listen to every concern, and treat each matter that comes to us on its merits.

But please, don’t try to weaponize the Commission as a tactic in a quarrel with fellow trustees.

And don’t assume that by coming to the Commission as one party to a dispute, you’ll achieve the outcome you hope for. There’s no guarantee that we’ll ‘side’ with you - indeed intractable disputes can cause us to take other types of regulatory action in response to governance failures that arise.

I’ve asked my colleagues at the Commission to undertake some work so that we better understand the scale and nature of disputes in charities, and can support trustees to stop small differences escalating into chaos.

We know that the last few years have been challenging for charities, with a pandemic followed by a cost-of-living crisis and perhaps that is leading to cracks in relationships. I also suspect it perhaps has something to do with the passion and energy that so many trustees bring to their work. Occasionally, that energy can lead to fixed mindsets and a determination to be right at all costs.

Please don’t allow that to happen in your charity.

Use your passion to bring people together in the interests of those your charity exists to serve.

We know that there is more we – the Commission – can do to reach out to meet you where you are, rather than always expecting you, as busy trustees, to make the journey to us.

This, in large part is what the new My Charity Commission Account is all about.

With time, we hope this new service will be a one-stop-shop for individual trustees.

Internally we’re referring to it as trustees’ ‘digital front door’ into the Commission and the services we provide.

The place where you can log on for information that is tailored to you and your charity– what it does, and how it does it, when its filing deadline falls, your own length of service and experience as a trustee.

We also hope the service will help us cut through the noise that sometimes accompanies our work, often generated by those with a particular agenda or interests to promote.

That noise can, at times, create unnecessary uncertainty for trustees. It certainly distracts from our intention – whether with guidance or through other means – to help the majority of ordinary trustees run their charities well.

That’s the long-term vision, the outcome we’re striving towards in the years ahead.

It will take time for the service to fulfil its potential, and I should stress that initially, the main interaction you will have through My Charity Commission Account, will be to file your charity’s annual return.

But in time, I hope the service will quietly revolutionise our relationship with individual trustees, supporting them to make good, responsible, lawful decisions in their charity’s best interests.

In the meantime, we’re writing out to charity contacts, asking them to log in to My Charity Commission Account, so that each charity has at least one log in and can start using the service when we roll it out.

Please help us by ensuring you have the right person registered as your charity’s contact, and that their email address is up to date.

This is a substantial period of change in our digital services. The services we’re developing are big and complex to deliver.

But by ensuring your contact details are up to date, and by taking swift action when you’re invited to sign up, you can help us ensure the roll out is smooth for all involved.

What underlines our work so far on the My Charity Commission Account is a growing understanding of trustees as people.

We put work into examining which trustees come to us – and why, and when, and what a successful interaction looks like for them.

That’s helped us create pen portraits of archetypal trustees – with biographical information and detail about what motivates them to serve as trustees, how they feel about digital services, and what they expect from any interaction with the Commission.

We have, for example, Babs.

Babs is 72, now retired, but worked all her life as a solicitor.

She’s a trustee of a group of hospices – she got involved after the charity provided care to a close friend.

Babs doesn’t look after the day-to-day administration of the charity – there’s an office manager who, for example, files the charity’s Annual Return.

Babs wants to get it right, and feels it’s important for the charity to ‘keep on the right side of the Commission’.

For that reason, she keeps a close eye on CC News and other sources for updates from us. But she’s more reactive than proactive – she relies on us to tell her what’s new, and doesn’t necessarily come to us when she needs guidance ahead of making a decision. Her technical know-how, however, as a former lawyer, is pretty high.

She prefers to use her laptop for Commission matters – but once in a while she does read updates on her smartphone.

My Charity Commission Account won’t perhaps dramatically transform Babs’ trusteeship – she’s getting a lot right at the moment. But we hope it will make her feel more engaged with us, more likely to seek out our guidance, and that, with time, the service will make her feel better supported by us.

Stories like those of Babs are helping us design services and user journeys – both digital and otherwise – that are built around the needs of trustees.

And they remind us too, that our work at the Commission is not just about dusty governing documents and detailed legislation, but about real people, who are making a difference.

Financial climate/ challenges and Revitalising Trusts

I’m aware of course that this is a particularly difficult time.

Many trustees are facing cumulative pressures, with increasing demand for services, rising costs, and changing giving habits.

Earlier this month, the Social Market Foundation reported that over 40% of the British public are donating less than they were three years ago, with a further quarter expecting their donations to continue to decline.

Similarly, Pro Bono Economics estimate that the sector could see a real-terms income drop of around 800 million between the financial year just ended, and the one we’re now in.

The sector’s resilience never ceases to amaze me. This was the case during the pandemic, whose overall impact on the sector was not as catastrophic as many of us, me included, originally feared.

And I was pleased that, last month, the government pledged an additional 100 million for community organisations and local charities. This is no doubt very welcome, and much needed.

Nevertheless, what I hear in my visits to and meetings with charities, and what I see from other indicators at our disposal in the Commission, is that many charities are struggling. We are working to understand the liquidity indicators across different sizes and types of charity to determine if some charities are struggling more than others.

There is potential indication, for example, that charities in higher income brackets – so those with incomes over £5m – may face challenges in meeting day to day running costs, more so perhaps than medium sized charities. We’re now working to better understand the relevant data, and whether it does suggest any particular vulnerability for larger charities.

There are also indicators that charities working in certain areas- such as housing- may be facing particular pressure.

Sadly, as regulator, the Commission doesn’t have a silver bullet to alleviate all charities’ financial strains.

But we are thinking creatively about ways in which we can encourage funds to flow into the sector, and be well used within the sector.

Our Chair, has, for example, called on the very rich to give a greater proportion of their wealth to charity. We are concerned that philanthropy in this country is lagging behind what we see in other similar countries such as Canada and New Zealand.

Expect to hear more from us on this in the months ahead.

Another lever is our Revitalising Trusts Programme. This is a collaborative project between the Commission, UK Community Foundations, and government.

It works to get dormant funds sitting in the accounts of inactive charities back into circulation, either by encouraging trustees of those charities to spend their funds down, or by helping those charities wind up, releasing their assets to other charities.

I’m delighted to reveal today that the project has reached the 100 million pound milestone. So that’s 100 million pounds either spent by charities that were inactive, or transferred by inactive charities to those with the energy and capacity to make an impact.

Money that would otherwise be sitting idly in bank accounts, instead making a difference in communities across England and Wales.

For example, the programme worked with a church memorial fund that was spending less than 30% of its income year after year.

We contacted the trustees, who responded positively, and realised that they needed support delivering their charity’s mission. The trustees ultimately transferred the charity’s assets – nearly 380 thousand pounds – to their local community foundation in Northamptonshire, which set up a specific fund with the same purposes of the original charity. That money is now going to good use. Among the organisations that have already received funds is a CIC that gives young people careers advice, and helps them apply successfully for jobs.

One small example of the real-world impact of the Revitalising Trusts Programme. There are many more. I’ll be shouting from the rooftops about the successes of the programme in the months ahead, as we celebrate that £100m milestone, and the wonderful stories involved.

In conclusion, I don’t make light of the challenges facing the sector or the Commission, and indeed I’ve spoken to some of them today.

But I am optimistic about the future.

One of the greatest privileges of my role is that I get to visit and meet with many charities, the length and breadth of England and Wales, and to witness the difference – big and small – that charities make day in day out.

And what I see inspires me.

As I said at the start, trustees are ultimately the people who make that good stuff happen.

So I’d like to say thank you, and keep going.

Take pride and inspiration from the fact that ultimately, the people you’re serving and helping are your beneficiaries, and our society more generally.

Thank you