House of Commons
Digital, Culture, Media and Sport Committee

Appointment of the Chair of the Charity Commission: Government Response to the Committee’s Third Report of Session 2017–19

First Special Report of Session 2017–19

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The Digital, Culture, Media and Sport Committee

The Digital, Culture, Media and Sport Committee is appointed by the House of Commons to examine the expenditure, administration and policy of the Department for Digital, Culture, Media and Sport and its associated public bodies.

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Publication

Committee reports are published on the Committee's website at www.parliament.uk/dcmscom and in print by Order of the House.

Evidence relating to this report is published on the inquiry publications page of the Committee’s website.

Committee staff

The current staff of the Committee are Chloe Challender (Clerk), Joe Watt (Second Clerk), Lauren Boyer (Second Clerk), Josephine Willows (Senior Committee Specialist), Andy Boyd (Senior Committee Assistant), Keely Bishop (Committee Assistant), Grace Camba (Sandwich Student), Lucy Dargahi (Media Officer) and Janet Coull Trisic (Media Officer).

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First Special Report

The Digital, Culture, Media and Sport Committee published its Third Report of Session 2017–19, *Appointment of the Chair of the Charity Commission* (HC 509) on 28 February 2018. The Government’s response was received on 13 March 2018 and is appended to this report.

In the Government response, the Committee’s recommendations appear in *bold italicised text* and the Government’s responses are in plain text.

Appendix: Government Response

Introduction

1. The Government thanks the Select Committee for their report entitled “Appointment of the Chair of the Charity Commission”, which was issued following the agreed pre-appointment hearing process for the role of Chair of the Charity Commission. Baroness Stowell appeared in front of the Select Committee as the Government’s preferred candidate for the role.

2. The role of public bodies in delivering vital services cannot be underestimated and the Government is committed to ensuring that the best people possible are appointed to sit on these boards. Public appointments provide an extraordinary opportunity for those appointed to play a real part in shaping and influencing our society, and it is important that the boards of these organisations accurately reflect 21st century Britain.

3. The Government has reviewed the Committee’s comments within the report regarding the appointment of Baroness Stowell as the Chair of the Charity Commission, and is confident that Baroness Stowell is the best and right person for the role.

4. Responses to each of the Committee’s concerns put to the Government are provided below.

The Appointment

Experience

5. *‘The Government must explain on what basis and on what evidence it believes Baroness Stowell’s limited to non-existent experience in any comparable role is sufficient to carry out the role of Chair of the Charity Commission. It must also provide evidence that no other appointable candidates could be identified who had greater relevant experience in either the regulatory or charitable sectors.’*

6. As you noted in your report, the Governance Code on Public Appointments states that ‘Ministers [should be provided with] a choice of high quality candidates, drawn from a strong, diverse field, whose skills, experiences and qualities have been judged to meet the needs of the public body or statutory office in question.’
7. The role specification and selection criteria for the role of Chair of the Charity Commission were agreed by both the Department for Digital, Culture, Media and Sport and the Charity Commission. The advertised role specification and selection criteria were as follows:

**Role Specification**

“The Charity Commission’s Board is ultimately responsible for all that the Commission does. In order for the Commission to discharge its responsibilities appropriately and effectively, day-to-day and operational management is delegated to the Chief Executive.

The Chair of the Board is responsible for leading the board in:

- ensuring the Commission:
  - effectively fulfils its statutory objectives, general functions and duties and appropriately exercises its legal powers
  - is accountable to Parliament, the courts, and the general public
  - delivers its services within its funding agreement
- setting the Commission’s strategic priorities and direction of policy over the next three years;
- supporting the Commission in securing the resources it needs to effectively and efficiently discharge its functions and duties;
- regulating independently, proportionately and impartially and acting in good faith and in the corporate interest;
- maintaining and developing strong relationships with government, Parliament, sector bodies and other major stakeholders and key influencers;
- supporting and managing the Chief Executive, including agreeing objectives and undertaking an annual appraisal;
- along with the Chief Executive, communicating the Commission’s role to stakeholders including the public, charities and their users, the Government and Commission staff.
- ensuring that the Board and its members observe the highest standards of propriety and operate in accordance with the Commission’s Governance Framework and the Nolan principles of standards in public life.”
**Key Selection Criteria**

“The successful candidate must be able to demonstrate the following essential criteria:

- To be an accessible and engaging ambassador for the organisation, and have the ability to influence high level stakeholders within government and Parliament, the media, the charity sector and the business world;

- The ability to make strategic decisions within a complex and shifting external landscape;

- A commitment to the charity sectors effective, independent, proportionate, and impartial regulation;

- The ability to provide a high quality service and deliver value for money for the taxpayer;

- An understanding of and interest in the charity sector, including an awareness of the multifaceted challenges it faces resulting from changing social and economic circumstances;

- The skills to lead a Board and support the leadership of a high profile organisation by providing strategic guidance and effective challenge;

- The ability to support the organisation through a period of significant change and cultural development as demonstrated by experience in either the private or charity/not for profit sector;

- The ability to apply strategic insight and constructive challenge to the Executive team’s plans across wide-ranging strategy, delivery and organisational issues;

- Personal integrity and resilience, demonstrable independence and other attitudes consistent with the expectations of senior public office in a high profile role.”

8. Baroness Stowell does not have strong connections to the charity sector and, as the DCMS Secretary of State explained to the Committee in the letter of 21 February, there is *no evidence that this is a weakness*. The role specification and selection criteria for the role of chair does not ask for explicit experience in the charity or regulatory sectors. Government has always been clear that we view this as a key role at a time when the sector is in need of strong leadership and that a fresh perspective is valuable. The Commission Executive provides more than adequate sector expertise.

9. The advisory assessment panel sifted and interviewed against the published criteria for the role for each candidate. This is in accordance with paragraph 5.5 of the Governance Code on Public Appointments.

10. Baroness Stowell was assessed to be appointable by the panel against the published criteria. Candidates are not ranked, but the panel were in unanimous agreement in the panel report that Baroness Stowell was an exceptionally strong candidate when assessed against the selection criteria.
11. We are not willing to provide evidence regarding the committee’s request for information on other appointable candidates. It would be inappropriate to disclose details of other candidates who may have applied for this role. We are sure that the committee will understand that the Government has a duty to protect privacy of applicants.

**Performance**

12. ‘The Secretary of State should consult the assessment panel once again and provide evidence to assure us that Baroness Stowell was the strongest candidate against all the required criteria, in particular her ability to withstand fierce public scrutiny.’

13. Section 3.1 of the Governance Code on Public Appointments clearly states that ‘panels must not rank candidates unless the Minister has specifically asked for this’. In this instance, Ministers did not request for the panel to rank the candidates. When undertaking their assessment of candidates, the advisory assessment panel must objectively decide who meets the published selection criteria for the role. Candidates are either deemed as appointable, or unappointable. The names of all appointable candidates are submitted to Ministers whose role it then is to determine merit and make the final appointment.

14. In this case, the advisory assessment panel found Baroness Stowell appointable when assessed against the published criteria. Though they do not rank candidates, the panel were in unanimous agreement that this was an exceptionally strong candidate. She delivered an excellent presentation, which was well structured, covering a wide range of issues, evidencing clear strategic oversight. She showed a nuanced understanding of the distinction between the role of chair and chief executive, and the panel were confident that she had the capacity to take on a non-executive role of this calibre. They were also impressed by the high degree of emotional intelligence and personal integrity that she displayed throughout the interview. One of the advisory assessment panel’s independent members, Julia Unwin, has stated publicly that the process was both rigorous and fair, that Baroness Stowell was an outstanding candidate on the day, and that the panel was unanimous in this assessment.

15. Further to this, prior to interview, all shortlisted candidates also underwent media testing, designed to ensure that they were able to withstand public and parliamentary scrutiny. Baroness Stowell performed well in these tests.

**Neutrality**

16. ‘The Government must think again about whether Baroness Stowell has met the criterion of ‘demonstrable independence’ within the job specification for this role. The choice of someone who has only recently left high political office makes this concern acute and critical. It inevitably presents such a person with an enormous challenge to demonstrate their impartiality. That makes the choice of Baroness Stowell for this role all the more curious: she must have been far in front of any other candidate who did not carry this particular risk. The Government should disclose to us (in confidence if that is necessary) whether any of the other appointable candidates had been publicly affiliated with any particular political party.’

17. As you are aware, past political activity should be no bar to a public appointment. Section 9.2 of the Governance Code of Public Appointments makes this clear.
18. However, as stated in the letter of 23 February, we do understand that Baroness Stowell’s previous position as a Conservative Peer and Cabinet Minister has prompted questions about her ability to undertake the role independently and impartially. However, she has publicly committed to do so and the Government has every confidence that she will.

19. Baroness Stowell is absolutely clear about the need to be seen as an impartial leader and the need to demonstrate a commitment to working only in the public interest. As you will no doubt be aware, in her interview she committed to giving up the party whip should she be appointed. On confirmation of appointment she immediately resigned the Conservative whip and her membership of the Conservative Party. Baroness Stowell is now listed on the Parliamentary website as ‘Non-affiliated’. This clearly demonstrates her commitment.

20. As chair of the Charity Commission, Baroness Stowell will be accountable to the Committee and she will welcome the parliamentary scrutiny and accountability in her new role.

21. In relation to your request for Government to disclose whether any of the other appointable candidates had been publicly affiliated with any particular political party, as stated in paragraph 11, we are not willing to provide this information. It would be inappropriate to disclose any details of other candidates who applied for this role.

22. The charity sector is facing a number of challenges which will require strong leadership and a collaborative approach to address. Public trust and confidence in charities has declined following fundraising poor practice, the high profile failure of Kids Company, and most recently the allegations of misconduct and abuse in international aid charities. Baroness Stowell presented a persuasive vision of the Charity Commission under her leadership taking a robust approach to misconduct and abuse. However she was also clear that tackling the challenges facing the sector and restoring public trust could only be delivered through collaboration and partnership with the charity sector.

23. After careful consideration of the points that you have raised, the Government remain convinced that Baroness Stowell is the best person for the job as Chair of the Charity Commission.

**The Recruitment Process**

**The announcement of the candidate**

24. The Department must explain why, a week after appointable candidates met the Minister (27 November), we were told (5 December) that an announcement was “imminent”, only to be told a day later that the process “was taking longer than expected” and the hearing of 12 December needed to be postponed. The Department must confirm whether or not the allegations in charities’ written evidence that Baroness Stowell was not the favoured candidate of the independent assessment panel are accurate. Further, we await the answer to the question in our letter of 22 February: whether any candidates with regulatory and/or charities experience were interviewed, and, if so, why the preferred candidate was chosen ahead of them?
25. The role of Chair of the Charity Commission is of great public importance. This is a critical time for the both the Charity Commission and the charity sector as a whole and significant challenges lie ahead. There is evidence of declining public trust in the face of recent revelations, and strong leadership from the Charity Commission is an urgent imperative. My predecessor as Secretary of State was presented with three highly credible candidates, all of whom were found to be appointable by the advisory assessment panel. It is only right that rather than making a quick decision on such important matters, Government took the time to fully consider the appointment and make the right decision.

26. As you are aware, in January 2018 before a formal appointment decision was made by Ministers, a Government re-shuffle was undertaken. When the current DCMS Secretary of State took up post he wanted to carefully consider the appointment decision before coming to a conclusion on such an important role. The focus was on making the right decision, rather than one made in haste.

27. The Committee asked that the Department confirm whether or not the allegations in charities’ written evidence that Baroness Stowell was not the favoured candidate of the independent assessment panel are accurate. This is speculation. As noted in paragraph 13, the advisory assessment panel do not rank candidates. They present to Ministers a choice of appointable candidates from those shortlisted for interview. As you are aware in this case, we were presented with a choice of three highly credible individuals and Ministers chose the candidate who they deemed most suitable for the position. It would be inappropriate to disclose any details of other candidates who might have applied for this role.

**Pool of candidates**

28. In paragraphs 43-47 of the report, the Committee raise concerns about the perceived narrow pool of establishment figures from which some public appointments appear to be drawn from. You also state that ‘If we, and more importantly the charity sector as a whole, are to be persuaded that these concerns are groundless the Secretary of State must give us further information about the two appointable candidates (without their identities being disclosed) including the nature of their previous employment, and for how long they have worked in these sectors’ and are seeking evidence that ‘the process by which Baroness Stowell emerged as the preferred candidate for the Chair of the Charity Commission was fair, open and inclusive.’

29. The Commissioner for Public Appointments, Sir Peter Riddell, as is routine with most high profile appointments, reviewed the interview panel report for this role. He has confirmed that ‘the report of the panel indicates that the interviews and the assessment were conducted in line with the Government’s Governance Code on a fair and equal basis’. He confirmed that, ‘as is normal, no preference was expressed between the three candidates judged as appointable’. He also made clear that ‘it is normal practice for the names of unsuccessful candidates not to be disclosed. This is for reasons both of personal privacy and so as not to discourage people from applying for other posts.’

30. The Government cannot and will not give the committee any details of the other applicants who applied for this role. As stated earlier in the document, it would
be inappropriate and unfair to those who apply for public appointments, but who are not successful, to have details published that could give away their identity, and could discourage them from applying for other posts in future.

31. The Government and the Department take our responsibilities in relation to public appointments extremely seriously, especially in how we ensure that we reach out and attract a wide range of diverse applicants. We firmly believe that an inclusive and diverse public board is more effective, not only because of the ability to give fresh perspectives, vigorous challenge and broad experience, but also the ability to represent the wide range of sectors and societies that our public boards serve.

32. The Cabinet Office recently introduced a new Diversity Action Plan, in which DCMS was highlighted for our work on diversity and the events held to promote public appointments and reach out to new candidates. Over the coming months we will ensure that DCMS works closely with the Cabinet Office to implement this strategy, as well as continuing to expand both our methods of advertising and opportunities for outreach.

33. When the DCMS Public Appointments team advertised the Charity Commission Chair role, they created a bespoke advertising plan for the campaign, as they do for every individual campaign that DCMS manage. Bearing in mind the Public Sector Equality Duty we sought to maximise the diversity of applicants by promoting the vacancy through a variety of channels, many of which are targeted specifically at underrepresented groups, in addition to the role being advertised on the Public Appointments website, the Charity Commission website and on DCMS Connect. We also reached out through sector specific channels such as the National Council for Voluntary Organisations, Step up to Serve, Generation Change and the British Youth Council. The Department’s work on advertising, outreach and diversity has contributed to the fact that in 2016/17, 50 per cent of new DCMS appointments were made to women, and 12 per cent were made to BAME candidates, in comparison to the Whitehall average of 43 per cent for women, and 10 per cent for BAME candidates.

Conclusion

34. The Government has carefully considered the issues raised in your letters of 20 and 22 February, and the report issued on 28 February. We are confident in assuring the Committee that the best candidate has been selected for the role. This decision has not been made in haste, and that your reflections have been given due consideration.

35. Baroness Stowell has significant executive and Government experience, including at the highest level and will bring a wealth of relevant expertise and experience and a fresh perspective to the role of Charity Commission Chair. The Government is confident that Baroness Stowell will work with charities to restore public trust. As noted previously, Baroness Stowell is absolutely clear about the need to be and be known as an impartial leader and the need to demonstrate a commitment to working only in the public interest. We have every confidence that she will work tirelessly to protect and promote the great work that charities do and ensure they uphold the highest standards of integrity.