**Date**

William Shawcross CVO

Chair

Charity Commission

1 Drummond Gate

London

SW1V 2QQ

Dear Mr Shawcross,

You have repeatedly stated your view that continuing to finance the Charity Commission through taxpayer money alone is not sustainable, in light of the severe cuts to the Charity Commission’s budget, and that you see no reason why charities should not be charged for their own regulation.

A well-resourced Charity Commission is vital to the charity sector but we are adamantly opposed to charging charities for a number of reasons:

* **Charities cannot afford it** – many charities are experiencing pressures on their ability to raise funds on the one hand, alongside increasing costs and demand from beneficiaries on the other. You have suggested that a charging regime might start at £100,000 annual income – but this level of income does not necessarily represent organisations able to easily absorb additional overhead costs.
* **Charities are not profit making** – charging them for regulation would simply be another overhead taking away resources from front line delivery. The cost of regulation would have to be taken directly from money that would otherwise go to delivering public benefit. Is this what donors want? There is a risk that forcing charities to expend charitable resources in this way would be damaging to the public confidence which underscores our work.
* **The mechanics of charging would create further administrative overheads for the Commission** too, as it would have to institute a new collection and management regime. This is considerably less efficient than the current system which has a single transfer of resources straight to the Charity Commission.
* **Charging could threaten the independence and impartiality of the Charity Commission** from the charity sector. If charging were confined primarily to larger organisations (to limit the impact on smaller charities unable to pay) those charities might justifiably demand a greater say in how the Commission is run and the decisions it takes.
* **An incentive to further cuts by the Treasury** – if the Charity Commission is able to demonstrate that it can raise even a small amount of revenue from charging, the risk is that the Treasury will only continue to cut public funding for it even further in the future.

We understand the financial pressures the Charity Commission is under and recognise the vital role that the Commission and charity regulation plays in our sector. It is vital that the Government provides adequate resources for the Commission to carry out its important functions. However, for the reasons stated above, charging charities is not the solution. I hope you will reconsider your plans.

Yours sincerely,

**Name**