



Trust and Confidence in the Charity Commission

Research study conducted by Populus on behalf of the Charity Commission

June 2015

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1 Background and Methodology

1.1 Overview

The Charity Commission for England and Wales commissioned Populus to conduct independent research into trust and confidence in the Charity Commission. This project builds on previous surveys of trust and confidence in charities that have included a measure of public awareness and perceptions of the Charity Commission, and for the first time in 2014, also measured the level of public trust and confidence in the Charity Commission.

This research was conducted with three audiences: the general public, charities, and stakeholders. It combines both quantitative research with all audiences and qualitative research amongst key stakeholders in order to assess broad perceptions and attitudes towards the Charity Commission and charity regulation issues.

1.2 Objectives

The main research objectives for the 2015 research were to:

- Establish attitudes towards the Charity Commission and charity regulation
- Explore the effectiveness of the Charity Commission’s relationship with charities and other key stakeholders
- Explore the impact of charity regulation on charities in England and Wales

1.3 Conducting the research

General Public

We conducted 1001 Computer Aided Telephone Interviews (CATI) from 23 March – 2 April 2015. Telephone leads were generated at random, using a Random Digit Dialling (RDD) sample. Results were weighted to be representative of the adult population of England and Wales across:

- Gender
- Age
- Socio-economic group
- Working status
- Region
- Ethnicity¹

Charities

We conducted 1131 online interviews from 1 April – 13 April 2015 using a sample of charities selected from the charity register. E-mail invitations were sent to addresses that charities had submitted as a contact point for the Charity Commission. The survey screened respondents to ensure they held senior positions: Trustees, Chief Executives, Directors or founders of charities.²

Annual income	Response Rate	Charity Register demographics
£0 - £10,000	33%	41%
£10,001 - £25,000	20%	16%
£25,001 - £100,000	23%	18%
£100,001 - £500,000	14%	13%
£500,001 - £1,000,000	3%	2%
£1,000,001 - £5,000,000	3%	3%
£5,000,000 plus	2%	1%
Not yet known (because they are newly registered)	1%	5%

¹ Weighting is applied to surveys as standard and adjusts the data to account for potential differences between the demographic profile of all members of the public and those who are surveyed.

² Weighting was used to correct for minor differences between the final sample profile of charities and the charity register profile according to the following annual income brackets.

Stakeholders

We conducted 22 in-depth telephone interviews with charities, Government officials, umbrella bodies and professional advisors from 22 April – 15 May 2015. As is standard practice with senior stakeholders, all interviews were conducted anonymously, and no quotes are attributed to individual participants.

A list of those interviewed who agreed to be included in the end report as a participant can be found in Annex A.

2 Key Findings



Average trust score given by the public to the Charity Commission

There is high trust and confidence in the Charity Commission across the general public, charities and other key stakeholders

Trust and confidence in the Charity Commission is high. When asked to rate their trust and confidence in the Charity Commission on a scale of 0-10, where 10 means they trust it completely and 0 means they do not trust at all, the general public gave an average score of 6.0. This has not changed significantly since 2014 when the public were asked this question for the first time and the average score was 6.1. Charities themselves gave an average score of 8.3 on the same scale of 0-10. 88% of charities say their trust and confidence in the Commission has remained unchanged in the past 12 months.

Awareness of the Charity Commission is significantly higher amongst charities than it is amongst the general public: 86% of charities say they feel they know the Charity Commission fairly or very well, compared to 29% of the public. However, members of the public who say that they know the Charity Commission well are more likely to give a higher average score of trust (7.1) than those who don't know the Charity Commission well (5.4%).

The majority of the public and charities believe that charities are regulated effectively

When asked about how the Charity Commission carries out its regulatory role, nearly three-quarters (72%) of the public (excluding don't knows) believe that charities in England and Wales are regulated effectively, compared to just over a tenth of the public (14%) who believe that charities are not regulated effectively.

When it comes to charities' perceptions of the importance of the Commission's role and its regulatory effectiveness, the findings show that charities' views are remarkably similar to those of the public. Three-quarters (75%) of charities (excluding don't knows) agree that the Charity Commission effectively regulates charities, compared to just under a tenth (9%) who believe they are ineffectively regulated by the Charity Commission.

Charities and the public agree the Charity Commission is fair, impartial and takes action against charities which break the rules

There is considerable support for Charity Commission's approach to its work. Nearly all (98%) of the public regard the role of the Charity Commission as important; the same proportion as in 2014. Four-fifths

(81%) of the public and charities (79%) trust the Charity Commission to be fair and impartial when assessing charities. Furthermore, more than two-thirds of the public (69%) and charities (also 69%) agree the Charity Commission takes action against charities which break the rules.

In relation to the wider role of the Charity Commission, there is a view that the Charity Commission could be more proactive in speaking out on charity issues, even when they are not regulatory issues. Nearly three quarters of the public (74%) and over half of charities (59%) believe the Charity Commission should be more proactive in speaking out on charity issues.

Charities do not feel overly burdened by the Charity Commission's regulatory requirements

26%



Of charities do not find the Commission's regulation burdensome at all

When asked to rate the burden of regulation on a scale of 0 to 10, where 10 is very burdensome and 0 is not burdensome at all, charities give an average score of 2.8. A quarter of charities (26%) describe the Charity Commission's regulatory requirements as not burdensome at all, compared to only 2% of charities who describe it as very burdensome.

Key stakeholders agree that the burden of regulation from the Charity Commission is low, but acknowledge that there are a range of other regulators that also place requirements on charities. Some stakeholders are concerned that this creates a confusing and complex regulatory landscape for charities.

Public awareness of the Charity Commission and experience of the charity sector

Whilst almost all (98%) of the public regard the Charity Commission's role as important, less people recall having heard of the Charity Commission (47%), compared to 55% in 2014 and 55% in 2012, and only 14% are able to recall any news story or key development involving the Charity Commission during the past 12 months.

Almost a fifth of the public (19%) say either they, or one of their close family members or friends, work as a paid employee, trustee or volunteer. A tenth (10%) say they, or their close family members or friends, have received money, support or help from a charity, and a fifth (19%) say they or their close family member or friends have benefitted from or used the services of a charity. Only 1 in 25 members of the public (4%) report having had an issue or problem with a charity in the past 12 months.

Support for new powers for the Charity Commission is universal

There is strong support amongst both the public and charities for the Charity Commission to do more to regulate charities and take on new powers. Three-quarters (76%) of the public and three-fifths (61%) of

83% 

Of the public support new powers being introduced for the Commission

charities believe that the Charity Commission should do more to regulate and control charities to ensure they are working for the public benefit.

Four-fifths (83%) of the public and over nine-tenths (92%) of charities support new powers being introduced for the Charity Commission. In contrast, under a tenth (8%) of the public and 3% of charities oppose them. A third of charities (33%) believe the biggest challenge for the Charity Commission during the next five years will be maintaining standards of regulation and compliance. Furthermore, over two-thirds (72%) of the public agree that charities should be regulated more to ensure they are being run properly, compared to a fifth (20%) who feel there is currently too much regulation of charities.

This research was undertaken before the large amount of publicity in May that followed a specific case concerning fundraising, but nonetheless shows that stakeholders and the public were already identifying concerns about fundraising and its impact on public trust and confidence. It is important to note that standards of conduct for fundraising are set and enforced through self-regulation, with compliance regulated by the Fundraising Standards Board, not the Charity Commission.

Charities and the public are split over funding for charity regulation

There is a clear difference of opinion between charities and the general public regarding how charity regulation should be funded. Whilst two-thirds (68%) of charities believe charity regulation should be funded entirely through general taxation, just a quarter (25%) of the general public agree. In contrast, two-thirds (69%) of the general public support charity regulation being partly or fully funded by a charge to charities, compared to under a quarter (23%) of charities. The key stakeholders are also divided in their views. Some support continued full Government funding, and others are open to the idea of a mixed funding model.

Charities also expressed views on the effect that introducing a charge might have on their expectations of the services provided by the Charity Commission. Half of the charities surveyed (54%) say that paying for services means they would expect a better service from the Charity Commission. A quarter (27%) of charities feel paying would decrease their trust in the Charity Commission, although almost as many, a fifth (21%) thought that it would make no difference to their attitudes towards the Charity Commission.

3 Analysis and Conclusions

The Charity Commission is in a positive position; it is highly trusted by the charity sector and well trusted by the public who believe it does a good job. It is therefore well placed to deliver its role as an efficient and expert regulator focused on enforcement and prevention.

The Charity Commission can be encouraged by the findings which show that the more people know about the Commission and the more contact they have with it, the more likely they are to give it a higher trust score. However, there is the potential to increase trust further. This research provides valuable information that the Charity Commission can draw on to inform the future development of its regulatory role and to increase its regulatory effectiveness.

Increasing effectiveness and encouraging greater accountability by charities

The Charity Commission is in a good position to strengthen its regulatory influence and increase levels of compliance with the basic requirements to which all charities must adhere. At present, those regulatory requirements are not considered to be particularly burdensome. This adds weight to the Commission's argument that there is no excuse for non-compliance, and where non-compliance does occur, charities must be held to account. For the vast majority of charities that want to do the right thing and have high levels of trust in the Charity Commission, the research findings indicate a receptiveness for listening to and following regulatory advice and guidance, and there may be more that the Commission can do to enable trustees to run their charities effectively and to maximise the efficient use of charitable resources.

Whilst Charity Commission requirements are not considered overly burdensome, the Commission might want to give further consideration to the point made by key stakeholders about the complex and confusing regulatory landscape that charities face when the requirements of other regulators are taken into account. It may also want to explore the potential for closer working with other regulators to encourage the streamlining of some regulatory requirements.

There is potential for the Charity Commission to increase trust and confidence further by engaging more widely

Larger charities and key stakeholders are positive about their engagement with the Charity Commission, feeling they know the Charity Commission and what it does well. The wider public and smaller charities are less clear about the role of the Charity Commission. Promoting greater awareness and understanding of the Charity Commission and its work, particularly amongst smaller charities could further increase trust. This does not necessarily require direct face to face engagement. As the Commission develops its digital strategy use of these new forms of communication may bring benefits.

It is already known from previous research on public trust and confidence in charities that the public are more likely to trust charities if they are aware of the existence of the Charity Commission. There are, therefore, potentially mutual benefits for charities and the Charity Commission in working together on strengthening public awareness and understanding of the charity regulator's role.

Communication about the Charity Commission's role as a robust regulator is getting through

The findings show that the role of the Commission is clearer than it was a year ago. Not only is the role clearer (although it is important for the Commission to note that a small number of stakeholders feel it has become less clear), but it has strong public support. The overwhelming majority of the public agrees that the role of the Charity Commission is important, and the vast majority of charities feel they know what the Commission does. The findings indicate an awareness of, and support for, the Commission's robust and proactive approach to regulation. The Charities (Protection and Social Investment) Bill currently going through Parliament is intended to strengthen the statutory powers available to the Charity Commission, and if enacted will provide an ideal opportunity to communicate the range of regulatory powers that the Charity Commission has at its disposal to carry out its role robustly and efficiently.

Nonetheless the need for continued, consistent messaging about the role of the Commission is essential if it is to increase awareness and understanding of its role, which in turn will have a positive impact on trust and confidence.

Funding the charity regulator

This research report provides a valuable evidence base that could help to inform the development of sustainable funding for the Commission. The evidence from this research provides the Commission with an insight into the views of the public and charities on the concept of charging for charity regulation. It shows that there is a significant proportion of charities which do not presume that the costs of charity regulation should be entirely met from public funds as is currently the case.

Overall, the research evidence shows a public appetite for charities to be regulated effectively. The Charity Commission can only succeed in meeting the need for effective regulation of the charity sector if it has sufficient funding to deliver this.

4 Key Drivers of Trust and Confidence

Key drivers of trust and confidence in the Charity Commission

Once the fieldwork phase was complete, Populus conducted a key driver analysis to identify the issues that drive trust and confidence amongst the general public and charities towards the Charity Commission. Our analysis shows that there are important factors that drive variation in trust and confidence. The key factor for driving trust and confidence amongst the general public is awareness and knowledge of the Charity Commission. For charities, it is important for the Charity Commission to be seen as effectively adding value to their organisation, by supporting good governance and accountability, which in turn drives their trust and confidence.

See Appendix C for further methodological detail about key driver analysis.

General public

The majority of the variation in trust and confidence towards the Charity Commission is caused by the factors (drivers) below. The individual importance of each factor is listed below. They show that four factors contribute to the variation in trust and confidence amongst the general public. The most important is the extent to which members of the public feel they know the Charity Commission. If a member of the public knows the Charity Commission well, they are more likely to give a higher score for trust and confidence. The extents to which the public trusts charities to work independently, believes the Charity Commission is consistent in how it regulates charities, and believes the Charity Commission is accountable for what it does are also important drivers towards trust and confidence in the Charity Commission.

Figure 1.1: Key drivers of trust and confidence amongst the general public. Model accuracy is 77%.

The larger the percentage, the larger the effect of that factor on overall trust and confidence in the Charity Commission.



Charities

Similarly the majority of variation in trust and confidence amongst charities is caused by five main factors.

The most significant driver for charities is believing the Commission is effective at adding value to their organisation by supporting good governance and accountability to the public. Other important drivers include: trusting the Charity Commission to be fair and impartial when assessing charities; believing it is effective at protecting charities from harm; overall belief that the Charity Commission effectively regulated charities in England and Wales; and the feeling that they know the Charity Commission.

Figure 1.2: Key drivers of trust and confidence amongst charities. Model accuracy is 81%

The larger the percentage, the larger the effect of that factor on overall trust and confidence in the Charity Commission.



5 The Findings

5.1 The context of the charity sector

The Charity Commission is an independent, non-ministerial department responsible for regulating more than 160,000 registered charities in England and Wales. Together, these charities form a broad and diverse sector which faces a complex set of challenges, such as falling income, increasing demand for service, and higher public scrutiny of their work.

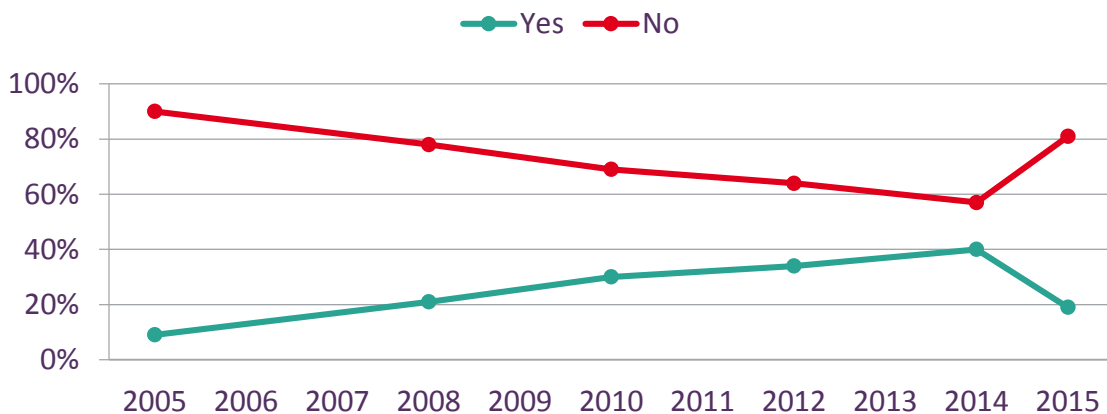
Public involvement with charities

A fifth (19%) of the general public either work for a charity or have a close friend or family member who works for a charity. This is highest amongst those aged 55-64 (26%), and lowest amongst those aged 65+ (15%) and those aged 18-24 (18%). Higher or intermediate managers are also most likely to either work for a charity or have a close friend or family member that works for a charity (23%), compared to semi-skilled workers (14%) or unskilled workers (14%).

19% 

Of the public work for a charity or have a close friend or family member that does

Figure 5.1.1: Have you, or any of your close family or friends, ever benefitted from or used the services of a charity? *General Public*

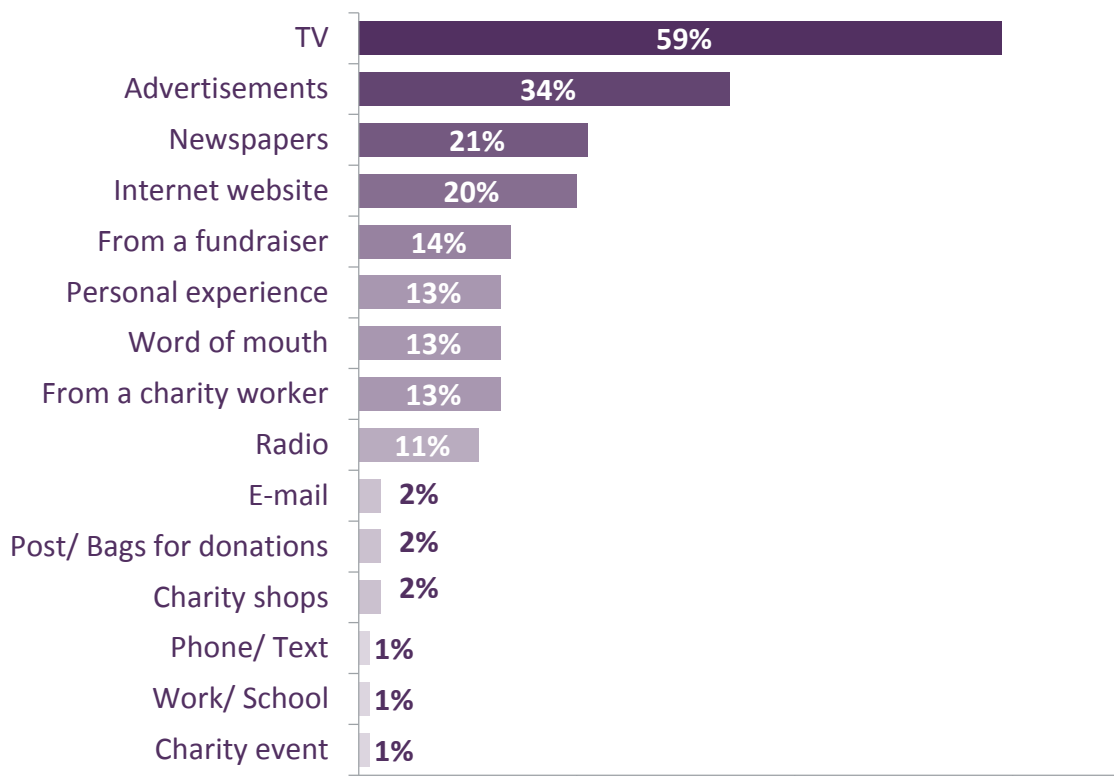


One-in-ten members of the public (10%) either receive money, support or help from a charity, or know a close friend or family member who has done so. Just under a fifth (19%) of people say they, or their close family or friends, have benefitted from or used the services of a charity – a fall from two-fifths (40%) reported the previous year. However, this year's figure is in line with figures published by the Office of the Scottish Charity

Regulator (OSCR), which found that 22% of the Scottish public have used a service provided by a charity.³

The public most commonly hear about the work of charities through television (59%), advertisements (34%) and newspapers (21%), whereas a fifth (20%) hear about the work of charities from the internet. Over one-in-ten hear about the work of charities from personal experience (13%) or from their friends, family or colleagues (13%).

Figure 5.1.2: Thinking back to the last month, in what ways have you heard about the work of charities? *General Public*



Only one in twenty-five members of the public (4%) had an issue or a problem with a charity in the past 12 months.

4% 

Of the public had an issue with a charity in the past 12 months

Generally, the public are trusting of charities. Three-fifths (64%) of the public trust charities to work independently, a slight rise from 2014 (61%), the same as 2012 (64%), and a drop from 2010 (69%). This is the second most important driver for trust and confidence in the Charity Commission itself, and suggests that trust in charities and trust in the Charity Commission are closely linked.

³ Office of the Scottish Regulator, Charities Surveys 2014 – General Public.

Stakeholder views on challenges facing the charity sector

As part of this research, we also spoke to stakeholders about their views on the main challenges facing the charity sector. Stakeholders gave a broad range of answers with key themes including:

- Funding
- Demand for services
- Volunteering and skills
- Maintaining trust and confidence
- The independence of the sector
- The role of charities
- Regulation

Stakeholders recognise the diverse set of challenges facing the sector. Many are concerned about the fall in charity sector income which presents serious challenges to their work. When asked what they see as the future challenges for the charity sector, stakeholders focused on funding and resources for charities, which they continue to see as under threat from decreases in public sector spending, competition for limited resources and ensuring they have enough volunteers to deliver their services.

“ Getting our hands on enough resources and getting enough volunteers to do what they’re doing. Hopefully, we’re coming out of the recession and people will be more inclined to donate to charity than they have been over the last five years, but, actually, donations have held up pretty well.”

“ Surviving austerity. As the economy’s still kind of sluggishly recovering, charities have had to work harder to preserve their funding base.”

Individual donations have remained broadly stable; the Charities Aid Foundation estimated £10.6 billion was donated to charity by UK adults in 2014, similar to previous years.⁴ However, stakeholders believe cuts to public sector funding present a larger challenge to funding for charities. This is either directly from funding or grants they previously received, or indirectly through rising demand on the services they provide.

“ The funding situation for charities [is a challenge]. Obviously there’s been significant cuts in particularly Government spending with the sector, and that’s had a big impact on charities.”

⁴ UK Giving report 2014, *Charities Aid Foundation*. Available: <https://www.cafonline.org/about-us/publications/2015-publications/uk-giving-2014>

Nonetheless, fundraising specifically is raised as a challenge for the sector, both in terms of ensuring it is properly regulated, and that charities are making use of innovative fundraising methods. In considering the findings that relate to fundraising it should be noted that the fieldwork for this research was carried out before the large amount of publicity that began in May following the case of Olive Cooke. Fundraising events are the fifth most common method of donating to charity, with a fifth of all charity donations (19%) made via a fundraising event in 2014.⁵

Stakeholders commonly mentioned social media events such as the ALS Ice Bucket Challenge as an innovative example of raising money.

- “ To continue to fundraise, and getting the balance right between asking for funds and the right of the public to say no to you asking for funds, the conflict between the right to ask and the right to give.”
- “ Dealing with an ever-changing fundraising environment where new fundraising techniques are appearing all the time, using social media, using Facebook and Twitter to raise funds.”
- “ The big household name charities, whether it’s Barnardo’s or the National Trust, have the resilience to withstand short-term changes. Smaller charities are more vulnerable to those short-term changes.”

“ The biggest problem for charities is fundraising and sustaining income.”

Key stakeholders from large charities also believe there is increasing pressure on the services that charities provide, and foresee rising demand in the short to medium term – either from reductions in public service provision or due to rising demand from an ageing population.

- “ There is a definite increase at this moment in time in the amount of services that are being accessed... we are seeing and have been seeing for the last 18 months a consistent upswing in the number of people accessing services.”
- “ Growing levels of need for the services that they offer - an issue of resourcing so as the need grows, how you respond to that need.”
- “ I think that the ageing population is going to be an increasing problem, not only in terms of ageing beneficiaries but with ageing volunteers.”



Of the public hear about the work of charities from a fundraiser

⁵ Ibid.

Some stakeholders also spoke of the challenge of ensuring they are able to attract and retain volunteers and workers with skills, particularly around financial management.

- “ Skills and the capacity of the sector particularly around financial management and being able to plan their business plans ahead in the future.”
- “ An ageing population and the fact that a lot of charity volunteers are getting into their 60s and 70s and will ultimately be dying off. Encouraging new people to come in and volunteer I think is probably a problem across the board.”

Many stakeholders expressed concern that the independence of the charity sector could be seen as under threat: for example, they cited concerns about charities and campaigning, and raised questions around the role of charities in how they communicate.

- “ People feel as though there has been some push on the independence of the sector and some push back on the role of charities in that context as independent organisations.”
- “ There’s a challenge to our role as advocates and campaigners. It is a core role for charities; you wouldn’t be a charity if you weren’t also an advocate and a campaigner.”

“ The independence of the sector. I think there’s been a lot of concerns around campaigning and charities, particularly those that receive some form of Government income, and their role in campaigning.”

More broadly, many stakeholders feel that charities have a deeper challenge of ensuring they maintain their role as charities, rather than vehicles for delivery of public services. Furthermore, some stakeholders also have concerns that the important or ‘legitimate’ role of charities in influencing policy and lobbying is under threat.

- “ Government relations have not been as good as they had been in the past for charities that have a relationship with Government, policy influencing has not been as easy.”
- “ Charities are going to have to work harder to stake out their territory in terms of why their status makes them unique providers for whatever the social need is.”

A small number of stakeholders cited regulation as another challenge for the charity sector, both in ensuring that regulation continues to be effective, and also in supporting a favourable environment for charities to operate in. Some stakeholders warn that regulation can create unfavourable conditions if it puts too much pressure on charities.

- “ How we get a sensible and effective form of charity regulation, bearing in mind the number of charities out there and bearing in mind the Charity Commission’s limited resources.”

“ The work of the Charity Commission in England and Wales, and the other two regulators in Scotland and Northern Ireland do not always create a favourable environment in which charities can be trusted and can be well regarded by the public and it does create pressures on charities trying to do their job, either in this country or overseas.”

“ **The sector needs to be absolutely transparent. The more transparent we are, the better we are.**”

64% 

Of the public trust charities to work independently

Stakeholders also see a challenge for the sector in maintaining the trust and confidence of the public. They acknowledge that although surveys show there continues to be high levels of trust and confidence in charities, negative media and news stories have the potential to erode trust amongst the public.

“ Challenges are continuing to build on the very high levels of trust and confidence that the public have in the charity sector. Research shows that the public have a very high regard for charities, for how they do their work, and they trust them implicitly in their work.”

“ The main challenges are actually the negative environment that it’s facing, because of the issues around Chief Executive Pay, Syria, and there was a lot of negativity in the media around charities.”

“ We worry about the confidence in charities... a disregard for the work of charities.”

In order to maintain trust and confidence, stakeholders picked out several key qualities that charities needed to possess: good governance, transparency and accountability; being shown to make a difference; and being seen to be independent. This supports previous research conducted on behalf of the Charity Commission in 2014⁶, which showed the most important drivers for public trust and confidence are: ensuring that a reasonable proportion of donations make it to the end cause, making a positive difference to the cause they are working for, and making independent decisions to further the cause they work for.

“ The quality of governance and just the ability to get together a core number of good trustees is a challenge for charities. If the governance is poor, then don’t expect anything else to be good.”

⁶ Public trust and confidence in charities, June 2014. Research study conducted by Ipsos MORI on behalf of the Charity Commission

- “ Demonstrating their impact and showing how they make an impact in terms of their beneficiaries and more generally in public life.”
- “ A sense that charities are independent of the state, are on the side of beneficiaries, that they don't seek profits, they don't want to make money from their activities, and distribute that money to shareholders or owners, they seek to act in a decent and fair way in the treatment of their beneficiaries, and can be trusted to do a good job.”

5.2 Attitudes towards charity regulation

Attitudes towards charity regulation are broadly positive. It is seen as effective by both the public and by charities, with a majority agreeing charities are regulated and controlled to ensure they work for the public benefit. The role of the charity regulator continues to be a contentious topic amongst stakeholders, with disagreement over whether it should focus on compliance or on support and advice.

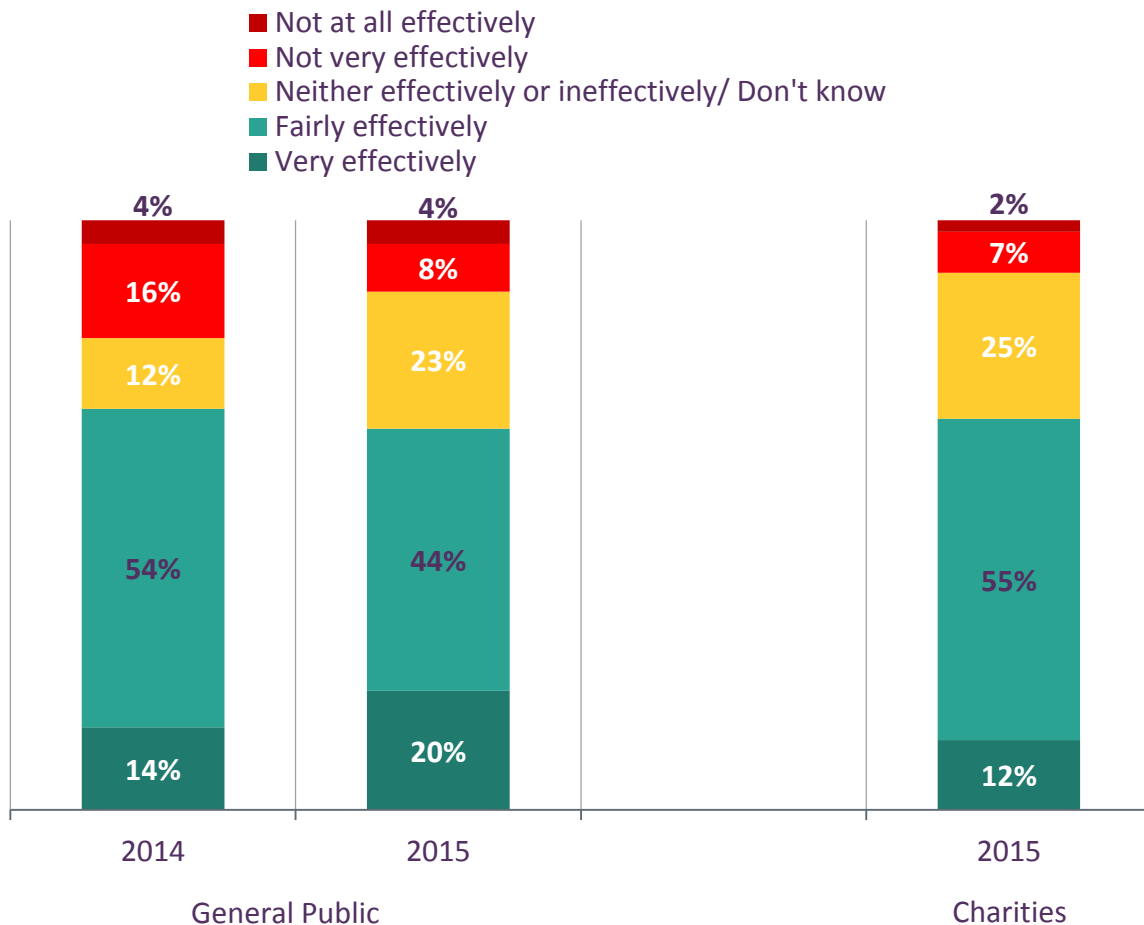
Effectiveness of regulation in England and Wales

Overall, the public continue to agree that charities are effectively regulated. Three-fifths (65%) of the public believe charities are effectively regulated in England and Wales, compared to a tenth (12%) who believe they are not effectively regulated. This is a similar proportion to 2014, when two-thirds (68%) of the public said charities are effectively regulated in England and Wales, compared to a fifth (20%) who thought they were not.



Of the public believe charities are effectively regulated in England and Wales

Figure 5.2.1: Overall, how effectively do you think charities are regulated in England and Wales / feel the Charity Commission regulates charities?



Most of the key stakeholders also agree that charities in England and Wales are well regulated, often drawing international comparisons to support their view that it is one of the more developed third sector regulation systems worldwide. Only a minority say the charity sector is not well regulated, often drawing on specific operational cases where regulation is seen not to have worked. The most commonly cited reason to be concerned about the effectiveness of regulation was adequate funding.

- “ Yes, they are effectively regulated and the other question will be the flipside of that, which is, do all charities understand that they’re regulated and I think there are a lot of charities that don’t understand the regulations, and that’s not anybody’s fault except for the charities themselves who are not understanding their statutory obligations.”
- “ I think fairly effectively. There’s nothing you can do to prevent out and out crooks from behaving crookedly. It’s clearly not the perfect system, otherwise it wouldn’t have thrown up things like the Cup Trust⁷. But, on the whole, I think that regulation is pretty effective.”
- “ I would say fairly effectively, given the resources that they have to regulate them.”

Attitudes towards charity regulation

Just under three-quarters (73%) of the public agree that they don’t know much about charity regulation. This is lower for those who work for a charity (58%) and for those who feel they know the Charity Commission well (40%).

69% of the public agree charities are regulated and controlled to ensure they are working for the public benefit, an increase from 2014 (60%), 2012 (64%), 2010 (68%) and 2008 (64%). This belief is strongest amongst those who know the Charity Commission well (81%), who have received help or support from a charity (76%), and those who work for a charity (75%). However, those most likely to disagree that charities are regulated for the public benefit are also those who work or have a close family or friend who works for a charity (13%).

Over two-thirds (72%) of the public also agree that charities should be regulated more to ensure they are being run properly. Those aged 65 and above are most likely to agree (83%) charities should be regulated more to ensure they are run properly, a significant difference from 18-24 year olds (62%). Those who know the Charity Commission well are

69% 

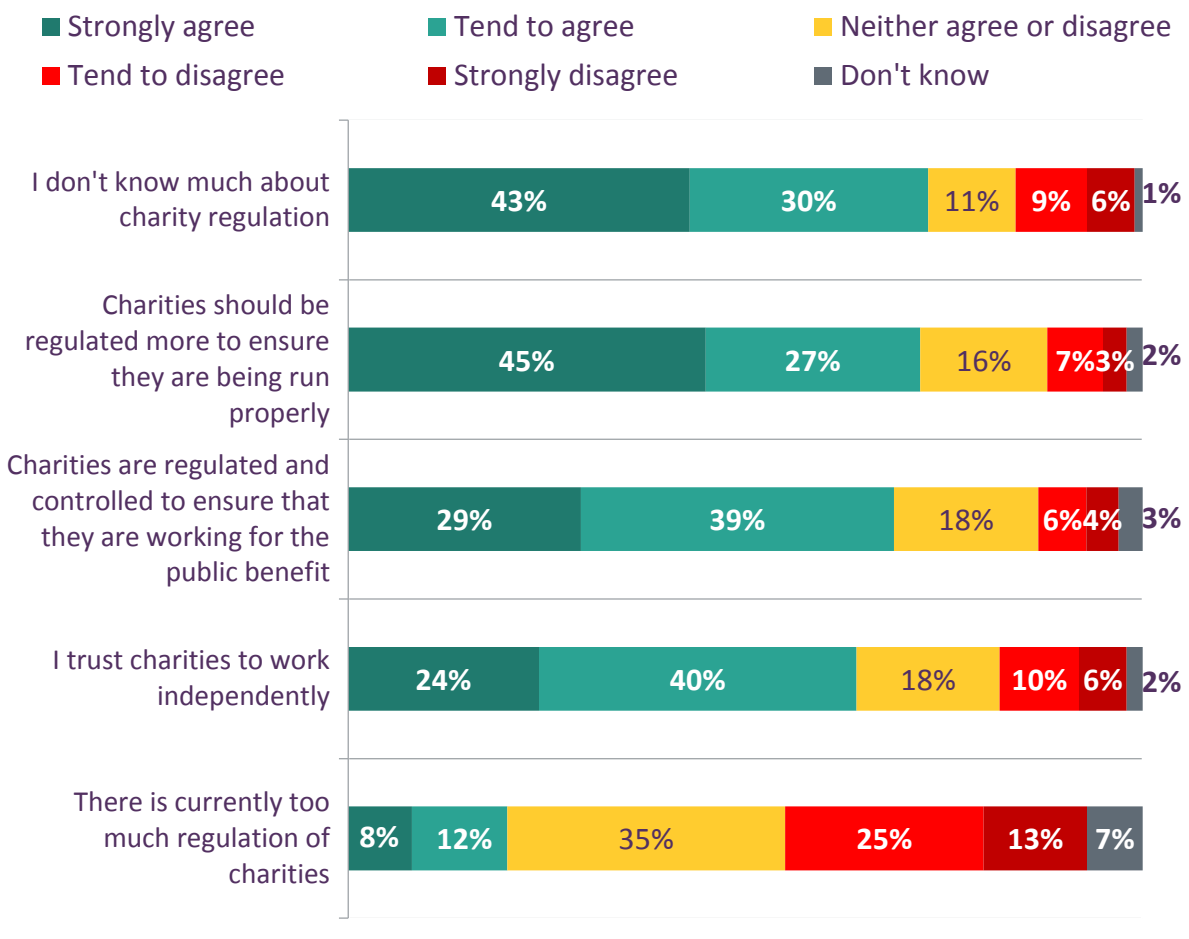
Of the public agree charities are regulated for the public benefit

⁷ “The Charity Commission (the Commission) registered the Cup Trust (the Trust) as a charity in April 2009, with a company called Mountstar—based in the British Virgin Islands—as its only trustee. Although the Trust generated ‘income’ of £176 million, only £55,000 has been given to charitable causes, and the Cup Trust claimed Gift Aid of £46 million. Despite its declared charitable aims, it is clear that the Trust was set up as a tax avoidance scheme by people known to be in the business of tax avoidance.”
Public Accounts Committee, Charity Commission: the Cup Trust and tax avoidance, 2013

also most likely to disagree that charities should be regulated more in order to ensure they are run properly (24%).

A fifth of the public (20%) believe there is too much regulation of charities, although nearly two-fifths (37%) disagree. Those who know the Charity Commission well are most likely to disagree that there is too much regulation of charities (59%).

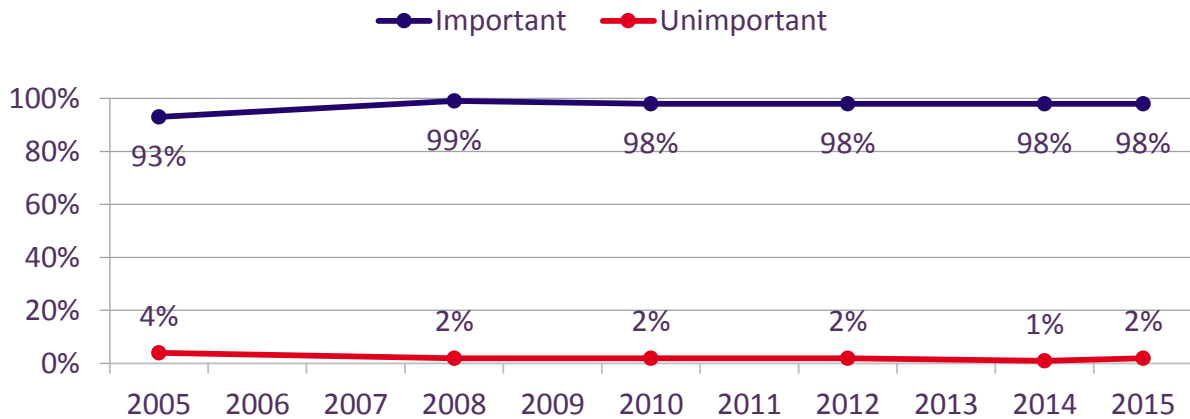
Figure 5.2.2: How much do you agree or disagree with the following statements? *General Public*




Role of a charity regulator

An overwhelming majority of the general public (98%) regard the Charity Commission’s role as important. When given a brief description of the main functions of the Charity Commission, as an independent body responsible for registering and regulating charities in England and Wales, over half (57%) of the public regard the role as essential, a third (32%) regard it as very important, and a tenth (9%) regard it as fairly important. Only 2% of the public regard the Charity Commission’s role as not very important or not at all important.

Figure 5.2.3: The Charity Commission is an independent body responsible for registering and regulating charities in England and Wales. How important do you personally regard this role? *General Public*⁸



Indeed, the importance of a charity regulator is widely recognised. A similar study published by the Office of the Scottish Charity Regulator found an overwhelming majority (85%) of the Scottish public consider the OSCR’s role to be very or fairly important.

64% 

Of the public trust charities to work independently

Many stakeholders support the role of a charity regulator to focus primarily on compliance and ensure that charities operate in line with charity law. Terms such as impartiality, competence, investigations, and enforcement were often used to describe a charity regulator’s role, indicating that a robust approach is generally supported.

- “ It is to regulate the sector, have processes in place, to act when charities have done anything wrong, check charities regularly in the form of annual accounts and so on, and submit it to them, and also investigating matters when there are serious matters reported to the Charity Commission by members of the public. And closing down charities, as an extreme case, when there is a good reason to do so.”
- “ Basically, to be impartial and competent and not to cut corners and not to give way to political pressure, and to regulate in an objective manner.”
- “ To ensure that charities comply with charity-relevant legislation.”

However, a minority of stakeholders are critical of the move towards a stringent regulatory approach, due to concerns around the loss of an advice and support function. Instead, they

⁸ † Answer scale as changed in the 2008 questionnaire: from ‘Extremely important’ to ‘Essential’; and ‘Quite important’ to ‘Fairly important’. Results from 2005 are therefore not strictly comparable.

believe that the main function of a charity regulator should be to provide help and support for charities, strengthen the sector, or help charities operate and function effectively.

- “ The staff of the Charity Commission believe or seem to operate as though they are the policemen of the sector that they’re a punitive regulator, and the sector doesn’t want that. The sector wants a supportive regulator. The sector believes there should be some regulation, but not this kind of adversarial, punitive regulation.”
- “ I feel very sad that they’ve had to move away from advice and towards regulation, but that was a choice that was forced on them by budget cuts. What I wouldn’t like to see is the advice function of the Charity Commission being totally superseded and handed on to the charity sector itself, because the only kind of advice which is any use is the authoritative kind... If the Charity Commission issues advice, you assume that the Charity Commission’s advice is authoritative because they’re the Charity Commission.”
- “ The main role of a charity regulator is to help charities understand what they can and cannot do, support them in learning as to what they can and cannot do and should and shouldn’t do. Help them understand, support them in doing that, and then to firmly undertake and perform the role that only they can do, that only they can perform.”

Overall though, stakeholders are in broad agreement that a charity regulator must maintain trust and confidence from the public in the charity sector, whilst acknowledging the difficulties of doing so for a vast sector of over 160,000 registered charities and estimated 165,000 unregistered charities. The challenges of managing the press, engaging actively with trustees to ensure they understand their legal obligations, and promoting and sharing best practice are seen as key activities for a charity regulator to undertake and stakeholders recognise that the Charity Commission does this.

- “ To maintain external confidence in the sector, which means ensuring good governance, proper use of assets and resources, and pursuit of public benefit, and the commission does those things.”
- “ I think (the role of a charity regulator) is very clearly to preserve public trust and confidence in charities.”

“ Well, their main role is to ensure continuing public trust in charities. And they do that both through being an effective regulator and a support and advisor to charities on how to do better.”

5.3 Awareness and understanding of the Charity Commission

The Charity Commission is better known amongst those it directly engages with than the general public. Although few members of the public could recall a news story or key development involving the Charity Commission, this is not uncommon for a regulatory body. Indeed, no news is often a positive sign.

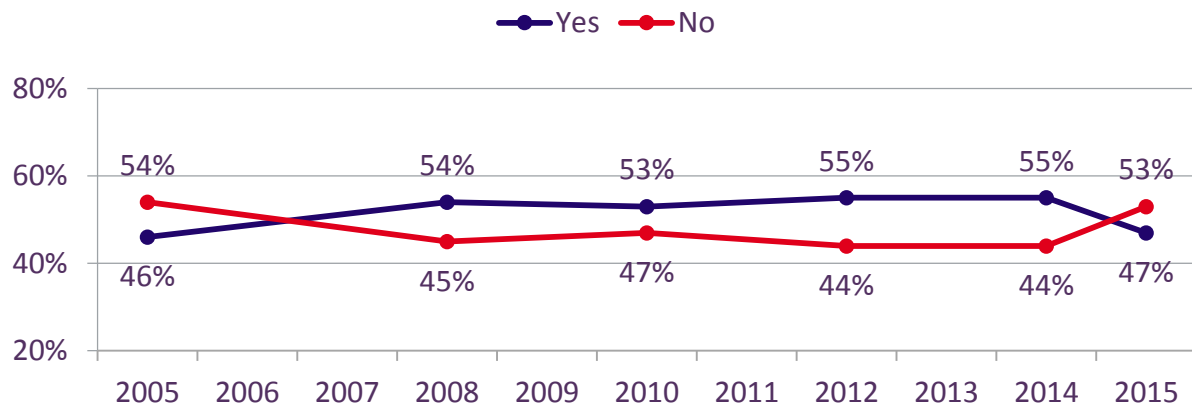
47%

Of the public have heard of the Charity Commission

Awareness of the Charity Commission

Nearly half (47%) of the public have heard of the Charity Commission in 2015, similar to 2014 (55%) and 2012 (55%). To contrast, a fifth (21%) of the Scottish public have heard of the equivalent Scottish regulator of charities⁹, indicating that the Commission enjoys relatively high awareness compared to similar organisations. Perhaps unsurprisingly, all charities (100%) have heard of the Charity Commission.

Figure 5.3.1: Have you ever heard of the Charity Commission? General Public



Just a third of 18-24 year olds (31%) and 25-34 year olds (30%) have heard of the Charity Commission, with younger people being least likely to be aware of the Commission.

Awareness is highest amongst older generations and above 50% for all ages over 45: at 57% for 45-54 year olds, 59% for 55-64 year olds, and 51% for those aged 65 and over.

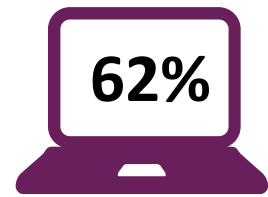
Those in professional or managerial roles were more likely to have heard of the Charity Commission (64%). Awareness falls for skilled manual workers (31%) and semi-skilled or unskilled manual workers or non-working (38%). Those who work or volunteer for a charity are more likely to have heard of the Charity Commission (61%) than those who have not

⁹ Op. cit. Office of the Scottish Regulator

(44%). Furthermore, those who have received help or support from a charity (57%) or used the services of a charity (55%) were more likely to have heard of the Charity Commission.

Charity Commission website and Register of Charities

Just under one-in-ten (8%) members of the public who are aware of the Charity Commission have used its website in the past year. Unsurprisingly, website use is much higher amongst charities: nine-tenths (87%) recalled submitting their annual returns, and over a third (35%) looking for guidance or advice on the website. However, many stakeholders have mixed feelings about the Charity Commission's online presence now that it has been moved into the Gov.uk site. Some argue that absorbing it into the Gov.uk domain compromises the perceived independence of the Charity Commission, whilst others feel the Gov.uk layout and search function has made it more difficult to find guidance.



Of the public are aware of the Register of Charities

- “ They did a lot of work a little while ago on their website, ensuring that it was easy to navigate and that they could get lots of information from it, and that was a fantastic piece of work and then they moved over to the Government side. And it is a nightmare trying to get any information out of that site.”
- “ I think it's quite good. I think you can find charities pretty quickly. I think the information's quite clear. I haven't noticed a difference in terms of the quality of the service. There is an issue there about whether that compromises their independence, i.e. they're perceived to be part of Government... Rather than an independent regulator responsible to Parliament.”
- “ When I've used it, it's been reasonably easy.”

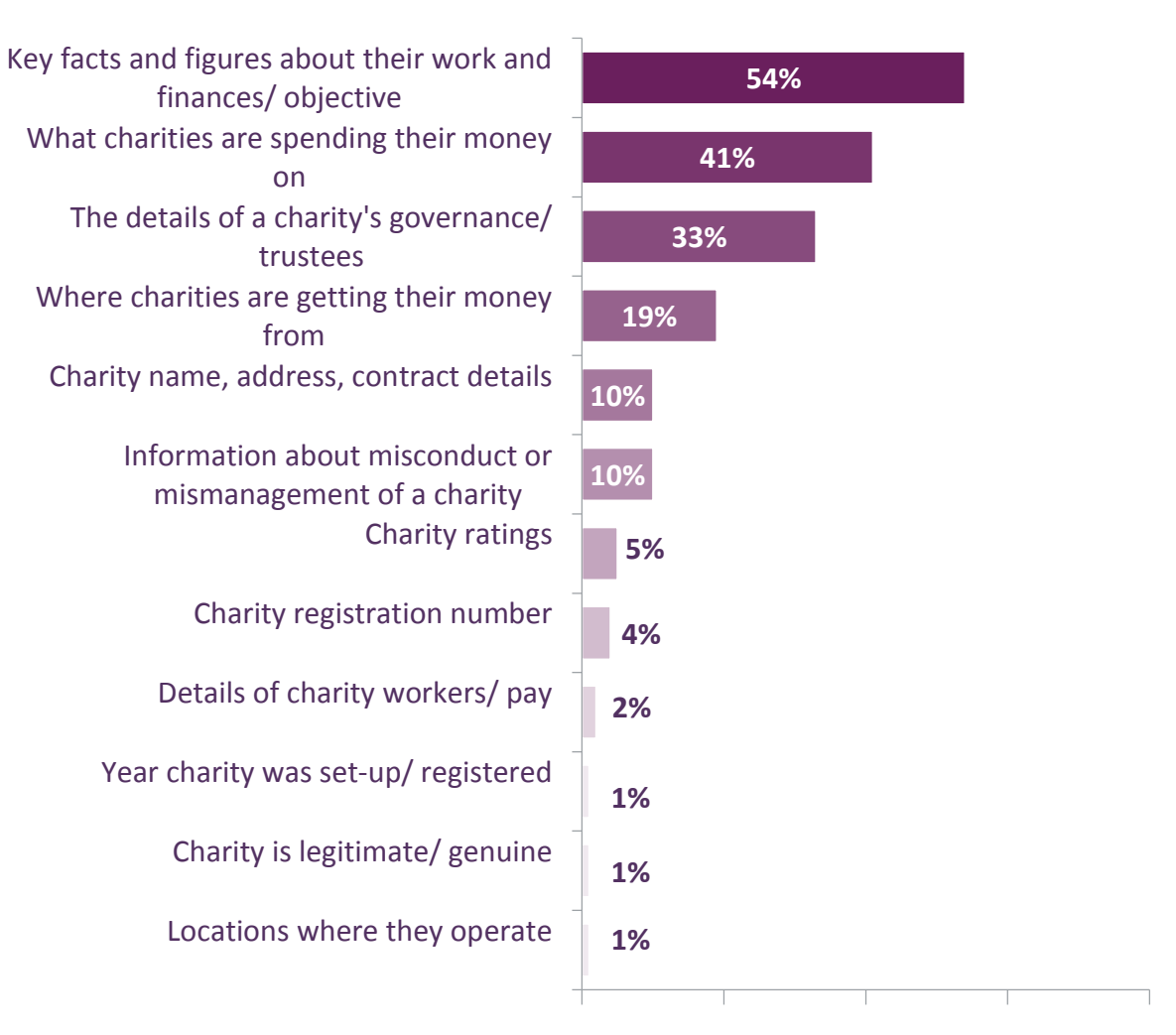
The Register of Charities is well known and is seen as a useful tool by charities and stakeholders. Three-fifths (62%) of the public are aware of the Register of Charities, and a tenth (7%) have used the Register in the past year. Awareness of the Register rises with knowledge of the Charity Commission, from three-quarters (76%) amongst those aware of the Charity Commission, to a vast majority (88%) amongst those who know the Charity Commission well.

The Register currently holds information on registered charities in England and Wales such as the:

- name and address of the charity
- trustees of the charity
- work and aims of the charity
- finances of the charity

Most of this information is what members of the public expect to see on the Register, with over half of the public (54%) expecting to see key facts about the work, aims, or finances of a charity. The public also expect to see what charities are spending their money on (41%), and where charities are getting their money from (19%). This information is often available at a high level on the Register for charities with an annual income greater than a certain amount. However, although one-in-ten members of the public (10%) expect to see information about misconduct or mismanagement of a charity, this information is limited to a record on the Register of those charities where a formal investigation has been opened, which is displayed for two years after the investigation has closed.

Figure 5.3.2: The Register of Charities holds details of organisations that have been recognised as charitable in law. What information would you expect to see on the Register of Charities? *General Public*



Stakeholders did not distinguish between the online charity search tool and the Register of Charities, and when interviewed, referred to them interchangeably. When asked, the Register of Charities generated positive feedback, with stakeholders acknowledging that it met expectations. Some suggestions were made that it could also include more

information on governance, such as names of CEOs, Chief Executives or Directors, information on charity investigations, or an improved search engine.

- “ I think it’s pretty good, actually, compared to a lot of similar registers in other countries it’s actually a lot better. There has been some suggestion it would be nice if charities’ governing documents were available online. There’s also some issues about the size of some of the fields on the Register and when charities are under investigation, what they do or don’t put on the Register in those cases.”
- “ It is valuable to be able to just look up organisations, see what their finances are looking like, or whether it’s a potential partner. It’s not always up to date and I think more could be done.”

Understanding of the Charity Commission

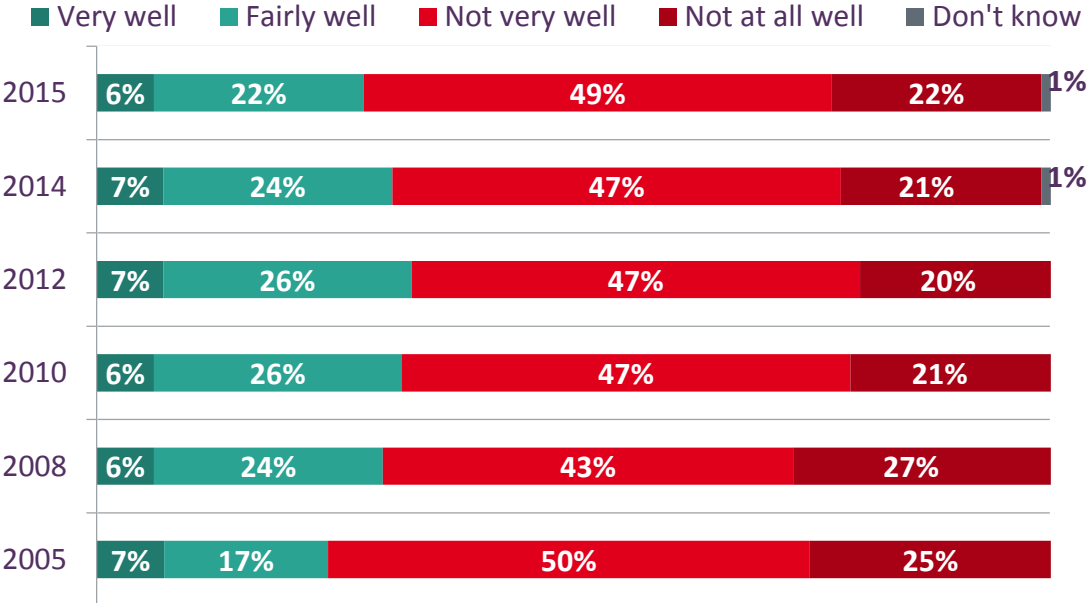
Over a quarter of the public (28%) feel they know the Charity Commission very or fairly well. This is similar to previous years 2014 (31%), 2012 (33%), 2010 (32%), and 2008 (30%).



28%

Of the public feel they know the Commission well

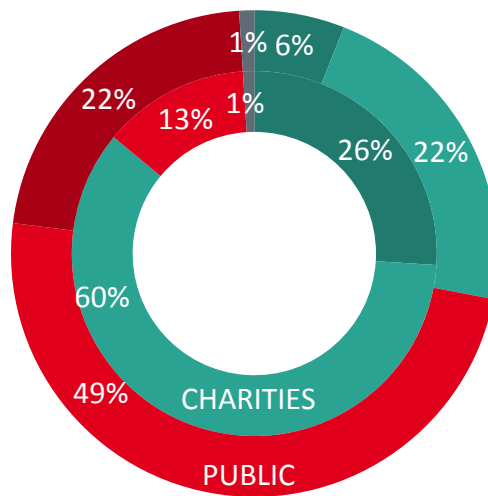
Figure 5.3.3: How well, if at all, do you feel you know the Charity Commission and what it does? *General Public*



Charities feel better informed about the Charity Commission and what it does than the public, with 86% of charities saying they know the Commission very well or fairly well, compared to 28% of the public.

Figure 5.3.4: How well, if at all, do you feel you know the Charity Commission and what it does? (2015)

■ Very well ■ Fairly well ■ Not very well ■ Not at all well ■ Don't know



Amongst the public, those who work for, or have a close friend or family who works for a charity are more likely to know the Charity Commission well (45%) than those who do not (23%). Similarly, those who have used, or have a close friend or family who has used the services of a charity tend to know the Charity Commission well (39%) compared to those who do not (26%).



86%

Of charities feel they know the Commission well

Within charities, the vast majority of senior managers (90%) feel they know the Charity Commission very or fairly well, as do trustees (86%), chief executives or directors (85%), and chairs (84%). Almost all (96%) charities with an annual income of over £500,000 know the Charity Commission very or fairly well, compared to 82% for leaders of charities with an annual income under £10,000. Charities that have operated for under 5 years tend to know the Commission less well (79%), compared to nine-tenths (90%) of charities that have operated for over 40 years.

Nearly all stakeholders reported knowing the Charity Commission very or fairly well.

- “ There is a good interaction with the Charity Commission, we know some of the key people there, and we know, some of the key functions as well.”
- “ We work very closely together. I would suggest we have one of the closer relationships with the Commission.”
- “ We have a very close working relationship, a sharing of information, and working together to achieve better outcomes for the charities that we both support.”

Impressions of the Charity Commission

When stakeholders are asked to give their initial impressions of the Charity Commission (top-of-head associations), many use positive terms such as ‘trust’ or ‘helpful’.

- “ There is no equivalent to the Charity Commission anywhere in the world. It is an important institution to support trust and confidence in the charitable sector, and it is also an entity that is independent from any, should be independent from any forms of political influence.”
- “ They’re the elder statesman in the charity regulation world. All the others – Northern Ireland, Republic of Ireland and even some international [regulators] – they are much more recent creations and we’ve all been moulded to some extent in the image of the Charity Commission.”
- “ I would see them very much as a partner and a sister organisation, a valued collaborator in what we do, because there is an effective network that is mutually supportive. A mutually supportive partner.”
- “ Helpful, pragmatic – where possible – and work hard with the resources that they have to deliver what they have. So, I think it’s a stretch to do what they do with the resources that they do have, but they deliver.”

Figure 5.3.5: The Charity Commission’s brand personality; ‘Which 3 words or phrases would you use to describe the Charity Commission?’



Note: greater size = greater number of mentions

Some stakeholders emphasise the challenges the Charity Commission faces, using terms such as ‘changing’ or ‘stretched’, particularly around strategic direction or funding.

- “ Changing. Struggling a bit. I think they’ve got a lot on their plate and they’ve got a lot of things they have to do. They’ve got a lot of cases to deal with... a lot of difficult judgments to make and to change while they’re doing it. That’s quite hard work.”
- “ The first word that comes into my mind is beleaguered because their recent history has been that they’ve taken a beating from all sides of every argument, they just don’t seem to be able to win anything at the minute and everyone can’t be right. The word I would have after that is very professional.”

However, a minority of stakeholders have more critical initial impressions of the Charity Commission, citing perceived funding pressures, service quality, and impressions of political bias.

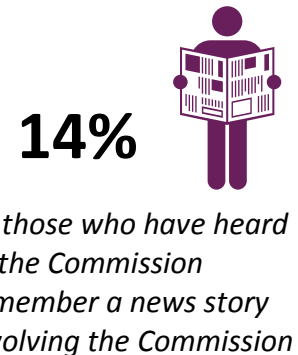
- “ Underfunded. Not very high quality standard of the service. At the top end they’ve got very good people. If you actually ring them up about something, the quality of what you’re getting is not very wonderful. I guess that’s almost inevitable. They can hardly staff their telephone helpline with top-notch charity lawyers.”
- “ Low morale, principally because of the cuts that they’ve had to suffer; impression of political bias, although that may or may not be true, but it’s an impression that’s been created; and over-obsessed with anti-terrorist activity.”
- “ Distant, a bit bureaucratic, but understanding of the sector. Whilst they might appear more distant, my dealings with people in the Commission is generally they want to try and be helpful.”

News stories or key developments

Nearly nine-in-ten (86%) members of the public who have heard of the Charity Commission could not recall having heard of any news story or key development involving the Charity Commission in the last 12 months. One-in-twenty (5%) of those who are aware of the Charity Commission recall a policy or regulation story involving the Charity Commission, 4% recall a negative charity story, and 4% remember a charity investigation.

Stakeholders, when asked to recall news stories or recent key developments involving the Commission, focused on either operational cases or the investigations by, and appearances before, the Public Accounts Committee. Some stakeholders also mentioned the proposed additional powers for the Commission.

- “ It seems to me – and this is not necessarily the Commission’s fault – that the only time that they get to engage with the general public is when they are in the media, and when they are in the media then they’re not going to be reported when they’re saying nice things.”
- “ The new bill that’s coming in to strengthen their powers.”
- “ There was the story of the Joseph Rowntree Foundation, the ITV documentary on Charities Behaving Badly.”
- “ Things like CEO pay issue, the Cup Trust issue, a few other regulatory scandals. Concerns around the Muslim charities, all these little issues have popped up, even recently with Joseph Rowntree Foundation and the Cage funding.”
- “ The PAC and NAO are being a little kinder about them now.”



Clarity over role of the Charity Commission

Stakeholders feel that the role of the Charity Commission has become clearer over time thanks to both the communications it has been sending out and the clarity provided by its leadership.

- “ I think it’s much clearer today than it was a year ago and that’s a great credit to the new management that have come in and the new trustees who have taken control and I think it’s been very strongly supported by the work of Paula and William Shawcross, the chairman and chief executive.”
- “ I think the role has become clearer. They’ve worked hard to reposition themselves, partly in response to some pretty drastic cuts in their budget which have meant there are some activities they have reduced or stopped all together. They’ve had to manage expectations in that regard. And with the appointment of a new board and a new executive there’s been a desire to communicate their mission, and as part of that message signal a shift. This idea that the regulator is very much there to underline public trust and confidence, and is not there to advise and support and be a friend of charities, has come through very clearly.”

“ Intelligent, expert, and they want to do a good job. They understand their place in the political firmament, they think about what they’re doing, and why they’re doing it.”

However, some stakeholders disagree with the move the Charity Commission has made towards regulation and away from the support and advice function it previously gave.

- “ I think it’s less clear because a lot of people think that the Charity Commission should be an independent body, yet what they have seen and what they have evidenced from what has happened in the past year or two, is a concern that it is not as independent as an organisation, because it’s relying on something from the Government.”
- “ I probably knew it better five, six, maybe seven years ago. It’s got a bit more distant. I generally hear less from it. That’s partly due to the fact that they’ve decided to focus on regulation rather than the advice and support side of things.”

The Board’s appointment of the Chief Executive, Paula Sussex, is consistently mentioned in a positive light. Stakeholders have a positive impression of her personally and praise her time so far at the Charity Commission.

- “ The new chief executive and I think that in her own relatively considered and measured way, she is having a real impact on service standards within the Commission, so I’m encouraged by that.”
- “ They’ve got a new chief exec, who seems to be a bit more up for a conversation. I like her. I think she’s energetic. I think she is willing to listen and she’s not just defensive. I think she’s got a hell of a job on her hands.”

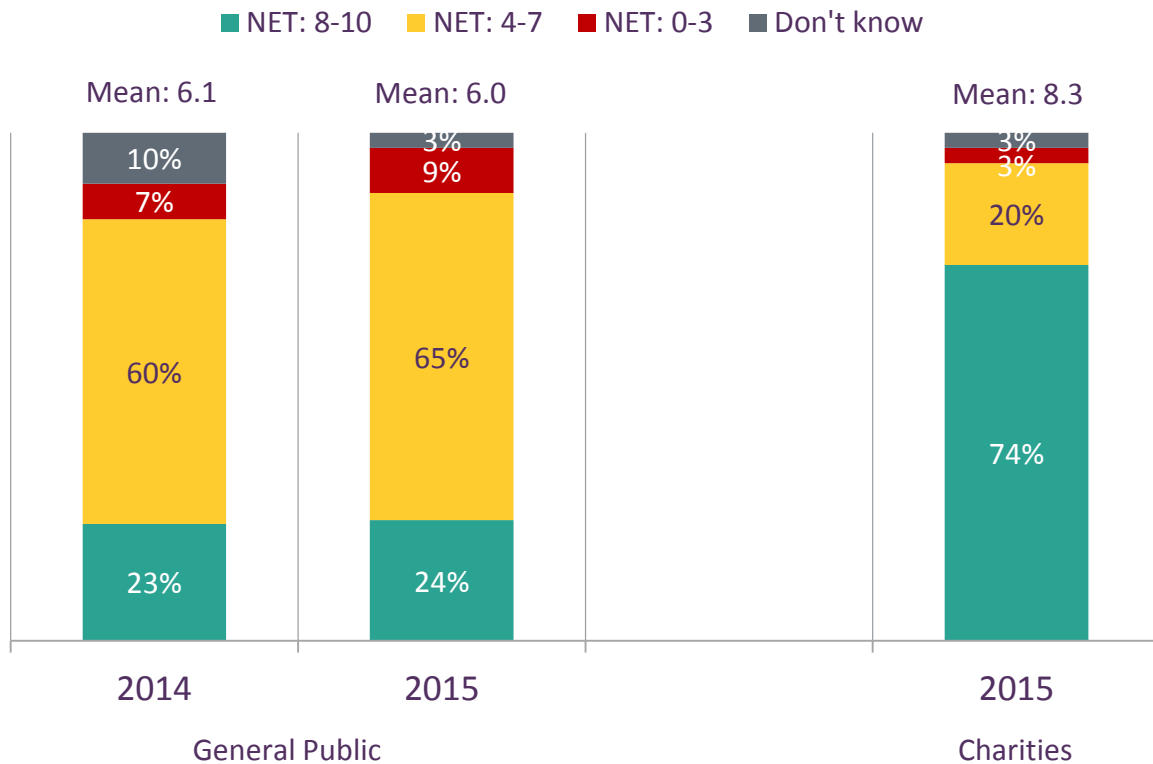
5.4 Trust and confidence in the Charity Commission

On an overall scale of 0 to 10, where 0 means they do not trust the Charity Commission at all and 10 means they trust the Charity Commission completely, the public give an average score of 6.0. This is in line with the score of 6.1 given the previous year. Charities give an average score of 8.3.



Charities' trust score in the Charity Commission

Figure 5.4.1: On a scale of 0-10 where 10 means you trust it completely and 0 means you don't trust it at all, how much trust and confidence do you have in the Charity Commission?

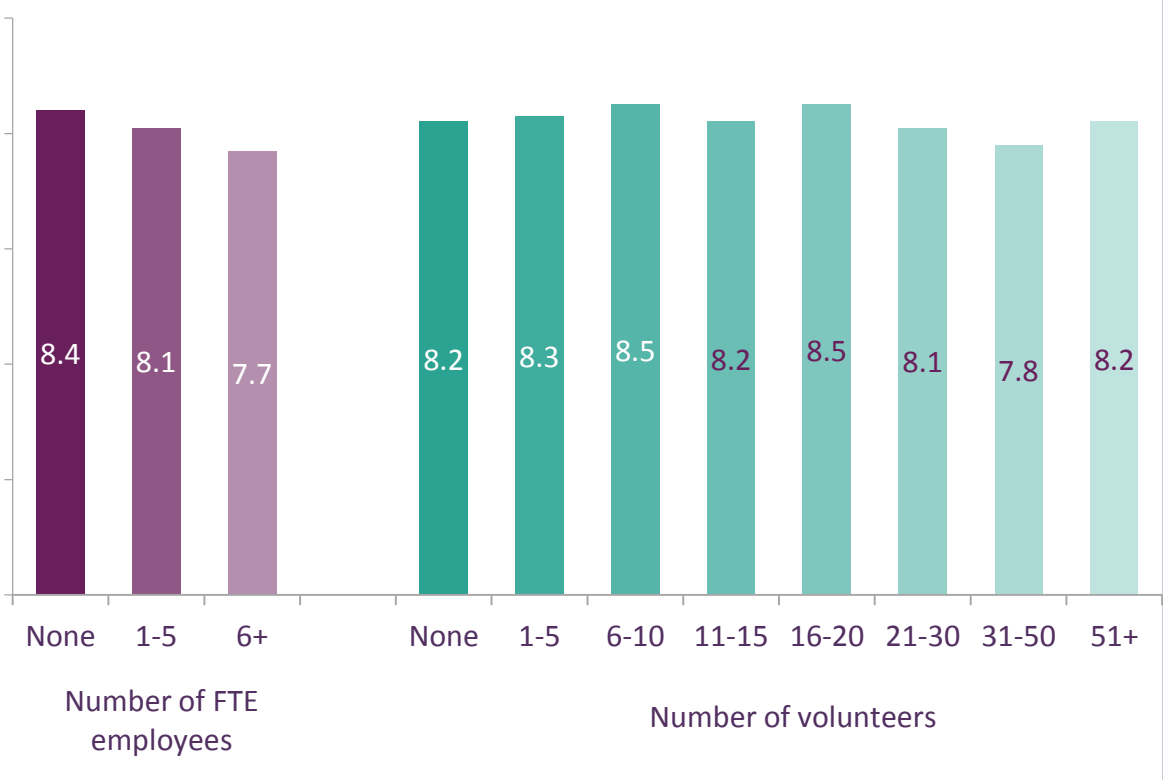


Members of the public who either work for a charity, or have a friend or family member who works for a charity, trust the Charity Commission more (6.3) than those who do not (5.9). Those who have used, or know someone close to them who has used, the services of a charity have a higher trust and confidence score of 6.6, compared to those who have not used the services of charity which averages at 5.8. Members of the public who know the Charity Commission very or fairly well have much higher trust and confidence in the Charity Commission (7.1) than those who do not know the Charity Commission (5.4).

Smaller charities tend to give a higher trust and confidence score in the Charity Commission. Charities with no full-time equivalent employees tend to trust the Charity Commission more, giving a mean score of 8.4; this drops to 7.7 once charities have more than six full time equivalent employees. Charities with 31-50 volunteers have the lowest

trust score in the Charity Commission, at an average score of 7.8, whereas charities with 6-10 or 16-20 volunteers have a higher average score of 8.5.

Figure 5.4.2: On a scale of 0-10 where 10 means you trust it completely and 0 means you don't trust it at all, how much trust and confidence do you have in the Charity Commission? Charities, mean scores



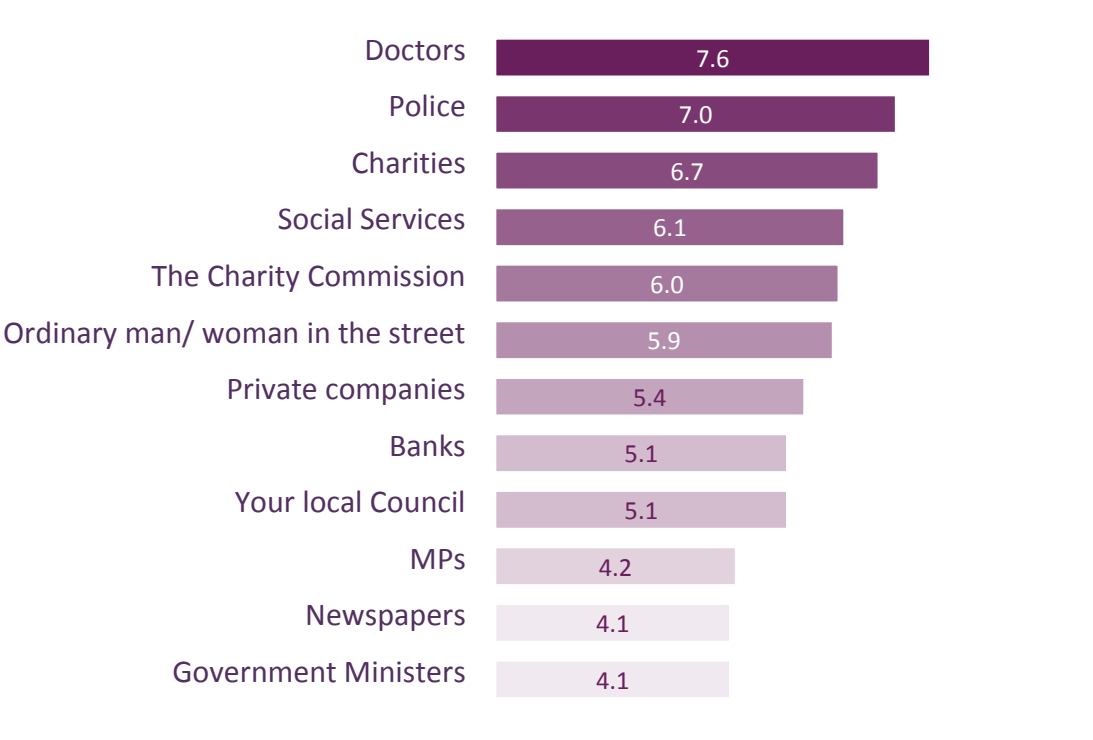
Trust and confidence in the Charity Commission is higher amongst trustees (8.4) than amongst chief executives and directors (7.6). Chairs and senior managers gave a similar score of trust and confidence (8.2).

Charities with annual incomes of up to £10,000 give the Charity Commission the highest trust and confidence score (8.5). Charities that have a turnover of £500,000 or higher give a trust and confidence score of 7.5.

Figure 5.4.3: On a scale of 0-10 where 10 means you trust it completely and 0 means you don't trust it at all, how much trust and confidence do you have in the Charity Commission? Mean scores



Figure 5.4.4: On a scale of 0-10 where 10 means you trust it completely and 0 means you don't trust it at all, how much trust and confidence do you have in the Charity Commission? Public scores



¹⁰

¹⁰ All trust and confidence scores taken from Ipsos MORI (2014) except the Charity Commission score

Most stakeholders have high levels of trust and confidence in the Charity Commission, commonly citing positive experiences with Charity Commission staff, agreement with their strategic approach, and perceived effectiveness in particular high profile operational cases.

“ Nine. If you’d ask me this question four years ago, I would have probably given them four. So, they’ve come a long way in a short period of time in my view.”

“ I’d say about eight. I have pretty strong faith in most of the officials I’ve met”.

“ Seven. I think they’re moving in the right direction; I think regulation is the right approach. I think they’ve got staff in a reasonably good position to do that, so I’ve got confidence that they can perform that task. The downside is there are these concerns, the lack of knowledge at a senior level, and particularly at a governance level, of what the charity sector is and what it does.”

Some stakeholders are positive about their trust and confidence in the Charity Commission – although they trust the Charity Commission most of the time, they have concerns about times in which they perceive the Charity Commission to act ‘incorrectly’.

“ I would say 7.5 because I am not sure about the commissioners, the way they are appointed and so on. I am not sure if they are political appointments and they influence somehow the work of the Charity Commission. I think it started late 2013. There were rumours that a lot of charities were being investigated, and there were elements of bias against specific charities, particularly Muslim charities, at that time.”

“ About 7.5. 75% of the time I do trust what they do and I think they get it right, and I think about 25% of the time I don’t think they’re getting it right. If you had come back to me a few years ago I would have said maybe 80%, 90% of the time they get it right and 10% of the time they’re getting it wrong.”

“ Some stakeholders expressed mid to low levels of trust and confidence in the Charity Commission, Two. Why isn’t it zero? I imagine that they can receive your statutory account(s) and the computer systems work okay. That’s a role for a regulator. I wouldn’t accuse them of losing everything. I’m not giving them a zero.”

“ For the moment, about two. Comments by the chairman on Muslim charities and Muslim extremism. Comments by the chairman on chief executive pay. Comments by the chairman and various commissioners on the role of charities in campaigning.”

Nearly all (98%) of the public personally regard the Charity Commission’s role as important, a similar proportion to 2014 (98%), 2012 (98%), 2010 (98%), 2008 (99%) and higher than in 2005 (93%).

Nine-tenths (90%) of the general public say their trust and confidence in the Charity Commission has not

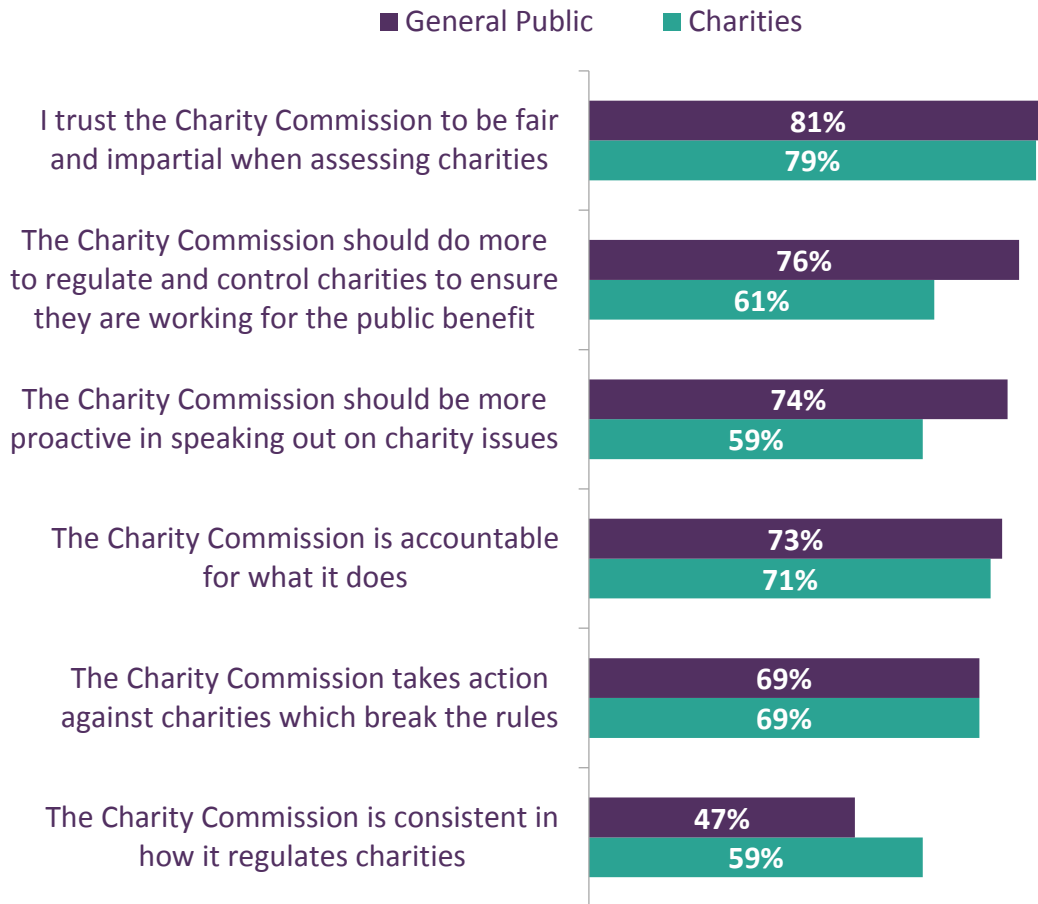


Of the public regard the Commission’s role as important

changed. Only 3% say it has increased, and 7% say it has decreased. Similarly, just under nine-tenths (88%) of charities say their trust and confidence in the past 12 months has stayed the same, 5% say it has increased, and 5% say it has decreased.

Figure 5.4.4: How much do you agree or disagree with the following statements?

% saying “strongly agree” or “agree”



Fair and impartial

Four-fifths of both the public (81%) and charities (79%) agree that they trust the Charity Commission to be fair and impartial when assessing charities, compared to 4% of the public and 7% of charities who disagree. Stakeholders take a similar view, with most saying they believe the Charity Commission is impartial but a minority mention a few cases where this has been called into question, with specific mentions of particular cases, particularly with religious charities, that cause concern.

81% 

Of the public trust the Commission to be fair and impartial

“ I think they’re very fair and impartial. At least the professionals that work for the Commission are very impartial.”

- “ I don’t think I would accuse the commission of partiality. I would, however, suggest that on occasions the commission has just made what struck me as bad decisions.”
- “ Not always demonstrably. Sometimes it looks like they haven’t been at all. Sometimes maybe they have but they haven’t communicated it particularly well. But they haven’t established a clear track record in the mind of the sector and the public. There’s been a lot of criticism of the Commission by the press, by politicians, and because it feels politically appointed.”

Many stakeholders feel that the Charity Commission should do more to openly and transparently communicate why it opens particular investigations over others – others are concerned that high profile members of the Charity Commission are perceived as targeting particular types of charities. In particular, some stakeholders mentioned Muslim charities as an example of where the Charity Commission is not perceived to be impartial.

- “ Hard to tell. Because I can only see the charities that they are choosing to investigate. Some people feel as though they’ve had a particular focus on Islamic charities and it would be useful to understand whether that is correct, if that is the case. You don’t know what they’re not doing.”

Doing more to regulate and control charities

Three-quarters of the public (76%) and three-fifths of charities (61%) agree that the Charity Commission should do more to regulate and control charities to ensure they are working for the public benefit, compared to 4% of the public and 9% of charities who disagree. Stakeholders tend to agree, although they also acknowledge the challenges of doing so with reduced funding for the Charity Commission.



Of the public think the Commission should do more to regulate charities

- “ I think they could be doing more, but I entirely understand that with the cut backs, they don’t have the capacity to do more, because they’ve been cut back by Government. So I don’t blame them. I’m saying I understand that’s a result of not having the money.”
- “ Yes. I think the public benefit area is an important area, which has lost priority. So charities have to be there for the public benefit. Now, what constitutes public benefit is quite a complicated issue. But I get the sense in which the Charity Commission may well have deprioritised the public benefit stuff. “

In contrast, some stakeholders feel that the Charity Commission does not need to do more, believing that the controls in place are appropriate.

- “ No. They are correctly looking at organisations that may not be operating in the public benefit, for sure. But I think that the line is about right.”

“ I don’t think more regulation is needed, to be honest. I think it’s just more controls in place, and that can only come if the Commission has the appropriate funds to be able to do so. ”

Speaking out on charity issues

Three-quarters of the public (74%) and three-fifths of charities (59%) agree that the Charity Commission should be more proactive in speaking out on charity issues, compared to 7% of the public and 6% of charities who disagree. Stakeholders, however, are split on whether the Charity Commission should take such a role. Some support the Charity Commission speaking out on charity issues on behalf of charities.

“ I think it would help many charities if the Commission was a bit more outspoken about some of the issues. These are some of the things that concern charities. Not in a lobbying or advocacy way, but in being a spokesperson for some of the generic issues that they’re seeing, for some of the potential impacts. I think they could do more, and it would be helpful for them to do more to explain even at a level of explaining what the new SORP may mean for charities, or new governance. I think smaller charities would find general statements about the role of Commission and where charities sit helpful.”

74% 

Of the public think the Commission should be more proactive in speaking on charity issues

However, the majority of key stakeholders oppose the Charity Commission becoming more proactive in speaking out on charity issues, citing concerns that this dilutes the role the Charity Commission has as primarily a regulator of the charity sector.

“ I think they can speak as the regulator, and therefore as the regulator they can talk about the things that they’ve regulated.”

“ It’s certainly not the primary function of the regulator to be either a mouthpiece or a champion or an explainer for the sector.”

Some stakeholders highlighted concerns over the lack of funding for the Charity Commission and the limits this places on its ability to proactively speak out on charity issues.

“ In the old days when the Charity Commission had oodles of cash, it could do that, but that was then and this is now, and given that the Charity Commission has had to make a choice between regulation and advice, and inevitably because it’s under the statute, it’s had to put the weight of its work behind regulation, and that regulation must be impartial and objective, and you can’t be an impartial and objective regulator and stand up for the sector.”

Accountability

Three-quarters of the general public (73%) and over seven-tenths of charities (71%) agree that the Charity Commission is accountable for what it does, compared to 6% of the public and 7% of charities who disagree. Most stakeholders tend to agree, believing that the Charity Commission has been held to account through the Public Accounts Committee and continues to operate in an open and transparent way.


- “ Accountability, they absolutely are – they’re accountable to Government, they’re accountable to the sector, they’re accountable to all the charities that they’ve registered, and they’re accountable to the public.”
- “ Yes, it’s reasonably accountable. I don’t think it’s a conspiracy going on. I think they could be better, but it’s fine, yes.”

On the other hand, a small number of the key stakeholders have concerns about the accountability of the Charity Commission, or are simply unaware of who the Charity Commission is accountable to. Ensuring that stakeholders are aware of the way in which the Charity Commission operates, particularly leaders of influential or high profile charities, should be a priority for the Charity Commission.

- “ It’s accountable to the High Court I believe, the High Court never makes any comments about the effectiveness of the Commission, but a lot of other people do. They produce their reports, they have open Trustee, Board meetings, so the public can attend at least some bits of it.”
- “ I don’t know technically to whom it is accountable. I’d like to see it be much more like, say, the National Audit Office which has a direct responsibility to parliament. It feels like a bit of a political pawn. And it needs to be accountable to the charity sector as well because we all have an interest in it regulating the charity sector properly.”

Takes action against charities which break the rules

Seven-tenths of the public (69%) and charities (69%) agree that the Charity Commission takes action against charities which break the rules, compared to 6% of the public and 8% of charities who disagree. Over one-in-ten charities (13%) say they don’t know whether the Charity Commission takes action when it should, a higher proportion than the general public (4%). A fifth of the public (21%) neither agree or disagree that the Charity Commission takes action against charities that break the rules.

71% 

Of charities think the Commission is accountable for what it does

69% 

Of charities think the Commission takes action against charities that break the rules

“ I think it’s reasonably effective. There’s been some tenseness in the past, but I think it’s reasonably effective at that and I think the things it’s done lately have been very well handled.”

“ They know their job, they know the law, and their staff are competent and committed despite what’s going on around them and the opprobrium they’re subjected to in the press.”

Amongst the key stakeholders, there were mixed views about whether or not the Charity Commission is focusing on the right priorities.

“ I think the overall mood music is okay. There is a sense of proportionality most of the time, in terms of how it is expected to react and respond to situations. I think they’re going through a phase, at the moment, of opening an awful lot of enquiries, just for the sake of opening them, to be seen to be reaching performance targets, as the NAO has presumably set them for opening enquiries and being a pro-active regulator.”

“ It depends which rules the Commissioners think are important. I do not think that terrorism is one of the key issues affecting charities, but the Government thinks it does, and the Commissioners seem to think it is. I think there are other issues about the governance of day-to-day charities that are just let go.”

Consistency

Nearly half of the public (47%) and three-fifths of charities (59%) agree that the Charity Commission is consistent in how it regulates charities, compared to 8% of the public and 7% of charities who disagree. Nearly a fifth of charities (18%) and 6% of the public do not know if the Charity Commission is consistent, with nearly two-fifths of the public simply unsure (39% neither agree or disagree on whether the Charity Commission is consistent). The importance of being seen as consistent is clear for trust and confidence in the Charity Commission - it is the third most important factor in driving trust and confidence in the Charity Commission amongst members of the general public.

There is also a mix of views amongst stakeholders on whether the Charity Commission is consistent, although some stakeholders believe it is consistent, others raise concerns that the Charity Commission focuses on specific cases, such as large media stories, to the detriment of a consistent approach.

“ I think there have been one or two cases where they’ve perhaps gone overboard in terms of allocating huge resources to one or two cases of concern.”



Of charities think the Commission is consistent in how it regulates charities

- “ Around fairness, consistency there’s a mild concern there about some activity that might not be entirely driven objectively. I think of instances around religious institutions, terrorist related Muslim charities where there is at least the appearance of a lack of consistency.”
- “ Occasionally a few issues come up where there is a big public outcry from certain sections of the media and the public prefers swift action. They feel obliged to take that.”

5.5 Attitudes towards performance of the Charity Commission

Overall, attitudes towards the performance of the Charity Commission are positive. Charities believe it adds value by supporting good governance, and also helps to protect the public from harm. Furthermore, the strategic objectives of the Charity Commission since 2012 – to develop the accountability, compliance, and self-reliance of the charity sector – are generally believed to have been met by a proportion of the charity sector.



Average score given by charities to how well the Commission protects the public from harm

Charity Commission performance

Charities were asked to rate on a scale of 0-10, where 10 means very well and 0 means very poorly, how well or poorly they would say the Charity Commission is performing in a set of areas.

Figure 5.5.1: On a scale of 0-10, where 10 means very well and 0 means very poorly, how well or poorly would you say the Charity Commission is performing in each of these areas? Mean Score, Charities



Charities say the Charity Commission performs well on adding value to charities by supporting good governance and accountability to the public (6.6) and protecting the public from harm (6.6).

Charities give a rating of 6.2 on handling complaints about charities. However, stakeholders often do not know what the Charity Commission does when it comes to handling complaints about charities.

“ I don’t know how it deals with public complaints outside of taking it forward as an investigation into the charity, because I would imagine when the public have a complaint it’s about a charity. I think the Commission deals with the public where the public complain about a charity and then it has to deal with the investigation, and that’s when it’s very good at investigating.”

When it comes to consulting with charities before introducing changes to its regulatory approach, the Charity Commission is rated a score of 6.0 by charities. Stakeholders are also positive about Charity Commission consultations, seeing them as open and a good way of engaging with the sector, particularly acknowledging the resource constraints it has.

6.0 

Average score given by charities on how well the Commission consults with charities

“ We’ve just gone through the (Draft) Protection of Charities Bill. They were very thorough, they went around the country, they organised meetings, they sent out the survey. If I had any criticism, it would be that not enough charities respond to them. I’d criticise the fact that actually this is our sector, and if we feel passionate about it then we need to express that by connecting when they reach out to us.”

“ I think that with the latest Charities Bill, there has been a consultation process which was quite good, and then there was a good consultation process with the sector.”

“ It’s very old-fashioned consultation. It will be sending out a letter or an email. There’s never picking up the phone and having a conversation. There’s never use of new technology. There’s never inviting a bunch of noisy CEOs to lunch. It’s very traditional and starchy which plays to the criticisms of the Commission. All businesses have to work out how best to communicate with their customers and the Commission should be no different. Nobody from the Commission has ever picked the phone up to me.”

When asked about how effectively the Charity Commission contributes to debate on charity regulation, charities give a rating of 6.2. Some stakeholders feel the Charity Commission did not lead the debate on charity regulation when it should do so, either by making a case for the kind of powers it should have.

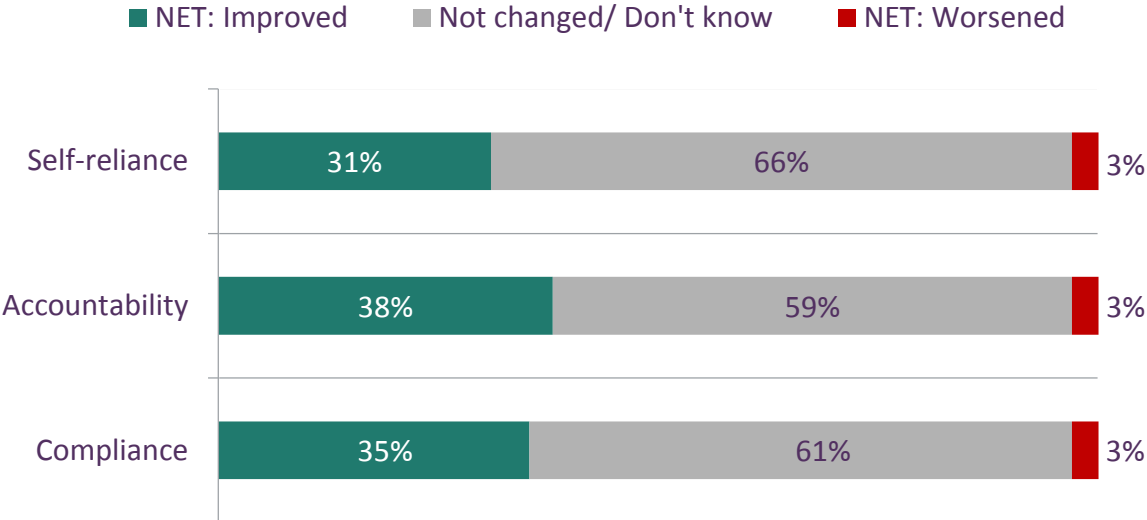
- “ I don’t think they do as much as they could do, but I think that’s because their trustees probably aren’t keen on that. Yes, I don’t think they’re so good at that.”
- “ It doesn’t appear to be leading the debate. We have all sorts of commissions that keep popping up, but that aren’t spawned by the Charity Commission themselves. I don’t think it is leading the debate and that makes me really sad because it should do.”

“ I think there are a lot of charities that it could be doing more. But with 163,000 charities, that’s not an easy job to do.”

Strategic priorities of the Charity Commission

Charities were also asked how they thought the charity sector has changed in three of the areas that have been strategic priorities for the Charity Commission since 2012 – compliance, accountability, and self-reliance.

Figure 5.5.2: Since 2012, how do you think the charity sector has changed in each of these areas? %, Charities



Two-fifths (38%) of charities believe the charity sector has become more accountable, compared to 3% who believe it has become less accountable. Over a third of charities (38%) do not know whether the charity sector has become more or less accountable.

Similarly, stakeholders generally feel the sector has become more accountable, with only a few not knowing or feeling that the Charity Commission has made a difference to the accountability to the sector.

38% 

Of charities believe the charity sector has become more accountable

“ Yes, I would say accountability has improved. Whether for good or for ill the increased profile of the Commission and some of the moves that they have made in the direction of supporting transparency and some of the additional powers that generally makes charities feel a little more accountable.”

“ I think the sector was always pretty good at being accountable, and I don’t think much has changed in that regard. Again, one or two high profile cases may have given the impression of a significant weakness in the sector, but I think that was massively exaggerated, and so I don’t think there’s a big problem there.”

A third (35%) of charities say the charity sector has become more compliant, compared to 3% who say it has become less compliant, and two-fifths (40%) who do not know. Most stakeholders also feel they do not know whether the sector has become more compliant.

“ Probably more. There’s still horror stories about people not filing accounts, all the rest of it. The sector is more engaged in compliance now, as it should be.”

“ In terms of compliant, they’ve certainly, on limited but useful things like filing your accounts, been persistent about that.”

“ I think that’s hard to say; I think maybe the one that’s progressing slowest because it has to wait for some of the others is the technology which will enable all of those agendas but I know that’s one of their strategic agendas which is maybe not progressing as fast as had originally been anticipated, but that’s probably because it has to wait for some of those other strategic priorities to be fleshed out.”

A third (31%) of charities also believe the sector has become more self-reliant, compared to 3% who think the charity sector has become less self-reliant, and two-fifths (42%) of charities do not know. Stakeholders also feel the sector has become more self-reliant.

“ I think charities are known to be self-reliant, that’s a typical characteristic of the sector, is that they have been self-regulated most of the time, on lots of issues.”

“ Inevitably, but I don’t think that’s necessarily to do with the Commission. I think it’s become more self-reliant because public money has been withdrawn. So you either stop functioning or you find other ways of doing business.”

“ I don’t see why it’s the role of a charity regulator to make the charity sector more self-reliant. That’s the Government wish, it’s not about regulation.”

“ I think because of the web, they [charities] have become more accountable. There’s a spotlight on what charities are doing. More people are accessing the Charity

Commission’s website. I can see the registration details and their objects and what their finances are.”

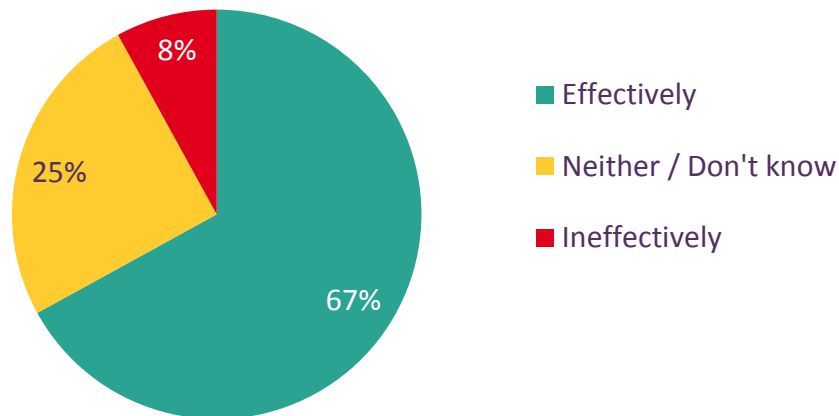
Overall effectiveness of the Charity Commission

Overall, two-thirds (67%) of charities believe the Charity Commission effectively regulates charities compared to 8% who believe it ineffectively regulates charities – a tenth (11%) of charities said they do not know. Senior managers are most positive about the Charity Commission’s effectiveness, with over two-thirds (72%) saying it is either very effective or quite effective, compared to 69% of chairs, 66% of trustees and 57% of chief executives or directors. Those who know the Charity Commission well are more likely to believe it effectively regulates charities (70%), compared to those who do not know the Charity Commission well (45%).

67% 

Of charities believe the Commission effectively regulates charities

Figure 5.5.3: Overall, how effectively or ineffectively do you feel the Charity Commission regulates charities? %, Charities



Most stakeholders are also positive about the effectiveness of the Charity Commission, and frequently mentioned that the Commission is seen to have improved in recent times.

- “ When they know there’s a breach of rules, I think they are fine. When they suspect or identify something, I think they are fine. I think they’ve devoted a bit more resource to that area, and they are a bit quicker, but they don’t always get cooperation from the charities they are then seeking to investigate.”
- “ It’s been pretty effective in what it has done but it’s being externally driven by an agenda which is becoming increasingly skewed towards one end of the spectrum of the problems in charities.”

“ In recent times, perhaps in the last six months, I’ve seen a real dynamism about the organisation which I haven’t seen, and I’ve been working in the sector now for six years. A real determination and passion to make a difference and to utilise its authority and its power over bad fundraising practice and poorly managed charities.”

Some stakeholders are more critical of the Charity Commission’s effectiveness. They give several examples of particular cases in which the Charity Commission is seen to not have performed well, such as its response to The Cup Trust charity. Stakeholders also mention the lack of powers they feel the Charity Commission has to take action when required.

- “ How effective are they at taking action against the Cup Trust? You may quote me on this – absolutely bloody useless. How effective have they been at taking action against some other charities that need action taking against them – pretty good.”
- “ Not particularly effective. There have been some huge cases recently, Cup Trust and others, where the Charity Commission were alerted to something going on that should have been investigated much earlier.”
- “ Well, they’re quite constrained because of the law. They are slightly constrained in the powers they have and they’re slightly constrained in the finance they have. And they’re above all slightly constrained in the legal resources they have.”

Many stakeholders cite funding restrictions as a reason for their concerns on the effectiveness of the Charity Commission, believing that the Commission has insufficient resources to regulate a large and diverse charity sector. Some stakeholders also offer suggestions for how the Charity Commission could increase its effectiveness, using risk based algorithms or additional checks on charities.

- “ We know the Charity Commission doesn’t have much resource. There is always that worry, how can they really regulate 160 thousand odd general charities out there? But they’re regulating much more than that, but those 160 thousand are the mainstream of the sector. That is a bit of a concern, but as we’ve seen from those instances where they’ve had to investigate, they have done that effectively. It’s just a question of having the resource.”
- “ They’re proportionately monitoring because they don’t have the staff to monitor and visit every charity and examine. But they will obviously monitor and oversee what’s happening. And when a case is brought to their attention, they would act on it. If they wanted the public to have a high expectation and wanted them to be more proactive, then it would have to provide more funding to provide more staff to do that.”

- “ I think they could be much better at using risk based algorithms to tell whether charities are at a higher risk or lower risk.”
- “ I think it needs to be a lot more active in getting out and about and checking up on charities and not just waiting for something to go wrong and then responding. You need to have a running programme of just getting in there and really engaging with the people that are on the register.”

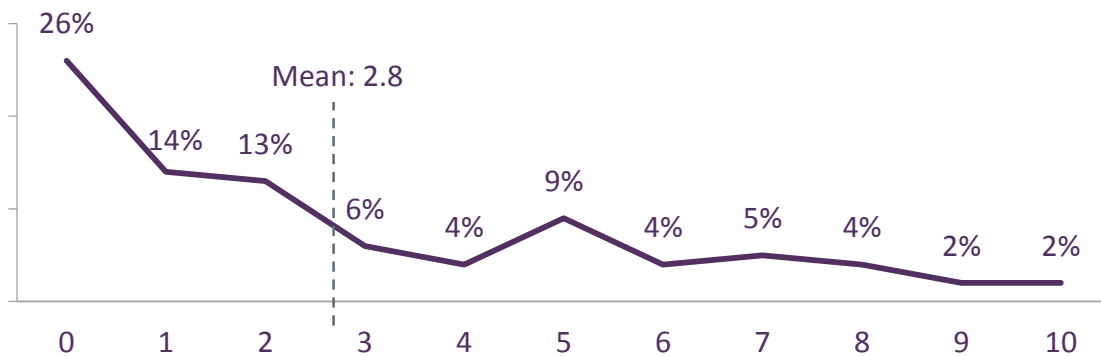
5.6 Attitudes towards regulatory burden and dealing with the Charity Commission

The Charity Commission is generally seen as a low burden of regulation on charities. When asked to rate on a scale of 0 to 10 the Charity Commission’s regulatory burden, where 10 is very burdensome and 0 is not burdensome at all, charities give an average score of 2.8. A quarter of charities (26%) do not find the Charity Commission’s regulatory requirements as burdensome at all, compared to just 2% of charities who rate it as very burdensome.

2.8 

Average score charities gave on the Commission’s regulatory burden

Figure 5.6.1: On a scale of 0 to 10 where 10 is very burdensome and 0 is not burdensome at all, how much of a burden, if at all, do you find the Charity Commission's regulatory requirement? Charities



Chief executives and directors give a slightly higher burden score at 3.1, compared to senior managers (3.0), chairs (3.0) and trustees (2.7). Also, there is a small difference amongst charities with different annual incomes, with those with an annual income below £10,000 giving a score of 2.6 compared to £10,000 - £25,000 (2.7), £25,000 - £100,000 (3.0), £100,000 - £500,000 (3.1) and £500,000 plus (2.9). Overall, therefore, few of the charities interviewed regarded regulation as a particular burden or challenge.

Stakeholders take a broad view of regulation of the charity sector, acknowledging the range of regulators that are involved such as HMRC, the Care Quality Commission or the Fundraising Standards Board. There are concerns that this creates a confusing or complex landscape for charity regulation.

- “ I think they (charities) find it incredibly difficult to navigate that regulatory space. Charities would say to you that they’re over-regulated. There’s a whole raft of different laws that affect how charities run themselves.”
- “ The law around data protection, the Telephone Preference Service, the Mail Preference Service, making sure that one’s data records are up to date as a charity; it’s a costly task and if they fall foul of the rules and regulations, they can get themselves into a lot of trouble.”

In particular, the relationship between the Charity Commission and Her Majesty's Revenue and Customs (HMRC) was raised as something that requires strengthening.

- “ There's all sorts of regulatory issues between the Commission and HMRC that are not as well joined up as they may do, and that would certainly warrant some attention if we're going to improve things in the regulatory world.”
- “ Where I think there needs to be more work - I know work is going on but it needs probably more effort - is the relationship between them and the tax authorities, HMRC in particular.”

Many stakeholders feel the burden of regulation is about right and do not want to see an increase or decrease in the level of regulation currently in place.

- “ I think they're about right. It can get heavier for smaller charities.”
- “ On a small charity, they would be a burden. On a larger charity, they shouldn't be a burden, because they've got access to finance and to give them independent legal advice on complying with charity law. I think the balance is right.”

Some stakeholders feel there is either too much regulation, or the wrong kind of regulation. A minority worry about the impact of regulation on smaller charities in particular, and the burden it places on them.

- “ I think that there is an intention to regulate charities too much, and that creates pressure. I think there's enough regulation at the moment, there is no need for more regulation.”
- “ We sometimes think it's the wrong regulation. The range they've got to deal with is just too wide to be easy to address. There does seem to be a kind of communication gap between the Commission and the trustees, of whom, after all, there are thousands and thousands.”

“ There are many different regulators that different charities have to comply with, and there are lots of quite challenging issues in regulation at the moment.”

Those who feel there is not enough regulation also believe the Charity Commission is not doing enough to check on charities. However, it is commonly accepted that the Charity Commission may not have the resources to undertake the work they could do.

- “ I don't think the Commission is particularly burdensome. It's not just about people with their hand in the till. There's quite a lot of charities that are well-meaning, but still not

making great use of the money that's been entrusted to them. So it's the real rip-off merchants, and the tax avoiders and the funnelling it overseas to fund wars."

“ I think the Charity Commission regulatory oversight is under resourced and not sufficiently proactive. There are always particular rules that were appropriate in the past, which might be relaxed now, but there's often something that wasn't thought of years ago that needs to be tightened up.”

Ease of dealing with the Charity Commission

Of those responding on behalf of a charity, most (70%) have personally had contact with the Charity Commission in the past 12 months. Furthermore, one-in-ten (10%) respondents from charities did not personally have any contact with the Charity Commission, but knew someone in their charity who did. This leaves a fifth (19%) of charities saying they had no contact with the Charity Commission in the past 12 months.

The most common form of contact with the Charity Commission is submitting the charity's annual return (87%), changing or updating charity details (61%), and receiving information by e-mail (48%).



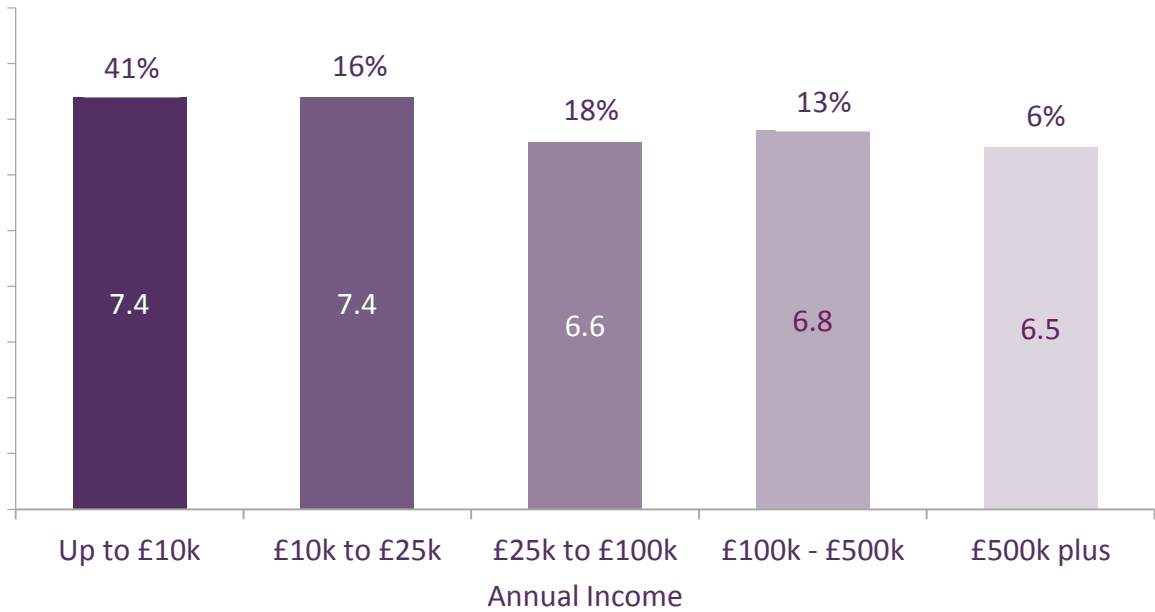
Of charities had contact with the Commission in the past 12 months

Figure 5.6.2: You mentioned you or your charity have had contact with the Charity Commission, what contact did you or your charity have in the past 12 months? Charities which had contact with the Charity Commission in the past 12 months



When asked on a scale of 0 – 10, where 10 is very easy and 0 is very difficult, how easy or difficult they would rate dealing with the Charity Commission, charities give a mean score of 7.0. This is highest for senior managers (7.5) and trustees (7.1), and lower for chairs (6.9) and chief executives and directors (6.3).

Figure 5.6.3: On a scale of 0-10 where 10 is very easy and 0 is very difficult, how would you rate how easy or difficult it is to deal with the Charity Commission? Charities, Mean scores, % shows charities in each categories



Charities with no employees find it easiest to deal with the Charity Commission (7.2), compared to leaders of charities with 6 or more full-time equivalent employees (6.5).

Figure 5.6.4: On a scale of 0-10 where 10 is very easy and 0 is very difficult, how would you rate how easy or difficult it is to deal with the Charity Commission? Charities, Mean scores



Those who know the Charity Commission very or fairly well say it is easier to deal with the Charity Commission (7.2) than those who do not know the Charity Commission well (6.0). Unsurprisingly, those who have no contact with the Charity Commission say it is slightly easier to deal with the Charity Commission (7.2), than those who do have contact with the Charity Commission (7.0). This may be because charities who have no contact with the Charity Commission tend to be lower annual income charities, which are not subject to the higher levels of regulation that higher annual income charities are.

7.0 

Average score given by charities for how easy it is to deal with the Commission

Most stakeholders also have a positive attitude towards engaging with the Charity Commission, citing both particularly positive experiences they've had, and more general working relationships they have developed.

“ They're excellent. They attend our events, they come to things we invite them to, they're incredibly useful and supportive of our work. They want to support us and long may that continue. I'm constantly using their materials in training, and I value those interactions with them.”

“ **I don't think they could improve their relationship over what they do have. And that's come a long way; it's improved very much in the last two years.**”

“ They're very effective at communicating with charities, because they all have our email addresses.”

A minority of stakeholders mentioned some negative associations about engaging with the Charity Commission, tending to focus around perceived bureaucracy or difficulties with the online system.

“ I find them to be very bureaucratic, actually quite judgmental.”

“ They've only got this telephone line which is only open for three hours on weekday mornings. A lot of the things they want you to deal with through these online forms which don't work properly. And in particular if you are dealing with something which is then escalated up the hierarchy they absolutely refuse to tell you who is dealing with it further up the hierarchy. In terms of the operational side the engagement is very poor on those things where you need to engage with a human.”

“ Their own internal systems and procedures seem to be somewhat bureaucratic and at risk of error. I've had three cases in the last year with charities where I've submitted

something through one of their online forms and it's just got lost in their system. Their own internal systems are not really as robust as they should be if they want to run on a fairly automated basis."

A large number of stakeholders do not feel the Charity Commission could do anything more to engage with them and believe it is already doing everything it can to engage with stakeholders.

“ I think they could understand what charities do better, and they could understand that modern and enterprising charities aren't the old-fashioned, Victorian, philanthropic institutions that the Charity Commission was probably set up to regulate.”

However, many stakeholders believe the Charity Commission could do more to improve its engagement with charities with regular communication pieces and direct personal contact with charities.


“ It's really not necessarily about engagement with us, but it's about engagement with the sector. Sometimes there is a worry that the Charity Commission would listen more to the Government than to the sector.”

“ There needs to be a much better flow of information. Often I get the impression that what the Commission does is very set piece.”

“ Engaging with individual organisations, there's much more of an opportunity to get out and about.

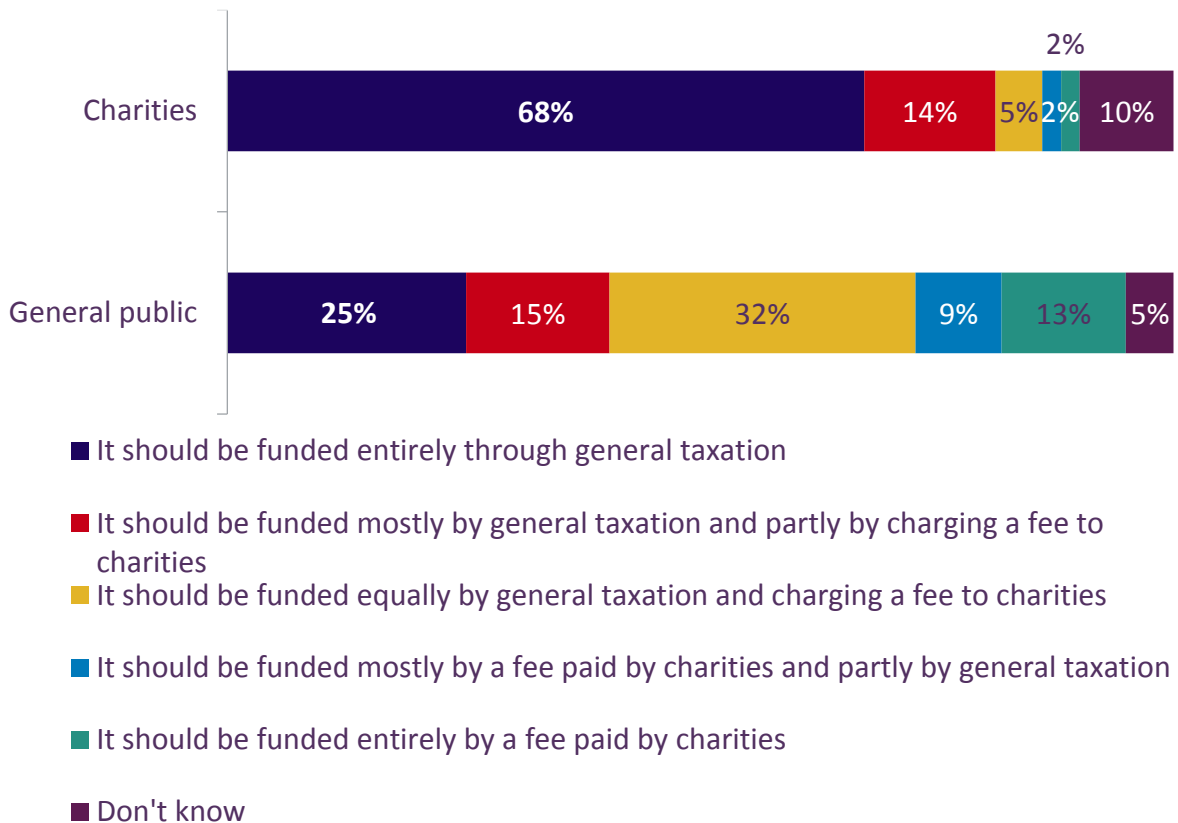
5.7 Attitudes towards the funding of charity regulation

There is a difference in views towards the funding of charity regulation between the general public and charities. Two-thirds (68%) of charities believe charity regulation should be funded entirely through general taxation, a view shared by a quarter (25%) of the general public. In comparison, over two-thirds (69%) of the public believe charity regulation should be partly or fully funded by a charge, compared to under a quarter (23%) of charities. A third (32%) of the public believe charity regulation should be funded equally by general taxation and charging a fee paid by charities, a view shared by just 5% of charities.

69% 

Of the public think charity regulation should be partly or fully funded by a charge on charities

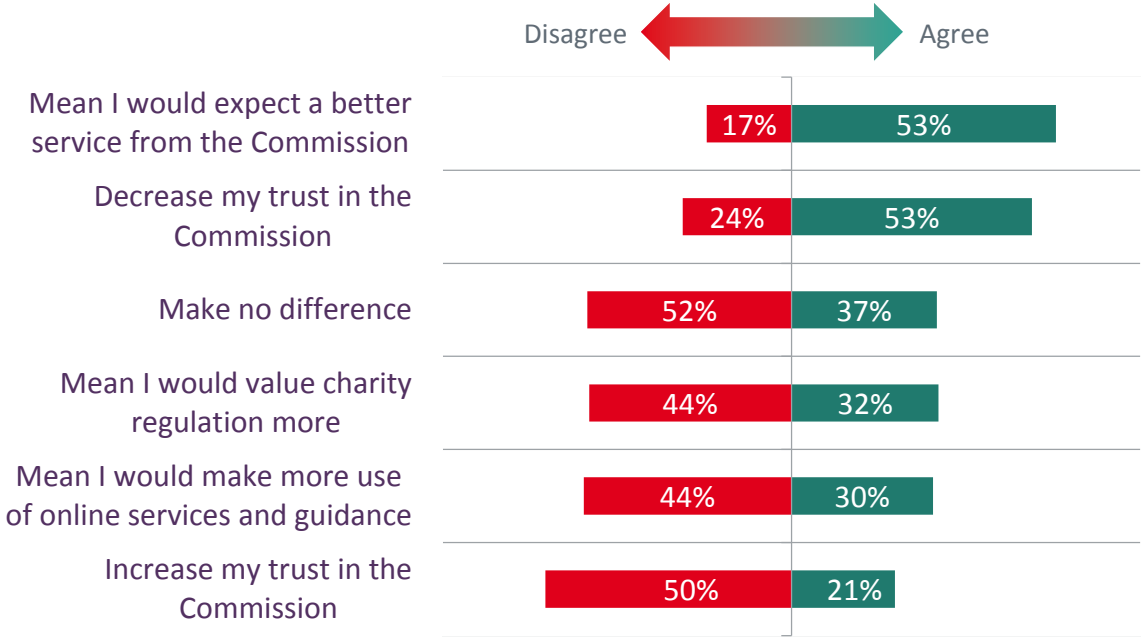
Figure 5.7.1: Some regulators are funded by Government with the money they raise from taxpayers through taxes. Other regulators are funded by charging a fee to the organisations they regulated. When thinking about charity regulation, which statement do you most agree with?



When asked whether introducing a fee for charities to fund the Charity Commission would change their trust in the Charity Commission, over a quarter (27%) of charities say it would decrease their trust, compared to a tenth (9%) who believe it would increase their trust. The biggest impact on paying for Charity Commission services would be an increase in

service expectations, with half (54%) agreeing it would mean they would expect a better service from the Charity Commission. A fifth (18%) of charities believe it would mean they would value charity regulation more, and a fifth (21%) say it would mean they would make more use of online services and guidance.

Figure 5.7.2: How much do you agree or disagree with the following statements? Paying for Charity Commission services would...



Most stakeholders believe the Charity Commission should continue to be funded by Government. Some argue that Government has a responsibility to fund the Charity Commission.

- “ Charities in general are filling a gap that Government cannot fill. Charities are supporting people who are falling through the net that Government puts there.”
- “ By government, 100%. In principle, regulation’s the duty of Government, not something you ought to be paying for as one who is regulated.”
- “ The traditional model of funding from direct taxation is the least worst option. When you start to develop a relationship with your regulated constituency that makes them paying customers, you introduce a potential distortion and a complicating dynamic to that relationship.”

Other stakeholders oppose a charity fee because of the financial pressure they perceive it would put on charities.

- “ I think it should remain funded by Government. I understand the argument for fees, but you are talking about a pretty cash strapped sector. I assume that banks pay fees for their regulation and solicitors do and so on, but they tend to be rather better financed.”

“ Not through fees. I don't think the charity sector needs any further financial burdens actually.”

Some stakeholders support a mix of funding between Government and a fee paid by charities, commonly citing the need for the Charity Commission to continue to raise additional funding, while acknowledging the opposition that would be faced to introducing a fee. Stakeholders also feel that if a fee was introduced, then a change would come about in the relationship between charities and the Charity Commission.

“ Well, I think it'll be a hybrid. I think you'll have a base paid for by the Government and then a certain amount which will be paid for by the sector. Because that's the way we can operate in the future and it's the way the sector should pay something towards its own arrangements and its own requirements and its own efficiency.”

“ Probably a combination of the two. The sector's deeply divided on this.”

“ If they are going to introduce charges, so that charities pay a proportion of their regulator, there will be a discussion inevitably about who appoints their board. Because if the sector is contributing, it won't want ministers to decide who is running the Commission. It might settle for Parliament. So it immediately flags up the governance issue.”

Some stakeholders are indifferent to how the Charity Commission should be funded, believing that what matters is how the Charity Commission actually operates. For these stakeholders, it is important for the Commission to continue to be perceived as independent, and not seen as directed by the organisations that fund it.

“ Well no particular view really; there are all the arguments around that of regulatory capture and the fact that the bigger organisations should pay more, expect more.”

“ I don't think that it matters greatly, if it were independent, and it's perceived theoretically to be independent, but in practice it doesn't feel that way. Government pays, Governments calls the tune, it seems.”

68% 

Of charities think charity regulation should be funded entirely through general taxation

The funding mechanism for how such a fee would be charged is also an important issue for stakeholders in their attitudes towards funding of charity regulation. Many caveat any support they have for introducing a charity fee to fund charity regulation with a need for such a system to be proportionate, a low burden on small charities, and to raise enough money to be worth the administrative costs of introducing such a system.


“ I think the feasibility of some of the funding mechanisms will call them into question because it sometimes costs as much to collect a small fee as it raises. It’s not as straightforward as it looks.”

“ It’s got to be proportionate, if it [charities paying a charge] happens. Smaller charities shouldn’t have to pay. And there should be a Government element.”

“ I would favour a system whereby there is a charge to apply to register a charity, which I think would weed out some of the slightly silly registration applications that are not well thought through, the ones where people haven’t really thought, do I want to set up a new charity or not.”

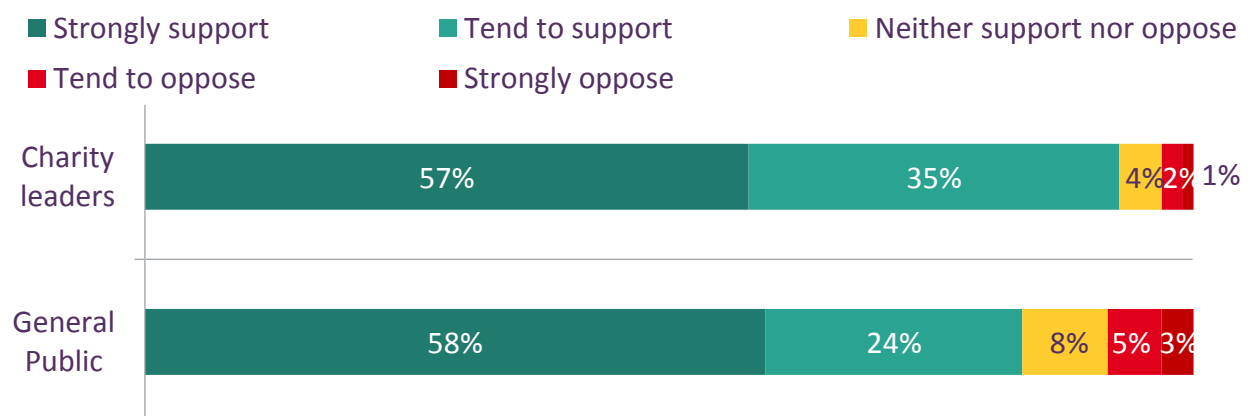
5.8 Attitudes towards new powers for the Charity Commission

There is universal support for the introduction of new powers for the Charity Commission amongst all charities, the general public, and stakeholders. After a brief explanation of the powers the Government proposes for the Charity Commission, a majority of the public (82%) and charities (92%) support new powers. The powers explained are to allow the Charity Commission to ban people with certain criminal convictions from being a charity trustee, and to shut down charities following an inquiry into misconduct or mismanagement. Since this research has been conducted, the Charities (Protection and Social Investment) Bill was introduced in Parliament on 28 May 2015, including those powers.

92% 

Of charities support new powers for the Charity Commission

Figure 5.8.1: Do you support or oppose new powers being introduced for the Charity Commission?



Support for new powers is slightly lower amongst 18-24 year olds (69%), and rises for 25-34 year olds (72%), 35-44 year olds (83%), 45-54 year olds (90%), and 55-64 year olds (90%). Support is slightly higher for those who have heard of the Charity Commission (89%) compared to those who have not (77%), and a similar proportion of support exists amongst those who know the Commission well (89%) as those who do not (89%).

Support varies little between charities, with 94% of trustees, 93% of chairs, 90% of chief executives or directors, and 84% of senior managers supporting new powers for the Charity Commission. Over nine-tenths (92%) of charities who know the Charity Commission well also support the introduction of new powers.

Stakeholders are also broadly in favour of introducing new powers for the Charity Commission, believing there is a strong case for powers to be introduced in order to maintain levels of trust and confidence in the charity sector overall. Some stakeholders

believe the introduction of new powers is necessary to professionalise the charity sector and ensure trustees abide by their legal obligations.

“ I would support them. The sector enjoys the most incredible levels of public trust and confidence. I am all about rehabilitation, I absolutely support the idea that people who have fallen foul of the law, been convicted or indeed prosecuted for something, should be rehabilitated but I don't believe that they should be allowed to be reintegrated back in as a trustee.”

“ I'm glad that they [Government] are strengthening their legislation and their procedures to take action against fraudulent trustees and charities that are not operating correctly.”

“ We think they're a good thing. Any of the powers regulators have are properly exercised as powers of last resort, so we don't think there's a great risk of regulators running amuck and getting carried away with these powers, and in some cases there have been gaps that these powers sensibly address.”

Only a minority have reservations or concerns about how these powers will be applied. They commonly caveat their support of new powers based on the introduction of a process that ensures powers are used accountably and transparently. A very small number of key stakeholders oppose the introduction of new powers altogether, arguing that they are not required or have concerns about what the Charity Commission will do with new powers.

“ I would say whenever these cases happen, they have to follow appropriate due processes, and they should not be based on political decisions, they should be decisions made after a proper process has been followed, and a process that is accountable and transparent. My main concern is that it may be used for political gains. They need to communicate about that process by putting it on their website and so on, and make people aware of what's happening.”

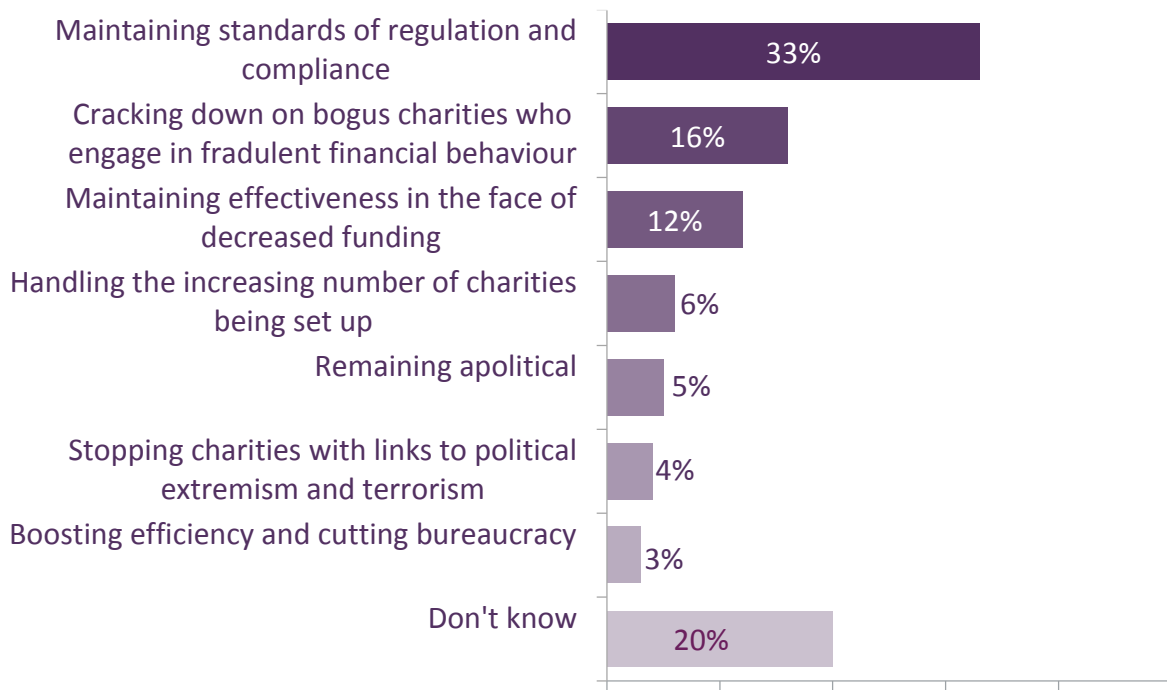
5.9 Future challenges for the Charity Commission

We also asked the general public, charities and key stakeholders what they see as the biggest challenge for the Charity Commission in the next 5 years. While many members of the public are unsure, common themes emerge around charity funding, tackling fraud, ensuring honesty and transparency from charities, and raising awareness of the Charity Commission itself. Charities cite maintaining standards of regulation and compliance, cracking down on fraudulent charities, tackling charities with links to terrorism, remaining apolitical, and maintaining effectiveness in the face of decreased funding.

33% 

Of charities cite maintaining regulation standards as the biggest challenge for the Commission

Figure 5.9.1: What do you see as the biggest challenge for the Charity Commission in the next 5 years? Charities



Similarly, stakeholders raise challenges for the Charity Commission around finances and ensuring that it receives enough resources to enforce the regulatory regime it is responsible for. In 2014-15, the budget for the Charity Commission was £22.3 million, but many stakeholders expect this amount to reduce over the next Parliament.

“ It will be to continue to have more work to do and not enough money to do it with. The big crunch is going to be when the current exception for charities status runs out, 2021, when if they don't extend it or start some kind of phased registration for the current crop of excepted charities, they're going to have about 45,000 charities all queuing up

to register all at once, and it will break them. They just won't be able to cope with the work."

“ I think getting focused on delivering a really effective regulatory regime on less money.”

“ I would also say it's funding available for them to deliver on expectations.”

Stakeholders also mention the need for the Charity Commission to do more to engage with charities and trustees, in order to 'gain' or 'maintain' the trust and confidence of the charity sector. One of the challenges in gaining trust and confidence is being perceived as independent, with 5% of charities seeing the biggest challenge for the Charity Commission as remaining apolitical.

“ I think it would need to engage directly with trustees and ensure all trustees are being trained and inducted into their roles appropriately. We already have hundreds of thousands of trustees who are really good and great people wanting to do great stuff. If they could be doing good and great stuff and all understand their statutory obligations that would be even greater.”

“ I think they need to work very hard to reassert their independence.”

Some stakeholders also believe there are challenges around what the structure or strategic priorities of the Charity Commission should be, and suggest that the Commission should engage with the sector to discuss the future of charity regulation.

“ Reforming its structure and its leadership role.”

“ It has to really have a sit down, have a conversation with the sector about what it thinks the future of regulation for charity should look like. And once we've had that conversation and we've set upon a path that the Commission and the sector is comfortable with then the biggest barrier, its future relationship and how it works for the sector, will be removed and we can start focusing on the practicalities.”

Finally, stakeholders also believe there are continued challenges around improving the Charity Commission's effectiveness and operational delivery, using data better, bringing previously exempt charities onto the charity register, closer liaison with HMRC and other partners, and general customer service.

“ To bring the other charities on the Register. The Commission's accepted that in principal that should be done. Government seems to agree in principle it should be done, but everybody recognises it's going to need some additional resources.”

“ I think there are opportunities to use data well, get their systems really humming and become the most effective regulator it can be.”

“ I would want really smooth arrangements between the Commission and HMRC, some of which would need changes in legislation. I would want to feel that everybody dealing with the Commission, if you submit anything through their online forms you get an automatic reply which says, we will get back to you within 15 days if relevant.”

Appendix A: Participants

While all participants were offered the opportunity to contribute anonymously, the following generously agreed to be identified as participants in this research. We are grateful for all who have contributed their time.

Name	Organisation
Mary Aiston	HM Revenue & Customs
Lesley-Anne Alexander	The Royal National Institute of Blind People
Andrew O'Brien	Charity Finance Group
Pauline Broomhead	Foundation for Social Improvement
Sir Stephen Bubb	Association of Chief Executives of Voluntary Organisations
Neil Cleeveley	National Association for Voluntary and Community Action
Frank Cranmer	Churches Legal Advisory Service
David Cutler	Barings Foundation
David Emerson	Association of Charitable Foundations
Sir Stuart Etherington	National Council for Voluntary Organisations
Paul Farmer	Chief Executive Officer, Mind
Lord Hodgson	Official Reviewer, Charities Act 2006
Dr John Low	Charities Aid Foundation
Frances McCandless	Charity Commission for Northern Ireland
Andrew Malin	Higher Education Funding Council for England
Alistair McLean	Fundraising Standards Board
Professor Gareth Morgan	Sheffield Hallam University
David Robb	Office of the Scottish Charity Regulator
Abdurahman Sharif	Muslim Charities Forum
Andrea Smith	Department for Education
Julian Smith	Charity Law Association

Appendix B: Questionnaires and Discussion Guide

B1 General Public Questionnaire

15 minute telephone interview - nationally representative poll of 1,000 people in England and Wales

SECTION 1: Involvement with charity

1. Do you or any of your close family or friends work for a charity, either as a paid employee, a trustee, a volunteer or member of a charity's executive or management committee? (PROMPT IF NECESSARY. MULTICODE OK) [Yes – Paid employee / Yes – Trustee / Yes – Volunteer / Yes – Member of a charity's executive or management committee / Yes – other / No]
2. Have you, or any of your close family or friends, ever received money, support or help from a charity? / Have you, or any of your close family or friends, ever benefitted from or used the services of a charity? (SINGLE CODE ONLY) [YES / NO]
3. Thinking back to the last month, in what ways have you heard about the work of charities? [PROMPT IF NECESSARY. MULTICODE OK]
 - Have not heard anything about charities
 - Personal experience
 - Word of mouth from friends/ family/ colleagues
 - Internet website
 - Newspapers
 - TV
 - Radio
 - Advertisements/ leaflets/ posters in public
 - From a charity worker
 - From a fundraiser
 - Other (SPECIFY)
4. Have you had an issue or a problem with a charity in the past 12 months? [YES / NO]
5. [If YES to 4] Thinking back to your most recent issue or problem, which statement do you most agree with?
 - I had a serious problem which required help to solve
 - I had a serious problem which I was able to solve myself

- I had a minor problem which required help to solve
 - I had a minor problem which I was able to solve myself
 - Don't know / not sure
6. [If YES to 4] What action did you take as a result of your most recent issue or problem? [Do not prompt]
- Complained directly to charity / wrote to charity
 - Contacted the police
 - Contacted the Fundraising Standards Board
 - Contacted the Advertising Standards Authority
 - Contacted the Charity Commission
 - Other [SPECIFY]
 - None

SECTION 2: Attitudes towards charity regulation

7. Overall, how effectively do you think charities are regulated in England and Wales? [Very effectively / Fairly effectively / Neither effectively or ineffectively / Not very effectively / Not at all effectively / Don't know]
8. How much do you agree or disagree with the following statements? [Strongly agree / Tend to agree / Neither agree or disagree / Tend to disagree / Strongly disagree / Don't know] [RANDOMISE]
- I trust charities to work independently
 - I don't know much about charity regulation
 - Charities are regulated and controlled to ensure that they are working for the public benefit
 - Charities should be regulated more to ensure they are being run properly
 - There is currently too much regulation of charities

SECTION 3: Knowledge of the Charity Commission

9. Have you ever heard of the Charity Commission? [YES / NO / DON'T KNOW]
10. (Only ask those who have heard of Charity Commission) How well, if at all, do you feel you know the Charity Commission and what it does? [VERY WELL / FAIRLY WELL / NOT VERY WELL / NOT AT ALL / DON'T KNOW]
11. (Only ask those who have heard of Charity Commission) On a scale of 0-10 where 10 means you trust it completely and 0 means you don't trust it at all, how much trust and confidence do you have in the Charity Commission? [0 – 10 SCALE, DK]
12. (Only ask those who have heard of Charity Commission) Over the past two years, has your trust and confidence in the Charity Commission increased, decreased or stayed the same? {SINGLE CODE} [Increased / Decreased / Stayed the same / Don't know]

13. The Charity Commission is an independent body responsible for registering and regulating charities in England and Wales. They register applicants for registration as a charity after examining their purposes, accounts and structure. They regulate charities by ensuring they stay within the law and are run for the public benefit, and by investigating any allegations of wrong-doing by charities. How important do you personally regard this role? (Single code only) [Essential / Very important / Fairly important / Not very important / Not at all important / Don't know]
14. Before this survey, were you aware of the Register of Charities? If yes, have you used it in the past year?
- I am aware and have used the register of charities
 - I am aware and have not used the register of charities
 - I am unaware of the register of charities
15. The Register of Charities holds details of organisations that have been recognised as charitable in law. What information would you expect to see on the Register of Charities? [DO NOT PROMPT]
- Key facts and figures about their work and finances
 - The details of a charity's trustees
 - Where charities are getting their money from
 - What charities are spending their money on
 - Information about misconduct or mismanagement of a charity
 - Charity ratings
 - Don't know
 - Anything else [SPECIFY]
16. (Only ask those who have heard of Charity Commission) Have you used the Charity Commission's website in the past year? [YES / NO / DON'T KNOW]
17. (If they have used the website) What did you use the Charity Commission website for? [DO NOT PROMPT. MULTICODE OK]
- To check whether a charity was registered
 - To check a charity's annual accounts
 - For guidance on setting up a charity
 - For guidance on running a charity
 - To check regulatory alerts, inquiry, and case reports
 - To find out more about the Charity Commission
 - To make a complaint about a charity
 - Other – specify

SECTION 3: Attitudes towards the Charity Commission and how it is funded

18. (Only ask those who have heard of Charity Commission) What news stories or key developments, if any, involving the Charity Commission can you recall having heard about in the last 12 months? [Open Question]
19. (Only ask those who have heard of Charity Commission) How much do you agree or disagree with the following statements? [Strongly agree / Tend to agree / Neither agree or disagree / Tend to disagree / Strongly disagree / Don't know]
[RANDOMISE]
- The Charity Commission takes action against charities which break the rules
 - The Charity Commission is consistent in how it regulates charities
 - The Charity Commission is accountable for what it does
 - The Charity Commission should be more proactive in speaking out on charity issues
 - The Charity Commission should do more to regulate and control charities to ensure they are working for the public benefit
 - I trust the Charity Commission to be fair and impartial when assessing charities
20. Some regulators are funded by Government with the money they raise from taxpayers through taxes. Other regulators are funded by charging a fee to the organisations they regulate. When thinking about charity regulation, which statement do you most agree with? [SINGLE CODE]
- It should be funded entirely through general taxation
 - It should be funded mostly by general taxation and partly by charging a fee to charities
 - It should be funded equally by general taxation and charging a fee to charities
 - It should be funded mostly by a fee paid by charities and partly by general taxation
 - It should be funded entirely by a fee paid by charities
 - Don't know
21. The Government is considering introducing new powers for the Charity Commission. If introduced, they would allow the regulator to ban people with certain criminal convictions from being a charity trustee, and to shut down charities following an inquiry into misconduct or mismanagement. Do you support or oppose new powers being introduced for the Charity Commission? [Strongly support / Tend to support / Neither support or oppose / Tend to Oppose / Strongly oppose / Don't know]
22. (Only ask those who have heard of Charity Commission) And finally, what do you see as the biggest challenge for the Charity Commission in the next 5 years? [OPEN QUESTION]

SECTION 4: Demographics [ASK ALL]

23. Social Grade
24. Working status
25. Educational level
26. Ethnicity
27. Urban/Rural
28. Public/private worker
29. Age
30. Number of children in household
31. Gender
32. Household income (before tax)
33. Government Office Region
34. Chief Income Earner (Ask if respondent is CIE)

B2 Charities Questionnaire

12 minute online survey - 1,000 charities in England and Wales. Questions in blue are questions that have also been asked on the general public survey.

Opening Screen

Thank you for taking part in this research being conducted by Populus on behalf of the Charity Commission.

Please note that this survey should be completed by a chair, trustee, chief executive or senior manager of your charity and should take no longer than 12 minutes to complete.

SECTION 1: Demographics

1. What is your role in the charity? [SINGLE CODE ONLY]
 - Chair
 - Trustee
 - Chief Executive/Director
 - Senior manager
 - Other [If selected, end survey]
2. What is the annual income of your charity? [SINGLE CODE ONLY]
 - £0 - £10,000

- £10,001 - £25,000
 - £25,001 - £100,000
 - £100,001 - £500,000
 - £500,001 - £1,000,000
 - £1,000,001 - £5,000,000
 - £5,000,000 plus
 - Not yet known
3. For how many years has your charity been operating, approximately? [NUMBERS ONLY BOX]
4. Where does your charity operate? Please select all that apply. [MULTICODE OK]
- North East
 - North West
 - Yorkshire and the Humber
 - East Midlands
 - West Midlands
 - East of England
 - London
 - South East
 - South West
 - Wales
 - Scotland
 - Northern Ireland
 - Overseas
5. What does your charity do? [Multicode OK]
- General charitable purposes
 - Education/training
 - The advancement of health or saving of lives
 - Disability
 - The prevention or relief of poverty
 - Overseas aid/famine relief
 - Accommodation/housing
 - Religious activities
 - Arts/culture/heritage/science
 - Amateur sport
 - Animals
 - Environment/conservation/heritage
 - Economic/community development/employment
 - Armed forces/emergency service efficiency
 - Human rights/religious or racial harmony/equality or diversity
 - Recreation
 - Other charitable purposes (DO NOT SPECIFY)
6. Who does your charity help? [Multicode OK]

- Children/young people
 - Elderly/old people
 - People with disabilities
 - People of a particular ethnic or racial origin
 - Other charities/voluntary bodies
 - Other defined groups
 - The general public/mankind
7. Approximately, how many full time-equivalent employees, if any, does your charity have? [SINGLE NUMBER BOX]
8. Approximately, how many volunteers, if any, does your charity have? [SINGLE NUMBER BOX]

SECTION 2: Awareness and attitude towards the Commission

9. Before today, have you ever heard of the Charity Commission? [YES / NO / DON'T KNOW]

IF NO OR DON'T KNOW, END SURVEY

10. How well, if at all, do you feel you know the Charity Commission and what it does? [VERY WELL / FAIRLY WELL / NOT VERY WELL / NOT AT ALL / DON'T KNOW]
11. On a scale of 0-10 where 10 means you trust it completely and 0 means you don't trust it at all, how much trust and confidence do you have in the Charity Commission? [0 – 10 SCALE, DK]
12. Have you had any contact with the Charity Commission in the past 12 months? [SINGLE CODE]
- Yes, I have personally had contact with the Charity Commission
 - No, I have not had any contact with the Charity Commission, but others in my charity have
 - No, our charity has not had any contact with the Charity Commission
 - Don't know
13. [Only if first two answers for Q12] You mentioned you or your charity have had contact with the Charity Commission, what contact did you or your charity have in the past 12 months? [MULTICODE OK]
- Registered my charity
 - Changed or updated charity details
 - Looked for advice or guidance on the website
 - Submitted the charity's annual return
 - Because an operational case/ investigation has involved my charity
 - Applied for legal consent for a change that our trustees do not have the power to make themselves
 - Received information by email

- Been to an event or seminar with a representative from the Charity Commission
 - Other [SPECIFY]
14. Thinking back over the past 12 months, has your trust and confidence in the Charity Commission increased, decreased or stayed the same? {SINGLE CODE}
[Increased / Decreased / Stayed the same / Don't know]
15. How much do you agree or disagree with the following statements? [Strongly agree / Tend to agree / Neither agree or disagree / Tend to disagree / Strongly disagree / Don't know]
- The Charity Commission takes action against charities which break the rules
 - The Charity Commission is consistent in how it regulates charities
 - The Charity Commission is accountable for what it does
 - The Charity Commission should be more proactive in speaking out on charity issues
 - The Charity Commission should do more to regulate and control charities to ensure they are working for the public benefit
 - I trust the Charity Commission to be fair and impartial when assessing charities
16. On a scale of 0 – 10, where 10 is very easy and 0 is very difficult, how easy or difficult do you find dealing with the Charity Commission? [0-10 SCALE]

SECTION 3: Relationship between the Commission and charities

17. Thinking about the Charity Commission's role, is it clearer, less clear, or no different from a year ago? [CLEARER / LESS CLEAR / NO DIFFERENT / DON'T KNOW]
18. During the last three years, the Charity Commission's strategic priorities have been to develop the compliance, accountability and self-reliance of the charity sector. Since 2012, how do you think the charity sector has changed in each of these areas? [IMPROVED A LOT / IMPROVED SLIGHTLY / NOT CHANGED / WORSENERD SLIGHTLY / WORSENERD A LOT / DON'T KNOW]
- Compliance
 - Accountability
 - Self-reliance
19. On a scale of 0-10, where 10 means very well and 0 means very poorly, how well or poorly would you say the Charity Commission is performing in each of these areas? [0-10 SCALE]
- Complaints handling
 - Protecting the public from harm
 - Protecting charities from harm
 - Adding value to your organisation by supporting good governance, and accountability to the public

- Consulting with charities before introducing changes to regulatory approach
 - Contributing to debate on charity regulation
20. A regulatory requirement for registered charities with an annual income over £10,000 is to submit an annual return. On a scale of 0 to 10 where 10 is very burdensome, and 0 is not burdensome at all, how much of a burden, if at all, do you find the Charity Commission's regulatory requirement? [0-10 SCALE, DK]
21. Some regulators are funded by Government with the money they raise from taxpayers through taxes. Other regulators are funded by charging a fee to the organisations they regulate. When thinking about charity regulation, which statement do you most agree with? [SINGLE CODE]
- It should be funded entirely through general taxation
 - It should be funded mostly by general taxation and partly by charging a fee to charities
 - It should be funded equally by general taxation and charging a fee to charities
 - It should be funded mostly by a fee paid by charities and partly by general taxation
 - It should be funded entirely by a fee paid by charities
 - Don't know
22. How much do you agree or disagree with the following statements? [Strongly agree / Tend to agree / Neither agree or disagree / Tend to disagree / Strongly disagree / Don't know] Paying for Charity Commission services would...
- ... make no difference
 - ... increase my trust in the Commission
 - ... decrease my trust in the Commission
 - ... mean I would expect a better service from the Commission
 - ... mean I would make more use of online services and guidance
 - ... mean I would value charity registration more
23. The Government is considering introducing new powers for the Charity Commission. If introduced, they would allow the regulator to ban people with certain criminal convictions from being a charity trustee, and to shut down charities following an inquiry into misconduct or mismanagement. Do you support or oppose new powers being introduced for the Charity Commission? [Strongly support / Tend to support / Neither support or oppose / Tend to Oppose / Strongly oppose / Don't know]
24. Overall, how effectively or ineffectively do you feel the Charity Commission regulates charities? [Very effectively / quite effectively / neither effectively nor ineffectively / quite ineffectively / very ineffectively] [SINGLE CODE]
25. What do you see as the biggest challenge for the Charity Commission in the next 5 years? [OPEN QUESTION]

26. And finally, are there any other comments you would like to add for the Charity Commission to consider? [OPEN TEXT BOX]

Ending Screen

Thank you for taking part in this survey. Your input will help the Charity Commission be as effective as possible in its role as registrar and regulator of charities in England and Wales. To find out more about the Charity Commission, please go on www.charitycommission.gov.uk.

B3 Stakeholder Discussion Guide

1. What are the challenges facing the charity sector?
2. What are the most important qualities needed for trust and confidence in charities overall?
3. How well, if at all, do you feel you know the Charity Commission and what it does?
4. How do you find out about the Charity Commission and what it does? Which is the most important?
5. The Charity Commission is the independent register and regulator of charities in England and Wales. Thinking about the Commission's role, is it clearer, less clear, or no different from a year ago? Why?
6. Which 3 words or phrases would you use to describe the Charity Commission?
7. On a scale of 0-10 where 10 means you trust it completely and 0 means you don't trust it at all, how much trust and confidence do you have in the Charity Commission? Why?
8. Thinking back over the past 12 months, has your trust and confidence in the Charity Commission increased, decreased or stayed the same? Why?
9. How effective or ineffective do you think the Charity Commission is at:
 - Taking action against charities which break the rules?
 - Being fair and impartial when assessing charities?
 - Being consistent in how it regulates charities?
 - Being accountable for what it does?
10. Do you think the Charity Commission should do more to regulate and control charities to ensure they are working for the public benefit?
11. Do you think the Charity Commission should be more proactive in speaking out on charity issues?

12. What news stories or key developments, if any, involving the Charity Commission can you recall having heard about in the last 12 months?
13. What contact have you had with the Charity Commission in the last 12 months?
14. In what ways would you like the Charity Commission to engage with you?
15. Have you used the Charity Commission website in the last 12 months? How useful did you find it?
16. Have you used the Register of Charities in the past 12 months? Did it suit your needs?
17. How would you rate the Charity Commission's engagement with you? Can you give an example of good/bad engagement?
18. Which individual's or organisation's views on the Charity Commission and its issues do you respect most?
19. What do you see as the main role of a charity regulator?
20. During the last three years, the Commission's strategic priorities have been to develop the compliance, accountability and self-reliance of the charity sector. Since 2012, how do you think the charity sector has changed in each of these areas? Why?
 - Compliance
 - Accountability
 - Self-reliance
21. How well or poorly would you say the Commission is performing in each of these areas, on a scale of 0-10 where 10 means very well and 0 means very poorly?
 - Complaints handling (handling complaints about charities)
 - Protecting the public from harm
 - Protecting charities from harm
 - Adding value to your organisation by supporting good governance, and accountability to the public
 - Consulting with charities before changes to regulatory approach
 - Contributing to debate on charity regulation
22. How much of a burden do you think the Charity Commission's regulatory requirements are? Why? Can you give an example?
23. The Government is considering introducing new powers for the Charity Commission. If introduced, they would allow the regulator to ban people from being a charity trustee, for example if there is clear evidence that they are unfit to be a charity trustee, and in extreme cases to shut down charities following an inquiry into misconduct or mismanagement. Do you support or oppose new powers being introduced for the Charity Commission? Why?

24. Some regulators are funded by Government with the money they raise from taxpayers through taxes. Other regulators are funded by charging a fee to the organisations they regulate. How do you think the Charity Commission should be funded? Why?
25. Overall, how effectively do you think charities are regulated in England and Wales? Why?
26. What do you see as the biggest challenge for the charity sector in the next 5 years?
27. What do you see as the biggest challenge for the Charity Commission in the next 5 years?
28. And before we finish, are there any other thoughts or comments you would like to add for the Commission to consider?

Appendix C: Additional methodology detail

C1 Key Driver Analysis

To conduct our Key Driver Analysis, Populus used a statistical modelling methodology known as Correlated Component Regression (CCR). CCR specifically gives:

- an output of the variation in “trust and confidence” across different groups, explained by each driver
- an output of the extent to which we can accurately predict trust and confidence
- an output of relative importance of each predictor to trust and confidence
- the underlying numbers, regression equations and mathematical architecture to build a predictive model/ simulator
- the degree of “cross validation” - a measure which relates to predictive ability in new cases (i.e. cases not used to build the model)

The model accuracy refers to the collective predictive value of all factors for trust and confidence. In other words, a model with an accuracy of 80% would correctly predict the trust and confidence score of c.80% of all observed cases.

C2 Reporting

Figures quoted in graphs and tables are percentages. The base may vary – the percentage is not always based on the total sample, and caution is advised when comparing response between small sample sizes. As a rough guide, the percentage figures for the various sub-samples or groups generally need to differ by a certain number of percentage points for the difference to be statistically significant. This number will depend on the size of the sub-group sample and the percentage itself.

Where quantitative percentage results do not sum to 100 this may be a result of rounding or the exclusion of ‘don’t know’ categories. Top-line data tables of the results are supplied in separate annexes to this report.

The findings of the qualitative research are included in the text, and we make use of verbatim comments to expand on and provide further insight into our quantitative findings, as well as contrasting stakeholder opinions. All quotes in this report are from the in-depth stakeholder interviews we conducted. Qualitative data is an integral part of this study, but it should not be thought of as definitive; instead it provides insight into a range of views about the Charity Commission and its regulatory role.

C3 Social Grade classification

Social Grade coding was conducted for the general public survey. Social grade is a classification system based on occupation, and is based on detailed questions about the occupation of the Chief Income Earner (CIE) to establish social grade. Questions include not just what the CIE's job is, but details such as their qualifications and the number of people they are responsible for.

Grade	Definition
A	Higher managerial, administrative and professional
B	Intermediate managerial, administrative and professional
C1	Supervisory, clerical and junior managerial, administrative and professional
C2	Skilled manual workers
D	Semi-skilled and unskilled manual workers
E	State pensioners, casual and lowest grade workers, unemployed with state benefits only

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