

PRESS RELEASE ~ 'LORDS DEBATE CHARITIES BILL'

From the **ASSOCIATION FOR CHARITIES (AfC)**

21 January 2004

Members of AfC attended the Second Reading of the Charities Bill in the House of Lords yesterday. A well-attended, five-and-a-half-hour marathon, it showed clearly that charity issues are very close to their Lordships' hearts, hence this Bill is likewise of considerable importance to them. They were concerned to ascertain whether it will really **help charities**, particularly the **smaller charities** and whether it will preserve charities' fundamental **independence from government**, which they regard as of paramount importance.

Many Members were also concerned about the **activity and conduct of the Charity Commission** in recent years and wanted the recommendation put forward by the pre-legislative scrutiny Joint Committee last summer, that the Commission use its powers '**proportionately, fairly and reasonably**', to be on the face of the Bill. The AfC is a walking testament to the **disproportionate, unfair and unreasonable** exercise of Commission powers, as we have been reminding Peers and MPs in the days leading up to the debate. Hundreds more copies of our seminal Report '**Power Without Accountability: The Charity Commission as Regulator**' (2004)* have been sent out, with a January 2005 update, to help parliamentarians focus on the crucial issues in the new Bill, namely, the accountability of the Charity Commission and the need to have an effective counterbalance to its considerably enhanced powers and responsibilities. For example, the Commission will have to decide from henceforth which charities meet the new '**Public Benefit**' criterion for all charities and which do not, now that the traditional presumptions have been erased.

AfC's concerns particularly about the operation and remit of the proposed new **Charity Appeals Tribunal**, therefore, were widely reflected yesterday in the content of individual speeches. **Lord Swinfen** in particular championed our cause, pointing out that to be really effective **the Tribunal should have power to award compensation to charities damaged by the Commission** and drawing attention to the scandalous sums of charity money expended in recent years by the Charity Commission on **Receiver and Managers**, sometimes totally unnecessarily, citing the still-ongoing case of the **Cancer Care Foundation** as an example. He also advocated the institution of a capped **Suitors' Fund** to facilitate appeals to the High Court where considered appropriate by the Tribunal.

All in all, the debate was proof of the **desire of Parliament to be involved in the charity sector and in its proper regulation**. AfC will be helping to supply amendments to what is widely felt to be '**a good Bill, but could be a very good Bill**' and continuing to work closely with sympathetic peers pending the Bill's going before the **Grand Committee in February**.

ENDS

*copies available on request – tel. 020 8348 9114

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