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Welcome

The Charity Conference 2026

Thriving through adversity

Governance: Leading Through Adversity

Governance: Leading Through Uncertainty

This is intended to be a general briefing for charities registered in England & Wales.

It does not constitute legal, tax, investment, audit, employment, safeguarding or data protection advice.

The correct response to an issue depends on a charity's legal structure, its governing document, its funds and assets, its activities.

CC guidance does not itself change the law, but it is an important indication of what the regulator expects Trustees to understand and do.

Governance: Leading Through Uncertainty

Today's session is not intended to be a catalogue of legal, regulatory or compliance changes.

It is a **resilience playbook** for charity leadership, looking at seven questions for uncertain times.

Uncertainty exposes weakness in purpose, people, money, structure, trust, control or delivery.

Complex pressures often arrive together.

This session will consider practical responses to keep your options open. A "common lens" for difficult decisions.

Governance: Leading Through Uncertainty

For each question we will look at:

- The issue: why it matters when circumstances are uncertain.
- Key points: the essentials you need to understand.
- Takeaways: practical actions, questions and ideas.
- What has changed?: Relevant legislation, CC guidance, regulatory approach etc.

The Resilience Playbook

The Changing Landscape

- Funding, demand, public debate and regulation are all moving at once.
- Uncertainty can produce two equally damaging responses:
    - delaying necessary decisions; or
    - making them too quickly without sufficient evidence, authority or challenge.
- Good governance is how charities retain options and protect trust.

The Changing Landscape

- Goal is not certainty.
- It is confident, lawful, purpose-led stewardship.
- And key to that is to bring the right people into decisions at the right time.
- When risks emerge, the CC expects more visible and documented emphasis on:
    - financial resilience
    - practical controls
    - active governance
    - early action.

The Changing Landscape

Issue

- The last 18 months have brought a practical wave of change:

    - refreshed trustee guidance
    - final Charities Act 2022 commencement measures
    - SORP 2026 (the new financial thresholds)
    - redesigned Fundraising Code
    - data-law change
    - stronger regulatory intervention.

The Changing Landscape

Key points

- Law, guidance and regulatory practice are distinct – but all affect how charities make and evidence decisions.
- Changes are not about new prohibitions.
- They are about clearer expectations, proportionate controls and better records.
- Common direction is towards governance that works in practice.

The Changing Landscape

Takeaways

- Check which developments apply to you (size, legal form, activities etc).
- Refresh systems not just policy documents.
- Distinguish between law, guidance and regulatory approach.

What has changed?

- Final Charities Act 2022 ex gratia payment provisions (from 27 November 2025).
- SORP 2026: relevant accounting periods beginning on or after 1 January 2026.
- Higher financial thresholds (from 30 September 2026).
- New Code of Fundraising Practice (from 1 November 2025).
- Charity direct marketing soft opt-in (subject to conditions) (2026).

Seven Questions for Uncertain Times

Area	Core Question
Purpose	What are we here to protect and achieve for beneficiaries?
People	Do we have the capability, culture and succession to respond?
Money	Do we understand cash, income, commitments, assets and restrictions?
Structure	Is our operating model and constitutional structure still fit for purpose?
Trust	Are fundraising, data and communications worthy of public confidence?
Control	Can we prevent, identify and escalate harm, fraud and failure?
Adaption	Are we keeping strategic options open: collaboration, change, merger or transfer?

Purpose: The Anchor for Difficult Decisions

Issue

- Under pressure, decisions can become reactive.
- Charities can drift from their mission or pursue an option that is not in the beneficiaries' interests.
- Purpose and benefit are the legal and strategic anchor.

Key points

- Charities must use assets and activities to further their charitable purposes and deliver public benefit.
- “Right response” to uncertainty may mean stopping or changing an activity or service, collaborating, or declining funding.
- Every decision, however popular, urgent or financially attractive, must support the charity’s purposes and beneficiary need.

Purpose: The Anchor for Difficult Decisions

Takeaways

- Start significant decisions by considering the relevant charitable purpose and beneficiary need.
- Consider realistic alternatives – not only the preferred one.
- Use the governing document as an active strategic tool.
- If the charity's purposes prevent sensible mission delivery, consider constitutional change.

What has changed?

- Charitable purpose and public benefit are a longstanding feature of charity law.
- CC guidance and intervention reinforce the importance of being able to evidence this.

People: Capability, Culture and Succession

Issue

- Charities are only as strong as the people and culture that operate them.
- Pressure exposes dependency on key individuals, weak challenge and cultures in which people do not raise concerns.

Key points

- Skills, diversity, time, succession and constructive challenge are resilience assets.
- Trustee recruitment is more than filling vacancies.
- SLT need clear authority, support and challenge.
- Trustees need good information and the confidence to interrogate it.
- Healthy culture enables people to raise concerns.

People: Capability, Culture and Succession

Takeaways

- Audit skills, experience and capacity – not only vacancies.
- Plan for critical role succession.
- Use structured recruitment, induction, and continuing development.
- Test whether papers, meetings and delegations enable challenge.
- Ensure concern pathways are understood.

What has changed?

- CC guidance *CC30 Finding new trustees* was updated in May 2025. Stronger practical emphasis on role clarity and wider recruitment.
- CC approach increasingly links effective trusteeship to practical capability, financial understanding and the ability to manage risk.

Money: Act While Options Remain

Issue

- Financial pressure becomes much harder to manage when the organisation identifies it's too late, lacks reliable information or treats difficult choices as someone’s responsibility.

Key points

- Income, cash, unrestricted funds and reserves answer different questions.
- Funding concentration, restricted income, contractual commitments, rising costs or demand create hidden vulnerability.
- Resilience means understanding likely future scenarios and acting while options remain available.
- Resilience may involve re-prioritisation, reserves use, funds or asset review, collaboration / merger or closure of activity.

Money: Act While Options Remain

Takeaways

- Use a rolling 12-to-18-month cash flow forecast.
- Agree downside scenarios and decision triggers.
- Make financial information understandable to non-finance decision makers.
- Consider and document alternatives and selected approach.

What has changed?

- CC increased focus is on financial resilience (central sector risk in its *2025 & 2026 Charity Sector Risk Assessments*).
- CC strengthened its practical support through a trustee financial toolkit and financial health resources.

Money: Assets and Funds: What is truly available?

Issue

- Financial uncertainty can reveal that resources which appear available are in fact
    - restricted
    - illiquid
    - held in property
    - tied to a particular purpose
    - reserved as permanent endowment

Key points

- Unrestricted, restricted and endowed funds are legally different.
- Property and investments require both strategic and legal analysis.
- “Difficult to use” does not mean “available to spend”.

Money: Assets and Funds: What is truly available?

Key points

Asset or Fund	Starting position
Unrestricted funds	Generally available for charity's purposes
Restricted income funds	Must be applied to a specific purpose
Restricted capital funds	May be expendable or required to be retained
Permanent endowment	Capital is normally preserved: income may be spent for the relevant purposes
Functional assets	Property / equipment may be needed for current or future delivery
Investments	May create value but liquidity and risk are investment duty matters
Dormant or legacy funds	May need a lawful variation route if purposes cannot be carried out effectively

Money: Assets and Funds: What is truly available?

Takeaways

- Keep an accurate schedule of funds and material assets.
    - including amount, legal basis, restrictions, evidence, purpose, liquidity and decision-maker.
- Distinguish practical difficulty from a legal inability to use the funds.
- Explore options before assuming funds are unavailable.
- Seek advice before changing use, selling assets, accessing restricted or endowment funds.
- Do not apply restricted capital or permanent endowment to general deficits without a clear lawful basis.

Money: Assets and Funds: What is truly available?

What has changed?

- Charities Act 2022 framework: from 30 September 2026 the thresholds for trustees to release certain permanent restrictions without prior CC authority rises from £25,000 to £50,000 subject to statutory conditions.
- CC guidance CC36 explains when authority is required for constitutional changes affecting purposes, trustee benefits, dissolution or permanent endowment.

Structure: Fit for Purpose?

Issue

- An outdated governing document (particularly objects, or insufficient powers) or legal form can make sensible decisions unnecessarily difficult – or expose people to risk.

Key points

- Governing document sets out the objects, powers, internal governance, and decision-making rules.
- Legal form affects liability, contracting, ownership and regulatory burden.
- Constitutional restrictions can affect trustee appointments (or removal), asset use, trading and commercial activity, collaboration / merger and closure.
- Change may require member approval or CC / CH authority.

Structure: Fit for Purpose?

Takeaways

- Run a constitutional health check.
- Ask: *would we choose this structure if starting today?*
- Consider whether amendment, incorporation / conversion, collaborations / merger should be explored.
- Take advice before changing objects, releasing permanent endowment, amending trustee benefits provisions, dealing with property, collaborating / merging and dissolving.

What has changed?

- CC guidance *CC36 How to make changes to your charity's governing document (*updated June 2026).
- Certain constitutional changes, especially involving objects, benefits, dissolution and permanent endowment restrictions, may require CC authority.

Trust: Grant Making with Confidence

Issue

- A grant can be an effective delivery tool.
- But it is also a route through which financial, safeguarding reputational and compliance risk can travel.

Key points

- Every grant must further charitable purposes and be in the charity's best interests.
- Due diligence and monitoring should be proportionate to risk.
- Higher-risk grants need particular care: overseas grants, new or connected organisations, large or repeated grants, unusual payment routes.
- Charity remains responsible for its decision to make the grant: an agreement does not transfer accountability.

Trust: Grant Making with Confidence

Takeaways

- Map the full grant lifecycle.
- Put in place appropriate grant process governance documentation.
- Match checks, terms and monitoring to value and risk (proportionately).
- Record why the recipient and level of assurance are appropriate.

What has changed?

- New CC guidance 3 June 2026: *Making new grants to charities and other organisations*.
- CC current regulatory scrutiny reinforces the importance of due diligence, appropriate transfer routes and active monitoring when funds pass to third parties.

Trust: Conflicts Managed in the Open

Issue

- Relationships, loyalties and expertise can be assets.
- Unmanaged interests or influence can undermine decisions and public confidence.

Key points

- Conflicts may be financial or loyalty based.
- A conflict is not necessarily wrongdoing.
- But unmanaged conflicts are a governance risk.
- Recording the process matters as much as declaring the interest.

Trust: Conflicts Managed in the Open

Takeaways

- Maintain a live register of interests.
- Make conflicts a standing item at relevant meetings.
- Agree the process: declaration, withdrawal, quorum, decision and rationale.
- Review recurring or structural conflicts rather than dealing with only one-off issues.
- Ensure staff and volunteers understand their role in identifying and escalating conflicts.

What has changed?

- CC guidance *CC29 Identifying and managing conflicts of interests in a charity*. Substantially refreshed and redesigned (22 August 2026).
- CC approach is clear. Uncertainty around recognising and managing conflicts of interest and loyalty is linked to financial abuse and misconduct risk.

Trust: Payments and Moral Obligations

Issue

- Under pressure, charities may consider paying trustees for services, appointing connected suppliers or making compassionate payments.
- These decisions require particular care because they sit at the intersection of personal benefit and use of charitable funds.

Key points

- Trusteeship is normally voluntary. Reasonable and properly incurred expenses are different from a remuneration.
- Payment (to a trustee or connected person) requires valid legal authority, conflict management and a clear best interest rationale.
- Ex-gratia payments concern moral – not legal – obligations.

Trust: Payments and Moral Obligations

Takeaways

- Check the governing document and legal authority before any payment or benefit.
- Have a trustee payments and expenses policy.
- Use a decision paper to record payment / benefit decisions.
- Do not treat ex-gratia powers as a general hardship, goodwill or discretionary fund.

What has changed?

- CC guidance CC11 on trustee or connected persons payments was updated 25 April 2025 (but core legal principles did not fundamentally change).
- From 27 November 2025, the Charities Act 2022 provisions introduced a revised framework for certain smaller ex-gratia payments.

Trust: Fundraising that Protects Relationships

Issue

- Fundraising can improve financial resilience.
- Poor practice can rapidly damage trust and confidence.

Key points

- Fundraising involves everyone: trustees, staff, volunteers, platforms, partners.
- Outsourcing does not outsource responsibility.
- Donor experience matters across all platforms and journeys.
- Transparency is key.
- Complaints, vulnerability, opt-outs, fundraiser welfare need to work in practice.

Trust: Fundraising that Protects Relationships

Takeaways

- Map a real supporter journey from first contact to opt out.
- Test agencies, platforms, claims, fees, tips and complaints processes.
- Review arrangements with agencies, fundraisers and platforms.
- Use feedback and complaints as governance intelligence.
- Make supporter care part of the income strategy – not a separate compliance function.

Trust: Fundraising that Protects Relationships

What has changed?

- New *Code of Fundraising Practice* (from 1 November 2025). Principals based. Revised requirements on areas including unstaffed collections, platforms, transparency and fundraising welfare.
- CC guidance *CC20 Charity fundraising: a guide to trustees' duties* (updated February 2026) to align with the new Code.
- The Fundraising Regulator's case work underlines continued concerns about repeated contact and misleading information.

Trust: Data with Fairness and Care

Issue

- Charities need sustainable supporter relationships.
- New direct-marketing flexibility can support fundraising.
- Only if its use is lawful, fair, transparent and operationally reliable.

Key points

- The charity soft opt-in offers a possible route for some electronic marketing without prior consent in defined circumstances.
- It does not remove wider UK GDPR, PECR fairness or accountability obligations.
- Opt-outs, privacy information and suppression controls remain critical.

Trust: Data with Fairness and Care

Takeaways

- Map data collection points, marketing channels, messaging, legal basis and opt out routes.
- Test across CRM systems, agencies, platforms and third-party tools.
- Update privacy notices, collection wording, CRM fields and staff guidance.
- Decide whether the use of the soft opting aligns with supporter expectations and the charity's values.

What has changed?

- *The Data (Use and Access) Act 2025* introduced a charity-purpose soft opt-in for electronic marketing, subject to statutory conditions.
- The ICO has published new guidance on the new route and electronic direct marketing (2026).

Trust: Campaigning Independently and Public Voice

Issue

- Charities can and should contribute to public debate where it furthers their purposes.
- In polarised environments and election periods, the boundary between purpose-led advocacy and party politics needs active management.

Key points

- Charities may campaign on issues connected to their charitable purposes.
- Charities must remain independent of party politics and must not support or oppose political parties or candidates.
- Consistent oversight is needed with messaging, social media, engagement, branding and resource.
- Any analysis should remain purpose-led, evidence-based and non-partisan.

Trust: Campaigning Independently and Public Voice

Takeaways

- Put public communications protocol in place.
- Clarify sign-off, spokesperson authority, and escalation routes.
- Record the purpose behind high-profile or contentious campaigns.
- Apply consistent criteria to engagement with political parties, candidates and policy proposals.
- Set clear boundaries for personal versus organisational communications.

What has changed?

- CC guidance issued in March 2026 was election specific guidance. It reiterated that charities may campaign in furtherance of their purposes but must remain independent on party politics.
- CC approach in terms of risk work continues to highlight political activity, public debate, online communications and reputation as areas requiring active attention.

Control: Reporting that Supports Accountability

Issue

- Reporting can be treated as a backward-looking compliance exercise.
- In uncertain conditions, high quality internal and external reporting is a source of assurance, early warning and public trust.

Key points

- SORP 2026 applies to relevant charities preparing accruals accounts.
- Revised thresholds change parts of the reporting, examination and audit framework.
- Annual Return questions require better data on public funding, grants, overseas activity etc.
- Late or inaccurate filing can indicate deeper governance and control weakness.

Control: Reporting that Supports Accountability

Takeaways

- Confirm what framework and thresholds apply to your financial year, legal form and group structure.
- Plan SORP 2026 Implementation early:
- Use internal reporting to support current decisions: cash, restricted funds, commitments, risk, performance.
- Treat timely filing as a governance essential.

Control: Reporting that Supports Accountability

What has changed?

- Accounting periods beginning on or after 1 January 2026: SORP 2026 applies to relevant accruals accounting charities, effective
- 30 September 2026: reporting, independent examination, group accounting and audit thresholds increase.
- CC approach heightened: Persistent filing failures are receiving active regulatory attention.

Control: Digital Resilience and AI

Issue

- Digital systems and AI can improve delivery, finance, communications, fundraising etc.
- But the opportunity creates risk: cyber incidents, fraud, poor data practices and AI errors.
- These can quickly become mission and trust risks.

Key points

- Digital risk is organisational risk – not just an IT issue.
- Cyber events can disrupt services, expose personal information, divert funds and damage confidence.
- Human accountability cannot be delegated to a platform, supplier or automated system.
- Cyber basics and responsible AI are now core resilience questions.

Control: Digital Resilience and AI

Takeaways

- Identify critical systems, key data suppliers, dependencies and recovery plans.
- Test basic cyber controls, multi-factor authentication, management back-ups and payment verification procedure.
- Before using AI, carry out a proportionate risk assessment and name a human owner.

What has changed?

- The Fundraising Regulator published its first guidance in December 2025 on the use of AI and charitable fundraising.
- CC risk work continues to identify cyber risk fraud, financial abuse and digital communications as area requiring active, proportionate governance.

Control: Escalation, Serious Incidents and Concerns

Issue

- Concerns become more serious when hidden, delayed, poorly investigated or directed through the wrong route.
- Prompt, appropriate escalation protects people, assets, and confidence.

Key points

- Not every concern is a CC matter.
- But serious or significant risk to people, funds, assets, reputation, etc may require external reporting as well as internal action (SIR regime).
- Whistleblowing, complaints, HR grievances, audit issues all have potential to trigger regulatory intervention.
- Persistent late filing is a governance concern.

Control: Escalation, Serious Incidents and Concerns

Takeaways

- Maintain a clear escalation map and central concerns or issues log.
- Agree who assesses reportability and records the rationale.
- Make it safe to raise concerns.
- Ensure filings are accurate and filed on time.

What has changed?

- CC guidance *CC46* on raising a concern about a charity was refreshed in June 2025.
- CC online reporting process was also updated.
- CC approach heightened: Persistent filing failure is a trigger for regulatory intervention.

Control: Make the Basics Reliable

Issue

- Many serious failures begin with the basic control weakness:
    - one person controlling a payment process, informal cash arrangements, unclear authority, or a work around which has become routine.

Key points

- Sound controls protect beneficiaries, funds, people and reputation.
- No person should be able to access direct charity money without effective checks and balances.
- Controls are needed across payments, grants, expenses, suppliers, fundraising and overseas transfers.
- Policies are not controls unless they are implemented, evidenced and tested.

Control: Make the Basics Reliable

Takeaways

- Test bank mandates, user access, approval levels, dual authorisation and reconciliations.
- Sample payments, expenses and grants to check whether practice matches policy.
- Review cash, cheque and payment card controls.
- Ensure fraud, finance, expenses and serious incident procedures are currently understood.
- Create safe routes to raise concerns and a routine mechanism for learning from errors.

What has changed?

- CC class inquiry in 2026 into charity's using blank or open cheques demonstrates a firmer intervention stance on basic financial control failures.
- CC sector risk work emphasis fraud prevention, financial controls and effective oversight.

Adaption: Collaborate, Merge or Transfer

Issue

- Independence can be valuable, but it is not an end in itself.
- In difficult conditions, a different operating model may better protect beneficiaries and charitable purpose (mission).

Key points

- Adaption takes many forms.
- Collaboration can improve capacity, quality, reach and financial resilience
- Merger requires strategy, compatibility and thorough due diligence.

Adaption: Collaborate, Merge or Transfer

Key points

Option	What can it offer?
Informal collaboration	Referrals, shared learning, joint campaigns and purchasing
Shared services	Capacity or savings in finance, HR, IT, fundraising, estates or administration
Joint delivery / consortium	Scale, specialist expertise and access to contracts or programmes
Strategic alliance	Deeper co-ordination while retaining separate identities
Merger	A single platform for overlapping missions, systems, resources and leadership
Orderly transfer / closure	Continuity for beneficiaries if independent operation is no longer sustainable

Adaption: Collaborate, Merge or Transfer

Takeaways

- Explore options while time and choices remain.
- Start with beneficiary outcomes and charitable purposes – not institutional survival.
- Test strategic fit, culture, people, delivery model, people, money, reputation and timetable.
- Build the business model and carry out due diligence. Seek legal advice.
- Agree decision gates: explore, negotiate, proceed, pause or close.

What has changed?

- CC approach reinforced. It supports early planning when funding models, scale or operating conditions may no longer be sustainable.
- CC merger guidance highlights need for proper planning, due diligence, and legal advice.

From Insight To Action: A 90-Day Resilience Plan

Issue

- The most resilient charities are not those that can predict every shock.
- They are those that can identify change, bring the right people together, make justified decisions and adapt while staying true to purpose.

Key points

- A common decision framework promotes disciplined action without unnecessary bureaucracy.
- The aim is focused action, not an overwhelming compliance “to do” list.
- The path to resilience is to prioritise a few actions that will make the greatest difference.
- Ask not “*how do we avoid uncertainty*” but “*how do we lead well when uncertainty is unavoidable*”.

From Insight To Action: A 90-Day Resilience Plan

Key points

Step	Question	Evidence to retain
Purpose	What charitable purpose and beneficiary need does this address?	Objects analysis; beneficiary impact
Options	What realistic alternative exists?	Options paper; scenarios
Risk	What could go wrong and how will we manage it?	Risk assessment; mitigations
Authority	Who acts, decides, challenges or needs consultation?	Constitution; delegations; conflicts records
Advice	What expertise is needed?	Advice received; scope and limits
Decision	Why is this in the charity's best interest?	Minutes; rationale
Review	What will success, concern or need to change look like?	KPIs; review date; triggers

From Insight To Action: A 90-Day Resilience Plan

Takeaways

- Build this framework into committee and board papers, project approvals, and significant decisions.
- Apply it proportionately: scale the assessment and evidence to the decision's importance and risk
- Use the framework as common language across the organisation.

From Insight To Action: A 90-Day Resilience Plan

Takeaways

1. Purpose and Strategy: Identify the key mission, beneficiary and service delivery decisions likely in the next year.
2. People: Complete a capability, skills, succession and cultural review.
3. Money: Review cashflow, restricted funds, reserves, income concentration and decision triggers.
4. Structure: Check objects, powers, and key governance provisions and consider need for change.
5. Trust: Test fundraising, data, communications, conflicts and supporter care arrangements.
6. Control: Review payment routes, grants, fraud, cyber, serious incident and whistleblowing systems.
7. Adaption: Identify whether collaboration, merger or assets / funds review should be explored earlier.
8. Assurance: Agree owners, milestones, reporting routes and a way to test whether changes work.

From Insight To Action: A 90-Day Resilience Plan

What has changed?

- Nothing..... this is a good practice tool informed by current law, guidance and regulatory expectations.

Q & A

How We Can Help You

- Governance reviews
- Governance advice
- Recruitment / induction / training of Trustees
- Registration & constitutional matters
- Charity Commission consents
- Winding up charities and not for profits
- Collaborative working & mergers advice
- Restructuring and reorganisations
- Fundraising advice
- Finance & taxation matters
- Trustee disputes
- Trading issues
- Advice on legacy giving (including legacy disputes)
- Regulatory support – Serious Incident reporting / support during Commission reviews or investigations
- Safeguarding
- Accountancy support
- Grant administration service
- Advice on other service lines – property, employment, commercial, intellectual property, corporate, insolvency, dispute resolution

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