



CHARITY COMMISSION
FOR ENGLAND AND WALES

Statement of the Results of an Inquiry

The Save the Children Fund (Save the Children UK)

Registered charity number 213890

Published on 5 March

Chair's Foreword

We trust in the selfless motive behind charity, a motive that encourages us to think about the needs and interests of others and not just ourselves. It represents the best of human characteristics – that is why the way charities operate and the decisions their leadership makes matter. The larger and more successful charities are, the more important it is to hold onto what makes them different in the eyes of the public.

So when allegations of harassment were made against senior Save the Children UK staff, this had to be taken very seriously. This is not only about treating complainants with the seriousness and respect they deserve, it is also about demonstrating that no one gets a pass because they are doing important work or are motivated by the desire to help some of the most vulnerable people around the world. Save the Children UK did many things right in responding to these allegations. But it also made some serious errors which should not have occurred.

If a charity does not meet the standards the public rightly expect, it does not only let down potential victims of harassment, it also risks undermining support for the work the charity has been established to do. When mismanagement occurs at a charity that is a household name, it risks undermining the work of other charities who rely on public confidence and goodwill to thrive and prosper.

The report that follows should be read in this context.

Rt Hon Baroness Stowell of Beeston MBE

Chair, Charity Commission for England and Wales



CHARITY COMMISSION
FOR ENGLAND AND WALES



A statement of the results of an Inquiry into The Save the Children Fund (registered charity number 213890).

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1. The Charity

The charity, The Save the Children Fund (referred to as “STC UK” or “the charity” in this report), was registered as a charity in England and Wales on 10 October 1962. It is a company limited by guarantee which was incorporated on 1 December 1921 and is currently governed by a memorandum and articles of association. As well as being registered with the Charity Commission in England and Wales, STC UK is a cross-border charity and is separately registered in Scotland (registration number SC039570).

Its charitable objects, as set out in its governing document, are: “...to relieve the distress and hardship, and promote welfare of children in any country or countries, place or places, without differentiation on the ground of race, colour, nationality, creed or sex and to educate the public concerning the nature, cause and effects of distress, hardship and want of welfare as aforesaid, and to conduct and procure research concerning the same and to make available the useful results thereof to the public.”

Save the Children International is a separate legal entity, with its own trustee board and CEO. It is not the subject of this inquiry. It is separately registered as a charity in England and Wales.¹

As at 31 December 2018, STC UK had 1,139 members of staff, with 93% working in the UK and 7% working internationally. It also had approximately 5,608 volunteers. Its consolidated accounts for the year ending 31 December 2018 record an income of £303.2m and £314.6m expenditure.

STC UK’s register entry can be found on the [Register of Charities](#).

Governance of the Charity

STC UK is governed by a board of trustees who are responsible for the overall control and management of its affairs. Trustees of charities which are companies are both charity trustees under charity law and directors under company law. The trustees, as with all large charities with employees, delegate day-to-day management of the organisation to the Chief Executive and Executive Directors. Further details about who they were at the relevant times is set out in Annex 1 of this report.

¹ Save the Children International’s register entry is on the Charity Commission’s website <https://apps.charitycommission.gov.uk/Showcharity/RegisterOfCharities/CharityWithPartB.aspx?RegisteredCharityNumber=1076822&SubsidiaryNumber=0>

2. Events leading up to the opening of the Inquiry

The Commission's statutory inquiry was opened in 2018, following the charity coming under intense public scrutiny in February of that year about how it handled, reported and responded to certain allegations of misconduct and harassment against senior members of staff at its head offices in London in 2012 and 2015 ("the 2012 and 2015 staff issues").

A Charity Commission investigation would not normally focus solely on matters of employment and workplace culture. Our inquiry into STC UK has been an unusual necessity in response to a combination of concerns about how serious allegations about the Chief Executive at one of the UK's biggest charities were dealt with and the charity's response when these allegations and events surrounding them were publicly reported in 2018.

Events of 2018

In early 2018 there was increasing public concern about the conduct of charities and their ability to manage safeguarding and other issues relating to the behaviour of people working for them. There was significant national media scrutiny of charity and various individual charities between January and April 2018. This included STC UK.

This media scrutiny focused on the harassment, bullying and staffing allegations there had been in STC UK, and raised questions and concerns about STC UK's handling of, and response to, these issues. It also highlighted the nature of historic staff issues, from 2012 and 2015, about two senior employees (the Chief Executive Officer and the Director of Policy and Advocacy) and their departures from the charity. It was also alleged in the media that STC UK had provided a reference for one of these senior employees, which did not alert the new employer to relevant matters.

3. Issues under investigation

Due to the nature of the concerns and extent of public concern, the Commission opened a statutory inquiry (“the Inquiry”) into the charity on 4 April 2018 to examine whether the trustees had:

- adequately discharged their duties in handling the allegations at the time, and in fulfilling their duty of care towards their employees
- ensured the charity had implemented measures to ensure appropriate standards of workplace conduct and staff safeguarding – including testing staffing misconduct allegations, complaints or incidents received by the charity since 1 January 2016
- made decisions around public handling and reputation management on the historic allegations appropriately
- disclosed fully, frankly and accurately, serious incidents relating to staffing matters to the Commission

The Inquiry was confined to the issues about the handling of allegations of misconduct and harassment of the charity’s staff. There were no allegations involving charity beneficiaries.

4. Conduct of the Inquiry

The Inquiry's focus was on how the charity handled allegations about inappropriate behaviour of senior staff at work. The purpose of the Inquiry was to identify whether there had been any mismanagement or misconduct, and the purpose of this report is to identify any areas where the charity sector and the public could benefit from understanding what happened, why it happened and whether there are cultural lessons and practical points for the charity sector in the future. The Commission's role is not to re-run HR or staffing related investigations or to overturn outcomes on individual staffing decisions.

During the Inquiry the Commission spoke to various witnesses, including existing staff, former staff and trustees. The Inquiry is grateful to all those witnesses for sharing their testimony; we know that for some witnesses these were difficult experiences to have to recall.

As a public authority subject to data protection laws, there is a limit to what detail the Commission can publish about the individual allegations and the employees involved. The Commission's focus is on the process and the adequacy of the charity's handling of the complaints; the acknowledgement of good practice where due, and criticism where appropriate; and to ensure learning for the charity and for other charities.

The Inquiry has involved extensive work over many months. The Commission has:

- conducted formal interviews with 37 individuals including trustees and employees and 5 individuals who were either whistleblowers at the time or now and/or former employees who stepped forward in response to the opening of the Inquiry. The last set of interviews were conducted in October 2019
- examined over 15,000 documents relating to the charity's processes and conduct of STC UK's internal staffing investigations, including:
 - the underlying investigation records;
 - statements made by victims and witnesses;
 - transcripts of interviews;
 - internal charity email correspondence relating to the staffing investigations;
 - key policies, including the whistleblowing policy, the disciplinary policy, the anti-bullying and harassment policy and grievance policy
 - correspondence with external parties including the Shale Review².

The Inquiry heard differing accounts from the witnesses and has taken into consideration in particular the significant period of time that has passed since the events of 2012 and 2015, and how this might have affected an individual's ability to recollect events with certainty or specificity. The Inquiry recognises that the charity's own business document retention protocols may also have led to the destruction of some relevant documents and information. This is inevitable with an Inquiry which relates to historical events.

² The Shale Review was an independent review commissioned by the charity in March 2018 to provide assurance on matters including its workplace culture and HR policies and practices.

STC UK has considered and provided their response to the Commission's Inquiry on the factual accuracy on the findings, which the Commission has considered and taken into account before making its conclusions. To ensure fairness, individuals who are the subject of material criticism in this report have been given an opportunity to respond on factual matters relating to those findings. These have been taken into account.

5. Findings

(i) The Charity's approach to handling harassment, bullying and misconduct complaints - the handling of allegations against senior members of staff in 2012 and 2015

The regulatory concerns about the charity's handling of historic staffing issues focus on two former senior employees – Employee A (the former Chief Executive Officer) and Employee B (the former Director of Policy and Advocacy). The issues involving Employee A relate to 2012 and 2015, while the issues in respect of Employee B arose in 2015. Employee A left the charity in April 2016, and Employee B in September 2015.

STC UK had appropriate policies, including a whistleblowing policy, a disciplinary policy, an anti-bullying and harassment policy and grievance policy.

Complaints made about Employee A

The 2012 complaint and its handling

On Friday 13 January 2012, a female member of staff (referred to in this report as “the 2012 Complainant”) raised concerns to a member of STC UK's HR team relating to the behaviour of Employee A.

The 2012 Complainant raised concerns about what was, in her view, the inappropriate behaviour of Employee A towards her between November 2011 and January 2012. She said she had challenged his behaviour but it continued.

Action taken by the charity to resolve the 2012 Complaint

The Charity took the following action:

- The 2012 Complainant was informed, at a meeting with HR, that she could make a formal complaint, which would be investigated, or that she could ask STC UK to resolve her concerns more informally. The 2012 Complainant was asked to think about these options overnight.
- After the meeting a member of the HR Team took external legal advice³ and it was agreed internally that the best course of action was for Employee A to be spoken to by the then Chair of trustees.
- The 2012 Complainant confirmed to HR, on 17 January, that she wished to make an informal complaint, and for Employee A to be spoken to by the then Chair. She wanted the behaviour to stop.
- The then Chair spoke to Employee A, on 17 January 2012, who agreed to write a letter of apology. The then Chair gave evidence to the Inquiry that he made it clear to Employee A that his behaviour “*must never happen again*”.

³ The Inquiry has seen only incomplete records of that advice as the original notes have been lost.

- After this conversation, the then Chair appointed another trustee to “oversee the process for dealing with [the 2012 Complainant’s] complaint”. This was done given the seniority of Employee A. The trustee chosen “was enormously experienced in HR matters”.
- Most of the trustees were not informed that an informal complaint had been made against Employee A.
- A handwritten letter of apology from Employee A about the behaviour that caused offence and upset to the 2012 Complainant was sent by the then Chair to the 2012 Complainant.
- Employee A gave evidence to the 2015 Lewis Silkin Review that a further consequence arising from this incident was not receiving an annual bonus that year.
- Employee A accepted some of the allegations made against him and disputed others.

The Inquiry notes that there was a dispute about whether the charity took further action in the form of a warning letter to Employee A. A final letter was not found in the course of the Inquiry – only draft copies were seen. The draft letter warned Employee A about his behaviour and stated that it would remain on his personnel file for 12 months (or in one draft copy provided, 24 months), then removed. The 2012 Complainant gave evidence to the Inquiry that she was told about the warning letter by the trustee she met, and that it would be placed on Employee A’s personnel file. Various witnesses confirm their understanding that it did happen, but Employee A told the Inquiry that he did not receive the letter.

The 2015 complaints and their handling

The 2015 Complaints involve separate complaints by two different people. The first was raised on 4 March 2015 (“Complaint 1”) and the second on 18 March 2015 (“Complaint 2”).

Complaint 1

In summary, this complaint arose as follows:

- Following a focus group meeting on 4 March 2015, about the outcome of a STC UK staff survey, concerns about bullying and misconduct in the office were discussed.
- Several meetings took place between this complainant (‘Complainant 1’) and a member of the HR team in March 2015. Complainant 1 raised concerns about the conduct of Employee A, going back to a series of events in 2013. She explained that, each time, Employee A’s behaviour had left her feeling uncomfortable or awkward. Complainant 1 told HR she took steps to distance herself from Employee A to deal with the situation.

Complaint 2

In summary:

- The second complaint related to Employee A’s behaviour whilst on STC UK business overseas during March 2015, with Complainant 2;
- Complainant 2 considered the behaviour inappropriate and left her feeling uncomfortable and awkward. She took action to distance herself, and said she made efforts to deflect awkward conversations and dissuade or stop behaviour that she was not comfortable with.

Action taken to resolve the 2015 complaints

In summary, the following action took place:

- Both complaints were dealt with together.
- HR met offsite with both complainants to discuss their complaints and options for having them addressed.
- With their consent, HR advised both complainants that they would be informing the Chair of trustees and asked them for their consent to share their allegations and their identities.
- HR sought external legal advice.
- The then Chair was informed and spoke with both complainants. The complainants indicated that they did not wish to proceed with a formal complaint, because they wished to maintain a good working relationship with Employee A. However, they wanted the outcome of any intervention to be a permanent cessation of the alleged behaviour.
- A meeting was arranged for Monday 23 March 2015 between HR, the then Vice Chair, Employee A and the two complainants. The concerns about behaviour were put by the complainants to Employee A. He apologised at the meeting.
- HR advised the then Chair that they *“remained concerned regarding the leadership culture of the organisation and would recommend some work to support the leadership team in developing a positive culture as well as continuing to develop our general effectiveness as leaders of the organisation”*.

Additional action taken by the trustees

No further action was taken directly on the complaints but, in August 2015, the remaining trustees were informed about the informal complaints about Employee A and an external review was commissioned to examine how the charity had handled the complaints made about him in both 2012 and 2015.

The review was conducted by a law firm, Lewis Silkin LLP (“the 2015 Lewis Silkin Review” or “the Lewis Silkin Report(s)”). They produced two separate reports. One (“Part 2”) focussed on the wider culture of the organisation and is dealt with later in this report; the other (“Part 1”) carried out an analysis of, and made findings in relation to, the two sets of complaints about Employee A.

Lewis Silkin Report findings in relation to the 2012 complaint

The 2015 Lewis Silkin Report Part 1 reached the following conclusions:

- The 2012 Complaint was not properly dealt with as it was not formally or adequately investigated and that was in breach of STC UK’s disciplinary policies.
- The 2012 Complainant did not receive proper advice at the time from the charity. The various options under its policies were not adequately explained.

- The 2012 Complainant was not made aware that the complaint should have been dealt with under the Bullying and Harassment Policy and Disciplinary Policy. A disciplinary investigation by an investigating manager should have taken place under the Bullying and Harassment Policy and an appointed separate chair should then have decided whether there was a case to answer in accordance with the Disciplinary Policy.⁴
- HR's explanation, that they felt it their duty to ensure that the complainant had a full and realistic understanding of what raising a formal grievance would involve, was accepted.
- HR did not intend to pressurise the 2012 Complainant into choosing the informal option, even if that may have been the effect.
- The understanding of the member of the HR Team dealing with the matter, i.e. that, if an informal complaint was made, then a formal disciplinary process could not be pursued against the member of staff, was wrong. The charity had the option to pursue a formal disciplinary procedure itself under its policy, given the nature of the allegation.
- The then Chair had no influence on the 2012 Complainant's decision to pursue an informal resolution. There was no contact between the 2012 Complainant and the then Chair until 26 January 2012, a week after the decision was made to keep things informal.
- There appeared to be evidence that other sanctions were considered and/or applied; *"quasi-disciplinary measures" were taken against [Employee A] himself* in the form of a warning letter to Employee A, stating that his behaviour was inappropriate and that no repetition of it would be acceptable. This letter appeared to be a formal warning letter but was not given under the charity's disciplinary policy and it is not clear Employee A was ever given a copy. Although there was evidence the letter was drafted, it was not clear this was finalised and signed, although one witness in HR was clear in their evidence to the 2015 Review that it was placed on the HR file. The decision to send a warning letter appears to have been the decision of the trustee nominated by the Chair to oversee the process for resolving the complaint informally – that trustee said he trusted HR to ensure that the letter complied with whatever requirements were imposed by relevant STC UK policies.
- Elements of the after care provided by the charity to the 2012 Complainant were criticised.

Lewis Silkin Report findings in relation to the 2015 complaints

In summary, the 2015 Lewis Silkin Report Part 1 found the following:

- The complaints were not properly dealt with as they were not formally or adequately investigated and that was in breach of STC UK's disciplinary policies.
- Criticism was made of HR's handling of the complaints with the complainants. Having been informed of the complaints, the first step should have been to refer them to the Harassment and Bullying policy and, ideally, provide them with a copy of it. It should have been made clear to them the distinction between the informal and formal process and (crucially) that STC UK's decision to pursue the matter was not dependent on them raising the complaints formally.
- HR took external written legal advice, for which the Inquiry believes credit should be given. However, it appears the advice was not properly understood or actioned or fully shared with the trustees.

⁴ In evidence to the Inquiry in 2018 the member of the HR Team dealing with the matter disputes this – she stated that she and the 2012 Complainant had an initial high-level conversation about the options available for dealing with her concerns.

- One of the complainants had volunteered to participate in activities to help reinforce the charity's Code of Conduct and other policies regarding harassment and relationships at work. HR had welcomed this but it was not followed up.
- There is no evidence that the then Chair or either of the other two trustees involved applied any pressure on any of the complainants not to make a formal complaint.
- It was right to involve the then Chair under the process, given the seniority of Employee A.
- The complainants should have been spoken to, to ask them individually how they wished to proceed with their complaints and that they individually: *“understood (i) the difference between the informal and formal processes; (ii) that any disciplinary action to be taken against [Employee A] was not dependent on them submitting a formal complaint; and (iii) that STC would put in place measures to maintain confidentiality, irrespective of whether [the two complainants] chose the informal or formal route”*.
- Contrary to STC UK's policies and legal advice obtained by the member of the HR team dealing with the matter at the time (but not made known to the then Chair or Vice Chair) a proper investigation was not undertaken into the conduct in question and, as a result, no person made a proper assessment of whether there was a disciplinary case to answer.
- The decision that no further action needed to be taken by STC UK in respect of Employee A beyond the resolution meeting was tainted by a proper investigation having not been completed.
- It is conceivable that had a proper process been followed, the same conclusion could have been reached.

The Inquiry notes that the public concern, expressed in 2018, alleging that the then Chair had unduly influenced the complainants to keep things informal, was not made out in the 2015 Lewis Silkin Report findings. The only improper influence on the decision to keep matters informal, recorded by the 2015 Lewis Silkin Review, was inadvertently from HR in not explaining the correct policies and processes to the complainants and properly talking through the options.

Summary findings

Concerns raised about the conduct of members of staff need to be carefully considered and dealt with by a charity. Organisations should be particularly mindful of how their processes and policies can be effectively applied to complaints made about senior employees, particularly the CEO. It is important to ensure, for the benefit of all, that the right processes and procedures are followed. In this case, given that the 2015 concerns materialised out of a facilitated discussion with staff about the outcome of the staff survey and bullying and misconduct in the office, it was all the more important that the charity was prepared and able to deal with issues raised effectively and properly.

The Inquiry agrees with the 2015 Lewis Silkin Report's findings: the charity did not handle the 2012 and 2015 staffing issues as well as it should have. This was all the more concerning as the complaints were about the CEO. ***The Inquiry also notes with concern that in March 2015, when the second and third complaints about the CEO (Employee A) were made, the full trustee Board was not informed about them. The Inquiry finds that this was mismanagement.*** Day-to-day personnel issues are not ordinarily a matter for trustees, but serious allegations against the CEO, particularly of a large charity, fall into a different category. The trustees are collectively responsible for the administration and management of the charity and, in order to be able to consider how best to protect the charity's interests, employees and

beneficiaries, they need to be promptly informed about serious concerns about the behaviour of the CEO.

In addition, the 2015 staffing issues occurred against the backdrop of a staff engagement survey and the subsequent focus groups. It was therefore a highly material concern that allegations were being made about the CEO's behaviour. Trustees rely on the CEO, through the delegated authority they grant to them, to both manage the activities of the organisation and promote and be a role model for its culture. In order to discharge their trustee duties effectively, the Commission considers that it is essential that all trustees are informed about serious and credible allegations concerning the conduct of their CEO.

Reference

Employee A resigned on 17 October 2015 and left the charity on 22 April 2016. In 2018, concerns were raised publicly, and with the Commission, about how references were handled, suggesting more information should have been disclosed to his new employer. Employee A's new employer made a public statement confirming that it had not been aware of any of the complaints against him at the time of his recruitment in 2016.

STC UK's policy at the time, which was similar to and common with other employers, was only to provide basic written information for employment references such as dates of employment and absence records. However, it is common practice for senior roles for prospective employers to ask for an oral reference, where an individual has been offered up as a referee.

The Inquiry established that, in around December 2015, requests for references for Employee A were sent to a number of people connected with STC UK including the then Chair of STC UK and other current and former leaders in the STC Association and network.

The charity explained to the Inquiry they were not asked to provide a formal HR reference at the time.

The 2016 Chair was asked by a firm of recruitment consultants for an oral reference, which he provided. He told the Inquiry that it was not a reference given formally on behalf of the organisation. He stated that he was not asked about and did not refer to any HR issues and simply referred to Employee A's technical skills and international development experience. He did not seek clarification from HR before giving the reference, as he understood that there would then be a process of going to the employer for a formal reference.

The Inquiry notes that even if STC UK had been formally approached for a reference, it would have been limited in what it could tell any third-party employer. There had been no formal disciplinary procedures and no formal action had been taken.

Summary finding

The reference provided was given by the then Chair of trustees and was an oral reference. The Inquiry agrees with the Charity that both they and/or the Chair, whether giving a reference on behalf of the charity or not, would not have been able to disclose information about the 2012 and 2015 complaints because they were dealt with informally, and did not lead to disciplinary

processes being followed. The giving of references, especially oral ones, gives rise to difficulties where there have been allegations of misconduct. Charities should consider whether they might take specialist legal advice in circumstances such as this, before any references are given.

Complaints made about Employee B

On 12 August 2015, allegations of inappropriate behaviour against Employee B were reported. The allegations involved behaviour that required to be dealt with under the sexual harassment policy.

HR discussed matters with two of the charity's directors. They decided collectively to speak about the issues to the Vice Chair who spoke to the then Chair. On 14 August 2015 a trustee meeting took place which discussed a range of matters and, in relation to this issue, the decision was taken to convene a disciplinary panel to deal with the allegations against Employee B. The panel was made up of trustees, an independent lawyer and a QC. Notice was issued of a hearing to be held under the disciplinary processes on 15 September 2015.

However, before any formal hearing could take place and the case be heard, Employee B submitted his resignation, sending a copy to each of the trustees. Employee B told the Inquiry that he resigned because of dissatisfaction with the investigation process, and "exaggerated versions" of the complaints against him had been spread internally and to the press. He felt the latter made it "impossible" for him to return to work even if he had seen the disciplinary process through.

Summary findings

The Inquiry finds the steps STC UK took to act on the concerns raised in August 2015 about Employee B were responsible and as would be expected of any large charitable employer where concerns of this nature were being raised. They acted immediately, consulted HR, applied its policies, took external legal advice and instigated a disciplinary process promptly. The Commission also notes that the trustees were involved in decision making. Given the seniority of the employee, that was an appropriate course.

The 2015 grievance about the handling of the 2012 events

On 13/14 August 2015 new concerns were raised by the 2012 Complainant.

The 2012 Complainant found out about the 2015 complaints against Employee A. She was upset and anxious to know similar behaviour was alleged to have been repeated. She was concerned that despite what she believed was said to her in 2012 - that if repeat or similar issues arose stronger action would be taken - the matter had been resolved with an apology and no formal action had been taken. She said that she considered there was a widespread cultural problem of sexual harassment at the charity and she felt scared about having to raise her concerns again in a formal manner.

The Inquiry was also told that there was concern that what had happened with the earlier complaints about Employee A had allowed the situation with Employee B to arise.

A meeting was held on 14 August 2015 (the next day) attended by four trustees, three senior members of staff and a member of the law firm advising STC UK. The minutes of that meeting record: *“it is paramount that the organisation do what is right by the individuals, and then tackle the reputational risk that follows after that, in that order of priority.”*

At that meeting the decision was taken to set up a sub-committee to look at the concerns that had been raised about the handling of the previous complainants, and to appoint independent external legal advisers to conduct a review.

After the meeting, the law firm, Lewis Silkin, was formally commissioned to conduct a review.

The Inquiry saw evidence that on 16 August 2015, the Chair wrote, personally, to the 2012 Complainant to reassure her that it was a serious matter, confirming that the trustees had met and acted immediately. He thanked her for her honesty, recognised that what she had done could not have been easy and assured her there would be no repercussions on her or her career. They updated her on immediate actions they had taken, to the extent they lawfully could, reassuring her that the recent allegations against Employee B were being dealt with under the relevant policies and procedures, and that they had decided to commission an independent investigation and review overseen by trustees who had not previously been involved.

In the intervening period a number of things happened that raised further concerns for the 2012 Complainant. As a result, on 9 September 2015 she submitted her complaints in a formal grievance to HR. The Inquiry was told that the grievance was submitted in these terms and in this way because the 2012 Complainant was informed by the charity that the external review would not look again at, or re-determine the outcome of, the incidents from 2012 and 2015.

In the grievance dated 9 September 2015, she sought an investigation into Employee A's behaviour, and asked for a number of actions to resolve her concerns; these included proper support for all the individuals affected, the charity considering getting fresh legal advice, and/or revisiting the original legal advice obtained.

The Inquiry noted that the 2012 Complainant's 2015 grievance extended to both Employee A's and Employee B's behaviours, and in relation to what she was concerned was a widespread culture and problem of sexual harassment at the charity. The Inquiry was told by those dealing with it at the time that they did not regard it as a formal complaint against Employee A, but a complaint about the charity's handling of the complaints against Employee A.

The charity did respond promptly, treating the complaint as a formal grievance. In accordance with the charity's relevant policy, a complaint sub-committee consisting of two trustees and an HR professional was set up to deal with it. However, the 2012 Complainant was given the opportunity to pause the grievance pending the outcome of the Lewis Silkin Review.

The 2016 Chair told the Inquiry that *“with the individual's explicit consent, this process was suspended, and subsequently withdrawn, pending the outcome of the Lewis Silkin historic review.”*

At the end of the 2015 Lewis Silkin Review, the 2012 Complainant was contacted and informed of the outcome (as set out above) by the then Chair. He saw her personally to apologise for the failures there had been in the processes. She was also informed Employee A was resigning.

Those handling the matters at the charity gave evidence to the Inquiry to say that they considered the 2012 Complainant “withdrew” the grievance on 6 November 2015. The 2012 Complainant explained that when she wrote to the charity stating she considered the grievance was “now closed”, she meant it was closed off by the events, in particular that Employee A was leaving the charity and the conclusions of the 2015 Lewis Silkin Review, but she never regarded her grievance as being withdrawn.

Summary finding

The Inquiry finds the steps the charity immediately took to act on the concerns raised by the 2012 Complainant on 14 August 2015 were prudent and responsible; the charity acted swiftly, took the concerns seriously, and reassured the complainant that she had done the right thing and should not be fearful of any repercussions. The charity took expert legal advice and called an urgent trustee-level meeting to consider the next steps and were careful not to appoint trustees involved in the previous matters. These were elements of good practice.

From the records inspected by the Inquiry, it is clear that the complaint raised by the 2012 Complainant in August 2015 led to the commissioning of the Lewis Silkin Review. The 2012 Complainant was a key witness and her evidence, and that of the other complainants, was taken seriously. In the Inquiry’s view, without these complaints the recommendations for action were unlikely to have been made.

The Charity’s actions and follow up on the Lewis Silkin Reports

2015 Lewis Silkin Report - Part 1

Part 1 of the 2015 Lewis Silkin Report (which examined the handling of the 2012 and 2015 complaints against the CEO) was circulated to the then Chair, the sub-committee of the Board (set up on 14 August 2015 to deal with it) and the Chief Operating Officer on 12 October 2015. By this stage, STC UK’s Chair had changed. The sub-committee accepted the findings of the report – which are set out above.

The charity took legal advice from Lewis Silkin on re-opening the 2012 and 2015 complaints against Employee A in light of the conclusions in the report about how they had been handled.

The report, marked “*Strictly private & confidential to the Trustees only*”, was then sent out to the full trustee board. The recommendations and the report were discussed at a specially convened full Board Meeting on 16 October 2015, which all but two trustees attended. Other than a legal adviser from Lewis Silkin, no other person attended the meeting. The minutes of this meeting record that the trustees unanimously agreed the sub-committee’s recommendation not to re-open the investigations and associated outcomes.

The minutes also record that the Trustees agreed that the second part of the Lewis Silkin Review needed to be completed before they could agree actions to address HR and cultural issues.

Lewis Silkin Part 2 Report

The Part 2 2015 Lewis Silkin Report on corporate culture was disseminated to the then Chief Operating Officer and the sub-committee members on 7 November 2015 and then to an external HR consultant on 11 November 2015. The report included analysis of the results of the 405 responses to a staff survey (c37% of the then workforce).

On 13 November 2015 the complaint sub-committee met, to discuss the report and its recommendations on the steps to be taken to strengthen organisational culture. The data section of the Part 2 2015 Lewis Silkin Report was shared by email on 7 December 2015 by the then Chair to the full board. The findings were presented orally to the full Board by the author of the report and separately to the senior leadership team and company secretary on 9 December 2015.

The 2016 Chair decided not to circulate the Part 2 Report to the whole board. The physical distribution of the main section of Part 2 was restricted to the then Chair, the Chief Operating Officer, the sub-committee of five trustees, key staff and the external HR consultant. The 2016 Chair explained that this decision was made because the senior leadership team was not able to provide any assurance that leaks of documents and emails would not occur.

The new CEO – one of the charity’s former trustees – took up post in September 2016. He did not receive a full copy of the Part 2 Report, either as a trustee or on appointment, although he did attend the oral briefing of the full board by the author of the Part 2 report. In the Inquiry’s view, the full board and the incoming CEO should have had access to the written Part 2 Report. If there were concerns about leaks, various solutions were available including a reading room or the provision of numbered copies.

Nevertheless, the trustees did take significant steps to ensure that the Lewis Silkin Part 2 recommendations were implemented. An HR expert was appointed and identified three priorities for action:

- 1) staff inclusion and engagement, with open and honest dialogue about values;
- 2) stewardship by leaders and managers, role modelling behaviour, building capability, enforcing high standards of personal conduct and
- 3) building capability and agility in the HR team. The Inquiry scrutinised the records of subsequent board level discussions in 2016 to track the audit trail of action taken and records of monitoring. The minutes of board meetings show that in December 2015 there were sessions on culture with various attendees. In February 2016, the charity started to plan for people and culture sessions at Board level.

The 2016 Chair confirmed that, at the board meeting on 21 April 2016, two and a half hours were spent on this topic, *“with a comprehensive presentation by the interim CEO and the HR Consultant on the progress achieved to date in acting on and implementing the recommendations. This involved Trustee workshop groups amongst other initiatives. Certain one-off actions taken in response to recommendations had already happened and had been reported on.”*

The 2016 Chair also told the inquiry that the new CEO came on board *“...after the implementation of the 8 month cultural reform initiative overseen by the Interim CEO , the outside HR expert and the Chair, all of whom had hard copies of the full Report.”*

The 2018 Shale Report recognised the difficulty faced by the risk of leaks, but was also critical of the decision to restrict the circulation of the Lewis Silkin Part 2 report. The Shale Report also made recommendations about oversight and monitoring:

“The Board of Trustees exercised oversight through quarterly reports both to the Boards performance and Remuneration Committee and to the Board itself. While the Board and committee received regular updates, these were narratives that described progress in management activities. The charity can find no record of a clear plan that went to the Board setting out the ‘2015 culture diagnostic’ recommendations, intended actions in response to its recommendations, and progress against intended actions we believe oversight was also weakened by key members of the Performance and Remuneration Committee not having seen the ‘2015 culture diagnostic’ or its recommendations.”

The chair of the 2015 sub-committee agreed that with hindsight it would have been prudent to request the Board review progress formally every six months. The 2018 Shale Report concluded the same.

Summary findings

It is to the trustees’ credit that the charity took steps immediately afterwards to follow up the actions on the Lewis Silkin Report 2015. However, the decision not to circulate the full Part 2 report did have adverse effects. The report and the issues in it related to significant corporate governance issues and the decision not to ensure all the trustees saw the full report made it harder for them to carry out their duties properly. The Inquiry acknowledges that there was an oral briefing by the author of the report, but the provision of key documents to the trustees for advance consideration and pre-reading is an important part of the work of a trustee in a large charity. The then Chair has explained to the Inquiry that the decision not to circulate the report was taken in consultation with the board and on confidentiality grounds, to minimise the possibility of information being leaked. The Inquiry notes this and acknowledges that the decision was made in good faith, but considers that such concerns could have been addressed by special measures to protect the document.

(ii) Engagement with the regulator, including RSI reporting

The RSI reports to the Commission in 2015

On 3 September 2015, STC UK submitted a serious incident report relating to allegations by an employee “of harassment and inappropriate contact by a senior member of staff”. The report did not identify the member of staff by name, job role or position within STC UK. The charity informed the Commission that the employee had been suspended pending an investigation and that they were taking legal advice.

The senior member of staff against whom the allegation was made was later identified by the Commission as being Employee B. These details were not known until after Employee B had left STC UK and his identity was published in the national media. The charity updated the Commission by email on 25 September 2015 that the individual against whom the allegations were made had left the organisation and the matter had been reported in the press. In addition, STC UK disclosed:

“A member of staff has raised a grievance in relation to how a previous matter, involving a different senior staff member, was handled. The complaint relates to behaviour towards other staff, rather than beneficiaries or children, and is unconnected to the matter reported to you on 3 September (I should also say that neither matter involves any criminal allegations). We are handling this grievance appropriately and in line with our policies and procedures, and are taking external legal advice as appropriate. We believe that the media outlet may also be aware of this second case.

The trustees take any reputational risk to the charity very seriously, and the trustees and executive are therefore managing an ongoing contingency response plan, which includes preparing suitable media responses and communications, where appropriate, for staff, supporters and partners. If we are contacted by a media outlet and given notice of a story appearing, we will endeavour to let you know in advance (although the timescales may not allow us to do so).”

The charity did not disclose to the Commission that the “different senior staff member” was the CEO of the charity. The Commission considers that this was a material and significant fact. The Commission would expect to be told by a charity when a serious incident relates to the most senior member of the executive team of a large charity, the CEO.

Summary finding

The Inquiry finds that STC UK did act responsibly in alerting the Commission and in making a report about the events connected with Employee B in September 2015.

However, when the charity followed this up and disclosed the grievance about the charity’s handling of previous cases involving Employee A, a crucial omission from its written notification, at that time, was that the senior person referred to was the CEO, particularly given he was the line manager of Employee B and responsible for the day-to-day operation and leadership of the charity as a whole. ***Whilst the charity acted responsibly in making the report, the Inquiry finds that the omission from the written report of the material and significant fact that it was the CEO constituted mismanagement in the administration of the charity.***

(iii) The charity’s handling of the public scrutiny in 2018

The charity came under intense media and public scrutiny in February 2018. This was at the same time as scrutiny of the behaviour of other charities and high public interest in how other charities had responded to allegations of misconduct by their staff.

A particularly critical article appeared in the national media on 18 February 2018.

On 20 February 2018, STC UK issued a public statement, stating that:

“In 2011 and 2015, concerns were raised about inappropriate behaviour and comments by the [Employee A]... In each case, the chairman instructed HR to manage the process in conjunction with an independent trustee. Two trustees carried out two separate investigations into a total of three complaints made by three female employees.

Both reviews resulted in unreserved apologies from [Employee A]. All the parties agreed to this and the [person] apologised to the women in question. At that time the matters were closed.

Concerns were raised with trustees that matters should not have been left as they were and that a further review was required. The review found that HR processes had not been followed in every aspect...

We apologise for any pain these matters have caused and sincerely hope that the complainants feel able to help us with the review in the coming weeks."

On 20 February 2018, the Commission warned the charity about the importance of its response and its handling of the public and media scrutiny of the historic allegations and complaints: "*Public and media lines must not conflict with findings of any of your internal investigations or reports.*"

The Inquiry considers that aspects of the statement of 20 February 2018 were not wholly correct. In particular, the two trustees did not carry out formal "investigations", instead they oversaw the handling of the complaints which resulted in an informal resolution.

Trustees are under a duty to take steps to protect the charity from undue risk of harm including its assets and people, but that does not equate to protecting its reputation from, and avoiding, adverse criticism at all costs. As well as being particularly careful to ensure sensitive matters are factually accurate, those dealing with public responses should properly consider and balance the impact their words could have on all the individuals involved. In many situations charities need to consider the impact and consequences of what it omits saying as much as what it does say. A charity's reputation will usually be best served by being open, giving full and complete explanations and not making any statement which is open to criticism as being partial or incomplete. In the Commission's view, this is how the public expect charities to behave.

Further media scrutiny continued. On 7 March 2018, the Commission warned the charity that "*they had to rebuild public trust and confidence through transparency and acknowledgement of past issues which were subject to independent review and subsequent action. It is now highly likely that due to their handling they will have missed that opportunity and there will be further impact on public trust and confidence in charities and reputational damage to the Save the Children charity.*"

In addition, at around the same time, the Commission was contacted by some of the people involved at the time with the events. They raised concerns about the charity's handling of its response to the media. In particular, they were upset that the charity kept denying there were formal complaints and that this appeared to them to be trivialising what happened to the women involved. In their view, the charity was continuing "*to treat this like a PR disaster and not with the right level of seriousness that it should be taken with.*"

The charity's press office dealt with over 250 material media enquiries between 11 February and 11 April 2018. It is clear this was an organisation under intense scrutiny and pressure, and was having to work at a fast pace. In the words of the then Chair they were "*under attack*".

The evidence available to the Inquiry shows that the 2012 and 2015 Complainants did agree, after they considered the HR advice, that the complaints be processed as informal complaints to, in their words, avoid the stress and pressure of making them more formal. However, it is also clear that the 2012 Complainant understandably felt that she had to escalate matters formally in the organisation after she had already attempted to do so informally herself. The 2012 Complainant

gave evidence to the Inquiry that she was upset that the charity repeatedly refused to acknowledge the formality of her complaints publicly, particularly in light of the formal grievance she had made in August 2015.

STC UK was not as careful initially as they should have been in responding to the media over the complaints. The Inquiry's view is that it was understandable why, from the complainants' perspective, the charity's continued emphasis on the concerns raised being informal and on there being no formal complaints about the individual, gave them the impression the charity was trying to minimise the damage to the charity, and protect the individuals being complained about. The charity's handling of these matters was interpreted by the complainants as the charity taking steps to seek to protect those whose behaviour was at the centre of the scrutiny, over those raising complaints. Whilst the charity's intention may have been to address potential inaccuracies in media reporting, and protect confidentiality for all those affected, in the pace and pressure of the situation, the charity lost sight of the sensitivity of what they were saying publicly to those involved.

In the Inquiry's view, in March 2018, when the 2015 Lewis Silkin report was being referred to in the media, the charity's interests would have been better served through a more balanced media strategy. It might have been better to be more open and to have released a summary of the report. As it was, the report was leaked, leading to further negative publicity. This demonstrates the risks in giving incomplete accounts.

Summary finding

The Inquiry:

- recognises the intense pressure that all individuals affected by the events, and those in the charity dealing with the media and public, were under during this difficult period, and
- notes that the then Chair has stressed that the trustees felt a duty to contest and correct misleading and inaccurate statements made in the media, but nevertheless,
- highlights the need for charities to ensure that factually correct information is published both by the charity and third parties. The statement of 20 February 2018 issued by the charity was not wholly accurate.

The Inquiry further finds that:

- It is not clear that the charity gave sufficient consideration to the impact of the charity's responses on those individuals who made complaints in 2012 and 2015.
- At times during 2018, the charity's responses to public and media scrutiny resulted, even if unintentionally, in the charity appearing to diminish the seriousness of some of the allegations made by, and causing upset, to those who were involved. The potential effects on public confidence in the charity also appear to have been insufficiently taken into account.
- The charity appeared to miss the bigger picture that there were legitimate concerns about patterns of behaviour at senior levels in the organisation whether dealt with informally or formally - and that the charity did not handle those well, with events leading to there being sufficient concern that the organisation instigated two formal external reviews.
- Credit, however, should be given to STC UK's 2018 leadership in proactively commissioning the 2018 Shale Review.

- There are lessons for other charities about how they should handle media interest. Charities are held to different and higher standards by the public and the media to many other organisations and individuals in public life. Charities should ensure that their press statements are fair, complete and accurate and that a concern to engage in reputation management does not in fact harm the reputation of the charity concerned and charity generally.

(iv) The charity's approach to handling harassment, bullying and misconduct complaints 2015 – 2018

The charity's more recent handling of staffing cases

The Shale Review found that:

- between 2016 and June 2018, the volume of harassment and bullying complaints in the charity remained roughly constant, with 7 in 2016, 7 in 2017 and 4 in the first half of 2018. Of these, 13 were complaints of "general bullying" and 5 were categorised as sexual harassment. In relation to outcomes, written warnings were issued in two cases and, in one case, there was a dismissal. In three cases, there was recourse to mediation and in several of these cases, management steps were taken.
- there was a level of incivility at the charity that had a detrimental impact on the charity and its staff.
- that some staff who were experiencing harassment and bullying were still not reporting it and that overall the charity's employment relations practices were not consistent with "a zero-tolerance approach".
- the charity still needed to build trust in its investigation processes, particularly when they applied to senior staff.
- there was some continuing dissatisfaction with HR support in employee relations cases and there was some doubt among staff that policies were correctly and consistently being applied.
- the HR function still needed further support and development.

The Inquiry also scrutinised records of STC UK incidents of staff complaints between 2016 and 2018. The Inquiry conducted a dip sample of these cases and whilst there were some imperfections, it found no evidence of systemic failures of handling of the complaints examined or mishandling. Investigation Officers were appointed, cases were documented and processes appeared to be followed.

In addition, the Inquiry examined records of serious incident reports lodged by the charity with the Commission. The Inquiry noted there had been an improving trend in STC UK reporting safeguarding (not just safeguarding issues limited to staff issues) over the last 2 years during the period of, and immediately prior to, this Inquiry. However, the Inquiry noted that in March 2018, following media scrutiny the charity carried out a review of all its staffing and safeguarding incidents to check whether they had reported those that they should have done as RSIs to the Commission. The charity filed a further 16 reports. A few weeks later, they reported a further 5 cases as a result of completing their review of cases from 2007-13, These cases mainly related to overseas operations when STC UK was programming directly through its own country offices and had been identified as not having been reported to the Commission. Whilst it should have reported

them previously, STC UK acted prudently and responsibly to carry out a review and report the missing cases immediately.

(v) Organisational culture reviews

The 2015 Lewis Silkin culture review (the Part 2 report) and its recommendations

A charity's culture is important, because culture affects the reputation of the charity and the conduct of the people who work, lead and volunteer for it. As demonstrated in the Commission's research in 2018 ([Trust in Charities 2018](#)) those behaviours and whether the charity and its people live up to the charity's values directly affects public trust and confidence in the charity.

The 2015 Lewis Silkin report observed that the risk to the organisation and its leadership was that, without a strong overarching cultural framework and consistent role model behaviour from those leaders, the vacuum would be filled by idiosyncratic behaviours of a range of people without being joined up, aligned or even desirable.

The Lewis Silkin Part 2 Review acknowledged that a number of factors complicated the charity's workplace culture at the time. These included:

- its rapid growth in both income and size and transformation in terms of delivery of programmes, which had not necessarily been matched by a clear re-articulation of STC UK's sense of identity and purpose;
- the diverse backgrounds from which staff came (corporate, voluntary, politics academia etc) which meant there was sometimes a tension around how people thought things should be done, and
- the existence of sub-cultures within the organisation, which led to different standards and ways of doing things.

The Review also noted that a number of issues, which were outside the scope of the review but formed part of the wider workplace culture context, had been communicated by staff. It specifically mentioned:

- a 'highly demanding, low support working environment';
- low levels of trust between senior leadership and the rest of the organisation;
- lack of respect for (and perceived misuse of) confidential information, and
- a sense, among some, of a lost Identity and Purpose around strategic objectives set in recent years.

In summary, the 2015 culture review noted a number of positive steps and elements but also reported:

- As with any organisation, there were some concerns about managerial and cultural issues. However, at STC UK at that time there were significant employee engagement issues.

- In this case concerns and issues included:
 - Allegations of inappropriate relationships/encounters with members of staff, especially senior staff and at social events.
 - Allegations of inappropriate comments related to gender including comments received by women on their appearance and dress at work.
 - Allegations of other inappropriate comments/behaviour (not related to sex) including managers openly criticising staff in the open office, sometimes swearing at staff, that staff did not feel valued, aggravated by personally experiencing or witnessing inappropriate behaviour and reports that staff did not always feel able to report their concerns, as they feared they may be reprimanded/disadvantaged in some way or dissuaded from taking matters further.
 - Where concerns had been reported, some people commented that they did not know what, if anything, came of it.
- Inappropriate behaviour could be seen as a cultural issue for the organisation. The Commission agrees with the 2015 culture review that: *“This is particularly the case as, with any culture, the behaviour of senior leaders has a powerful impact on the overall culture. Whatever values statements and policies say, people take their biggest behavioural cues from what their leaders are seen to role model and what they are seen to tolerate.”*

The 2015 Lewis Silkin Review concluded that the leadership of STC UK, including both the board and senior executive leadership team, needed to “own” STC UK’s culture, in particular:

- *“acknowledge current cultural issues*
- *provide leadership in defining the fundamental questions of Identity, Purpose and Standards (this cannot be left to HR to “own” – their role should be to facilitate the process)*
- *oversee the implementation of an effective plan to strengthen STC’s culture”*

and noting that: *“There is no greater priority in terms of STC’s sustainable success”* and the culture challenge facing STC UK was *“fundamentally about the leadership fully embracing the role of culture in performance and driving that 24/7/365.”*

The 2018 Shale Review and its recommendations

In March 2018, STC UK commissioned an independent review (“the Shale Review”) as part of an independent verification and assurance process about the progress the charity had made more widely since the 2015 reviews and what it had left to do. It was to consider:

- a. The charity’s workplace culture, alongside its human resource policies and practices.
- b. The implementation of policies as well as their content.
- c. Whether or not staff feel protected and supported.
- d. Complaints and their handling.
- e. The tools available to the Board of Trustees in its oversight in driving the charity’s culture.

Although STC UK had undertaken a similar review in 2015, the then Chair and the CEO made it clear to staff that the Shale Review was not a repeat of the 2015 Lewis Silkin reviews. It was intended to be forward looking.

The Shale Review's final report was published on 8 October 2018 and it made 5 key recommendations for the charity. It should:

- 1) Work collaboratively with staff to develop, publish internally, implement and evaluate a comprehensive integrated strategy in response to this report.
- 2) Ensure that the overarching strategy developed in response to Recommendation 1 included a comprehensive plan to reduce the level of workforce incivility and ensure employees receive the practical and emotional support they need to do their work.
- 3) Achieve a more ethnically and socially diverse workforce and Board of Trustees, and ensure that the charity's management practices and workplace culture support people from diverse backgrounds to make the fullest contribution they can to its work.
- 4) Review arrangements for whistleblowing to ensure that policy and practices support the raising of concerns.
- 5) Ensure the HR department is adequately supported and resourced, operationally effective, responsive to business needs, and a trusted advisor to employees who raise concerns about conduct.

The Inquiry recognises that, in a large charity, trustees would not have a detailed oversight of, or be involved in, all aspects of a charity's work, and day to day management would be delegated to the charity's CEO and senior executive team. Trustees rely on that delegation to ensure that the charity's strategies, policies, and internal assurance mechanisms are properly implemented, and that they are provided with sufficient reporting information to enable them to fulfil their legal duties and responsibilities. That means the onus is on the trustees to ensure they provide the right scrutiny and oversight - ensuring the senior staff act on areas of concern and holds them to account for doing so. It means both the existence and effectiveness of appropriate assurance and accountability mechanisms becomes all the more important.

In STC UK the 2015 Lewis Silkin review concluded there were clearly a number of weaknesses in the implementation of HR policies in practice, when dealing with complaints and it recommended more resourcing and support to HR. The charity had agreed to implement its recommendations.

The 2018 Shale Review noted that there had been progress since 2015 in support for staff, their experiences of working at the charity and their confidence in the charity's leadership. However, it still identified questions of HR effectiveness and capability. This suggests that the 2015 Lewis Silkin Report had not been fully or adequately acted on, or what had been done had not been entirely effective.

The organisational response to the 2018 Shale Review

STC UK agreed to implement all of the five recommendations in the Shale Report and has taken action to do so as set out below.

Progress on implementing Shale's specific recommendations

STC UK reported back to the Inquiry, formally, on its progress on the implementation of those recommendations in September and October 2019. It reported that it had made good progress in completing actions under each recommendation. The charity provided details of a full implementation plan of actions they had agreed against the Shale Review findings.

Some of the reported actions included that they had:

- Delivered a programme of intensive staff engagement in October-December 2018 “to co-create our response plan”, which the charity stated was tested back with staff in every department in the organisation and agreed in January 2019.
- Engaged with staff to produce new set of expected organisational and leadership behaviours. The charity states this will be used to develop new management and all staff training programmes.
- Established, at the start of 2019, a people and culture change programme called “Stronger”. The purpose of the programme was to focus on improving HR service delivery, workplace culture, staff well-being, line management capability, and diversity and inclusion. A staff Representative Advisory Group and a full-time programme team, led by an Executive Lead for Organisational Change, was created for the duration of the programme.
- Recruited to a new role of Wellbeing Manager, leading a team of 2 further wellbeing advisers.
- To ensure effective board accountability for the progress of the programme:
 - A trustee committee, led by a new trustee “with significant organisational development experience”, was given responsibility for scrutinising the Stronger programme delivery, receiving monthly progress reports.
 - In advance of each full board meeting, trustees receive a comprehensive monitoring report of progress against each of the independent review’s recommendations, with the opportunity to question the Executive Lead and Executive Director of HR.
- Conducted a review of relevant policies and guidance: this includes policies and guidance on whistleblowing, grievances, and disciplinary processes.
- Reviewed and separated the roles of Designated Whistleblowing Trustee (who will now also take on a new role as staff liaison trustee, reporting staff feedback to the board) and Designated Safeguarding Trustee. The Whistleblowing and Safeguarding trustee roles previously were held by one member of the board.
- Reviewed their approach to gathering data from exit interviews of staff leaving the organisation to improve the robustness, anonymity and consistency of data showing why staff leave the charity.
- Re-introduced performance reviews of trustees, led by the chair, to establish accountability and monitoring for the effectiveness of the board. The chair’s performance is also to be reviewed by the Nominations Committee.
- Initiated activity on diversity & inclusion:
 - Establishing increased board diversity and inclusion as an explicit objective of the trustee Nominations Committee has been reflected as a responsibility within the committee’s terms of reference. This has already been applied to the recruitment of four new trustees in 2019, significantly increasing the diversity in the experience and backgrounds of board members.
 - Launching internal awareness activity on workplace diversity and inclusion driven by the experiences of staff members and including new analysis of staff survey data to understand the experiences of staff from diverse backgrounds.
 - Created the post of a Diversity, Inclusion and Access specialist to support the development of an organisation-wide Diversity & Inclusion Strategy.
 - Delivered diversity & inclusion training for trustees and the Executive Leadership Team in 2019 as the start of an ongoing diversity & inclusion training programme.

- Appointed new HR leadership to review HR capacity, capability, model and operational effectiveness.
- Recruited to new role of Executive Director to embed organisational development.
- Responded immediately to the Shale Review's short-term recommendations on HR and organisational development by:
 - recruiting an additional two HR advisers to strengthen employee relations case-handling and further additional staff to support organisational development across the organisation.
 - increasing the size of the safeguarding team (covering both child and adult safeguarding, including staff) by four, including a Head of Operations, a Wellbeing Manager and two additional advisers

In September 2019, the charity asked Dr Shale to carry out an independent progress check on the charity's response to her 2018 Shale Review report. She reported back in the form of a written report to the charity. A copy was provided to the Inquiry on 28 November 2019.

In summary, Dr Shale concluded that she was impressed that the charity had sought to fulfil the spirit and not just the letter of the Shale review recommendations. She also concluded that she believed that several important lessons had been learned by the Charity from the past.

The Inquiry considers that culture change requires more than putting in place and following strong policies and procedures. Culture change and improvement must be embedded through the day-to-day actions and behaviours of trustees, leaders, staff, volunteers, contractors and partners. As the Commission has said to other charities, good behaviours must be role modelled from the top and across the charity's offices and people network. Staff and volunteers who report poor behaviour need to know they will be supported at all levels. Breaches and poor behaviour should be dealt with fairly, in a consistent and timely manner, with support to immediately change behaviour where possible. A charity must ensure its codes of behaviour are followed and policies fairly but robustly enforced. This is what the public expect of charities.

Follow up oversight work will continue in 2020 to ensure the remaining work on implementing the recommendations from the 2018 Shale Review, are in train, systematically embedded and led from the top, as well as to evaluate their effectiveness in addressing the cultural and practice issues and risks identified.

Summary

It is very unusual for the Commission to investigate matters of internal staff conduct in charities. We would usually expect charities to be able to handle such matters themselves. The importance of the issues faced by STC UK required an inquiry here.

The Inquiry has found that the Charity handled the 2012 and 2015 complaints about the CEO's conduct poorly. In particular:

- not notifying the trustees until August 2015 that concerns/complaints had been raised about the conduct of the CEO constituted mismanagement in the administration of the charity
- not identifying, in the report to the Commission in September 2015, that the staff member concerned was the CEO constituted mismanagement in the administration of the charity

However, the charity has, since October 2018, taken further action and made significant progress in implementing changes.

6. Conclusions

Save the Children UK is part of the global Save the Children movement, working in the UK and around the world to protect and educate children. It is valued by supporters, partners and the children it helps. Our investigation did not consider matters directly related to STC UK's charitable activity, and our conclusions do not call into question the undoubted valuable work of STC UK. However, we have concluded that there were serious weaknesses in the charity's workplace culture, and serious failures in the way the charity dealt with complaints about behaviour at its head office. The public exposure of these issues in 2018, and further failures in the charity's public response at that time, damaged public trust and confidence in STC UK.

People working in charities often believe passionately in the charity's cause. Staff, as well as supporters and the wider public, expect the behaviours and attitudes of a charity's leadership to be aligned with the charity's mission and what it means to be a charity. All charities should be safe and trusted environments. The public expect this, and so do those working in charities.

This case demonstrates the damage that can be done when a charity's internal culture and leadership behaviours appear to be at odds with the high ideals of its mission. Save the Children UK's workplace culture during the period considered by this investigation was marked by some serious weaknesses. There were some serious failures in the way the charity dealt with complaints of inappropriate behaviour against its chief executive in 2012 and again in 2015. The 2015 failures were compounded by inadequacies in how the previous complainant was handled in 2012, and the existing problems with the charity's workplace culture.

This investigation cannot and has not attempted to consider whether the specific allegations of inappropriate behaviour were justified, but it is clear from the records that the Inquiry has seen and evidence heard that these allegations, and the way in which the charity responded, had a corrosive impact on the internal culture. Those who had reported concerns felt let down, and there is evidence that the wider workforce lacked confidence that concerns would be taken seriously and poor behaviours challenged.

The Inquiry also found areas of good practice. It is clear that the charity had the policies and procedures expected of a charity of this size and nature in place. The charity sought to explore its poor staff engagement in early 2015 as well as recognising the seriousness of the allegations being made against senior staff in both 2012 and 2015. The allegations were not brushed under the carpet. However, trust in these processes and procedures was undermined by a failure to fully implement them properly and consistently. In September 2015, the charity reported the triggering of formal proceedings about a senior member of staff to the Charity Commission. The charity acted promptly to commission formal reviews in 2015 and 2018 on how to learn lessons from previous failings and improve its workplace culture. However, the full board of trustees did not receive a written copy of the 2015 external review. The allegations involved the chief executive, the most senior member of staff through whom the trustees delegate their responsibility to effectively manage the charity on a day to day basis. These were material facts of which all the trustees and the regulator should have been made aware and the inquiry is critical of these omissions. We consider that, at times, the charity's trustee board collectively was poorly served.

The Inquiry is critical of the extent and frankness of the charity's reporting to the Charity Commission in 2015. The way in which the charity responded to the media reports about the

allegations was at times unduly defensive. While the Inquiry accepts that the charity's leadership was motivated by what they saw as correcting inaccuracies and protecting the charity's reputation, their actions at the time created the impression, both to those who had raised concerns and to the Charity Commission, that the charity was seeking to downplay the seriousness of the allegations and was not dealing responsibly and openly with the issues.

Furthermore, inconsistencies between the information being given to the Charity Commission, and that reflected in public statements resulted in a warning to the charity about the accuracy and integrity of its assurances to complainants and of some of its public statements.

The Inquiry recognises the cooperation of the charity's current leadership, executive and board, with the investigation and the positive and responsible attitude towards admitting past mistakes. The Inquiry also recognises significant progress has been made since 2015, including and particularly since the Shale Review in 2018. However, any failure to implement the remaining necessary actions or any future evidence that the required improvements have not been made will be regarded as evidence of misconduct and/or mismanagement.

The Commission cannot enforce healthy internal cultures in charities and nor can we adjudicate individual complaints by charity staff. The combination of circumstances which led to the need for regulatory intervention was unusual, however, the issues we found at Save the Children UK are unlikely to be isolated to this charity. We hope this report, and the wider lessons, help other charities learn from this case, and place appropriate priority on the culture and behaviours modelled by those in senior leadership positions.

7. Wider lessons

Charity leaders have a responsibility to behave in a way that reflects charitable values and purpose, and does not appear to undermine the charity's mission. Charity leaders are powerful and highly respected people, in their own organisation and in wider society. They are expected to respect that power and exercise it responsibly, to set the tone for their organisation, and to face clear consequences if their conduct falls short of what is required.

An effective workplace culture identifies, deters and tackles behaviour which minimises or ignores harm to all people, including its staff. Failures to protect people – including the charity's own staff – from harm should be identified and lessons learned and there should be full and frank disclosure, including to regulators. A perception that a charity is tolerating or downplaying poor behaviour within a charity, even if low level, can lead to a culture where people are unable or unwilling to challenge poor behaviour or raise concerns. This in turn means more serious harm can happen, to a charity's staff or indeed in the context of charitable activity.

Dealing properly with incidents of harm to people, reporting them, and ensuring lessons are learned and acted on will protect the reputation of a charity in the long term; it means that donors, stakeholders and the wider public can be confident that the charity operates with integrity and delivers on its charitable purpose. It builds trust between a charity's workforce, the executive and the trustee board, necessary for the effective delivery of the charity's purpose. Focusing on avoiding negative or critical media coverage when incidents have happened will not fulfil the trustees' duty to protect a charity's good name in the long run, nor serve the shared responsibility to uphold the reputation of charity as a whole.

Trustees are collectively responsible for their charity and ultimately accountable for everything done by the charity and those representing the charity. The Charity Commission expects trustees to take their responsibilities seriously. Trustees cannot actively understand the risks to their charity and make sure those risks are properly managed if they do not have full information. In a large and complex charity such as Save the Children UK, the executive carries significant responsibility for ensuring trustees are appropriately informed and advised. It is also normal for the executive to have decision-making authority and for some matters to be delegated to the chair or a sub-group of trustees, but they act on the authority of the board. It is important that there is a relationship of open sharing of information between the board and senior staff, especially the CEO. The board as a whole clearly also needs to be kept informed about important issues, such as allegations of misconduct against the CEO.

Annex 1 - The Trustees and Chief Executives

The trustees, as with all large charities with employees, delegate day-to-day management of the organisation to the Chief Executive and Executive Directors⁵.

Current trustees:

According to the Register of Charities, STC UK's trustees at the point the Inquiry commenced in April 2018 were: Charles Steel (Interim Chair) (appointed as trustee 01/02/2018, appointed as Interim Chair 08/01/2019), Sophie McCormick, Naomi Eisenstadt, Mark Swallow, Anne Fahy, Arabella Duffield, Dianna Melrose, David Ripert, and Babatunde Soyoye (appointed 20/03/2018).

Current trustees: Charles Steel, Richard Winter, Sophie McCormick, Naomi Eisenstadt, Mark Swallow, Anne Fahy, Arabella Duffield, Dianna Melrose, David Ripert, Babatunde Soyoye, Kajal Odedra, Razia Khan, and Tanuja Randery.

The following individuals were also trustees at the start of the Inquiry but resigned on the following dates: Tamara Ingram (resigned 30/11/2018), Diana Carney (resigned 31/12/2018), Peter Bennett-Jones (Chair) (resigned 07/01/2019) Fiona McBain (Vice Chair) (resigned 07/01/2019), Jamie Cooper (resigned 26/02/2019), Gareth Davies (Hon. Treasurer) (resigned 31/05/2019), Sebastian James (resigned 09/07/2019) and Lisa Rosen (resigned 08/10/2019).

This report refers to these individuals collectively as the "current trustees" where matters refer to engagement with STC UK trustees after the opening of the Statutory Inquiry.

The various Chairs of the trustee board:

The Chair of STC UK from March 2008 to 17 September 2015, was Sir Alan Parker. He was succeeded by Peter Bennett-Jones, who served as Chair of trustees until January 2019.

Charles Steel is the current Chair. He was appointed as an "interim" chair of trustees on 8 January 2019 and is serving until the new permanent chair is recruited following the conclusion of this inquiry.

Previous trustee compositions:

The following individuals were trustees in 2012 when a complaint about a senior employee was made:

Sir Alan Parker (Chair), Mark Esiri (Deputy Chair), Gareth Thomas (Vice Chair, appointed 17/04/2013), Richard Winter (Treasurer), Alex Duncan, Nyaradzayi Gumbonzvanda, Robert Hingley, Tamara Ingram, Joanna Shields (retired 11/12/2012), Kevin Watkins, Sophie McCormick

⁵ The Commission's Inquiry into STC UK is into a number of issues which span a period from 2012 – 2018 ('the inquiry period'). As trustees' tenures are usually for fixed-term periods, and as the individual trustees have changed during the inquiry period, this report has sought to identify which individual trustees were involved in which key decisions and/or had particular oversight of the issues of regulatory concern. Some senior executives referred to by their role may also be unavoidably identifiable in this report due to their involvement in key activities under review by the Inquiry. This overall approach mitigates against inappropriate adverse criticism of particular former or current trustees or executives.

(appointed 27/03/2012), Naomi Eisenstadt (appointed 25/06/2012), Fiona McBain (appointed 20/09/2012), and Adele Anderson (appointed 11/12/2012).

The following individuals were trustees in 2015/2016 when staffing complaints against the two senior employees were made:

Sir Alan Parker (Chair until 17/09/2015) (resigned as a trustee 15/11/2017), Mark Esiri (Vice Chair), Richard Winter (resigned 15/07/2015), Robert Hingley (resigned 09/12/2015), Tamara Ingram (resigned 30/11/2018), Kevin Watkins (resigned 11/05/2016), Sophie McCormick, Naomi Eisenstadt, Fiona McBain (Vice Chair) (resigned 07/01/2019), Adèle Anderson (resigned 08/12/2017), Sebastian James (resigned 09/07/2019), Jamie Cooper (resigned 26/02/2019), Diana Carney (resigned 31/12/2018), Devi Sridhar (resigned 31/05/2016), Gareth Davies (Hon. Treasurer) (resigned 31/05/2019), Peter Bennett-Jones (Chair from 17 September 2015) (appointed as trustee 25/02/2015 and resigned 07/01/2019), Farah Ramzan Golant (appointed 25/02/2015 and resigned 25/02/2017), Mark Swallow (appointed 25/02/2015).

Of these, the following were members of the sub-committee of the Board set up to oversee the external reviews on staffing matters in 2015; Naomi Eisenstadt, (appointed the sub-committee's Chair), Mark Esiri, Gareth Davies, Adele Anderson, and Tamara Ingram.

Executives:

STC UK's current Chief Executive, Kevin Watkins, has been in place since September 2016, referred to in this report as "the current CEO". He served as a trustee from July 2009 until May 2016.

Justin Forsyth was CEO from July 2010 until February 2016 and is referred to in this report as "the 2015 CEO".

Annex 2 – The Framework of the Charity’s Policies and Procedures in 2012 and 2015

In the Inquiry’s view one of the contributing factors for the consequences and learnings that follow is the confusion and difference of views as to whether the complaints raised were informal or formal and whether the resolution outcome was formal or informal and how they are treated under the policies and also by the staff and trustees dealing with them. It was therefore necessary for the inquiry to look in greater detail at the policies and procedures to understand both the charity’s findings from the HR processes and to inform its own findings.

Harassment and bullying: in this policy, the procedure encourages staff to consider raising the problem informally with the person they consider responsible, being clear about how that person’s behaviour has impacted on them. The policy in line with good practice, provides for alternative and multiple routes for raising issues; if staff did not feel comfortable in doing so, they could approach their line manager or Human Resources (“HR”) for confidential advice and/or assistance in resolving the issue: the policy does not provide any more detail on how a resolution would be achieved.

The policy clearly confirms that if informal steps have been unsuccessful, or are not possible or appropriate, then the formal procedure should be followed: this would mean the submission of a written complaint and a formal investigation the conduct of which is explained further within the policy. The policy clearly states that:

“As a general principle, the decision whether to progress a complaint is up to you. However, SC UK has a duty to protect all staff and may pursue the matter independently if, in all the circumstances, SC UK considers it appropriate to do so.”

The harassment and bullying policy also clearly describes the relationship between the outcome and the disciplinary process. The policy states that where a formal investigation has been undertaken, in notifying the complainant of the outcome, if the manager nominated to consider the complaint considered the harassment and/or bullying had occurred, where the person complained about was an employee, the matter would be dealt with as a case of possible misconduct or gross misconduct under the Disciplinary policy. The policy goes on to state that *“Whether or not your complaint is upheld, SC UK will consider how best to manage the ongoing working relationship between you and the alleged harasser or bully.”*

Grievances: Similarly, the procedures relating to informal resolution of a grievance were also an elective process, signposting staff towards initially taking this route, but if the matter remained unresolved, then the formal procedure was to be followed. Again, the formal complaint procedure, including the conduct of any subsequent formal investigation, is set out in the policy. The grievance policy contained a restriction limiting what could be dealt with under the grievance policy, expressly excluding matters pursued under the disciplinary, harassment and bullying policy and whistleblowing policies.

Disciplinary policy: Under this policy there was an informal route for resolution of issues which were considered as minor misconduct, whereby an oral warning could be given without recourse

to more formal steps. However, the policy makes clear that if the matter is not resolved, or if an informal resolution is inappropriate, formal steps will be taken.

The disciplinary policy clearly defines the procedures to be followed. The starting point is to appoint a Chair/decision maker for a disciplinary hearing and also separately an “Investigation Manager” who carries out an investigation of the allegations to determine whether there is a case to proceed with a disciplinary hearing. The Investigation Manager produces a report of their findings on whether there is a case to answer. The policy also sets out further details of the disciplinary hearings and appeals against disciplinary action.

The policy also sets out what disciplinary penalties may be awarded dependant on the level of misconduct; either a first written warning, a final written warning or dismissal. In relation to warnings, the policy states that:

“An oral warning will usually remain active for 6 (six) months; a first written warning will usually remain active for 12 (twelve) months and a final written warning will usually remain active for 18 (eighteen) months...

After the active period, the warning will remain permanently on your personnel file but will usually be disregarded in deciding the outcome of future disciplinary proceedings, although a repetition of misconduct that resulted in a spent warning will usually cause the circumstances that led to the earlier warning to become relevant.”

The policy specifies what may constitute gross misconduct including, conduct which brings a staff member or STC UK into serious disrepute; including harassment. The policy states that a penalty *“...should not be imposed without a disciplinary hearing”*.

These aspects of the policies are important to understand, so the results of the 2015 reviews and the Inquiry’s findings as to why some things went wrong, can be fully understood.