



SMITH INSTITUTE WELCOMES PUBLICATION OF CHARITY COMMISSION REPORT

The Smith Institute today welcomed the results of the Charity Commission's Inquiry, which reconfirms that **"the Smith Institute is a charity" which has the capacity to operate "for the public benefit"**. Their Report also found that **the Smith Institute is "producing work which falls within its charitable purposes, is of educational value, and is freely available to the public"**.

The Smith Institute notes the Charity Commission's direction, issued on 16th July, to undertake a governance review. Much of the work has already been done, and the trustees see no difficulty in meeting the deadline set, and look forward to working with the Commission on this. However the trustees fundamentally disagree with the requirement that all speakers at Institute events, including politicians, should ensure that their remarks are "politically neutral". This has profound implications for all UK think tanks, and could mean that the Institute would not be able to operate as it does at present.

The Report also clears the Smith Institute of accusations made in the media, in late 2006, and in parliamentary questions. The Charity Commission:

- found no evidence to suggest that the then Chancellor, now Prime Minister, had been involved in using the Smith Institute to further his political aspirations (page 34)
- found no regulatory concerns about the employment or funding of Ed Balls as a Senior Research Fellow at the Smith Institute in the period July 2004 – April 2005 (page 35)
- concluded that there was no evidence of donors giving funding to the Institute for party political purposes (page 37 and page 48)
- does not have any specific regulatory concerns about the work undertaken by the Smith Institute on behalf of the Myners Review (page 35)
- is satisfied that there was no evidence to corroborate the accusation that the Institute was being used by EMI as a platform to lobby the government for changes in copyright legislation (page 28).

In its Report, the Commission states that the trustees of think tanks such as the Smith Institute have a number of important responsibilities to ensure the political neutrality of the work they do. In its press release the Commission draws attention to ongoing work the Commission will also be doing with Policy Exchange and Reform.

Deputy Chairman of the Smith Institute, Paul Myners, said:

“As with other think tanks, the trustees strongly believe we should be judged on the body of our work, not on individual events. The latest direction made by the Commission, which includes a requirement that the trustees should ensure that all our speakers should be “politically neutral” and the proposal that we edit party political comments before we publish transcripts, suggest that the Commission may not have fully understood the nature of the work we do.

“At several points in the Report the Commission suggests, without giving details, that the trustees could have done more to manage the risks it faced, with particular reference to independence and political impartiality. Where they have given practical solutions I believe that they have shown a fundamental lack of understanding of the work that all think tanks undertake. The Smith Institute does not take positions on the issues which it addresses, and it focuses on the medium term. Inevitably, many of our speakers are not impartial – that is the nature of political speakers – but we go to great lengths to ensure balance within each event and across every programme that we undertake. The trustees strongly believe that they are doing what is required to safeguard the reputation of the Institute, and to evaluate and deal with the risks posed to its independence. As the Report acknowledges, more than 30 letters of support were received by the Commission from prominent individuals, including Conservative and Liberal Democrat politicians, commending the Institute’s political impartiality and independence.

“We have already taken substantial steps to enhance our advisory structures and to bring our governance more generally into line with best practice.”

ENDS

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About the Smith Institute:

1. The Smith Institute is a registered charity founded in 1997 in memory of the former Labour leader John Smith QC MP. Its charitable objective is “to advance education in the field of study and research into the economy of the United Kingdom”.

2. Since it started operating in 1998, the Smith Institute has held 396 different events with more than 500 speakers, attracting audiences of more than 24,000 people, drawn from all shades of political opinion. Nearly 60 per cent of speakers have been from academia and over 20 per cent have been from industry and business. In the same period the Institute has published more than 70 monographs. Transcripts of all its events are published on its website www.smith-institute.org.uk.
3. Over the years, the Smith Institute has worked with many other think tanks from across the public policy spectrum including most recently: Policy Exchange, Centre:Forum, Reform, SMF, Civitas, Centre for Cities, Institute for Fiscal Studies, Demos and the IPPR.
4. Following complaints made in certain sectors of the media and in Parliament, the Commission opened an informal inquiry in November 2006; and subsequently instituted a formal Inquiry in February 2007. The trustees have cooperated fully with the Commission, supplying substantial volumes of material and attending meetings with the Commission as required.
5. At a meeting of the trustees held on 30th April 2008, Lord Murray Elder was appointed as Chair and Paul Myners as Deputy Chair of the Smith Institute; advertisements for two additional trustees were authorised; a new advisory panel structure was agreed; and an audit committee was established.

Charity Commission Report available at www.charity-commission.gov.uk