

HOUSE OF COMMONS
ORAL EVIDENCE
TAKEN BEFORE THE
PUBLIC ADMINISTRATION COMMITTEE

CHAIR OF THE CHARITY COMMISSION VALEDICTORY HEARING

TUESDAY 3 JULY 2012

DAME SUZI LEATHER

Evidence heard in Public

Questions 1 - 123

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Oral Evidence

Taken before the Public Administration Committee

on Tuesday 3 July 2012

Members present:

Mr Bernard Jenkin (Chair)

Alun Cairns

Charlie Elphicke

Paul Flynn

Robert Halfon

David Heyes

Greg Mulholland

Lindsay Roy

Examination of Witness

Witness: **Dame Suzi Leather**, Chair of the Charity Commission, gave evidence.

Q1 Chair: Good morning and welcome to this valedictory session on your role as chair of the Charity Commission. Could you, please, confirm yourself for the record?

Dame Suzi Leather: I am Suzi Leather and I chair the Charity Commission.

Chair: Thank you very much for being with us today.

Q2 Paul Flynn: As a senior member of this Committee, may I say that I am very sorry we cannot go on meeting like this? We have had very enjoyable and illuminating sessions with you over the years. Can you give us some idea of what advice you give your successor?

Dame Suzi Leather: First, I would give them congratulations rather than advice, and tell them they were fortunate to be chairing what I think is a hugely important organisation with responsibility for part of our society that is probably valued almost above everything else. I would say they should remember always that the vast majority of the charity sector are very small organisations, which are run by volunteers and have no money for paid advisers or staff. It is therefore incumbent on the Charity Commission to provide clear and helpful guidance to help trustees manage their charities. It is, after all, up to trustees to manage their charities; it is not up to the commission, the courts or Parliament. That is probably the most important thing, but there are some other things that are particularly important at the moment.

Protecting the independence of the commission is hugely important, as well as ensuring the integrity of its decision-making, at a time when it is facing huge challenge because of the cuts that have been made to its budget. We have managed to deal with that 33% cut very imaginatively and effectively, and my thanks go to all my staff for that. But, going forward, if we were to have further cuts, my successor should know that we would not be able to carry out all our statutory functions, and the commission would then be in the position of having to make some invidious choices. It is not an easy time to be taking over the Charity Commission, regardless of what Lord Hodgson comes up with in his review, which I very much look forward to.

Q3 Paul Flynn: Do you think the press has always reported fairly and accurately on you and the commission?

Dame Suzi Leather: I suspect you are referring to the coverage of particular issues.

Q4 Paul Flynn: Yes. I have a particular view on this, and I think it may be behind what you suggested about independence. Some elements of the press have behaved abominably. The way they have treated you in your position is one matter, and at one time I think there was an apology from the Chair of this Committee about the behaviour of one member who was, I believe, playing to the gallery on this. If we can take it forward, do you think that the unfair and untrue reporting on the work of the commission and its motives may have been responsible for the savage cut in your funding and might lead to problems in future?

Dame Suzi Leather: I suspect we would all agree that the issue of the charitable status of independent schools is one that is heavily ideologically laden in public debate. We would also agree that there is perhaps a tendency, an instinct, in the British media to personalise issues. Putting those two together, I do not think it would have mattered who chaired the Charity Commission for the last six years. Whoever it was would have got a pretty rough ride because of the job we had to do following the Charities Act 2006. It was incredibly important that that was done impartially and independently, and that is what we did. The real shame about the attacks, sometimes personalised, was not so much the effect it had on me, which was neither here nor there, but the slur it cast on the decision-making of the commission. The decision-making of the commission is not within the gift of the chair now, in the future and in the past. These are collectively made corporate decisions, which are also very carefully carried out. That has been the real shame of the coverage, but thank you for your kind words.

Q5 Paul Flynn: We have a pre-appointment hearing for your successor in due course. You stressed independence. What is the threat to the independence of your successor? This Committee has taken a serious line about the head of the statistics authority and the independent adviser on Ministers' interests, and we have pressed to ensure that those people can act robustly and in particular independently of government. Is it independence of government, or what?

Dame Suzi Leather: It is more than independence of government; it is also independence of the sector itself. Regulators must stand firmly on the ground they are given and not be swayed by what is said in Parliament, the press or the sector. That is a very difficult job, and one that I think the commission can be proud of having carried out without fault, but inevitably there are areas of our activity which are hugely complex, not least the issue of think-tanks. Where is the boundary between what is charitable and what is straying into the political? This is something that we struggled with, and we are continually trying to get this right, but you will be aware that this is highly contentious.

Chair: Of course, a lot of that contention concerned the question of public benefit, and we will come to that question.

Q6 Robert Halfon: What do you define as a charity? What does it mean?

Dame Suzi Leather: Charities are particular sorts of non-profit organisations run for public, not private, benefit; they must have purposes that Parliament has accepted as charitable, so there is a twin test: they must be for charitable purposes and be for public benefit. The issues of private benefit and independence are important. They cannot be directed by another body; they have to come under the remit of the courts and the commission in England and Wales.

Q7 Robert Halfon: You do not see it in the traditional sense of a charity doing something, like Oxfam raising funds and giving things to people and helping them. Do you make a distinction between a campaigning group and a charity in the traditional sense?

Dame Suzi Leather: I was answering your question in a legal sense. What does “charity” mean in law? If you look at the 162,000 organisations currently on our register, you will see a huge diversity in both size and what they do, but all those purposes must be ones that Parliament has recognised as charitable.

Q8 Robert Halfon: So if an organisation just does campaigning, as opposed to traditional charitable work, in legal or parliamentary language there is no distinction between those things.

Dame Suzi Leather: Parliament has accepted that charities can campaign. They can campaign in the interests of their beneficiaries; they can campaign to promote their purposes.

Q9 Robert Halfon: Even if they just do campaigning.

Dame Suzi Leather: What they cannot have are purposes that are political. That is not acceptable in charity law.

Q10 Robert Halfon: How do you define those purposes?

Dame Suzi Leather: “Political” in charity law is defined very broadly. “Political purposes” means to seek to change the policy of government, change the law or change the policy of a public authority, so it is quite a wide-ranging definition. That is the reason we provide, I think, very good, clear guidance on what it is charities can do.

Q11 Robert Halfon: But many “charities” are just campaigning organisations who spend the whole time doing just that—trying to change the policy of government—and do nothing else in terms of traditional charitable giving.

Dame Suzi Leather: No. Charities cannot have purposes that are political. They can carry out campaigning activity in support of their charitable purposes, but that can never be their sole activity; otherwise, they would in effect have become an organisation whose purpose was political.

Q12 Chair: Aren’t you constantly having to guard against or be watchful for charities that purport to have charitable purposes but are fronts for political activity? How do you draw the boundary?

Dame Suzi Leather: I have already alluded to this rather difficult area of judgment that we have to make when a think-tank comes to us. It may be an existing organisation or it may be a newly set-up organisation. We have to make a judgment about whether those are, in a charitable-law sense, educational organisations. There are many think-tanks that are not charities, but charitable think-tanks are ones that advance education. In order to advance education, charities have to show, first, that they are educating the public about something valuable; that they are not peddling a propagandist point of view; and that they are not taking a line on a controversial area. There has to be a degree of neutrality about what they do. In addition, they have to make what they do available to the public. That is really what we judge. In a charity-law sense, it is neither here nor there whether all their trustees are from a particular political party, although that should ring alarm bells, but in law they could be trustees of an organisation that was charitable. Then you have to look at how that organisation is going to operate. Difficult decisions need to be made at registration and in looking at the activities of particular organisations.

Q13 Alun Cairns: These are clearly difficult and delicate decisions that need to be taken when we are talking about organisations that involve campaigning activities. Therefore, as chairman of the Charity Commission and someone with a strong political background, were you in an impossible position to make those difficult judgments?

Dame Suzi Leather: These judgments on registration and so on are not taken by the board; they are taken by our staff.

Q14 Alun Cairns: But when they become controversial and in the news, I would assume the chairman of the Charity Commission and board would become actively involved. Therefore, as someone with a blatant political background, were you not in a very difficult position on these issues?

Dame Suzi Leather: No. These decisions are taken by our staff in registration; they are taken by our staff carefully and, I hope, best informed. Clearly, they may have been taken rather differently in the past.

Q15 Alun Cairns: So the chairman or board does not show an interest in anything that becomes controversial and political where maybe staff have taken a wrong decision.

Dame Suzi Leather: Our responsibility is to ensure that our staff are spotting particularly difficult or controversial areas and focusing their thinking power on those high-risk cases rather than lower-risk cases. The role of the board is to ensure that strategically the organisation is responding to risk in an appropriate way, whether it is registration or in the continuing activities. In the case of think-tanks, these are very small numbers. There are very few think-tanks. I know this is an issue that exercises people in the Westminster village. Is it an issue for people out there? Frankly, it is not: 2% of the complaints made to us are about the political activities of charities. In the last mayoral and local elections, we had two complaints, both of which I am pleased to say used our guidance in making them, but this is not an issue that the general public is particularly exercised about.

Q16 Chair: The substantive question that will preoccupy this Committee when we are interviewing your potential successor is: do you think it has caused you any difficulties or personal conflicts because you are known to be a member of the Labour Party?

Dame Suzi Leather: No.

Q17 Chair: Should that inhibit our choice? Should we advise the Government against appointing somebody who has links with a political party, or do you think that would be a mistake?

Dame Suzi Leather: My advice would be: choose the best person for the job, be it a man or woman.

Q18 Chair: Regardless of their political connections.

Dame Suzi Leather: Anyone who stands for public office has to be open about whether they are a member of a party, or an active member of a party. I am not an active member of any political party. It is on public record that I am a member of a political party. It is a rather odd notion that you cannot exercise impartial judgment simply because you are a member of a mainstream political party.

Chair: It is rather odd; I would rather agree with you on that point.

Q19 Alun Cairns: This is why I wanted to pursue it. Some controversial judgments have been made by the Charity Commission since its inception. If there is a chairman who has quite a strong political background, does that compromise the integrity of the commission

or the position of the chairman in making those judgments, when maybe public opinion might think those judgments were wrong?

Dame Suzi Leather: No, because the commission's decisions are corporate ones; they are not the decisions of the chair, whoever he or she may be.

Q20 Charlie Elphicke: I want to follow up the point made by Mr Cairns. We should be direct and open. Do you feel that your work and effectiveness has been inhibited by your characterisation as a new Labour quango queen in the media from time to time?

Dame Suzi Leather: No. I do not believe I have been affected by that.

Q21 Charlie Elphicke: Do you think it has affected the organisation?

Dame Suzi Leather: If in public office, such as the chair of the commission or other public bodies, you do not expect to get some press comment, you are being naive.

Q22 Charlie Elphicke: Do you feel that impression has harmed the work of the commission?

Dame Suzi Leather: I do not think it has harmed the work of the commission, or affected its decision-making in any way.

Q23 Charlie Elphicke: Has it harmed the perception of the independence of the commission?

Dame Suzi Leather: No, I do not think it has harmed the perception of the effectiveness or independence of the commission. For instance, I was delighted to see that one of the main umbrella bodies, the National Council for Voluntary Organisations, in their response to Lord Hodgson, which they published, very clearly said that the independence of the commission was clear. We are independent, and it was good to read that.

Charlie Elphicke: On the think-tank issue, people have in the past pointed to the commission granting charitable status to the IPPR, a left-wing charity, and refusing charitable status to the Centre for Social Justice, which many people feel has made massive social change in this country, because it is right-wing. That is the perception. Do you agree with that, or do you reject that?

Robert Halfon: On a point of order, I just clarify that the CSJ is not right-wing and that was the whole argument about it.

Charlie Elphicke: It is the perception. The argument of the Charity Commission was that it was somehow right-wing and political. I agree with Mr Halfon.

Q24 Chair: Perhaps you could clarify whether we have understood that correctly.

Dame Suzi Leather: Let me say again the decision that we have to make and the test for whether these organisations can be accepted as advancing education. Is the education of sufficient value? Does it have political, party-political or propagandist purposes? Does it operate in a balanced way without promoting a preconceived point of view? Is its work publicly available? Those are the four questions we ask ourselves. If we accept an organisation, it is because we have been satisfied that the answers to those questions are acceptable. If they fail any of those we cannot register them; they are not charitable in legal terms.

Q25 Charlie Elphicke: In law, the Centre for Social Justice fulfilled all those four criteria, yet the Charity Commission declined to register it as a charity. Why?

Dame Suzi Leather: I do not think we have declined it. I think you should go back and check that.

Q26 Charlie Elphicke: I was involved in the application. It was made clear that there would be no grant of charitable status, and I am just perplexed by that. I felt there was partiality at the time.

Dame Suzi Leather: I think our response to you was that you had not demonstrated it at the time.

Q27 Charlie Elphicke: Let's turn to Atlantic Bridge, which has taken up a lot of the Charity Commission's time, certainly in the public domain. Given that the commission found that the trustees of Atlantic Bridge acted in good faith and no funds were recovered, what was gained from the commission's investigation?

Dame Suzi Leather: What was gained by our investigation was the prompt cessation of all activities by Atlantic Bridge on the publication of our regulatory inquiry report, so the charity stopped doing anything. When the trustees were considering our advice in that report, they decided to wind up the charity, as is their right. What was gained was that that charity was no longer active or existed. That is quite a good result for an organisation that we found was not doing, and had never done, anything charitable.

Q28 Charlie Elphicke: There were 76 investigations, according to the Charity Commission's annual report. What was the highest value or turnover of the charities concerned? Of those 76 investigations, do you know the largest size of charity?

Dame Suzi Leather: Off the top of my head I do not know that, but we could provide that information to you.

Q29 Charlie Elphicke: My concern is that Atlantic Bridge was quite small but deeply political. Last time you came here, I raised the issue of related party transactions with National Trust, and the letter I got back afterwards was, "They're a very big charity; we don't really want to go there." Do you just pick on the little ones, or do you deal with the big ones?

Dame Suzi Leather: It is hard to cast my mind back that far, Mr Elphicke, but I recall we wrote to you a three or four-sided letter rather closely answering all the points you had made. I do not think your characterisation of our response is absolutely accurate.

Q30 Charlie Elphicke: It was a long, detailed letter, but basically it amounted to, "We're not going to take any action," even though in evidence it was clear that there were concerns on the part of your chief executive that it should be looked into. You said, "We're not going to investigate."

Dame Suzi Leather: I do not accept at all that that was the position we took.

Q31 Charlie Elphicke: Can you give me a single case where you have investigated a very large charity?

Dame Suzi Leather: I would be able to furnish you with that information. The overall size of charity is not a factor that would determine whether we would investigate it. Unequivocally, if something is high-risk to the reputation of charities and is breaching charity regulation—we have already given you our new risk framework—we will investigate it, assuming we think it is within our powers and is worth doing, whether it is a small or large charity. When we carried out our strategic review, we looked at whether, as a regulator, you should have a minimum threshold for doing investigations into charities. The answer we got back from other regulators was not to do that, because if you say there is a minimum threshold and you look at something only if it is above 10,000, 15,000, or whatever it is, it is

green-lighting that if you want to fraudulently abuse a charity, go for a small one. To do that would make no sense at all.

Q32 Lindsay Roy: For the purposes of clarity, can you set out what criteria you use to identify “high-risk”?

Dame Suzi Leather: If you turn to our annual report, which I hope you have been given, on page 9 you will see our new risk framework. This is a risk framework we developed in the light of our strategic review. Clearly, if you have a cut of 33% you have to focus your regulatory activity on the things that really matter. The first question we ask there is: do we really need to be involved? Does the issue fall wholly within our remit? Ought this to be dealt with by another regulator? Is the issue of such significance that it is in the public interest for us to do this? You will know from your letters that there are many, many issues to do with charities that people feel strongly about. We as the regulator cannot look at absolutely everything, so we have to prioritise. That is the first question we ask.

If yes, what is the nature and level of the risk? Is there or is there not significant risk? What is the most effective response? Do we need just to give advice? Do we need to require charities to do something? Do we need to have a full investigation? Do we need to involve the police? Do we need to involve other regulators? We will go through this framework before we make any decisions.

Q33 Chair: Moving back to the subject of public benefit, the ruling on independent schools by the tribunal rather suggests that it is not for the Charity Commission to be too definitive about what public benefit is. Do you agree with that?

Dame Suzi Leather: First, the judgment of the upper tribunal upheld the commission’s approach in all the principles. Perhaps the most important thing is that charities cannot have purposes that exclude the poor. That was something we had said, which the upper tribunal agreed. How they provide it is up to trustees, whether it is by fee remission or partnerships, making their facilities available and so on. Again, that is something we said and the upper tribunal agreed. Charitable status is not at risk. That is something we have been clear about, and the upper tribunal upheld that.

As to gold-plating, expecting more of charities that have greater resource than charities that have less, again we said that and the upper tribunal upheld it. As to allowing use of facilities by non-educational groups—adults or community groups—we said that that was not in keeping with its charitable purpose, which is educating children, and the upper tribunal agreed with that again.

The only respect in which they disagreed with our approach—it was a significant one—was that we had in effect adopted a test of reasonableness for public benefit. We said that you cannot wholly exclude the poor from a charitable independent school, and the amount of public benefit you provide must be reasonable. The upper tribunal said there is not a reasonableness test. What schools must provide is at least the minimum or tokenistic amount, but beyond that it is up to trustees to decide.

Q34 Chair: I do not think they used the word “tokenistic” in the judgment.

Dame Suzi Leather: “De minimis”. I do not think they escaped the desire to use some Latin.

Q35 Chair: It begs the question how you got the commission into what can only be described as rather a scrape. You are having to pay not only your own costs but an undefined amount of costs. Do we know what the total liability is?

Dame Suzi Leather: Did you say I had got the commission into a scrape?

Q36 Chair: You are having to pay your own legal costs and the legal costs of your opponents in this. That is correct, isn't it? It does suggest that you lost your case.

Dame Suzi Leather: Hang on. Parliament passed the 2006 Act, which was a piece of legislation that put tremendous emphasis on public benefit and the role of the commission. We had to provide guidance, which was not easy; you asked us to do something incredibly difficult.

Q37 Chair: But this is the case.

Dame Suzi Leather: Chairman, you declined to define "public benefit" and effectively said, "We, the law-makers, are not going to do that. You, the Charity Commission, can provide guidance on this." Our job was to look at 400 years of cases and distil from that what "public benefit" means, not in a way that charity lawyers understand it but in a way that your average trustee understands it. There are 900,000 trustees out there and they all need to know what "public benefit" means, and it was our job to provide guidance. We took all the case law; we consulted very widely; we published draft guidance; and on the basis of the consultation, we finalised the guidance. Some time later, we were confronted with challenges to that guidance, and surely it was right that that guidance was tested. That was helpful not only for us but for the sector; and actually it is quite helpful to Parliament, because Parliament now knows what the 2006 Act has achieved.

Q38 Chair: But this did look awfully like having a go at independent schools. I can certainly forgive you for feeling that that was the wish of the Government that appointed you at the time and put through the legislation. I can certainly respect your view that Parliament did not have quite the courage of its convictions, if those were the convictions of Parliament, to put that more explicitly into the legislation, but as soon as you were challenged you must have had advice that there was risk that your view would not be upheld and you were promoting what ultimately can be regarded as a political view. You must have had advice that there was a risk.

Dame Suzi Leather: We were never having a go at any particular sector of the charity.

Q39 Chair: That will ring very, very hollow to the independent school sector.

Dame Suzi Leather: It is interesting that no other fee-charging charitable sector took the same view, and they were bound by the same piece of legislation.

Q40 Chair: Give an example of another fee-charging sector that would have felt at risk from that guidance.

Dame Suzi Leather: Charitable care homes and charitable independent hospitals.

Q41 Charlie Elphicke: And housing associations.

Dame Suzi Leather: Some, not all.

Q42 Chair: When did you first begin to realise that you might be at risk of losing this case, which has cost an indefinable amount of money? Can you tell us how much money it has cost?

Dame Suzi Leather: We were confident about the guidance that we had taken a great deal of trouble to compile. We consulted on it very widely; we published the legal underpinning for it. We were confident that that was a good assimilation and expression of the real meaning of "public benefit" in a charitable sense, and we provided that for the whole of the charity sector. The thing that interested certain parts of the media was the impact or the

meaning for the charitable independent school sector. There are about 3,500 charitable independent schools; there are 162,000 charities on the register. Our guidance applies to all of them. They are all required to demonstrate public benefit.

Q43 Chair: But, if the independent sector had lost its charitable status, we are talking about an industry of £2.5 billion that educates 10% of the children in this country and some of our most successful institutions.

Dame Suzi Leather: We were never talking about independent schools risking the loss of their charitable status. We made that absolutely clear. The question was: were they demonstrating how they were set up in their purposes and how their trustees were running those charities for public benefit? That was the issue. Those trustees needed to know what the meaning of public benefit was and what it was they needed to do. I dispute that there has been this very negative impact on the independent school sector. The independent school sector is a wide spectrum, and the messages we were getting from many schools was, “We want to do this anyway; we’re active and keen to do this. We’ve been doing this for hundreds of years. We are very keen to demonstrate to the public what it is we do.”

Q44 Chair: Why didn’t you just withdraw the guidance and say, “We’ll make sure we don’t get into litigation and waste a lot of time and energy on this, because we recognise you are charitable institutions. You think you are charitable institutions. Why do we need to waste time litigating it?” Why this very confrontational approach to the independent school sector that you adopted?

Dame Suzi Leather: It was not a confrontational approach.

Q45 Chair: Why did they feel so threatened?

Dame Suzi Leather: You must ask them why they felt so threatened, but it was not a confrontational approach. We were even-handed and independent; we did the best we could.

Q46 Chair: The Office of the Scottish Charity Regulator did not have the same kind of confrontation with the independent schools in Scotland.

Dame Suzi Leather: Most of all, we did the job Parliament had asked us to do.

Q47 Chair: Obviously, you did not; otherwise the law would have supported you in the guidance you issued.

Dame Suzi Leather: The law has supported us in the guidance we issued. I went through all the different ways in which the judgment found—

Q48 Chair: Except in one particular respect, which was rather significant and resulted effectively in costs being awarded against you by the tribunal.

Dame Suzi Leather: That is not how it happened. I can tell you the cost of the case, if you want me to.

Q49 Chair: I would be grateful for that.

Dame Suzi Leather: It was £185,000.

Q50 Chair: Those are your direct legal costs, or the total legal costs.

Dame Suzi Leather: The total legal costs.

Q51 Charlie Elphicke: What was the internal admin time? What is the cost of all the admin and the whole exercise? How much has it cost the taxpayer?

Dame Suzi Leather: The £185,000 is our legal costs. I do not know what our internal costs were.

Q52 Charlie Elphicke: Why not?

Dame Suzi Leather: If Parliament did not think we should do this, it should have passed different legislation in 2006. It is a tribute to our decision-making and guidance that so much of it was upheld. If people said, “What was it you got wrong?” and we said we thought there should be a reasonableness test, I do not think the general public would have regarded that an unreasonable approach to have taken, if you will forgive the pun.

Q53 Chair: There are two further questions on this. First, what do you think is wrong with the legislation? Should it be changed? We are doing a legislative review of the Charities Act. What advice would you have for us on that question?

Dame Suzi Leather: There are a number of ways in which I think it would be helpful if the Act was revised.

Q54 Chair: But in respect of this particular issue.

Dame Suzi Leather: In respect of this particular issue, it is up to Parliament, not the Charity Commission, but a partial definition of “public benefit” would be enormously helpful. At the moment, there is a degree of lack of clarity both for us as a regulator and for the sector. Indeed, the upper tribunal in its judgment, which is 130 pages—I advise you to read it, if you are particularly interested in this, because it gives a full airing of the complexities of the issues—says it cannot bring absolute clarity to this and clarity can be brought only by Parliament. I think the ball is rather in your court now.

Q55 Chair: Secondly, what lesson would you pass on to your successor? Clearly, to go through the tribunal process and litigation is a very expensive and confrontational way of redrafting guidance. If you could turn back the history book and revisit the thing, how would you do it differently?

Dame Suzi Leather: To be absolutely clear, first, the way we went about this was not confrontational. Secondly, we did what you asked us to do; we did what the legislation required of us.

Q56 Chair: I do not accept that; otherwise the tribunal would have supported you 100%.

Dame Suzi Leather: Can I suggest that you read the judgment? You will see how much of what we have said and the main principles the judgment did support.

Q57 Chair: I have the judgment in front of me, but I do not want to go into too much detail. The key point is that it is a matter for the trustees of a charitable independent school, rather than the Charity Commission or the tribunal, to decide how trustees’ obligations might be fulfilled in the light of the circumstances.

Dame Suzi Leather: Yes, but one of the aspects of public benefit we have to understand is that, if you are not providing your public benefit to the whole population, you have to provide it to a sufficient section of the public. Then the issue is: what constitutes a sufficient section in different circumstances—geographic restrictions and so on—including fee-charging? It is a complex aspect of law, and, frankly, Parliament ducked the issue.

Q58 Chair: I accept that Parliament may have ducked the issue, but when it was clear that it had done so why didn’t you duck the issue, too?

Dame Suzi Leather: Because you asked us not to.

Chair: I am not sure we did.

Q59 Robert Halfon: One of the first acts of the new Labour Government in 1997 was to get rid of the assisted places scheme for independent schools to allow poor people to go to those schools. Surely, what you did chimed in with that thinking. In essence you were mounting an investigation into independent schools that chimed in with government actions at the time.

Dame Suzi Leather: It had absolutely nothing to do with that.

Q60 Robert Halfon: Did any member of the last Government have a conversation with you about what you were doing, suggesting that you should do the investigation that you did into independent schools?

Dame Suzi Leather: You mean providing the guidance.

Q61 Robert Halfon: Did any member of the last Government ask you to do what you eventually did?

Dame Suzi Leather: The 2006 Act requires the Charity Commission to provide guidance on public benefit.

Q62 Chair: But did you have any conversation with Ministers about issuing the guidance in the form that you did?

Robert Halfon: Did Ministers ask you to do it? What conversations did you have? Are you able to publish the conversations you had with the last Government?

Dame Suzi Leather: We were able to reassure Ministers that we were going to do what the Act required us to do. Did I have a conversation with Ministers about what the content of the guidance should be? No.

Q63 Chair: Was there any conversation that indicated an understanding that you were going to have a go at the independent sector?

Dame Suzi Leather: No.

Q64 Chair: Absolutely not?

Dame Suzi Leather: Absolutely not.

Chair: That is an important reassurance.

Q65 Alun Cairns: Does this not demonstrate the risks that the chairman of the Charity Commission faces if they have an active political background?

Chair: We must protect Dame Suzi. She does not have an active political background.

Alun Cairns: A blatant political background.

Chair: Personally, I think "blatant" is a little strong.

Charlie Elphicke: Patent.

Dame Suzi Leather: No more blatant than anyone who is a member of the Conservative Party or Liberal Democrat Party. If you call that blatant, then blatant it is. I am simply a member of a mainstream political party. Does that compromise my role as the chair of the Charity Commission? I do not think it does.

Q66 Alun Cairns: But doesn't the line of questioning you have just been exposed to demonstrate the risk of undermining the integrity of the chairman of the Charity Commission with a political background, such as being a member of a political party?

Dame Suzi Leather: What it demonstrates is that it would be an advantage for Parliament to be clear about its intentions and to give its regulators a clear legal framework to apply to the sector it regulates.

Q67 Lindsay Roy: It seems to me that some people are putting two and two together and making five here. Is there anything more you could have done to the Charity Commission's public benefit guidance to make it more robust and comprehensive?

Dame Suzi Leather: I think the guidance we provided was excellent. We were wrong in one very significant respect, but it was one.

Q68 Lindsay Roy: Was that highlighted in any way to you?

Dame Suzi Leather: It was one of the findings of the judgment.

Q69 Lindsay Roy: But prior to that.

Dame Suzi Leather: No. We were confident that what we had was right. We did one thing that in retrospect I rather wished we had not. It was a sin of omission rather than commission. We should have looked in the assessments we did at a school that was demonstrating public benefit only through partnership activity. If we had done that, we would have nailed the lie being pedalled about us that we were interested only in bursaries. Do I have regrets about the last six years? Yes; that is a regret.

Q70 Lindsay Roy: But the guidance was completed in good faith, following extensive consultation.

Dame Suzi Leather: It absolutely was, and in most respects it has stood up extremely well. The main concern, as the 2006 Bill was going through, came from religious organisations. It was not so much public schools but religious organisations who felt that somehow this piece of legislation was part of a secularising drive and many of the religious organisations would be driven out of charitable status.

Q71 Chair: Do you think that was the intention of the legislation?

Dame Suzi Leather: I do not think that was the intention of the legislation, nor has that been the impact. Again, I would urge you to read the guidance we provided for charities that advance religion.

Q72 Chair: I am sure we are going to look at that in our review.

Dame Suzi Leather: I think that was an excellent piece of work we did. You chose not to define religion in the 2006 Act either, so again it was quite a complex matter.

Q73 Chair: You really think the legislation is fake.

Dame Suzi Leather: You did not define "public benefit", "poor" or "religion". They are all rather important aspects of the legislation.

Q74 Lindsay Roy: Could it be said that that was an abdication of responsibility?

Dame Suzi Leather: It is for you to make that judgment. I certainly think you could have been more helpful.

Q75 Chair: That is a very helpful comment. The new job description that has been issued to your successor includes a new responsibility “for regulating independently and impartially, ensuring the regulatory requirements are proportionate to the risks”. If that had been in your job description, would you have conducted anything differently?

Dame Suzi Leather: I do not think so.

Q76 Chair: You think that is what you did.

Dame Suzi Leather: I do think that is what I did. There are other aspects of the changes to the job description that we might want to discuss, because I think they are significant.

Q77 Chair: Do you think that is an important emphasis to make in the job description?

Dame Suzi Leather: To be impartial and to act independently?

Chair: And proportionately to the risks.

Dame Suzi Leather: Of course, and that is absolutely our approach, and I think is well expressed in our new risk framework. But there are some quite interesting changes in the job description of the chair, which you will be aware of because I believe you approved it.

Q78 Chair: We did not approve it; we took note of it.

Dame Suzi Leather: For instance, the new job description no longer says that the chair of the commission is responsible for leading the board and directing the commission’s strategic development policies and plans, or ensuring that the commission realises the board’s strategic plans for the future, including its contribution to legislative reform, which I would have thought is particularly important. It no longer includes advising the Cabinet Office on the appointment of board members and ensuring their effective induction and support, or in establishing monitoring and reviewing governance structures, systems and processes; and ensuring compliance and maximising the effectiveness at both board and individual level.

It is a slightly different emphasis, which is one that you might want to look at, but what particularly struck me was the person spec. It talks about seeking somebody who has an established reputation and experience or knowledge from one or more of the private and charity or not-for-profit sectors. It rather crucially misses out the public sector. I would say that, if you had experience only of the private sector, you might have rather little understanding of the charitable sector. One of the things you might want to test is a real understanding of and perhaps commitment to the values of the charity sector, and particularly the notion that most of the charity sector is not the big household names but very small local organisations. There is a real danger because of changes that are happening in commissioning that, rather than have a big society, we have a society of the big.

Q79 Chair: I find that very useful. I am sure we will bear that in mind. In your previous session with us, you said you expected an increase in the number of complaints to be made against the commission for non-intervention. Have you had such an increase?

Dame Suzi Leather: I am afraid I cannot remember that, off the top of my head. I do not think we had a very significant increase, but I will furnish you with the figures.

Q80 Chair: You were explaining that the squeeze on resources would inhibit your activity and therefore you would get more complaints about non-intervention.

Dame Suzi Leather: That is inevitable in time, but I think it is credit to how we as an organisation are dealing with the changes we have had to make. We have been very successful at shifting demand away from direct phone calls, e-mails, letters and so on to the

web. The information we provide on the web has always been fantastic, and in my six years it has really changed. Increasingly, charity trustees are finding what they want from our website, and that is well and good. Another part of our strategy moving forward, which is going to help in the demand management business, is the work we are doing through partnerships with the umbrella bodies.

Q81 Chair: We will come to umbrella bodies. Could I ask about resources? Your budget, compared with other regulators, is rather small: just less than £26 million, compared with Ofcom at £141 million, and yet you are regulating an extremely large sector. What additional work would you have carried out if you had more funding?

Dame Suzi Leather: You are right that the funding is pretty slim, and it has been falling, year on year, since 2007. In the last spending review, we had a minus five year-on-year settlement, and in this spending review we have had a minus 33. By 2015, in real terms, we will have only half the number of staff we had in 2005, and yet our statutory objectives and functions remain the same. The sector remains broadly the same; it is remarkably stable at around 160,000 to 165,000 organisations. Given that, the demand on the organisation is not going to change greatly. We have had to work extremely hard to ensure we can do the job we currently do. If we had more resource, we would be able to do even more monitoring and outreach work and give more one-to-one advice. We are having to pull away from giving one-to-one advice, rather than increase it. Look, for instance, at the money we have had for counter-terrorism. Do you want me to say this now?

Q82 Chair: On the regulatory side, is it realistic to expect the Charity Commission to regulate 160,000 charities? Should we be relying much more on the Inland Revenue? Companies House does very little regulation. It files companies' accounts but does not regulate companies. Is that what the Charity Commission is becoming, if its resources are more and more constrained?

Dame Suzi Leather: There is a spectrum to the activities that the regulator of this aspect of civil society needs to be able to do. Clearly, there is a very important compliance and enforcement aspect and that remains one of our absolute priorities, but there has always been an important support and advice-giving function. That is much more important in the charities sector than it perhaps is in other areas of society and the economy, precisely because of the point that most charities are run by volunteers. In law, many charities have to come to us to give permissions to do various activities: sell land, and so on. One of the things we have said in our response to Lord Hodgson is, "Please take away some of that burden. Give charities more autonomy to run their business without having to come to us." We are already taking steps to try to minimise the burden on us as a regulator. Would this be better if it was handled by HMRC? With the greatest respect to colleagues in HMRC, no.

Q83 Chair: Not in their present state.

Dame Suzi Leather: We have a very important role, going forward, in protecting charities and their assets. If something goes very wrong in a charity, the police and the courts are going to deal with the criminal aspects, but we are there to ensure that the charity is put back on track. You have rightly praised the report we now publish yearly on that compliance work. What is remarkable about it is that that is work that makes sure wrongdoing is tackled, but the charity is rescued from that difficult period in its life and is put back on track and is there for the public, because charitable assets are there in perpetuity; they do not just disappear into the ether. They need to be protected and governed.

Q84 Chair: On the question of counter-terrorism work, are you able to say that that is being protected and properly funded, or is that at risk as well?

Dame Suzi Leather: We took great steps, in my six years, to try to increase our capability in this important area of our compliance and enforcement work. I am pleased to say that in 2007 we were given another £1 million on our baseline to do this. That enabled us to recruit and train more investigators and people who could monitor what was going on. We set up a specific monitoring unit. That was important. We also strengthened our relationship with the police and security services and, I am pleased to say, are playing a full part in the Prevent strategy. We then lost that money and had to use our own money from other parts of our budget to protect that area of work. I am pleased to say that the terrorist abuse of charities happens very rarely, but that it happens at all is something we must do everything to protect against, so whenever there is any allegation about this, we take it extremely seriously. That has not been affected, but our ability to do outreach work and to support the sector in protecting itself has been affected by the loss of that £1 million. I am reasonably optimistic that we may get some more money from the Home Office again for this area of our work, but I do not know the answer to that yet. I very much hope we are, because this is a hugely important area of work.

Chair: We will certainly take that on board, and I am sure we would support you in that.

Q85 Lindsay Roy: Rightly, you have given priority to expectation management; indeed, you indicated in the last session that, given the financial constraints, you would do things differently and more efficiently, stop doing things that other organisations perhaps could do better, build up self-reliance in the sector and undertake fewer hand-holding exercises. How successful has that strategy been? What have you done to facilitate it?

Dame Suzi Leather: I think our strategic review was well received by the sector. The sector not only values us as a regulator but understands the great difficulty we are in. It is reassuring that, throughout all the difficulties you have alluded to, public trust and confidence in charities has held up and increased. Tomorrow, we shall be publishing some figures that show that public trust and confidence in charities is greater now than it was in 2010, 2008 and 2005, when we last did these independent surveys. That is important because Parliament set increasing public trust and confidence as one of our objectives. It is box ticked; we are able to do that, and continue to do that.

I referred earlier to the partnership working, which was one of our strategies going forward. That has been enthusiastically received by the sector. We are now working actively with 26 umbrella organisations that represent about a quarter of the charities on the register, so there is quite extraordinary coverage by working with organisations that themselves represent many particularly small organisations. They are keen to do that.

The other thing that is going very well is the work we are doing with the Institute of Chartered Accountants for England and Wales and the Institute of Chartered Secretaries and Administrators. They are matching some of their people with charities and reviewing their financial controls and so on, giving free advice to those charities, then compiling the learning from those visits, and giving it back to us so that we have a good idea of whether there are any changes we need to make, either in our guidance to charities or in other areas.

Q86 Lindsay Roy: You are sharing effective practice.

Dame Suzi Leather: We are sharing effective practice, and building on the existing infrastructure and expertise within the sector. I am not talking about sub-regulation or co-regulation; I am talking about delivering support and advice in a way that matches the existing organisations in the sector and helps us to push up our compliance targets, because

they will be able to ask their members to get their accounts in on time and so on. It is in the public interest that we do this, and it is in the interests of the umbrella bodies, because we will be able to drive up their status and membership at the same time.

Q87 Lindsay Roy: How satisfied are you that there has been appropriate professional development and training in umbrella bodies?

Dame Suzi Leather: On boards?

Q88 Lindsay Roy: On the boards of umbrella bodies and the board themselves.

Dame Suzi Leather: Of individual charities?

Q89 Lindsay Roy: The professional development and training of umbrella bodies to fulfil the role.

Dame Suzi Leather: They would probably tell you that they could always do with more support and advice. There is a strong case to be made for supporting them, but I am not advising that you take further resource from the Charity Commission to do it; it should come from elsewhere.

Q90 Lindsay Roy: Are you encouraging umbrella bodies to share their practice?

Dame Suzi Leather: One of the good things that umbrella bodies often have is a system of quality standards for their member bodies. We, in the past, have acknowledged those quality standards and given them the tick of approval of the Charity Commission. I think that helps to raise governance levels in a non-regulatory but quite an effective sense. That is a strong part of our partnership approach as well.

Q91 Lindsay Roy: In a recent survey, over half of the public think that there are too many charities. Is that a problem for the sector?

Dame Suzi Leather: It is a bit like saying there are too many people or businesses. We ought to celebrate the fact that there are lots and lots of charities and that more people want to make society and the world a better place through their own voluntary endeavour. That is absolutely wonderful. As a regulator, we should certainly not be in the business of closing down or saying you can have only a certain number of organisations doing any particular thing. Interestingly, yesterday I was talking to a Japanese representative of an umbrella body for voluntary organisations. I asked him this question. He said they used to have a system whereby you could have only a certain number of charities working in a particular area. They regarded that as a terrible brake on the development of civil society; they got rid of that approach.

Q92 Lindsay Roy: In essence, competition is a healthy thing.

Dame Suzi Leather: I think the flourishing of the human spirit as exemplified in charitable activity is a good thing.

Q93 Greg Mulholland: How would you respond to the criticism I am sure you have heard that the commission does not really do very much, and certainly not enough, to help those many small charities?

Dame Suzi Leather: I would respond rather robustly, because we do a great deal. Look at our website; part of it is dedicated to small charities. In our partnership strategy, we are deliberately working with representatives of small charitable organisations. We have focused quite a lot on ensuring that small charities get the support they need. Far from ignoring them, we have deliberately tried to do as much as we can.

Q94 Greg Mulholland: It is a lot to do with perception and the registration level. Do you think you are seen as relevant to those small charities that are not registered with the Charity Commission, and, if so, in what way?

Dame Suzi Leather: It is quite a difficult question for me to answer, because we get involved in charities that are not registered only if there are regulatory issues with them. They are all regulated by us, however small or large they are; they only have to register when they get to the threshold of £5,000. If they are not on our register, their knowledge of us is perhaps less, but they can all use the wonderful guidance, help and advice on our website; that is available to all.

Q95 Greg Mulholland: Do you think there is an issue in terms of the funding and, therefore, that service will be less available to those charities, and perhaps it would be more appropriate for some of the other bodies to be offering that sort of service rather than the regulator?

Dame Suzi Leather: The small charities sector has its own umbrella bodies, and we have made sure that they are in the vanguard of our partnership strategy. We are trying to ensure that they get as much support as they possibly can.

Q96 Greg Mulholland: The key issue in terms of the way the commission is currently set up is the registration level. Do you think that is something that should be looked at by your successor? Do you think the suggestion that small charities should be able voluntarily to register with the Charity Commission if they have an income of less than £5,000 would widen the relevance, if you like, of the Charity Commission?

Dame Suzi Leather: There is a difficult balance here, because if you ask the public what they think, as we did when we were consulting on our strategic review, they believe that charities should be registered regardless of how big or small they are. They think that, because they have the reputational and possibly fiscal advantage of charitable status, they should all be on the register. It would be pretty difficult for us to manage the work if we were suddenly to say they should all register. The 2006 Act raised the threshold from £1,000 to £5,000, and that came into effect in 2007. My feeling is that it is about right where it is. There are many charities on the register who are under £5,000, because they were there before 2007. There are about 50,000 charities on the register with an income of under £5,000.

Q97 Greg Mulholland: I suppose your simple, straightforward message would be—

Dame Suzi Leather: Keep it where it is.

Q98 Greg Mulholland: If you did want to address the public's concern, which you acknowledge is there, that would need to be resourced.

Dame Suzi Leather: Indeed.

Q99 Chair: Moving on briefly to bogus charities, do you think they are an increasing problem and are being used for tax avoidance? "Bogus" might not be the right word.

Dame Suzi Leather: I do not think we have any evidence that they are an increasing problem. There has not been much change. We have good interchange with HMRC. Clearly, we are not responsible for the tax aspects.

Q100 Chair: The Inland Revenue think they are a problem; it was one of the main arguments used for the cap on tax relief on charitable donations.

Dame Suzi Leather: The tax aspects are not for the commission but for HMRC.

Q101 Chair: I appreciate that, but the argument they used in favour of that was that there were too many bogus charities and they were being used as tax-avoidance mechanisms.

Dame Suzi Leather: That did creep into their argumentation at one point.

Q102 Chair: Far be it from you to disagree, but it is for you to disagree if you think they were wrong.

Dame Suzi Leather: It is a matter for them why they said it, but they certainly did not say it because the commission were putting in the public domain any evidence of it. The commission and HMRC would say that, on average, there are about 100 charities a year where we have concerns and we are sharing information, but not more than that, and I do not think that level can have been the reason for that budget statement.

Q103 Chair: The situation has slightly changed. I appreciate that charities elsewhere in the European Union are not your responsibility, but we now have a European Court of Justice ruling that denies the right of the Government to withhold tax relief from a charity that is domiciled in another European country. Don't you think that is going to bring into disrepute the ability of people to get tax relief if they can siphon off the money to a Greek charity where the regulation might not be quite as clear as it is here?

Dame Suzi Leather: We have our hands full regulating the charities in England and Wales. Fortunately, we are not responsible for charities that are headquartered further afield.

Q104 Chair: But it would be better if the Government could restrict tax relief to UK-domiciled charities, wouldn't it?

Dame Suzi Leather: It is certainly an argument for ensuring that all other EU countries have the same high degree of regulation of the charity sector as we do.

Q105 Chair: It sounds like a fairly pious hope.

Dame Suzi Leather: Beyond that, I do not think it is a matter for the commission.

Chair: I think you have just made my case.

Q106 Charlie Elphicke: Do you recognise that there is quite a lot of public concern in relation to the way public charitable collections are made with face-to-face fund raising and chugging?

Dame Suzi Leather: Do I recognise it is a public concern?

Q107 Charlie Elphicke: Do you recognise that there is substantial public concern about it?

Dame Suzi Leather: I do recognise there is concern.

Q108 Charlie Elphicke: I am a bit confused. I have looked at the annual report and accounts and cannot see any reference to those issues that have caused substantial public concern. Why is that?

Dame Suzi Leather: The setting up of a system for the regulation of public charitable collections by the Charity Commission is included in the 2006 Act but has never been brought into force. We were never given any money to do this, and we declined to do it. There is a strengthening, rather good and wholly appropriate system of self-regulation of this field. My view is that that self-regulation approach should be continued and strengthened, rather than that the Charity Commission should be asked to take this on. If, following the Hodgson

review, the Government are minded to abandon the self-regulation approach and ask the commission to take it on, we would need a significant extra resource to do it.

Q109 Charlie Elphicke: I am puzzled by this. You were telling us earlier that in respect of the 2006 Act you were a lioness in terms of enforcement; that “public benefit” had to be defined and you had to spend hundreds of thousands of pounds of taxpayers’ money on that; and yet we come to another section of the Act where you have not done anything to bring forward regulations on something about which there is substantial public concern. Why not?

Dame Suzi Leather: That is because we have not been asked to do that or funded to do it.

Q110 Charlie Elphicke: Do you not feel that is a poor excuse, and anyone watching this today will think, “I can’t believe that the Charity Commission has not acted to protect the public from these predators.”?

Dame Suzi Leather: It has not been made our responsibility, and we have not been funded to do it. It was included in the Act and was effectively taken no further. There is now a perfectly good system of self-regulation, which I think is the right approach. To be absolutely clear, I told you earlier that if there were any further cuts to our organisation we will not be able to carry out all our statutory functions as it is. We are not and never have been in a position to take on public charitable collections, which was unfunded right from the start.

Q111 Chair: If somebody complains about that, you have to say, “I’m sorry, we can’t intervene.”

Dame Suzi Leather: Absolutely. It is not part of our responsibility at the moment.

Q112 Charlie Elphicke: Is it not the case that the commission could use powers it has under the Act to change the position and put in place regulations to deal with something that is a matter of substantial concern?

Dame Suzi Leather: No. We would not simply be able to do that. It would require a great deal more from government and Parliament.

Q113 Chair: It is something for us to address in the legislative review.

Dame Suzi Leather: Absolutely.

Q114 Charlie Elphicke: Do you not agree it is a complete disgrace that round the corner in Oxford Street there are predators harassing people, and it should not be allowed?

Dame Suzi Leather: I think the answer to this is for you to look at this in the review of the Act. If you think that the current system of self-regulation is inadequate and you wish it to move to the Charity Commission, that is a matter for the review of the Act.

I have a particular disappointment with regard to charitable incorporated organisations under the 2006 Act. That was introduced as a measure to prevent incorporated charities having to register at Companies House as well as the Charity Commission. It would give protection to individual trustees against personal liability suits. The sector has long wanted CIOs to be brought forward. We have been ready as an organisation to do that for considerably longer than a year. I wrote to the Charities Minister in March 2011, saying, “We’re ready to press the button; all systems are go at the Charity Commission end.” It is a source of enormous frustration that I come to the end of my term and still we are not in a position to start that work. It is a huge disappointment. Whenever we have public meetings

somebody says, “When are CIOs going to happen?” We are in the embarrassing position of saying, “I’m sorry. We’re ready to go but the Cabinet Office has not done what it needed to do.”

Q115 Chair: Could you furnish us with a copy of that correspondence?

Dame Suzi Leather: Certainly.

Q116 Charlie Elphicke: Just to confirm it in my own mind, when it comes to face-to-face collections and chugging, you are satisfied that the current system of self-regulation works well.

Chair: I think we are asking for your personal opinion rather than the commission’s.

Dame Suzi Leather: I think you are.

Q117 Chair: Are you happy with it?

Dame Suzi Leather: I recognise that this is an issue for many people. The commission is not in the position to take responsibility for that, and if you think we should, you should take this forward in the review of the Act.

Q118 Chair: As a parting shot, in your personal opinion do you think something needs to be done?

Dame Suzi Leather: My personal opinion is that the self-regulatory approach should be strengthened.

Q119 Chair: We will look at that. Finally, on the Charities Act, arising from Lord Hodgson’s very comprehensive review, which exposes the terrifying complexity of the sector and the incredible challenges faced by the commission, the question of the Charity Tribunal and its accessibility and remit has been raised. Lord Hodgson has been recommending that what he calls its narrow parameters should be widened to give it greater ability to give advice and regulate. Do you agree with his recommendation? Should those narrow parameters be removed?

Dame Suzi Leather: We fully support the concept of the tribunal. It is now an important part of the architecture, and we have benefited from having a charity tribunal. It would present considerable difficulty for us as an organisation if all our non-decisions or inactions could be tribunable. Already a very large number of the decisions we take are tribunable. The idea that there are huge restrictions on what the tribunal can do by way of looking at our decisions is inaccurate. Last year, we took 2,946 decisions, directions or orders that are capable of being challenged in the tribunal. That seems quite a lot. There would be a real problem of managing if everything could be challenged in the tribunal. If you think about it, in effect, it would direct our resource, if one of the reasons we decide not to do something is because it is too low down and, having gone through all the risk framework approach, it is not for us. In a perfect world with unlimited resources, we would look at it, but we are not there.

Q120 Chair: Because of the limitations of your resources you need to be protected from a legalistic approach.

Dame Suzi Leather: I think we do need it. It is not unrealistic to ask for some protection.

Q121 Chair: I understand the point you are making, and we will give it consideration. It is often suggested there should be a charity ombudsman. Isn’t the Charity

Commission a charity ombudsman, or is that the expectation that people have but you say, “No, we’re not.”?

Dame Suzi Leather: I think there is a strong case to be made for introducing a charity ombudsman to look at and test the standards of service provided in charities. We quite often get letters to us complaining about standards of service in charities, and we have to write back and say it is not for the commission. There is not really an adequate pigeonhole in which to put those often quite important complaints, so that would be helpful. We then face the problem of how that is going to be funded. I certainly could not accept that any money should go from the Charity Commission to set up an ombudsman. I would have thought that asking the sector itself to cough up for that would not go down incredibly well either.

To go back to the tribunal, can I make just one point? We would like to be able to make a reference ourselves to the tribunal, without having to go through the Attorney-General. That would help us, so, if you are looking at the tribunal issues in the round, could I ask you to bear that in mind?

Q122 Chair: Thank you for that. Is there anything else that you would like to add as an afterthought?

Dame Suzi Leather: Are we coming to the end?

Chair: We are.

Dame Suzi Leather: There are some other issues to do with the review of the Act, which we would like you to consider; perhaps I could write to you about those.

Q123 Chair: If you feel that would be appropriate, that is perfect. You do not need to enumerate everything verbally.

Dame Suzi Leather: I would like to reiterate what I said at the beginning. It has been a taxing privilege to chair the commission. One of the things that falls at the taxing end is appearing before you. I am slightly sorry that we have focused today, perhaps inevitably, on some of the rather negative aspects. For the last six years, we have been a fantastic organisation; we have been hugely valued by the sector; our work at the compliance end is better than it has ever been; we are more targeted and more consistent. I think we have been extraordinarily innovative in the investment guidance which was published recently. I think the public benefit guidance was excellent, with the one proviso that we got the “reasonableness” test wrong.

We steer through some pretty choppy and difficult waters. We have touched on some of that today—the business about the boundary between “political” and “charitable”—but, on the whole, I think we do that deftly. Of course, we are going to get people from both sides of the political spectrum throwing stones from time to time, but as far as concerns the world out there I think we are a highly valued organisation. I want to pay tribute to all our staff, current and the ones we have had to lose in recent months. They have all been fantastic colleagues, and I have been blessed to have worked with them and my board colleagues.

Chair: We echo that tribute to your staff. On the visit I paid a little while ago, I was very impressed by everything I saw and the personal commitment of your staff, and I underline again that we understand it is a very difficult and tough period when everybody is downsizing. It must also be difficult for you to leave the organisation at a time when changes are having to be made.

Dame Suzi, can I also pay tribute to you on behalf of the Committee? You have inevitably been involved in some controversies. There was one in particular we had to address today, because we could not do so at our last session because it was sub judice. You have never shown any lack of courage in your role. You have given tremendous public

service as chair of the Charity Commission, and I think every member of the Committee recognises that and Parliament recognise that. Can I thank you on behalf of Parliament for what you have done for the Charity Commission and, indeed, for your country? It has been tremendous. As to whoever takes over your role, I am utterly daunted about how we find a successor. The complexity and size of the sector is very challenging. We recognise that you have been fulfilling a very challenging role at a difficult time, and we are extremely grateful to you. We wish you all the very best.

Dame Suzi Leather: Thank you very much indeed.