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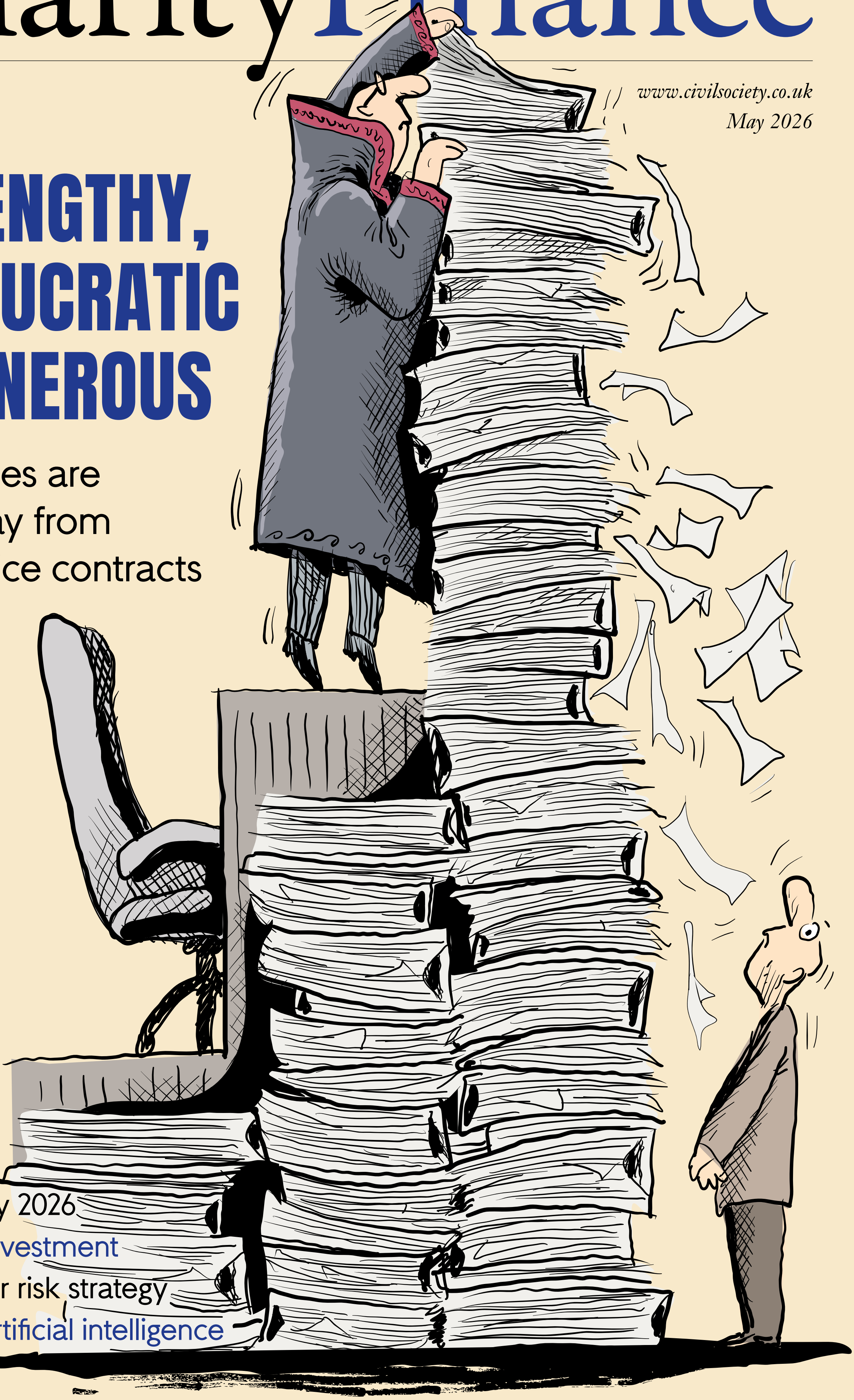

TOO LENGTHY, BUREAUCRATIC AND ONEROUS

Why charities are turning away from public service contracts

CharityFinance

CIVILSOCIETY media

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The Charity Commission wishes you a happy new (financial) year

The start of April meant the start of a new financial year for many charities. To mark the occasion the Charity Commission published a blog entitled Good Financial Health Starts With Good Financial Habits (https://bit.ly/4vATRxq). The blog states what good financial practice looks like in charities.

It says: "For trustees, it means making sure your charity has enough money to carry out its activities and to pay its bills when they are due. Setting a realistic budget for the year ahead, and committing to reviewing it regularly against actual income and spending. It means having a reserves policy that your board understands and follows. It means keeping financial records that are accurate, up to date and properly approved. And it means acting quickly when the numbers start telling a different story to the one you expected.

"It also means making sure that financial information is genuinely understood around the boardroom table – not just by the treasurer, but by all trustees. Collective responsibility is a cornerstone of good governance, and that includes financial oversight."

It acknowledges that not all trustees have a financial background but says a "willingness to engage" is crucial and that trustees should "ask questions, and seek advice when you need it".

Clearly, the finance team can play an important role in demystifying the numbers and making them clear for all – including the board. It is important they are able to answer any questions in an accessible way – with as little jargon as possible.

The commission also has a role to play in supporting trustees around finances, and the blog reveals two tools that it may be useful to share with boards.

"We know finance can feel overwhelming, so we've designed a Trustee Finance Toolkit (https://bit.ly/4cKJ9gc)," it says. "The Toolkit brings together the key financial guidance in one place and is designed specifically to support trustees.

"There is also a financial health checker tool (https://bit.ly/4mxdzGa) which matches you with the guidance that your charity needs. With a new financial year just beginning, there's no better time to work through it with your board."

Even if you have a different year-end, perhaps now is a good time to revisit your relationship with the board.

Tristan Blythe Editor, Charity Finance

CharityFinance

IN THE NEXT ISSUE: JUNE

Trade unions
The relationship between charities and the unions

CRM Survey
Our annual update on the CRM market

Loans
When charities borrow money

QUOTE OF THE MONTH

> “It is the financial value of tenders that is the problem and that is why charities are leaving this marketplace” *Tony Chapman, page 22*

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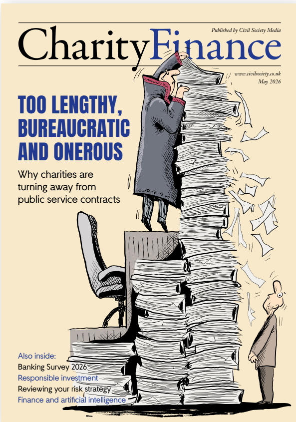

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The ***ESG Imperative,*** an important event exploring the rise of environment, social and governance factors in charities. Join us for practical advice on setting your ESG strategy and how to approach the myriad of ethical issues facing today’s charity leaders.

A range of ***Trustee Training*** courses, focusing on specialist areas including board leadership, risk management, finance, reserves and safeguarding.

For more information, visit civilsociety.co.uk/events or email events@civilsociety.co.uk.

THE CHARITY AWARDS 25 YEARS

Civil Society Media runs the first and best awards for the sector – ***the Charity Awards.*** The judges assess entries against robust hallmarks of excellence and the Awards presentation evening is a celebration of best practice and excellence in charity management. To find out more visit www.charityawards.co.uk.

'Huge relief' as charities exempted from consumer rights rule change

Charities have been exempted from a loophole in new consumer rights legislation that could have caused them to lose out on funding.

Coming into force this year, the Digital Markets, Competition and Consumers Act (DMCCA) 2024 intends to minimise "subscription traps", where consumers are misled into signing up through a free trial or reduced-price offer. It will entitle members of the public to cancel a subscription contract during a two-week "cooling-off" period.

In response to a consultation on the legislation, the government confirmed that membership schemes operated by charities such as the National Trust will be exempt from the rules.

Claire Stanley, director of policy and communications at the Chartered Institute of Fundraising, said: "We've been calling for this on behalf of our members and the wider sector since the introduction of the original bill in 2023 and have worked closely with government over the past 18 months to reach a solution which ensures charities aren't negatively impacted by this.

"While we've always been clear that we support the DMCCA's overall objective to strengthen consumer protection across the subscriptions landscape, we were concerned that the new regime did not account for the cross-cutting regulations and legislations that charities already adhere to."

Stanley said many provisions in the act "would have disproportionately impacted charities" and potentially forced some to divert funds away from programmes and services.

New regulator's power could suppress campaigning and advocacy work

Charities has warned that the sector's campaigning and advocacy work could be suppressed if the regulator is handed increased powers without sufficient consultation.

Eighteen organisations wrote to culture secretary Lisa Nandy last month, urging her to consider the sector's advice before proceeding with plans to widen the Charity Commission's remit.

Proposed in its recent social cohesion strategy, the government plans to allow the regulator to strip charitable status, disqualify trustees and remove senior managers at voluntary organisations suspected of harbouring extremism.

Leaders of NCVO, ACEVO and charities including Oxfam and Runnymede Trust were among those who signed the open letter to Nandy.

The signatories expressed concern that a lack of clear definitions and safeguards could stymie legitimate advocacy amid a "gradual shrinking of civic space". They expressed particular concern about "broader and more ambiguous" grounds on which organisations could be reported for alleged extremism.

"The proposed expansion of the Charity Commission's powers to remove trustees and to close organisations could be applied in ways that mischaracterise legitimate civil society activity. This, in turn, may contribute to the suppression of lawful advocacy, campaigning, and community engagement. This suppression could happen directly or via self-censorship."

The government plans to consult on expanded powers for the commission, but has yet to do so publicly.

A DCMS spokesperson said: "Where individuals use charitable status to promote violence or hatred, the Charity Commission must have the powers to act quickly and decisively to protect public trust in the sector as a whole. These proposals won't undermine legitimate civil society activity."

Sector losing £30m a year due to 'inefficient' training

Voluntary organisations are losing £28.5m yearly due to inefficient staff training, according to new research.

Skillcast's Lost Hours Report, published in March, shows that the charity, voluntary and social enterprise sector accounted for 1.45 million lost hours annually.

These organisations surpassed those in manufacturing, information and communications, and financial services for lost training hours and FTE roles and unrealised spend.

The £28.5m unrealised spend was, however, less than double that of business services, which had the highest (£65.3m).

Overall, the national total was £416m. The report says a significant amount of time and money was being spent on training that "doesn't actually make people better at their jobs".

It shows that 40% of the charity sector had relevant training coverage (RTC). At 50%, central government finance bodies had the highest RTC.

However, the charity sector had the second-highest workforce development gap (45%), topped by transport and storage (46%). This category refers to the percentage of total training used on basic maintenance.

The charity sector's skills gap density was the second-lowest (2.9%), bested by information and communications (2%).

Skillcast examined training load, coverage and proficiency indicators across 11 key industry sectors.

NEWS IN BRIEF

Government seeks partner to deliver £2.5m fund

The government is looking for a partner to deliver its £2.5m Civil Society Resilience Infrastructure Fund.

The three-year fund (http://bit.ly/3QehWKb) aims to enhance the role civil society organisations in England play in emergency preparedness, response and recovery. The deadline is 31 May.

Rowntree charity appoints head of reparations

The Joseph Rowntree Charitable Trust has appointed Keon West as its head of reparations to lead a programme that will address the legacy of its endowment.

A review shows that the Rowntree company benefited from colonial indenture, serving as an active agent in colonial economies in Africa and the Caribbean across the 19th and 20th centuries.

Local Mind charity exits federation

West Central London Mind had exited its national federation and rebranded as Allkind.

CEO Simon Thompson said it was the right time" for his charity to spread its wings and fly alone. Allkind will explore opportunities to expand community-based services across London.

Charity registers to give Chelsea FC's billions

An application on behalf of Roman Abramovich to form a charity and distribute the billions generated by the sale of his Chelsea football club has been submitted.

The Charity Commission confirmed in April that it had received an application to unlock up to £2.5bn in proceeds Abramovich received from the sale four years ago.

Mike Penrose is understood to be behind the application to register the Foundation for the Victims of Conflict.

Dip in total donations to major newspapers' Christmas appeals

Major British newspapers raised less than £6m collectively in their respective Christmas 2025 charity appeals, marking a decline from the previous year.

The London Standard received the most money for its selected charities (£2.65m), almost £1m less than its 2024 total of £3.46m. The appeal benefitted from £125,000 in public donations, almost the same as last year.

The Guardian also reported a decline, raising £1.04m, compared to £1.73m the year before. Over 100,000 readers donated. Its 2025 appeal money went to five partner charities: Citizens UK, the Linking Network, Locality, Hope Unlimited Charitable Trust and Who Is Your Neighbour?

Readers of the Times and Sunday Times raised £870,000, a drop from £1.5m in 2024. The appeal generated funds for Kissing It Better, Switchback and World Bicycle Relief. Reader donations averaged £145, while matched funding for the three charities added £306,000.

Telegraph readers raised a record £672,000 for four charities, a rise from £486,000 the year prior. Last year's proceeds went to Not Forgotten, Prostate Cancer Research, the Motor Neurone Disease Association and Canine Partners. The paper also raised £125,000 on its annual phone-in day, its highest-ever total in its 39th year of running its charity appeal.

The Financial Times (FT) raised £504,099 for charities, surpassing the £211,000 garnered in 2024. The 2025 Financial Literacy and Inclusion Campaign impact report states that the FT's match funder the Rosetrees Trust was "instrumental" in helping it achieve its goal.

Meanwhile, the Mirror raised £27,500 for Lifelites.

Charity leaders attend No 10 meeting to discuss impact of US-Iran war on sector

Voluntary sector leaders have attended a roundtable in Whitehall to discuss the impact of the US-Iran war on charities and their communities.

On 15 April, eight representatives from infrastructure bodies including ACEVO, NCVO and the Charity Finance Group (CFG) met ministers and government officials at Number 10.

The meeting began with remarks from civil society minister Stephanie Peacock and economic secretary to the Treasury Lucy Rigby.

The group said it shared insights on the voluntary and charity sector's "vital role in building cohesive, trusting and equitable communities" and reflected on the Civil Society Covenant.

It said ministers recognised "the substantial and impactful contribution to society" made by sector organisations and that taking into account their needs "was vital to supporting the people and communities" they serve.

The group highlighted the sector's financial and funding challenges, including rising pressures on public service contract delivery, fundraising, and inflation.

Financial and time constraints faced by volunteers, in light of increasing fuel costs and cost-of-living pressures, were also discussed.

The group shared evidence of charities reluctantly reducing support for vulnerable people and examples of some using their reserves to meet operational costs.

Clare Mills, co-CEO of CFG, said the roundtable was "timely and very positive".

"We're encouraged that government is listening to the sector's concerns and making sure that the Civil Society Covenant is upheld."

The group understands that "the door is open for future discussions".

Charity sector income grows faster than expenditure to over £100bn

Charities in England and Wales have seen their collective annual income grow faster than their expenditure to over £100bn, according to the Charity Commission.

In March, the regulator published its analysis of annual returns data, which shows that total gross income grew by 6% year-on-year to £102bn, and expenditure by 5% to £101bn.

For financial years ending in 2024, the margin between total sector income and expenditure increased by £300m to £1.01bn, up from a five-year low of £701m a year earlier. Charities spent £5.13bn more overall on delivering positive societal impact in 2024 compared with 2023.

A total of 110,756 charities were required to submit the annual return, with the compliance rate growing to 97%. Some 92% of charities that submitted a return in financial years ending 2024 had incomes of less than £1m, 87% had £500,000 or less and 62% had less than £100,000.

Only 3% reported an income of £5m or more. These 2,801 charities had incomes of £76.6bn (75% of the sector's income) and expenditures of £75.6bn (75% of the sector's expenditure).

Nearly half of the £102bn income was generated by charitable activities such as charging fees for services or supplying services to the government. Almost a third was down to the public's generosity, with donations and legacies raising £32bn. A tenth came from trading activities (£10.5bn across 53,585 charities). The remainder was derived from investments (6%) and other sources (3%).

While charities with incomes above £500,000 reported a positive margin of £1.3bn, those with smaller incomes (under £500,000) reported an operating deficit of £290m.

Government publishes £1m 'roadmap' to boost place-based philanthropy

The Department for Culture, Media and Sport (DCMS) has published a "roadmap" to boost place-based philanthropy in England, backed by £1m of funding.

Through its Our Place to Give plan, published last month, DCMS aims to make it easier for the wealthiest to give back to local communities.

The roadmap details three "pillars": connecting philanthropy with place, establishing better philanthropic partnerships, and unlocking further philanthropic investment.

DCMS will use the funding over three years alongside a third party to help set up a community of practice (a group that will invite existing place-based giving initiatives). DCMS also plans to convene place-based philanthropy ambassadors and will invite "philanthropists and high-profile representatives from the philanthropy sector with experience of place-based giving" to form an initial group covering each region in England. It will then ask the ambassadors to engage with government on their experiences of match-funding locally and nationally.

Despite previous calls, DCMS concluded that "bringing advice on philanthropy into the scope of the Financial Conduct Authority regulation would increase costs and administrative burdens for providers" and therefore decided against it.

Instead, the department, in partnership with the Office for the Impact Economy, "will establish a joint working group with representatives from key financial services and philanthropy organisations to further explore this issue".

Civil society minister Stephanie Peacock said the roadmap "will help philanthropists across the country support local causes they are passionate about".

Regulator reports charities over levy non-payment

The Fundraising Regulator has named 63 organisations that have not paid its voluntary levy, and shared the list with the Charity Commission.

The charities, including several universities, had not paid the regulator's levy as of 25 March and were marked "red" in its directory.

In September, the regulator increased its maximum yearly levy to £22,500 for the largest fundraising charities, with smaller organisations also seeing rises in their contributions.

This followed another increase a year earlier, the first since the regulator's foundation in 2016, from £15,000 to £18,750 for the largest charities.

After the first phase of increases was introduced in 2024, the regulator reported that around 3% of eligible charities had either refused or not responded to its requests to pay the annual fee. It reported that the level of payment "has remained consistent in 2025-26" despite the additional levy rises.

It said a "small proportion of organisations" had either chosen not to pay the levy or not responded to payment requests for 2025-26.

"We recognise that charities continue to operate in a challenging financial environment. We're grateful to those organisations that have paid the levy and continue to support independent regulation."

It added: "We'll also share a list of the registered charities concerned with the Charity Commission so that they are aware of the organisations that have refused to support the system of regulation that so many charities and members of the public benefit from."

Charities that spend less than £100,000 a year on their fundraising activity are not asked to pay the levy, but instead contribute a lower fee to display the regulator's badge.

The regulator's levy generated £3.07m (83% of its total income) in the year to August 2025, its accounts show.

As generosity in the UK is becoming increasingly fragile…

Can the UK's culture of giving be reinvigorated?

The Charities Aid Foundation (CAF) has published its latest UK Giving Report, and it does not bode well for charities that rely on donations to deliver their work, says Léa Legraien

Léa Legraien
is senior reporter for Charity Finance

IN A speech in 2023, Keir Starmer promised "a decade of national renewal" should he become prime minister. A year later, CAF's former CEO Neil Heslop said a crucial aspect of this would be the renewal of "our British culture of giving".

In the past, the UK often ranked among the most generous nations for charitable giving, boasting of a culture of giving embedded in its history and woven into its society's fabric.

However, CAF's 2026 UK Giving Report, based on 12,913 responses and published in March, shows that generosity in the UK has significantly changed over the last decade.

The report says "where it seems that giving was once a deeply embedded cultural norm, it's now become increasingly conditional, selective, and fragile". "This shift isn't necessarily about a loss of compassion from the public, but rather a change in assumptions about the act of giving. People find themselves weighing the decision to donate against rising living costs amid a mounting sense of scepticism in society."

So, what has the report uncovered and should charities be worried?

Six million fewer donors

The report shows that in 2025, the British public donated an estimated £14bn, a decline from the £15.4bn donated in 2024 and the first decrease in giving since 2021.

The fall was driven by lower average (mean) monthly donations, which stood at £65 last year compared with £72 in 2024, while the typical (median) donation fell from £28 to £26. Over the past decade, the number of people giving to charity has dropped by an estimated six million, with a cumulative loss of almost four million donors in 2020 and 2021.

In 2016, an estimated 37 million adults donated or sponsored someone, the equivalent of 69% of adults. By 2025, this figure had declined to around 31 million (55% of adults). The report notes that "although there was some variation across the decade, since 2016 the UK has lost on average around 600,000 donors per year".

"Since 2016, the British public has donated an estimated £119bn to charity. If the public had continued to give each year at the same rate as they did in 2016, charities could have received an estimated £12.4bn more than they did over that timeframe. This is equivalent to around one year's worth of recorded giving over the period."

Respondents cited a lack of affordability as the top reason for not giving (49% of non-donors in 2025 and 44% in 2024), followed by people not trusting charities to use their money wisely (19%), and individuals just not wanting to do it (10%).

> **"PEOPLE FIND THEMSELVES WEIGHING THE DECISION TO DONATE AGAINST RISING LIVING COSTS"**

A collaborative effort

CAF's findings show that charities can no longer rely solely on the public's habitual generosity or goodwill. Instead, "they must work harder than ever to earn the attention, trust, and commitment of potential donors".

"In recent years, we've talked about the unsustainable nature of charities becoming increasingly reliant on a shrinking group of dedicated donors who continue to give more. Their continued support ensured that the total amount donated kept rising. However, this trend has now begun to bite with this year's research finding that for the first time in five years, the total amount given to charities by the public has fallen."

The report points out that as fewer people donate, more individuals must be made aware of the tax incentives available when giving to charity and be encouraged to give to unlock extra funds for charitable causes.

CAF has long argued that reviving the British culture of giving requires a collaborative effort from government, charities and individuals, which must be underpinned by a national strategy.

While there have been steps in the right direction, including the launch of the Office for the Impact Economy last year, more can be done to encourage people to give, be it through exploring match-funding opportunities or modernising gift aid.

As the report says, "through giving time or support, individuals can feel more connected to the communities they're a part of and build a shared sense of belonging".

"With the required attention, actions and collaboration, we can breathe new life into our culture of giving and build a connected, resilient and brighter society." ●

Whistleblowing protections for charity trustees

Kathy Halliday, partner at VWV, considers a recent decision on whether charity trustees are entitled to whistleblowing protections, and examines the implications for charity sector governance

The case of MacLennan v British Psychological Society provides important clarification on the scope of whistleblowing protection under the Employment Rights Act 1996. In particular, it addresses whether charity trustees, who are not employees or workers, can benefit from those protections.

The tribunal concluded that they cannot. While this is a first-instance decision of the Employment Tribunal (ET), and therefore not binding on other tribunals, it follows a decision by the Employment Appeal Tribunal (EAT), which considered the basis on which such a claim could be brought and whether the position of a trustee was analogous with that of a worker. It provides helpful guidance on how the current whistleblowing framework is likely to apply to charity trustees. It also highlights the distinct role trustees play within charities and the importance of robust governance arrangements for raising concerns.

The legal framework

Whistleblowing protection applies where an individual makes a protected disclosure about wrongdoing which they reasonably believe to be true and in the public interest. Where those conditions are met, individuals are protected from detriment or dismissal and may bring a claim in the Employment Tribunal if they suffer unfavourable treatment as a result.

However, these protections are not universal. They are limited to those who fall within the statutory definition of a worker, which includes employees and certain other individuals in a working relationship, but does not extend to office holders such as charity trustees.

> **"Trustees remain outside the scope of statutory whistleblowing protection"**

The central issue in MacLennan was whether, notwithstanding the statutory framework, charity trustees could be treated as being in an analogous position to workers for the purposes of whistleblowing protection. This required the tribunal to consider the interaction between the statutory definition of worker and the protections afforded under the European Convention on Human Rights (ECHR), in particular whether the exclusion of trustees could be justified.

The facts of the case

Dr MacLennan (the claimant) was elected president-elect of the British Psychological Society (BPS), a role which also required him to act as a trustee of the organisation. In that capacity, he raised a number of concerns about governance within the BPS, which he contended amounted to protected disclosures.

Relations between the claimant and the BPS subsequently deteriorated. Following an investigation, he was expelled from membership of the organisation, which brought his roles as president-elect and trustee to an end. He brought a claim alleging that he had suffered detriment as a result of whistleblowing.

At first instance, the ET dismissed the claim on the basis that the claimant was not a worker for the purposes of the statutory whistleblowing regime, as there was no contractual relationship between him and the BPS.

On appeal, the EAT upheld that conclusion but found that the tribunal had not fully considered whether the claimant's role as a charity trustee could fall within the scope of protection when read alongside the European Convention on Human Rights. The case was therefore remitted to the tribunal to consider, in particular, whether a charity trustee is in an analogous position to a worker and, if not, whether the exclusion of trustees from whistleblowing protection could nevertheless be justified.

The tribunal's decision

At the remitted hearing, the tribunal carried out a detailed assessment of whether a charity trustee is in an analogous position to an employee or worker for the purposes of whistleblowing protection.

While it accepted that trustees may be aware of wrongdoing and that it is important for concerns to be raised in the public interest, the tribunal concluded that trustees are not in an analogous position to workers. A key factor was that whistleblowing legislation is designed to protect those in work. Trustees, in contrast, are typically unpaid volunteers who are not in a subordinate relationship with the charity and do not depend on it for their livelihood. The tribunal also emphasised the nature of the trustee role as one of governance and oversight, rather than personal service.

The tribunal further considered the extent to which trustees are vulnerable to retaliation. It accepted that trustees may face reputational consequences, but concluded that they are materially less vulnerable than workers, particularly as they are not exposed to dismissal in the same way. It also placed weight on the availability of alternative routes for raising concerns, including reporting matters to the Charity Commission, which has statutory powers to investigate misconduct and mismanagement.

The tribunal went on to find that being a charity trustee could constitute another status for the purposes of

Article 14 of the ECHR. This meant that trustees were treated less favourably than workers in being excluded from whistleblowing protection. However, that difference in treatment was found to be justified.

In reaching that conclusion, the tribunal accepted that there was a legitimate aim in maintaining the current scope of whistleblowing protection. In particular, it identified the risk of conflicts of interest if trustees were able to bring claims against the charities they are responsible for overseeing, as well as the potential financial impact on charitable funds. It also considered that parliament had deliberately confined whistleblowing protection to those in a working relationship and that this legislative choice should be respected.

Taken together, the tribunal concluded that the exclusion of charity trustees from whistleblowing protection is a proportionate means of achieving a legitimate aim.

Practical implications

The decision provides clarity on the current position but does not diminish the importance of effective governance arrangements. Trustees remain outside the scope of statutory whistleblowing protection under the Employment Rights Act 1996, meaning concerns raised by trustees are more likely to fall within the charity's regulatory and governance framework rather than employment law.

One consequence of this decision is to reinforce the importance of having clear and accessible routes for raising concerns at board level. Trustees who identify potential wrongdoing should be able to raise issues internally or alternatively can report matters to the Charity Commission, which has statutory powers to investigate misconduct and mismanagement. Charities should ensure that trustees understand these routes and are supported in using them where appropriate.

The case also highlights the importance of maintaining a culture in which concerns can be raised openly and addressed appropriately. Although trustees may not have access to statutory whistleblowing protections, the objective of transparency and accountability remains central to effective governance.

Learning points

Following the previous decision of the EAT, the door was open for the tribunal to extend whistleblowing protection to charity trustees. This would have had significant implications for the charity sector and for volunteers more generally. However, the tribunal has reached the same conclusion as it did initially, albeit by a different route and after careful application of the EAT's reasoning.

Significantly, at the remitted hearing there were two interveners: the secretary of state for business and trade and the Charity Commission. Both argued strongly that it was not parliament's intention for whistleblowing protection to apply to charity trustees, and those arguments appear to have carried considerable weight. Although the whistleblowing charity Protect intervened in support of the claimant at the EAT stage, it did not participate in the remitted hearing.

As a first-instance decision, the tribunal's judgment is not binding on other tribunals. It remains possible that, applying the EAT's reasoning to different facts, a future tribunal could reach a different conclusion. The scope of whistleblowing protection for charity trustees may therefore continue to develop but for the timebeing charities should concentrate on ensuring their governance arrangements enable genuine concerns to be raised by trustees rather than bringing them within the scope of whistleblowing policies.

The volunteer label is no longer a safe shield for employers

Emily Bradshaw, partner at Bloomsbury Square Employment Law, reviews the Court of Appeal's recent decision in Maritime and Coastguard Agency v Groom

The decision is an important reminder that employment status is dictated by the reality of the engagement, not the label applied to it.

At a time when charities and many other organisations are increasingly reliant on volunteers, the judgment reinforces a fundamental principle: where work is performed and remuneration follows, legal rights are likely to follow as well.

> **"The message is clear – volunteer labels are not determinative"**

The case concerned coastguard rescue officers (CROs), individuals long categorised as volunteers by the Maritime and Coastguard Agency. The CROs were not required to attend work on any particular occasion and could specify when they were available to work. However, they were entitled to claim remuneration for attending callouts, training and other duties. The Court of Appeal held that, in those circumstances, a contract for services arose each time duties were performed by the CROs. Mr Groom was therefore a "worker".

For employers, the message is clear – volunteer labels are not determinative. Simply labelling someone a volunteer – or even where individuals describe themselves as such – will not prevent them from being treated as a worker if the reality of the arrangement points to a contractual relationship. For example, this could arise where there is an obligation to attend or participate (in the coastguard case there was a minimum 50% callout requirement) or when there is an entitlement to remuneration.

Essentially, if an organisation offers anything more than pure reimbursement of expenses, it risks creating worker status for the volunteers. Once someone is classed as a worker they are entitled to certain statutory rights including, but not limited to, rights under the Employment Rights Act, such as the national minimum wage and paid holiday. They are also entitled to rights under the Employment Relations Act, for example to be accompanied to disciplinary hearings – the right that gave rise to Groom's claim.

Two steps

In order to ensure that their volunteers are genuinely such, employers must take two practical steps. First, they must ensure that no contractual obligations are imposed such as a minimal attendance requirement or mandatory training. Second, payments must be strictly limited to genuine out-of-pocket expenses with no element of compensation for time or disruption to personal life.

Employers should also be aware that worker status can arise on an activity-by-activity basis meaning that even in the absence of an umbrella employment contract, there can still be a worker relationship each time the individual does paid work.

This recent Court of Appeal case has wider implications for charities, not-for-profits, public bodies and any organisation engaging volunteers and/or interns where payments are offered beyond basic expenses, where there are expected levels of attendance or conduct standards, or where formal disciplinary or performance processes are in place.

Organisations should take proactive steps to ensure their volunteers are correctly categorised. This includes reviewing volunteer handbooks and agreements to identify any contractual terms that may inadvertently create obligations. It is also important to clearly define the nature of any payments in writing, distinguishing carefully between genuine expenses and any form of compensation. Employers should ensure that volunteer arrangements do not unintentionally give rise to mutual obligations, and should consider obtaining professional advice when drafting or reviewing these arrangements.

If your organisation ensures that its volunteers are under no obligation to attend and receive no more than reimbursement of expenses, the arrangement is unlikely to give rise to worker status. However, if you need reliability, control and paid attendance, you must be prepared to accept that the reality of the engagement is not a true voluntary one and legal consequences will likely follow.

What audit committees want directors to understand

Don Bawtree, senior adviser at BDO, assesses recent guidance from ICAEW

If you are a charity and don't have an audit committee, then recent guidance issued by the Institute of Chartered Accountants in England and Wales (ICAEW) may not seem to apply. But don't ignore it as there is useful stuff within its corporate depths that can help charities.

Firstly, replace the word "directors" with trustees, and/or senior management. Secondly, replace "audit committees" with whatever committee does the same job.

That is necessary because most charities don't have audit committees, although they are probably becoming more common. Corporate governance codes generally require them, but guidance in the charity sector is less prescriptive.

> **"This is a useful and thought-provoking read for charity trustees"**

For instance, the Charity Commission's Guidance on Internal Controls (CC8) says: "If your charity is required to have an external audit, you should have an internal audit committee." That seems to be conflating two things: internal audit and audit committees. The same confusion runs through the related internal control checklist where trustees should both consider and actually set one up.

The Charity Governance Code 2025 also mentions audit committees for "large charities only", but only to the extent of "taking audit committee advice where applicable in relation to the review of the independent examiner or auditor". Again a little confusing, and too limited.

But whatever they call themselves, somewhere a group of trustees should be doing what an audit committee does, namely reviewing the system of integrated governance, risk management and internal control; overseeing internal audit (if any); and external audit and escalating necessary issues to the full board of trustees.

And in fulfilling that function, ICAEW's guidance What Audit Committees Want Directors to Understand can help. It covers four topics: roles and responsibilities, corporate governance, external audit, and connected information.

Roles and responsibilities

This is a useful explanation of what an audit committee is for, what makes a good one, and what the expectations should be. Two points stand out. Three-person committees can be fine, and the importance of the "three lines of defence" model in considering how assurance is obtained. That model is not set out in this report but the three lines of defence are: operational management control of organisational risks, risk management and compliance functions; reporting to senior management; and internal audit.

There is also a reminder that directors must understand the company, the business environment, the business model and the specific risks it faces: which takes time beyond scheduled board meetings.

Corporate governance

This has an interesting section on financial literacy and challenge in leadership, and some helpful guidance on financial reporting, types of assurance and external audit. It emphasises the importance of the chair, especially in smaller organisations, and the importance of diversity in challenging groupthink. It also helpfully recognises that there often are knowledge gaps, though financial literacy is seen as essential. When people come from different industries/sectors or lack operational expertise, “they will need support to ensure they are up to speed with issues such as sustainability and cyber”, to which may be added a raft of charity specific issues.

Some audit committees cover risk, some don’t. That is something to be worked out by each organisation – this report recognises there are different opinions on the matter.

External audit

This section discusses the purposes of the audit and goes into more detail over topics like materiality, audit timelines, tendering and appointment. There is discussion over how to preserve auditor independence and using the same firm for advisory services, and being clear on the respective roles of internal and external audit. More interesting is the discussion on what defines a quality audit under the headings: compliance, relationships, challenge, technical competence and knowledge, technology, communication, and hallmarks of a good lead audit partner. These provide a good framework for an audit committee discussion.

Connected information: non-financial reporting and risk management

This is probably of least relevance to charity audit committees and indeed will become less relevant to many corporates with upcoming proposed changes in reporting requirements. It is still worth a read to prompt consideration of issues including sustainability reporting, cyber security, stress tests, reporting on internal controls, and how and when non-financial assurance is obtained.

Appendices

These are less useful. They contain perhaps necessary but still depressing lists of relevant legislation and sustainability reporting requirements, a detailed but not very informative explanation of the auditors’ report, and the gallery of contributors – which is ironically un-diverse given the useful emphasis on the need for diversity in management and governance.

The introduction says that this publication “seeks to bridge the gap between the regulatory requirements for audit and assurance and the reality of boardroom operations”. That may be a lofty ambition, but even if not directly aimed at charities, this is a useful and thought-provoking read for charity trustees and audit committees.

‘There’s an enormous responsibility for finance people in the charity sector’

Léa Legraien *talks to Karen Watson, chief finance and operations officer at Macmillan Cancer Support, about how her charity is revolutionising cancer care*

BEFORE DYING of cancer in 1911, Douglas Macmillan’s father gave his son £10 for his birthday – around £1,030 in today’s money, according to the Bank of England’s inflation calculator.

Having witnessed the toll of cancer on his father, Douglas Macmillan decided to use that money to help others affected by the disease and set up the Society for the Prevention and Relief of Cancer.

At the time, cancer, referred to by some as the “black scourge”, was still a disease of mysterious nature, with limited treatment options, support and compassion.

When the Society for the Prevention and Relief of Cancer was established, it published the Blue Book, a groundbreaking study of cancer mortality in the UK. In the 1930s, the charity was among the first to recognise the financial cost of cancer and gave grants for medical fees, nursing care, clothing, artificial limbs and hot water bottles.

From funding the first Macmillan nurses in 1977 to opening the Macmillan support line in 2009, the charity has evolved its services to meet the needs of people living with cancer.

> “In 2024, Macmillan reached 2.4 million people affected by cancer in the UK”

It has also grown its campaigning and advocacy work to influence government and shape policy. For instance, in the late 1990s, it successfully lobbied the Oxford English Dictionary to change its “incorrect” definition of cancer.

The definition changed from “a malignant growth or tumour, that tends to spread and to reproduce itself; it corrodes the part concerned and generally ends in death” to “any malignant growth or tumour from an abnormal and uncontrolled division of body cells”.

Known today as Macmillan Cancer Support, the charity’s most recent accounts show that in 2024, it reached 2.4 million people affected by cancer in the UK and supported 484,000 people living with cancer with information and support about their diagnosis, treatment and care.

A BRAND-NEW ROLE

Two years ago, Macmillan’s CEO Gemma Peters announced that she was looking for someone to join her executive team in a new role of chief finance and operations officer.

At the time, Peters said that while Macmillan had done “brilliant” work for over 100 years, it needed to transform to meet the changing needs of people with cancer.

“One of the things that you hear when you come into Macmillan is that we do amazing work and it’s inspiring every day to see that work, and that some of the ways we deliver that work are painfully slow and complicated.

"One of the things for this role is cutting through some of that complexity, making sure that we stay safe in the areas that we need to, but equally that we're able to free up people on the frontline to make decisions as they need to.

"I feel that there are brilliant people in the organisation who are spending way too much time stuck in the treacle of too much bureaucracy, too many layers of administration and too much hierarchy and silos. We need this role to be critical in driving some of that transformation that we've already started."

In January 2024, Macmillan announced that it had appointed Karen Watson, who was previously chief finance and operations officer at the English National Opera (ENO), in this new role.

For Watson, not only was the role a good fit, but also a personal journey: "Ten years ago, my father had cancer, and he and my mum benefited from support from Macmillan, which was amazing. The nurses were amazing. I became a fundraiser – my husband and I had done loads of fundraising anyway.

"Seven years later, I'd left the ENO, was about to go back into the corporate sector and had a message on LinkedIn: 'Would you be interested in joining Macmillan?' I said: 'Yes, of course!' It was meant to be."

BIOGRAPHY

2024 – present: Chief finance and operations officer, Macmillan Cancer Support

2019 – 2023: Chief finance and operations officer, English National Opera

2014 – 2018: Director of content, strategy and production, Sky

2011 – 2014: Commercial and finance director, Sky

2008 – 2011: Head of finance, marketing and customer group, Sky

2003 – 2007: Group marketing commercial manager, SABMiller

1999 – 2003: Management consultant, IBM

1996 – 1999: Chartered accountant and management consultant, PriceWaterhouseCoopers (now PwC)

> "We need this role to be critical in driving some of that transformation"

She says her team, which includes accountancy, legal, risk and data experts, is "an enabling function that brings things together for Macmillan" and "a natural fit".

"They hold each other to account and understand what each other does. It's like a Venn diagram: some of the areas overlap and there are good conversations about what the future looks like and how we're using data and information and thinking about our governing bodies externally.

"Many of them are members of organisations like the ICAEW, or looking at the Charity Commission. It's good to make sure they're not working in silos, but bringing their skills and complementing each other so we can safeguard Macmillan, the funds, staff and people we deliver for. They think about growth and innovation, support growth and learn when to take a risk and not to and how to move that."

EMBRACING FINANCE

Before starting her career, Watson studied engineering at university. In her lower sixth, she had the chance to enrol on a university-run week-long engineering course.

"I felt inspired by it and thought: 'I can do and talk about this.' It felt real to me. It was less textbook and felt industry-related. That week of openness to get girls into engineering did the job and I went into engineering.

"In my final year at university, one of the big things was a project to design and manufacture something. We worked in teams and one of the things we had to do was a business case. All the others went 'urgh, that feels like finance, numbers stuff' but I loved it!"

After finishing university, Watson joined PriceWaterhouseCoopers (now PwC) as chartered accountant and management consultant.

She says there were times when she "wobbled", moved away from and came back into finance. "I'm pleased I've got that underpinning. If you've got finance, it's easier to move into other areas than it is to move into finance, and that's why a lot of people go and do an MBA because they haven't got that numbers business background."

In the late 1990s, several accountancy firms in the UK underwent restructuring and separations.

While working at PwC, Watson was one of several people trying to work out what value the company's partners would get out of a split between the consulting and accountancy arms.

"I started to look at share options, and it brought my maths forward. I enjoyed it so much that I decided to take a year off and went to the University of London to study financial maths. I probably haven't used it to the level of exotic derivatives or whatever I learned, but in many cases, we learn things in life that are just interesting to learn."

'GREAT DUTIES OF CARE'

Prior to joining the charity sector in 2019, Watson spent a decade at Sky where she held various senior roles.

She says there are lots of similarities between the third and corporate sectors, as both operate in rapidly changing environments with various pressures.

> “The skills and uniqueness of the finance team work across the charity”

“You learn about running teams, motivating people, bringing them around a vision and getting them to feel passionate, and how to circumvent difficult choices and prioritise. There are differences, though. You work at somewhere like Sky, where you can afford to take more risks in terms of the choices you make.

“At Macmillan, we’re 98% funded by donors. We have great duties of care. That’s not saying that in the corporate sector, you don’t have a duty of care; you have a duty of care to your shareholders. But there’s something about scale and how you get the money and funding that makes you think about risk differently, thinking about that duty of care, pushing yourself around the choices you make and who you make them for.”

She argues that if Macmillan was a £245m turnover company instead of a charity, it would probably be much easier to run due to the nature of what it does and complexities of the partners it works with.

“One of the differences is, in corporates, there’s a much more ‘this is where you’re going, go and do it’ approach. What’s important for charities to work well is the openness to listening to people impacted by them.

“What I’ve seen at Macmillan isn’t just through the open strategy, but also how we run the business in terms of our voice and the networks we have. People expect (and should expect) to have a voice and be listened to. They want to challenge and are challenging. When you get to that year-end, people want to understand: ‘What have you done with the money? Where have you spent it? What impact have you had? How have you measured it?’

“That sense of people wanting to understand all the detail is stronger at Macmillan than at Sky or any other corporate I’ve worked in. In many corporates, you’re just interested in your division. Are you doing your stuff? Are you getting paid? Are you getting any bonus? There isn’t quite the passion and heart that I feel at Macmillan.”

OPEN STRATEGY

In January 2025, Macmillan launched a five-year organisational strategy which aims to “revolutionise” cancer care.

To help create it, the charity issued open calls for ideas and feedback, which garnered 10,000 responses, and involved over 680 colleagues in many workshops. Some 200 people with lived experiences of cancer took part in community conversations, while 35,000 actively engaged with the strategy’s content.

Watson says Macmillan only works “brilliantly” when “everybody understands what we do and everyone contributes to it”.

On the 10,000 people who shared their input, she makes the following analogy: “It’s like sourdough bread: the best things take a long time. The beauty of it is that it does take a long time, but when you get to the answer, you’ve already done the check and challenge. You’ve got the voices and buy-in. It doesn’t mean that you’ve got the perfect answer because you can’t satisfy everybody; you’ve got to make some compromises.”

Watson says when Macmillan entered 2025, it knew that the journey was not going to be smooth sailing, but it also knew that it could not deliver its strategy without the voices of this diverse group of people.

“The other key bit is how do we reach the people who are struggling the most and finding it harder to access the right healthcare? To do that, we had to listen to them to tell us what wasn’t working for them in terms of support. And then, we could find a way to solve it with them. The open strategy hasn’t finished for us. That long-term participation partnership is key to the ongoing delivery and development for the future.”

Just over a year since its launch, there have already been lots of changes, according to Watson. She cites the government’s National Cancer Plan and what is happening in the broader healthcare sector on its approach to tackling cancer.

“You might hear words like ‘neighbourhoods’. We’re front and centre in that thinking and leading the way. We’ve done a ton of work in Scotland and over the last 10 years in terms of social investment. We’re taking that to another level in terms of how we work with NHS trust partners, embrace smaller community groups and put funding out into the local community.”

FINANCE TEAMS’ UNIQUENESS

This year marks 115 years since Macmillan was established. Asked whether the charity will still be around in 2140, Watson says the real question is: will the sector still exist then?

“I reflect a lot on that difference between what the government can give, what the free market, individuals and corporates can do, and where the gap is. Because that’s what we’re doing as charities, we’re filling that gap.

“I’d love to say the gap won’t exist, but it’ll always exist because we’ll always have people who are vulnerable and find it harder to connect with people.”

She thinks that a more agile Macmillan will be around, doing more and in greater partnership with government, the private sector and other charities to find solutions for the people most in need.

“I’m passionate about Macmillan, what we do and about the role of finance in that. The skills and uniqueness that come out of the finance team work across the organisation. There’s an enormous responsibility for finance people in the charity sector, not least because we need to get better at navigating what money there is in government and the private sector, and how we bring that together and get it to operate in the most efficient, effective way. It’s a big ask, but also an exciting time.” ●

TOO LENGTHY, BUREAUCRATIC AND ONEROUS

The public sector commissioning model often focuses on services' inputs and outputs rather than outcomes. Léa Legraien *looks at why this is problematic for charities*

Léa Legraien
is senior reporter for Charity Finance

DESPITE BEING described as an "economic powerhouse" for the UK economy, charities remain underrecognised in public sector commissioning.

A report by Tussell shows that between April 2019 and March 2024, voluntary, community, and social enterprises (VCSE) won 17,656 government contracts worth £24.4bn (6% of the total volume of contracts awarded) and earned £80.9bn from the public sector in England (8% of total public sector spending with private suppliers).

Speaking at the whatimpact VCSE Summit in March, NCVO's chief finance officer Saskia Konynenburg argued that procurement is a key system "that determines whether the voluntary sector can fully contribute its leadership and expertise to solving complex social challenges".

Konynenburg said the services charities deliver are rarely simple or linear, as they tend to support people facing multiple complex challenges. Dealing with that complexity requires "collaboration, learning, flexibility and personalisation".

Yet, the commissioning and procurement processes appear to do the opposite, minimising risk rather than maximising impact.

A SILOED APPROACH

The Brighton Women's Centre (BWC) is the commissioned women's community rehabilitation service in Sussex.

Its Inspire service, carried out in partnership with HM Prison and Probation Service and partly funded by the Ministry of Justice (MOJ), provides a holistic, women-centred service for women referred by their probation officers for support.

The MOJ also commissions BWC to deliver Care Not Custody, a diversionary scheme in partnership with Sussex Police that offers women who come into contact with the criminal justice system the opportunity to engage in one-to-one support with a female caseworker.

Before Lisa Dando was appointed director of the BWC in 2008, the organisation relied on grant-funded income. Now, Dando estimates that a third of BWC's total income – which stood at £1.35m as of 31 March 2025 – comes from contracts.

Dando says that although commissioners now have a better understanding of VCSEs, there is still a siloed approach to procurement, with commissioners on one side and providers on the other.

"That relationship is still about control, compliance and delivering on KPIs. It feels quite traditional and doesn't lend itself to being as innovative and creative as it could be."

She describes the system as onerous, lengthy and technical, saying: "If you think about small-to-medium or grassroots charities that are closest to their communities and the people living there, often they get excluded from the process because there isn't the capacity in the organisation or a dedicated bid-writing team to go through the procurement process.

"Small-to-medium charities don't have good writing teams like bigger, more corporate-like charities do, which often do better in these environments because they've got dedicated teams who can work on this and produce the tender."

She recalls a big contract her organisation felt best placed to deliver, but did not have the in-house expertise, capacity and resources to bid for. This prompted the BWC to pay an external organisation £35,000 to support it in writing the bid.

"We'd have never in a million years dreamed that we'd have to spend that amount of money, bidding for work we felt strongly we were well placed to continue to deliver on because we'd always demonstrated impact.

"It feels uncomfortable because at the end of the day, we're talking about public money. It doesn't feel ethical to be spending it on this mechanism, especially if you're delivering something that's having an impact and your commissioners or statutory sector partners are satisfied with your work."

Avenues, which provides community-based support to autistic people and those with learning disabilities, acquired brain injuries and complex needs, works with over 50 local authorities. Through its contracted work, the charity supports them in fulfilling their statutory duty under the Care Act, be it through supported living or registered residential care.

As a provider, Avenues advocates to the local authorities for the people it supports to have as much care and help as its care assessments dictate. This means that sometimes, it will have to negotiate with commissioners when they cannot afford the care and support levels needed by the individuals.

Avenues' group CEO Jo Land deplores that often, the language between providers and commissioners can be confrontational.

"We're seen as adversarial, but at the bottom of it is a strong relationship that works well when it's built on mutual respect and understanding that neither of us is in a good position."

While there is no set maximum time period for standard public service contracts in the UK, these usually range from three to five years and tend to be extended.

For Land, the longer the contract, the better. "A lot of the people we support require intensive care and support when we first start supporting them. Over time, as they get more comfortable with the care and support, the consistency improves and their needs can decrease.

> "That relationship is still about control, compliance and delivering on KPIs"

"We can offer the local authorities a reduction in care and support, but we need to be working with people for multiple years to achieve that because it can take months of work to get somebody to know how to button their clothes properly or get on a bus."

She admits that her charity has to tender for work all the time because of "attrition", citing providers increasingly handing back services that do not cover their costs.

"At the moment, we're involved in at least five big tenders. That

Putting VCSEs at the heart of the procurement process

In February 2025, the government published its National Procurement Policy Statement (NPPS), setting out priorities for public procurement.

The NPPS says contracting authorities "should drive economic growth and strengthen supply chains by giving SMEs and VCSEs a fair chance at public contracts, creating high-quality jobs and championing innovation".

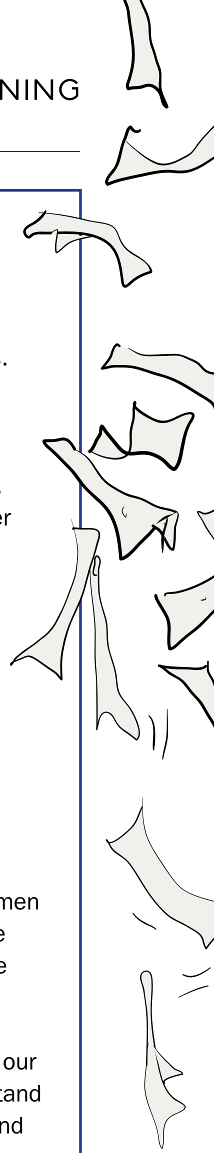
Small businesses and social enterprises are best placed to generate "diverse and thriving local economies, creating jobs and economic growth". So, the government is keen to "maximise every opportunity for these suppliers by opening up competition in public contracts and removing the barriers to participation they face".

To enable NPPS's implementation, all central government departments and non-departmental public bodies were mandated to set a two-year target for direct spend with VCSEs from 1 April and report results annually.

Then, in March, Cabinet Office minister Chris Ward announced that the government would end outsourcing by default, introducing a public interest test requiring departments to assess whether a service can be delivered more effectively in-house.

The test will apply to service contracts of £1m or more, covering more than 95% of central government spend.

Ward said: "Small businesses and charities have told me time and time again that the bureaucratic burden of bidding for contracts has all but blocked them from even trying. So, we've cut this process right down to the basics, bringing in a 'tell-us-once principle' so they only have to submit their information once, rather than starting from scratch each time. We'll also introduce AI tools to save bidders hours of time and cut back unnecessary duplication."



Taking a human learning system approach

Historically, contracts in Plymouth were commissioned in silos, often leading to duplication, inefficiencies and poor outcomes for the individuals using multiple services.

To address that, in 2019, Plymouth City Council adopted a systems-based approach to complex needs services and aligned 25 contracts spanning substance misuse and homelessness under a new single model.

The council spent four years working with partners and service users to co-design the system "as one which would enable people to be supported flexibly, receiving the right care, at the right time, in the right place".

The contract, which went live on 1 April 2019 and has since then been extended until 31 March 2028, is delivered by the Plymouth Alliance.

The seven-member alliance is "a virtual organisation, where partners work collectively to create a collaborative environment without the need for a new organisational form".

All partners agree to behave in a certain way to achieve a shared goal, while everyone has a joint responsibility to implement decisions made. By having one contract, all parties work towards the same outcomes and are signed up to the same measures of success.

The council said: "It's a relationship based on trust, transparency and collective accountability and the local authority is a member of the leadership team, enabling us to have an active role in the development of the alliance."

The model, known as a human learning system, allows organisations of all sizes to work together equally, with decisions made unanimously.

While the council acknowledged that some decisions are harder to make, they must be made through a "best for user" decision-making process.

Lisa Dando, director of the Brighton Women's Centre, thinks human learning systems are great as they are not based on "command and compliance" or KPIs that do not mean much to the people receiving services.

"It's much more person-centred and person-led. It's about building trusted relationships between providers and commissioners, working together in collaboration and learning and developing services together.

"It's a much more mature, creative and needs-led way of organising services for those who need them that respects the fact that it's about complexity. We're complex beings who need a system that's able to operate in that space."

Dando likes that those systems respect how organisations work. Citing her charity, she says it is not siloed in its approach and puts women at the centre of its support, acknowledging that multiple support pathways are needed to meet their needs.

"The way in which services are commissioned is often siloed into specific needs: domestic abuse, mental health, finance, benefits, debt, whatever it might be. Those don't make any sense, certainly in terms of how you commission services."

On KPIs, she says the language is confusing, as it tends to be about outputs (number of sessions, etc), instead of outcomes (is this person improving?).

For instance, her charity has a support plan and monitoring evaluation system, whereby women are asked to share how they are feeling, which is like "a distance travel tool".

"Even if the commissioners ask us to demonstrate that, for our own benefit, we want to understand whether we're doing any good and measure something that makes sense for the woman. We want to gauge whether it's making a difference for her.

"Regardless of what the commissioners ask us to measure, we have our own internal monitoring and evaluation system, so that we can assure ourselves that the public money we're spending is put to good use."

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involves a complicated process of submitting expressions of interest and tender documents, going through a shortlisting process and all that."

In recent years, Land has seen the emergence of "business development" in the charity sector in relation to contract management. She says charity CEOs, executive teams and boards are increasingly building business development as a key function.

"It's very competitive, so you need to have individuals at executive level who have the ability to look at the market and competitor analysis and monitor market intelligence. To look at what commissioners are doing and understand areas where it's not good to work because there are local authorities where providers would think twice before working because their fee rates are so low."

RACE TO THE BOTTOM

The BWC works in partnership with many key frontline partners, including charities, to deliver its services.

However, Dando argues that the current commissioning system makes it hard to have strategic partnerships.

"It's unhelpful when charities are set against each other in a competitive landscape, which is the environment we've been in for decades. It's hard to develop partnerships and work in collaboration when pots of money are released for organisations to bid for.

"With the cost-of-living crisis and budget deficits, the pots of money that are available are tight and limited. It's hard for organisations to work in partnership when there isn't an opportunity to ensure that everybody can receive the amounts of funding they need to deliver safe and effective services."

For Land, the system focuses heavily on costs, with elements seen as "a race to the bottom". She also criticises the lack of a standard commissioning approach across local authorities.

"They all work differently. For us as a provider, that builds in costs because we can't have one model of responding to tenders. We're constantly having to spend time analysing the invitations to tender to make sure we understand all the contractual terms. The contracts vary between local authorities, which means there's inconsistency and uncertainty for providers."

She points out that there is a big focus on compliance and reporting, without any additional funding to support bidders.

"For smaller and medium-sized charities, when you've got underfunded contracts, the risks are exponentially greater for them. There are some providers who can tender on a risk-based approach because they've got economies of scale, which means they can support that. There's something about recognising the financial risks organisations have taken on underfunded contracts.

"We're seeing an increased approach around capped pricing, saying: 'You can only bid at this level. If you don't hit this level, you can't do it.' I'd want to see a revised, consistent and realistic approach around pricing and the financial models we operate within."

Another issue Land has seen is that providers are increasingly being asked to sign contracts where the risk is placed on them instead of being shared with commissioners.

She is aware of smaller organisations that agreed to submit a low bid to win the work but were then unable to hand back the contracts.

"I know of at least one organisation that's gone under as a result. There's an imbalance in terms of how this relationship works. I'd want to see that recognised, working together to see if we can come up with something that builds a more balanced risk-sharing approach to providing services."

THE BENEFITS

At Elmore Community Services, which supports adults with complex and interconnected needs across Oxfordshire and the wider Thames Valley, 99% of its £2.61m income comes from NHS and local authority commissioners.

CEO Andrew Grillo says the advantage of working with the NHS is the level of understanding it has of his charity's work.

"It makes sense in terms of trying to aim for a joined-up health and social care system where there's an interest for the NHS trusts. They're commissioners but also provide services, so there's an interest for them in making sure it joins up, and that informs the commissioning."

Grillo says his charity's commissioners want it to have an impact on the wider system and commission it in a way that encourages partnership working, while testing different approaches to reach people.

> **"The system ties one hand behind commissioners' backs"**

"Within health and social care teams, we've got workers who are embedded within that work, but still working differently to their statutory colleagues, using a different approach to people who need the support."

He believes that sometimes, it can be difficult to match expectations with desired outcomes, at a time when public sector commissioning is under budgetary and demand pressure.

"It's easy for us to be frustrated and say: 'Commissioners this, commissioners that.' But the reality is that each organisation is different. Some get it and have a strong understanding. We're always trying to make sure people get what our niche is because we want to do the work that's right for us. We don't want to do everything. Our commissioners understand that."

For Dando, working with government-affiliated commissioners means being able to establish a reputation as a provider in the public sector.

"You get recognition and validation for the work you do because you're closer to public sector delivery than you might be if you were delivering something funded through an independent grant. Because you have a relationship with the commissioner, you can talk to them about the things that are coming up, beneficiary needs and how they might be changing and what the local landscape looks like. You can work with them to give them a greater understanding of what it's like on the ground in terms of service delivery."

Land reports having seen commissioning done purely on a cost basis, which has negatively impacted beneficiaries.

"When you're trying to build good-quality support for some of society's most vulnerable people, you can't reduce it to pounds. It needs to be built around the individual's needs."

Nevertheless, she has examples of good partnership working that have delivered better outcomes for people.

"If you've got an innovative commissioner who understands the pressures and client group you're working with, you can say to them: 'Give us money up front and we'll pay you back over time by saving in hours.'

"A good partnership with a local authority will do that. We've got examples of where that's happened; we were able to reduce the levels of support because people had calmed down. They're in a homely setting, doing the things that interest them on an individual basis. Therefore, their lives are more balanced and fulfilled."

She has come across many individual commissioners who understand and value charities' work, but the system "doesn't reflect that understanding".

"The contribution, knowledge, expertise and added social values charities and providers bring aren't consistently recognised in the current commissioning and procurement frameworks. They're not rewarded, and for that reason, they count for nothing. I wouldn't want to be a commissioner in a local authority for all the tea in China.

"We've come across some fabulous people there: they're values-driven, understand what we're out to do and want the best for the beneficiaries. But the system ties one hand behind their back quite often." ●

The appetite for public sector contracts is falling

Tony Chapman reveals what the data from the Third Sector Trends research reveals about the frustrations charities have with public sector contracts

> "EVEN DURING THE AUSTERITY YEARS, MOST CHARITIES FELT VALUED AND MANY FELT INVOLVED AND LISTENED TO. BUT THEIR PATIENCE IS FRAYING"

Tony Chapman *is a professor and director of research, policy and practice at St Chad's College, Durham University*

INTEREST AMONG charities in delivering public service contracts is collapsing. There was a time, over 20 years ago, when service level agreements between local public authorities and voluntary organisations secured continuity in good practice and sustained mutually beneficial relationships. The impetus to establish procurement legislation by the EU (but led by the UK) was driven "officially" by a desire for transparency and fairness.

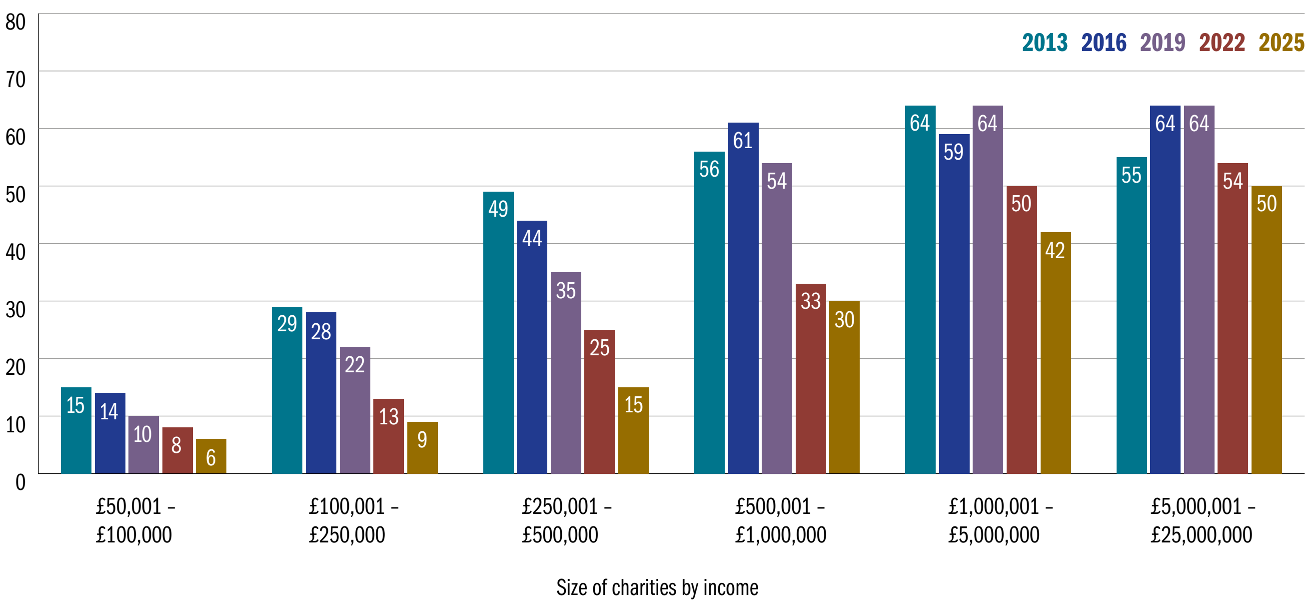
Or was it always the government's true intention to produce competition to drive costs down? During the long period of austerity policies promoted by coalition and Conservative governments from 2010 to 2019, that certainly happened. Local authority and health budgets were so tightly squeezed that pressure intensified on local procurement officers to lower the value of tenders to the bare minimum.

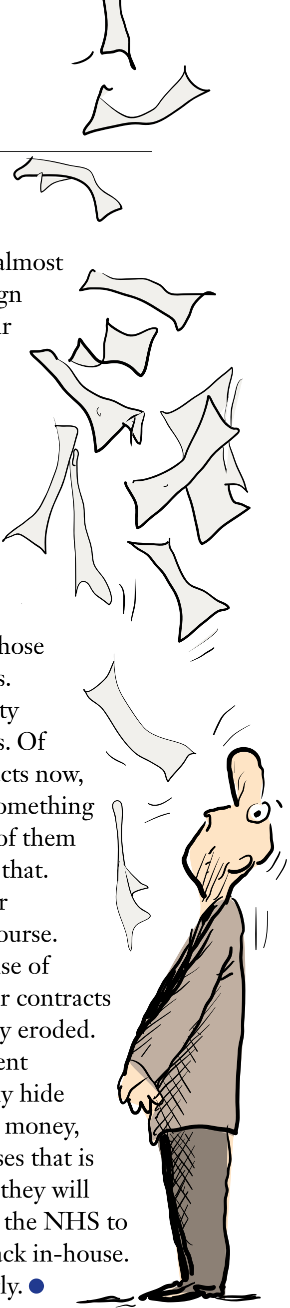
> "It is the financial value of tenders that is the problem"

Medium-sized local charities, once involved in public services via sub-contracts, were first to pull out. A commonplace complaint was that they had only been invited to join in as "bid candy". But prime providers also felt that the demands of consortia bids created too many meetings and too much argument about how to divide the crumbs from smaller and smaller cakes.

The biggest voluntary organisations held firm with public service contracts up until 2019. Many of these charities were effectively subsidising public service work with other resources they had to hand as they had strong commitments to local communities they cared about. That has changed

FIGURE 1: BIDDING FOR OR DELIVERING PUBLIC SERVICES UNDER CONTRACT, BY SIZE OF ORGANISATION 2013-25





since government promises heralded about "levelling up" communities came to nothing under the Conservatives.

FINANCIAL VALUE

The Labour government has tried to reassure charities by establishing a Civil Society Covenant and promising to simplify procurement processes. But it is the financial value of tenders that is the problem and that is why charities are leaving this marketplace in droves.

The frustrations many charity leaders feel about the failure of government to fully fund the cost of delivering public services is palpable. Arguably, the situation will be worsened by the wide-ranging scope of local government and NHS reorganisation which is unstitching established relationships with charitable service providers.

When spatial political boundaries shift, so do political loyalties – and as new administrations bed in, the impetus to do things differently from their neighbours intensifies. As once well-established relationships between public-sector officers unravel and procedures fragment, the cost to charities of working over wider areas will grow and make contracts even less attractive.

For many years, voluntary sector confidence in local public sector bodies held up well. Even during the austerity years, most charities felt valued and many felt involved and listened to. But their patience is fraying – especially so in those areas where local government reorganisation is distracting offices from their core work of liaison with voluntary and private sector providers.

> " Charities delivering contracts are twice as likely to campaign "

This will bring consequences for the whole of the charity sector. Big charities remain hungry for financial resource as they have high operational costs, salaries to pay and strong commitment to their beneficiaries. And as Third Sector Trends' (https://bit.ly/4sHvpsk) findings in 2025 show, their leaders are not ready to throw in the towel.

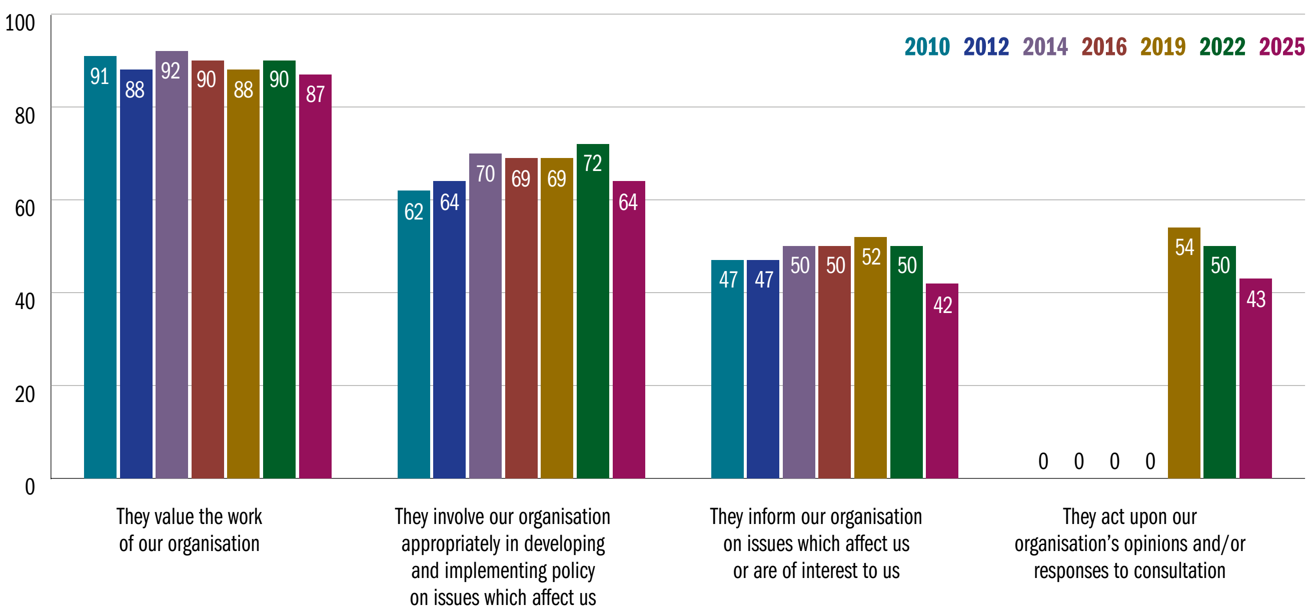
CAMPAIGNING

As bigger charities operate mainly in poorer areas, where there is limited scope to develop self-generated trading to bridge the gap in their finances, most will turn to trusts and foundations for substantial grant funding. And few charity leaders will feel bashful about putting their position forward.

Charities currently delivering contracts are almost twice as likely to campaign or lobby to promote their interests (75%) than those which will not do public service contracts (40%). It is the same for behind-the-scenes lobbying of public sector bodies: 67% of charities delivering public services do this compared with 35% of those that will not do contracts. Make no mistake – charity leaders remain ambitious. Of those who deliver contracts now, 94% are bidding to do something new; furthermore, 58% of them feel pretty excited about that.

It is not yet too late for government to change course. The capacity and expertise of bigger charities to deliver contracts has not yet been seriously eroded. But the longer government ministers dither or simply hide from the reality that it is money, not procurement processes that is the problem, the sooner they will have to pay councils and the NHS to take statutory services back in-house. That will cost them dearly. ●

FIGURE 2: EXTENT TO WHICH VOLUNTARY ORGANISATIONS FEEL VALUED AND INVOLVED WITH THE LOCAL PUBLIC SECTOR



Responsible Investment

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A story of evolution

Charities continue to adapt their investment strategies

A PART OF CIVIL SOCIETY MEDIA'S
ESG IMPERATIVE PROJECT

Responsible investment continues to evolve

Tristan Blythe *reviews the past year in responsible investment and finds a number of organisations changing as the world changes around them*

"TO DATE, THE RESPONSIBLE INVESTMENT COMMUNITY HAS GIVEN LIMITED ATTENTION TO DEFENCE COMPANIES"

Tristan Blythe
is editor of
Charity Finance

OVER THE past year, there have been a number of developments in the responsible investment environment. Several organisations have made changes to reflect changing times and ensure that they are futureproofed.

Charities have often been seen as in the vanguard of responsible investors and it seems that there is still an appetite among supporters for this to remain the case. New research suggests that over a third of people are more likely to donate to a charity with sustainable investments. However, this proportion has declined over the past two years.

In response to a survey of over 4,000 adults, produced by Yonder for the sustainability network (a group of charities with an interest in embedding sustainability into their work) 36% said they would be more likely to donate to charities that "invest funds in environmental sustainability", down from 45% two years earlier.

The environmental sustainability of a charity's investments was also less likely than two years ago to affect survey respondents' willingness to perform other charitable acts: just 22% said it would impact their likelihood to fundraise, down from 28%; 26% cited taking part in an event (down from 28%); and 23% said it would affect their willingness to volunteer (down from 26%).

A report based on the research conducted in December 2025, states: "The change likely reflects shifting priorities rather than declining belief, with cost-of-living concerns competing for attention. The positive effect has weakened since 2023, especially for donations, potentially as cost-of-living pressures reshape consumer priorities."

Most respondents (52%) said charities should consider sustainability but focus primarily on their core purpose. Just 5% of people said charities should not spend resources on environmental sustainability. Meanwhile, 12% of respondents said they had noticed charity communications about sustainability, indicating an information gap.

The charities behind the research are Alzheimer's Research UK, Anthony Nolan, the British Heart Foundation, Cancer Research UK, Children's Society, Comic Relief, Dog's Trust, Guide Dogs, Macmillan Cancer Support, Mind, RSPCA and Versus Arthritis.

> "This means some defence companies will become investible"

While not charity-specific, a recent survey of 100 asset owners by investment consultants Hyman Robertson (the results of which were published in March 2026) found that 81% said environmental, social and governance (ESG) is more important than two years ago. Only 10% said it was less important, while 9% said it had the same importance. Over half (67%) said they expected their asset managers to do more on responsible investment.

However, it was also acknowledged that this is an increasingly complex area, with 90% saying ESG considerations are becoming more complex. Just 2% said ESG considerations are not becoming more complex. Some 7% said the complexity has stayed the same.

DEFENCE INVESTMENT

One area that has become more complex is whether the defence sector has a place in a responsible investment approach. Traditionally classed as one of the so-called "sin stocks", defence has largely been excluded by responsible investors. Russia's invasion of Ukraine caused some to question whether this was the right approach – and the current ever-changing geopolitical situation has kept the debate alive.

One charity that has updated its restrictions policy for defence-related investments is the Church Commissioners for England, the Church of England's permanent endowment fund. At the start of December 2025, it announced it had updated its policy "following recent guidance from the Ethical Investment Advisory Group and extensive internal discussions". It said: "The key change is a shift from a flat revenue global threshold to a more nuanced assessment of what companies actually do."

In a statement, the charity said: "In practice, this means some defence companies will become investible while others will become un-investible. For example, under the previous policy, we could theoretically invest in a large company from an oppressive regime generating less than 10% of its revenue from offensive weapons, but not in a firm earning more than 10% from supplying protective personnel equipment to the Ministry of Defence. This approach now makes it harder to invest in companies linked to oppressive regimes while enabling responsible investment in NATO and UK defence-related business.

"All investments – including potential investments in defence-related companies – are subject to our existing ethical investment policies covering human rights, climate change, nature, and labour rights.

"Companies involved in controversial weapons (such as cluster bombs, landmines, chemical and biological weapons) remain strictly excluded. All potential investments will be screened for controversies and for links to oppressive regimes. The bar to investing in defence businesses will remain high.

"This update doesn't represent a loosening of restrictions, but rather a sharpening of the criteria we use to evaluate potential investments – the aim being to ensure a more rational, responsible approach aligned with our human rights policy and focused on ethical business conduct."

The Church Commissioners for England is also one of the organisations behind the current project to draft Guidance for Responsible Investment for Defence related companies (GRID). The charity is one of a group of investment firms, investors groups and other interested parties (including another charity – the EIRIS Foundation – which promotes sustainable finance) that is aiming to establish this.

In a concept note published in November 2025 to launch the project and encourage feedback, the group said there was "an urgent need" for such principles.

"The development of these principles has become necessary for several reasons: a growing push by states to increase investment in the defence sector in response to increased geopolitical tension; the evolving and increasingly fluid definition of what constitutes a defence investment, with major technology firms and startups increasingly engaging in defence-related activities; and the challenge of demonstrating responsible business conduct in a sector whose products and services are often used in armed conflict, whose clients are frequently domestic or foreign governments and where the system itself shields the sector from rigorous investor scrutiny."

The paper explains: "For the purposes of this paper, 'defence-related' includes companies in the broader ecosystem of commercial activities that are linked to the defence sector, eg communications systems, artificial intelligence and cybersecurity, alongside traditional defence companies. In terms of weapons, this paper envisages conventional, nuclear, controversial and emergent weapons, systems and platforms falling into the scope of the principles, as well as dual use and defence-tech equipment."

The paper notes the recent trend for defence stocks being bought by responsible investors, but also highlights there are currently risks in this approach.

> "It supports the potential for responsible investment in defence"

"Since the full-scale invasion of Ukraine in 2022, several investors have relaxed or removed historic restrictions on conventional defence companies," it says. "Those investors are largely also part of initiatives, such as the Principles for Responsible Investment (PRI) and therefore committed to 'RI', while also choosing to allocate capital to defence-related companies. Whatever the reasons for investing in defence (eg benefiting from growth in the industry, following government direction, responding to client demand or wishing to support domestic security), investors need to implement approaches that are appropriate for defence-related companies, and which address the specific risks and dilemmas related to the sector.

"To date, the RI community has given limited attention to defence companies, particularly regarding the downstream sale and use of their products and services. This is partly due to the sector's elevated risks – such as human rights violations, corruption and environmental harm – which investors have often avoided through exclusions and the reliance on export controls, and partly due to the nature of the industry in terms of its unique relationship with government. Recent initiatives, such as the UK Defence ESG Charter, focus primarily on operations and supply chain ESG/sustainability issues and while it touches on the risks of end-users, human rights due diligence or connections to breaches of international humanitarian law are not discussed. The US Defence Industry Initiative on Business Ethics and Conduct (DII Principles), last updated in 2010, focuses heavily on things like supplier codes of conduct, anti-bribery and corruption, and rules for selling to government, but the end-use of products and services don't appear to feature. It can be argued that the industry, due to its relationship with government and export controls, has a shortened view of its own responsibilities, but investors need to look deeper into the downstream value chain to manage their own financial, human rights, reputational and legal risks."

The group argues that the development of these principles will help responsible investors "navigate the complexity and mitigate the financial, reputational, legal and human rights risks". It expects the principles to be published after April this year.

However, the note also points out that is not advocating that all responsible investors decide to include defence stocks in their investment portfolios. "This initiative won't try to reconcile the irreconcilable given the diversity of investor perspectives," it says. "It recognises the legitimacy of choosing not to invest in defence-related companies, and at the same time supports the potential for investors to invest responsibly in defence-related companies within an appropriate framework."

Last month, it was announced that consultation drafts of the guidelines are expected to be published in ▸ p28

INTERVIEW L&G

Driving accountability and value through stewardship

An interview with
Jeannette Andrews
Director, Investment Stewardship

For some, it might seem that global stewardship initiatives have been on hold for the last year, but behind the scenes there has been a great deal of activity, particularly in Europe. From the beginning of this year, the reviewed UK Stewardship Code 2026 came into effect; the Issuer and Investor Forum produced a new charter and report; and the Investment Association (IA) published its Realigning Stewardship report in February.

As Deputy Chair of the IA Stewardship Committee, Jeannette Andrews will play a key role in implementing the report's recommendations and in shaping the continued evolution of L&G's stewardship and engagement strategies.

> "Clients are no longer satisfied with activity metrics alone"

"What may appear externally as a pause in momentum is a period of significant evolution – one that is reshaping how stewardship is defined, delivered and measured," says Andrews. "At the heart of this shift is a move away from activity-based reporting towards a clearer articulation of outcomes, grounded in financial materiality and long-term value creation.

"We mustn't forget our core business is to create and protect value for investors, and we believe stewardship is critical to the ecosystem of efficient capital markets. It is how we hold public companies accountable."

FROM TRANSPARENCY TO INSIGHT

Over recent years, transparency in stewardship has increased dramatically. Asset managers now disclose far more about their engagement activities, voting records, and ESG assessments than ever before. This expansion of disclosure has created a new challenge: distinguishing between information that is merely available and information that is genuinely useful. "Our response is to prioritise outcome-oriented reporting over input-oriented reporting," says Andrews. "Rather than simply listing the number of engagements conducted or votes cast, the focus is shifting to the impact of those actions – what has changed, and how that contributes to long-term financial returns."

This "so what?" factor is becoming central. Clients are no longer satisfied with activity metrics alone; they want evidence of change.

STEWARDSHIP AS A VALUE DRIVER

L&G's stewardship strategy is anchored in the belief that effective engagement is a source of both value creation and value protection. This is particularly important for long-term, diversified investors, who are exposed to systemic risks across the entire market.

Issues such as climate change, biodiversity loss, and even antibiotic resistance are not isolated concerns; they are financially material risks that can affect entire portfolios. Addressing them requires more than company-by-company engagement; it requires coordinated action across the broader ecosystem, including policymakers and regulators.

"In the past, stewardship efforts were often focused on establishing basic transparency, encouraging companies to disclose carbon emissions or governance structures," says Andrews. "The challenge now is deeper: using that information to drive meaningful change and value. Engagement must demonstrate why addressing these issues is not only socially desirable, but commercially advantageous for companies to address."

FAST FACTS

5th largest charity manager*

£7.8bn** of charity assets

*5th largest manager of charities' long-term assets. www.civilsociety.co.uk
** Source L&G internal data as at 31 December 2025

A SOPHISTICATED TRANSITION

This evolution marks a transition into a more sophisticated phase of stewardship. It requires greater expertise, more nuanced analysis, and a clearer link between ESG factors and financial performance.

"We emphasise that stewardship is no longer about broad principles alone," says Andrews. "It is about detailed, informed conversations with companies and holding them accountable for how they manage risks and opportunities that are material to long-term investors. This includes scrutinising governance structures, assessing transition plans, and challenging companies on their strategic direction."

At the same time, stewardship must remain a collective endeavour. Collective engagement – where asset managers act together – may amplify the investor voice and help address systemic challenges. Initiatives such as the Net Zero Asset Managers initiative exemplify this approach, signalling a shared commitment to tackling climate risk at scale, even as regulatory clarity continues to evolve across different markets.

ALIGNING THE INVESTMENT CHAIN

A defining feature of L&G's approach is its emphasis on the entire investment chain. "As an asset manager, we sit between clients and the companies in which we invest," says Andrews. "This role carries a responsibility to connect priorities across all stakeholders, from end beneficiaries to corporate boards.

"Our stewardship strategy is therefore built on dialogue. It seeks to bring clients into the process, understanding their priorities and integrating these into engagement activities." This is particularly evident among charity clients, which have consistently demonstrated strong support for responsible investment and stewardship.

Importantly, these clients are becoming more exacting. "There is now a clear expectation for deeper insight, ongoing progress tracking, and tangible evidence of impact," Andrews explains. "This has driven us to enhance both our reporting and engagement practices."

To meet these expectations, L&G continues to expanded its reporting capabilities. This includes publishing detailed ESG assessments and climate transition plan evaluations for individual companies, using a clear "traffic light" system so clients can quickly assess performance against minimum standards.

"In addition, we have invested in fund-level reporting that links engagement activity directly to client portfolios," Andrews adds. "This allows clients to understand not just what engagement is taking place, but how it relates to their specific investments."

The aim is twofold: to demonstrate the value of stewardship and to make reporting as usable and useful as possible. Providing consistent, accessible data helps charities communicate effectively with a range of stakeholders, from trustees to donors.

June with the final version published in the fourth quarter of this year.

THE ENVIRONMENT

One area where there is more agreement on its inclusion in a responsible investment approach is the environment. However, as covered in this supplement last year, there has been a fear of the investment industry pushing back on this area. One manifestation of this was the suspension of the Net Zero Asset Managers (NZAM) initiative, following a number of investment firms leaving it, as it launched a review to ensure it was fit for purpose.

In October 2025, NZAM announced its return and published a new commitment statement, which was signed by more than 250 asset managers at launch.

NZAM provides asset managers with a platform to publicly disclose their individual net-zero commitments and implementation approaches. Signatories independently set targets, develop their own strategies, and report annually on progress.

"Asset managers participating in NZAM send a strong signal to clients, regulators, and other key stakeholders that they're forward-looking, transparent investors, committed to managing climate-related financial risk and opportunity," said Rebecca Mikula-Wright, chair of NZAM's steering committee.

She added: "Since its inception, NZAM has helped improve market transparency and increase alignment between asset managers and their clients' expectations. The strong participation in today's relaunch reflects the value NZAM signatories find in having a credible platform to demonstrate to their clients how they're addressing climate-related financial risks and capturing transition opportunities.

"We look forward to continuing our support for this vital platform, which enables asset managers to respond to evolving client expectations and meet their fiduciary responsibilities in a rapidly changing regulatory and market environment."

A NEW STRATEGY

Another responsible investment organisation that has had a refresh is ShareAction, a charity that works to "define the highest standards for responsible investment and to drive change until these standards are adopted worldwide". In February, it published its new five-year strategy for 2026 to 2031.

In a blog, Catherine Howarth, ShareAction's CEO, wrote that the new strategy was needed as, although progress had been made, there has been some backwards steps in recent times.

"Over the past two decades, ShareAction has helped shift responsible investment from the margins towards the mainstream," Howarth said. "We've worked with investors, policymakers and civil society to show that finance can and must serve people and planet.

"But the limits of progress built largely on voluntary leadership are now clear. In recent years, we've seen sustainability initiatives rolled back, shareholder rights weakened, and legal uncertainty used to deter ambition. Gains that once looked secure have proved more fragile than many assumed."

> "The limits of progress built largely on voluntary leadership are clear"

As a result, the charity is making three strategic shifts in the next five years, she explained.

"First, from relying primarily on voluntary leadership to securing durable rules and active regulation. Voluntary initiatives have shown what is possible and will continue to play a role in defining best practice. Over this coming period, we're choosing to put greater weight behind policy reform, regulatory clarity and robust enforcement to embed standards across the system.

"Second, from engaging actors across markets to holding pension funds to account as system leaders. Asset owners – especially pension funds – sit at the apex of the investment system. They manage the long-term savings of millions of working people. We'll both support and challenge asset owners to lead: raising standards, defending shareholder rights and clarifying fiduciary duties so that impacts on people and planet are taken as seriously as financial risk and return.

"Third, from assuming legitimacy to actively building it. Responsible investment won't endure if it is, or is seen to be, technocratic or elite. We'll invest in growing people's power – enabling savers, workers and communities to understand how investment decisions affect their lives and to influence those decisions in meaningful ways."

There are also four new strategic objectives for the organisation, namely: defending and promoting strong laws; raising the bar for responsible investment through investor leadership; demonstrating how investor power can change corporate behaviour for the better; and growing and showing the power of people and communities to hold institutions to account. To meet these objectives, ShareAction is creating a set of programmes that "integrate investor leadership, strong laws, responsible business and people's power".

Howarth continued: "Two programmes concentrate on the investment system itself. Our Responsible Investment Standards programme will define and advocate for best practice, defend shareholder rights, clarify investor duties in law and practice, and benchmark performance.

"Our Workers' Capital, Workers' Voices programme will pilot new methods to engage pension savers and support them to influence how their money is invested.

"Alongside this, we'll drive tangible change across key sectors and themes where investment decisions shape outcomes for people and planet: the energy transition, the food system transition, and health. Building on our existing climate and public health work, we'll focus more deliberately on intersections between them, for example in the food that we eat and the air that we breathe.

"Across all programmes, pension funds remain a central point of leverage. But change won't be delivered by any one actor alone."

▶ p32

INTERVIEW BARCLAYS PRIVATE BANK

Why responsible investing still matters in a polarised world

An interview with
Mitali Sarang
Director, Responsible Investment, Barclays Private Bank

The last few years have been a perfect storm of geopolitical uncertainty. However, when societies are divided by politics, inequality and climate concerns, investors can help drive positive change by supporting companies that act responsibly and sustainably.

As part of the responsible investing team within Barclays Private Bank, Mitali Sarang's position has evolved since she joined four years ago. From being instrumental in the creation of the Barclays Private Bank's responsible investing policy for its Discretionary Portfolio Management business to enhancements to environmental social and governance integration in client portfolios, Sarang's focus has been the commercialisation of sustainable initiatives and communicating the benefits of this strategy to clients.

> "Clear accountability is key for our clients"

Increased scrutiny

"Responsible investing is operating in an extremely polarised and a progressively complex environment," says Sarang. "Geopolitical headwinds have intensified scrutiny around responsible investing, particularly while regulatory expectations and client demand for transparency continue to evolve.

"Maintaining a disciplined and a well-governed approach to sustainability has become increasingly important, and so a central part of the responsible investing team is to support our sustainable portfolio managers in making investment decisions that deliver positive, long-term outcomes for our clients."

To achieve this, Sarang says Barclays Private Bank focuses on a two-pronged approach: "Increasingly, we are seeing that clients want to understand not just the principles behind what we do within responsible investing, but also how these translate into real portfolio outcomes. By combining data research and ongoing monitoring, we aim to provide the transparency our clients demand, while highlighting how this influences investment returns."

The second strand involves maintaining credible independence. "We provide an independent perspective so that these sustainability considerations are applied robustly and aligned with client expectations."

Continuing corporate stewardship

The responsible exercise of ownership is a core part of Barclays Private Bank's sustainable investment approach. "Through engagement and voting, we encourage companies to strengthen their governance, improve disclosure, and manage risks more effectively."

Recent political changes have contributed to a more challenging landscape, adds Sarang, and that has implications for how investors in general approach stewardship. "We believe that political developments can influence corporate behaviour indirectly through regulation, public discourse and stakeholder expectations. In practical terms, this hasn't reduced the importance of stewardship, but it has changed the context in which the engagement can take place.

"Some companies are becoming more cautious in how they communicate on certain topics, while others are focused more explicitly on the financial materiality of issues. For their part, investors are increasingly placing emphasis on the economic rationale and risk management when discussing these measures."

FAST FACTS

£228bn in client assets and liabilities and manages £40bn in discretionary portfolios*

Over £3bn AUM for charity and not-for-profit clients*

*As of 31 December 2025 across Barclays Private Bank and Wealth Management

Robust analysis

For our investee companies to maintain sustainable practices, analysis and stewardship must be robust. Sarang cites one example that illustrates Barclays Private Bank's commitment to responsible investing within client portfolios. "Sometimes a company's formal policy doesn't match its purported sustainable practices. A case in point involved an agricultural equipment company where our analysis identified a potential deforestation risk. Although legal standards were met, the company lacked proactive controls, particularly in sensitive regions. We identified a gap between policy and practice that could expose the business to reputation and regulatory risks.

> "A focus on diligence gives clients confidence"

"Ultimately, the uncertainty around how these risks were managed by the company meant it didn't meet the criteria required for inclusion in our sustainable portfolios, so we didn't invest."

This focus on diligence gives clients confidence in the sustainability credentials of their portfolios, says Sarang. However, clients approach responsible investing from different starting points, so have different priorities. She explains: "Some are primarily motivated by alignment with organisational values or mission, which is often the case with charities and foundations, while others are more focused on financial risk management. In many situations, these objectives overlap, so our role is to provide robust analysis and transparency so that clients can make informed decisions consistent with their priorities."

Even in a more polarised public environment, investment objectives themselves tend to remain consistent, adds Sarang. "We share the same fundamental goal as our clients – to preserve and grow their capital across economic cycles – and responsible investing supports that objective. We navigate these different perspectives among clients and provide them with the transparency that helps them make informed decisions.

Howarth also recognised that partnership will be "critical" if ShareAction is to meet its objectives. "We'll deepen collaboration with campaigners, trade unions, community organisations and youth movements. We'll continue to engage constructively with investors across the world who are willing to lead. We'll work with policymakers to craft durable and effective rules. And we'll seek long-term funding partnerships that allow us to operate at the scale this moment demands."

ESG RATINGS PROVIDERS

Of course, even if standards increase, it is important that those claiming to provide responsible investment services are held to account. Many investors use ESG ratings providers to judge a company, product or fund's performance across a range of ESG factors. However, concerns have been raised about how reliable and robust these ratings providers are.

In an attempt to end these concerns and hold ESG ratings providers to greater accountability, in October 2025, the government moved to bring them under the remit of the Financial Conduct Authority (FCA), the financial sector's regulator. In December 2025, the FCA published proposals on its approach to regulating these providers, with the aim of ensuring ESG ratings are "transparent, reliable and comparable". Research by the FCA suggests that around half of those who use ESG ratings are worried about how they are built (55%) and how transparent they are (48%).

> "The proposals will give those who use ESG ratings greater trust"

The proposals aim to address this and focus on four areas:

- Increased transparency – allowing easier comparisons for the benefit of both those who use ratings and are rated.
- Improved governance, systems and controls – to ensure clear decision-making and strong oversight and quality assurance.
- Identification and management of conflicts of interest.
- Setting clear expectations for stakeholder engagement and complaints handling.

"Our proposals will give those who use ESG ratings greater trust and confidence – supporting our goal of increasing trust and transparency in sustainable finance," said Sacha Sadan, director of sustainable finance at the FCA. "This will enhance the UK's reputation as a global sustainable finance hub – attracting investment and supporting growth and innovation."

A consultation on the proposals closed at the end of March and the FCA expects to publish its final rules in the fourth quarter of this year. The new regime will come into effect from June 2028.

Despite all these changes, charities are well-placed to continue to lead in this area. While there may not be a one-size-fits-all approach and each charity will have its own red lines, a great many will want to keep abreast of developments and best practice in responsible investment. ●

Taking the responsible approach with pensions

If a charity is taking a responsible approach with its investment portfolio or endowment, then it would seem logical that it looks at the investments within its pension scheme – an area where there has been recent developments.

For example, Nest, which last month's Charity Finance Pensions Survey revealed was the single most used pensions provider among respondents, has updated its voting policy to make clear that it may vote against the board chair where a company has materially scaled back its climate strategy without adequate explanation.

Nest said that it aims for the move to create "constructive dialogue with companies and provide greater certainty about how it will exercise its voting rights. As a long-term investor, Nest sees clear governance and accountability as central to effective stewardship."

Diandra Soobiah, director of responsible investment at Nest, said: "This policy update builds on our existing approach. We've engaged – and where necessary, voted against – companies that weaken their climate plans and don't provide adequate transparency to shareholders. We also expect companies to put material changes to their climate strategy or transition plan to a shareholder vote.

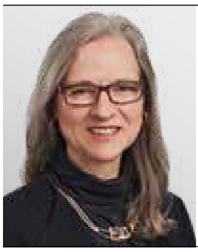
"We believe being explicit about how we evaluate these issues supports constructive dialogue with companies. Clearer guidance gives boards greater certainty about how we'll approach our voting decisions."

In addition, in February 2026, Nest began the "procurement for an ethical equity mandate, inviting managers with proven investment discipline, integration of ethical criteria, and rigorous active ownership credentials to propose diversified global solutions". The deadline for receipt of tenders was 13 March 2026. At the time of writing, the result was unknown.

Meanwhile, in December 2025, People's Pension published its first-ever Responsible Investment Report. "The scheme set new targets for investment-grade corporate bonds that align with its long-term target of net-zero greenhouse gas (GHG) emissions by 2050," the report says. "These new targets are a 30% reduction in GHG emissions intensity by 2025 and a 50% reduction in GHG emissions intensity by 2030, measured against a 2023 baseline. These targets are embedded within the contractual language of the investment management agreement with Invesco, the scheme's new fixed income asset manager."

Q&A CCLA

Using cash deposits as a stewardship lever



An interview with
Tessa Younger
Better Environment Lead

Why look at cash deposits as part of stewardship?

Cash stewardship is a natural extension of how we invest on behalf of clients. Our cash funds invest with financial institutions, and while that does not give us shareholder rights, it does create a client relationship that can support engagement. For charity treasurers, that means cash management can also include an element of responsible oversight.

The starting point was straightforward. Stewardship can reflect a fuller range of relationships through which we invest on behalf of clients, and for engagement with banks and financial institutions, the cash funds were the place to look.

We have already engaged with banks for several years where they were held in portfolios. But looking at our cash funds, it was clear that these relationships also provided a broader route into dialogue. We have a limited number of financial institutions in portfolios, so there is restricted scope for engagement just through holdings. In contrast, our cash funds rely on a much larger approved list of counterparties.

> "Cash deposits give you some level of influence"

So, we decided to extend this work to the listed institutions on that approved list. That meant starting engagement with around 40 financial institutions used, or eligible for use, by our cash team.

The logic is that cash deposits give you some level of influence with the institution and can open doors to conversations. If a bank is taking your deposits, it is reasonable to ask how it is approaching climate-related risks and whether its financing practices are moving in the right direction.

How can you influence a bank without owning shares?

Having funds deposited with a bank is a different form of influence from share ownership, but it is still a meaningful avenue. If you place deposits with a bank, you are a client and a source of funding. That gives you a basis for asking questions and expecting a response. In practice, that means writing to the bank, sharing your assessment, asking for a meeting and pressing them on areas where policy or practice appears weak.

As you are not necessarily acting in the position of a shareholder, there is not the same relationship with the financial institution, so we wouldn't overstate the leverage. However, it does provide access. It gives an opening to ask how climate considerations are feeding into financing decisions, whether or how fossil fuel expansion is being restricted in practice, and to get a sense of whether the bank's policies are tightening or loosening over time.

For charities, that matters because cash management is often treated as purely operational. But viewed as an opportunity, it can offer a starting point for dialogue. Even without being a shareholder, you can still ask where your money sits and what activities that institution is helping to finance.

FAST FACTS

- No. 1 investment manager of UK charities*
- £14.9bn in assets under management**
- 60+ years of Good Investment
- £16tn of assets supporting CCLA initiatives in mental health and modern slavery**
- 190 team of staff**
- Early signatory (2007) to Principles for Responsible Investment (PRI)**
- 5★ rated by PRI for listed equities**

*By number of charities. Charity Finance Fund Management Survey 2025
**CCLA: Internal research as at January 2026

What does your approach look like in practice?

In practice, we assess the listed banks on our approved counterparty list, identify where we have concerns, and then aim to speak to them directly.

For climate, one area we focus on is fossil fuel expansion. We use external research, including coal and oil and gas policy trackers published by Reclaim Finance, to understand where bank policies appear stronger and where the gaps are. We then write to the banks, explain our assessment and ask for a discussion.

Those discussions are about getting beyond headline statements. We want to understand how policy works in practice. For example, does the bank restrict finance for new oil and gas expansion only at project level, or also at company level? How does it treat LNG (liquid natural gas) and midstream infrastructure? How does it assess whether a client's transition plan is credible? And does climate analysis actually feed into credit decisions?

Our discussion with a French bank was useful in this respect. It illustrated some of the stronger practice emerging in this area. What stood out was not just the policy wording, but the fact that climate analysis was embedded into the annual credit review process and supported by internal tools and governance. That doesn't mean there are no gaps, but it did give us a clearer sense of what more developed practice looks like.

> “We would like to see clearer disclosure”

Why focus on fossil fuel expansion finance?

Because this is a very clear way to test the credibility of a bank's climate approach. Leading institutions, including the International Energy Agency have said that no new fossil fuel extraction is needed if the world is to meet energy demand in line with climate goals. In this context, continued financing of expansion activities is difficult to reconcile with a serious climate strategy.

Banks matter here because they have a crucial role in what gets financed, whether through loans, bond issuance or other forms of support. So, if you want to understand whether the financial system is supporting the transition, this is an obvious place to look at more closely.

It is also an area where broad commitments can hide important differences. A bank may have a general climate ambition but still allow support for companies or projects expanding oil and gas production or infrastructure. Focusing on expansion helps cut through that. It's a practical test, and one that is closely tied to actual outcomes.

What would you count as progress over the next year?

At this stage, progress is likely to be modest, but it can still be meaningful.

First:continued engagement and serious dialogue. We wrote to 40 institutions in October last year, and by year end had received 12 responses and held six meetings. The meetings have been useful in understanding the banks' overall approach. Having time to explore in more depth how the policies are implemented in practice clarifies the rigour of their approach and how they intend to strengthen this implementation, so there is a lot to learn from direct discussion.

Second: better transparency. We would like to see clearer disclosure on how policies apply to coal, oil and gas expansion, especially where banks rely on case-by-case client assessment rather than exclusions.

Third: more consistent practice over time. That could mean more rigorous restrictions, fewer loopholes, or clearer evidence that climate considerations are feeding into credit review and financing decisions.

And in the current environment, I would add one more thing: no backsliding. Several banks have weakened climate commitments or targets recently. Bearing this in mind, simply holding the line would put the bank among the better performers.

As we are only a few months into these engagements, it would not be realistic to claim any major policy shifts. But better dialogue, improving transparency and staying on a clear course would all be positive indicators.

Using our endowment to do more for our mission

The Vivensa Foundation is on a journey when it comes to its impact-conscious investment practices. Becca Perl *reflects on the progress*

"TO START, WE WORKED THROUGH OUR KEY VALUES AND DESCRIBED WHAT THEY MEAN IN AN INVESTMENT CONTEXT"

Becca Perl *is senior engagement and communications manager at the Vivensa Foundation*

CHANGING OUR name from the Dunhill Medical Trust to the Vivensa Foundation in April 2025 is not the only significant change we've made in recent years. We've taken major steps as an organisation when it comes to our investment practices. Like many trusts and foundations, for a long time our focus was solely on how our grant funds were being distributed (approximately £5m annually), and not on how those funds were being generated. As our chief investment officer, Andrew Gnaneswaran, explains: "We weren't necessarily scrutinising our £180m portfolio and the sources of financial returns – and we certainly weren't leveraging our entire endowment in ways that'd enable us to do more for our mission."

Carl Jung famously said: "You're what you do, not what you say you'll do." Many trusts and foundations want to move forward to become impact-intentional investors but are stuck at the discussion stage. There are lots of different interpretations of what the term "impact investing" means, which doesn't necessarily help anyone to move past the inactivity.

We realised that the best thing we could do was to stop talking and start doing. We created a new investment policy and developed a values-based framework for investment. While measurement across a multi-asset class portfolio is complex and we aren't claiming to have got it 100% right, we have at least got over the worst part: getting started. People are generally very interested to find out what we put in place, how we went about it and what we learned along the way. By sharing some of our process, we hope to help others progress their ideas too.

MOVING FROM IMPACT TO VALUES

As a mission-driven organisation, we feel that traditional investment approaches based only on risk and return criteria don't work for us. At worst, it can result in investments reinforcing existing social and health inequalities – effectively working against our mission. So, within our revised investment policy (https://bit.ly/4t54lmu), we decided to outline three objectives that need to be considered when making investment decisions: impact, risk and return.

> "We place a lot of importance on our key values"

Initially, we were looking to assess the impact of our investment portfolio in relation to our mission of funding the remarkable science and radical social change needed for people in the UK to age well. However, measuring impact in a consistent and robust manner presented a significant challenge – particularly across a broad portfolio of over 2,000 underlying companies which cover a variety of sectors, business models and geographical areas. While it might be possible to assess the impact of a regional healthcare delivery provider, trying to do the same for a global technology firm wouldn't be feasible. So, we decided to move from seeking to understand the impact of the investments in our portfolio, to building a values-aligned framework.

As an organisation, we place a lot of importance on our key values of being responsive, inclusive, trustworthy, long-term thinkers, collaborative and impact-intentional. Although we expect our partners and award-holders to uphold these values, this alignment of key values didn't extend to the asset managers we work with, and their underlying portfolio companies. We wanted to find a way to change that.

DEVELOPING A VALUES-BASED FRAMEWORK

To start, we worked through our key values and described what they mean in an investment context. Then, we looked at how we might assess them, finding proxies to indicate a particular value or behaviour. For example, one of our key values is inclusivity. So, we'd expect an investment partner to be able to articulate how they include a wide variety of views within decision-making processes – potentially best reflected through diverse senior management and leadership teams.

Initially, we thought about conducting this exercise in-house, but as the scale of the project became clear, we sought to bring in the expertise of a third party. We needed help both to design the framework and collect the metrics needed to perform the assessment. We chose to partner with Tribe Impact Capital, due to its access to relevant data sources and willingness to think through the challenge with us.

We considered several different framework options, from using self-reported assessments from investment managers, to commissioning third-party providers to collect independently sourced data. We ended up taking a hybrid approach for both cost and complexity reasons. We obtained self-reported assessments at asset manager level, but at portfolio company level we utilised publicly available data sets to get a more robust picture.

The survey asked our fund managers 100+ questions, and their responses were analysed to assess their alignment to values. At the portfolio company level, we picked nearly 400 data points from nine different data providers. We ultimately distilled that down to 20 metrics, which were used to inform the scoring of each company within our portfolio. The scoring was then weighted according to the relative size of the position within the fund. For example, an asset manager might be invested in an ethical, well-aligned company but if it only represented 1% of their portfolio, it wouldn't have much influence on the overall scoring.

This exercise was incredibly difficult due to the paucity of reliable data, but we needed a place to start. Ultimately, there were aspects we had to compromise on. For example, we were unable to get data around the diversity of leadership teams and decision-makers at a portfolio company level. Instead, we had to resort to measuring gender balance at board level as a proxy measure for the value of inclusivity.

While lack of data made it challenging, the ambition is that by asking for the data – and repeating those asks over time – asset managers would understand the importance placed on these values. By clearly enunciating our beliefs, intentions and expectations, we hope to demonstrate ownership and responsibility over the investments we hold. Gnaneswaran says: "Foundations might only have a small voice in the vast investment world, but we have voices nonetheless. It's important to know, own and communicate our beliefs clearly."

USING THE ANALYSIS TO INFORM DECISION-MAKING

The initial output of the exercise was a scoring of each our fund investments and an assignment into one of three categories: misaligned, neutral or aligned. This gave us a helpful baseline to inform and influence some of the changes required to our portfolio – including our decision to divest from Artisan (due to the fund's exposure to fossil fuel companies) and BlackRock (due to the manager reneging on its climate change commitments).

The whole process of creating a values-based framework for investment has enabled us to articulate our ambitions more clearly, and in a way that's meaningful to trustees who aren't necessarily investment experts. It's allowed us to explore how we might think about the impact of our investment portfolio, from a perspective that's broader than our mission. It's also helped provide greater transparency around the underlying positions within our investment portfolio and ultimately the types of businesses and activities our investment capital is being used to finance.

> “The path that we're on isn't linear and doesn't stop here”

SOCIAL INVESTMENT

We know we can't address the most pressing challenges to ageing well through grantmaking alone. That's why in 2021 we ringfenced £5m for social investments, as an opportunity to pilot bold ideas that might not always be able to access mainstream sources of finance, and for us to learn as we go. Our social investment policy provides a mandate to take risk in pursuit of our mission, and while we hope to maximise the amount of capital returned for reinvestment, we understand that things may not always turn out as anticipated.

Since 2022, we have made five social investments across funds and direct ventures – all of which seek to support our mission in various ways. These include an investment in BelleVie – an award-winning, people-powered, tech-enabled home care provider. Inspired by the Buurtzorg operating model in the Netherlands, its aim is to reinvent home care in the UK by testing and scaling self-managed care teams. We also invested in Bridges Better Outcomes Fund V – a specialist fund that builds partnerships focused on improving public service delivery across a wide range of issues.

Alongside those large investments, we've also supported smaller organisations such as the Blair Academy – a social enterprise centred on healthy and happy ageing. Founder Charlie Blair and her team deliver hip-hop dance classes for older people in a range of community and care settings. It brings joy, movement and connection to older adults and reinforces the need for community-led approaches to wellbeing.

OUR FUTURE AMBITIONS

The path that we're on as an impact-conscious investor isn't linear and doesn't stop here. In fact, it feels like we have only just begun. As we seek to pursue impact-intentionality, we're investing into private markets and allocating capital to fund managers whose investment strategies aim to address social and environmental challenges. It's a constant learning journey for us as an organisation as we look for investment partners whose values align with our own.

While it hasn't always been easy or simple, we hope our experience can encourage others to embark on the same journey of using their investments for impact. According to the Impact Investing Institute, the largest 300 endowed charitable foundations in the UK have over £84bn in total assets. Gnaneswaran says: "As foundations, we're not just grantmakers, we're investors. While we may not directly select the companies we're invested in, we remain accountable for impact, both positive and negative, generated by the underlying businesses within our investment portfolios. Just imagine what the world could look like if more charities start prioritising their values in their investment portfolios, using more of their assets to contribute toward their mission." ●

Q&A EVELYN PARTNERS

Cutting through the energy transition noise

An interview with

Katrina Brown
Head of Responsible Investment

Climate change, energy transition, AI – barely a day goes by that charities aren't inundated with news stories surrounding these topics. What are some of the practical implications for charities and their investments?

Evelyn Partners Head of Responsible Investment Katrina Brown discusses how the transition to a cleaner, more resilient global energy system is unfolding against a backdrop of technological disruption, shifting geopolitics, and evolving investor expectations.

> "The hardware behind AI is getting dramatically more efficient"

Can AI contribute positively to the energy transition?

Yes, absolutely, although AI does increase electricity demand today. In the US, data centres used about 4% of the country's electricity in 2023, and that could rise to around 9% by 2030.[1] However, there is a reasonable case and hope that it will make the energy system cleaner and more efficient in the long run.

The hardware behind AI is getting dramatically more efficient, with some companies reporting 10–20× improvements in the energy needed to run the same tasks. That means fewer servers, less power, and less heat to manage. AI itself is becoming more efficient, with research showing that improved task models can cut energy use by up to 90%, and it can help run power grids more intelligently – forecasting demand, balancing renewables, and reducing outages.

AI can also support heavy industries become cleaner by reducing waste and optimising operations. In aviation, for example, quick predictive adjustments in response to delays could reduce unnecessary fuel burn.

Meanwhile, companies building AI technology also invest in renewables, increasingly aim for water positive datacentre designs, and support nature-based carbon removal projects.

While AI's energy footprint is growing, its long-term potential is clear: a smarter, cleaner and more efficient energy system.

Ten years on from the Paris Agreement — where are we?

It's been a decade since almost every country in the world signed the Paris Agreement. The ambition was impressive, but progress since then has been uneven. Renewables have surged, but global emissions are still too high, and politics and geopolitics continue to complicate efforts, as seen at COP30.

But that's not the whole story. There are reasons for optimism.

China, the world's largest emitter, appears close to a pivot point in emissions— a major shift. Its enormous renewable energy manufacturing base is driving a massive domestic buildout and supplying the rest of the world. And while China is still constructing coal plants, many run at only around half their capacity.

Solar, paired with storage, has reached a global economic tipping point. It's now the fastest and cheapest way to add new power capacity, unlocking energy access for communities far from existing grids.

Energy security has become a priority for

FAST FACTS

- Actively engage and vote across all markets
- Signatories to the UN PRI, 2020 Stewardship Code
- Active members of the Investor Forum, Climate Action 100+, Find it Fix it Prevent it and Corporate Mental Health Benchmark
- Charity reporting including UN SDG and Carbon Emission Metrics

governments. Electrification, powered by renewables, reduces fossil fuel dependence, lowers energy demand, and improves resilience.

Innovation is accelerating too. Technologies like nuclear fusion and sodium ion batteries are moving from labs to commercial plants and manufacturing lines. Google has agreed to buy fusion generated power in the early 2030s — a development that once seemed unthinkable.

Granted, current pledges still point to about 2.4°C of global warming.[2] But that is significantly better than the more dismal expectations back in 2015. As Oxford Professor Sam Fankhauser recently put it: “Every decimal point of avoided warming counts. The fight against climate change can still be won.”

> “The fight against climate change can still be won”

Have ESG factors become more or less material in your investment process?

Material ESG factors can be bottom-up, like emissions of an individual company, but can also be more thematic, like responding to technological revolution. We look at ESG factors on a multi-layered basis, assessing long-term megatrends and company level indicators. We see them becoming more financially material, particularly on the environmental side. This is now about economics, competitiveness, and long-term returns.

What are the implications for investors and where can my charity learn more?

Taken together, these developments point toward a decade defined not only by rising challenges but also by unprecedented opportunities. AI has the potential to make energy systems cleaner and more efficient, global climate progress continues, despite political headwinds, and ESG considerations are becoming increasingly tied to long-term economic value. For investors, the task is clear: to integrate these shifts thoughtfully and systematically, ensuring portfolios remain resilient while capturing the structural growth emerging from the transition opportunities ahead. Investments carry risks and you may get back less than you invested. Some ethical funds may have a limited investment universe; this may affect their performance. There are plenty of ways to stay informed. Evelyn Partners provides a range of articles, webinars, podcasts and in-person events, giving you regular access to expert insight.

1 EPRI 2024 white paper “Powering Intelligence, Analyzing Artificial Intelligence and Data Center Energy Consumption”

2 UN Environment Programme, Emissions Gap Report 2025

Please visit our website for more Responsible Investing information or, to find out how we can help your charity, please email our Head of Charity Business Development, Caroline.Gee@evelyn.com

evelyn PARTNERS

WHAT WE DO

Evelyn Partners is a charity investment specialist. We know no two charities are the same and we aim to work with your organisation, to become an extension of your own team, in pursuit of your financial objectives.

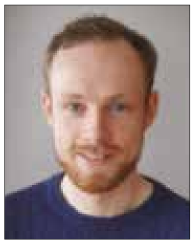
- We currently manage over £3.4bn in assets for over 1,000 UK charities
- We offer segregated, discretionary portfolios created for your organisation’s specific income and ESG requirements
- We do not believe in a “one size fits most” approach
- We offer on-going thought leadership including webinars, articles and 8 in-person charity seminars throughout the country each year
- We are UN PRI and Stewardship Code signatories

Evelyn Partners Investment Management LLP is authorised and regulated by the Financial Conduct Authority. More information on our services can be found at www.evelyn.com/charities

What happens when we open up investment decisions?

James Anthony *explains how a group of grantmakers launched a challenge focused on rethinking how, where, and by whom investment decisions are made*

"WE'VE FOUND ALIGNMENT AMONG THE DIFFERENT STAKEHOLDERS AND A SHIFT IN POWER WITH THE PARTICIPATION OF THE FUTURE GENERATIONS PANEL"



James Anthony *is social investment portfolio manager at Friends Provident Foundation*

THE CHARITY sector stewards billions of pounds in endowments. In 2023-24, the largest 100 endowments alone were valued at £81bn, according to UK Grantmaking data. When we're thinking about how to tackle some of the biggest challenges society has ever faced, that's a considerable sum. Yet, while grantmaking increasingly strives to be open and accountable, investment practices haven't undergone the same transformation.

Imagine if the way our endowments are invested were given the same level of attention and scrutiny: if positive impact were prioritised over the traditional focus on financial return, and we were more transparent in our approach.

The Charity Commission's most recent investment guidance empowers trustees to align investments with their charity's purposes and values. And, according to the Impact Investing Institute, the tide is turning, with a handful of UK foundations leading the way with impact investing.

We count ourselves among them. We're asking ourselves questions about inclusion and transparency. Asking why, when our grantmaking processes are evolving to be more open and involve the people affected by the decisions, are our investment conversations held behind closed doors by a small group of trustees and staff?

In 2020, together with the Blagrave Trust and Joffe Trust, we began tackling the challenge head-on. We ran our first open tender process to find an investment service provider (ISP) for a joint mandate of £33.5m. The mandate focused on environmental, social, and governance (ESG) issues, and the winner was the Cazenove Sustainable Growth Fund. The fund is now worth over £906m in assets under management.

> "A handful of UK foundations are leading the way"

Fast-forward to the autumn of 2024, and we came back together with the Blagrave Trust with a vision of a bigger and bolder impact investing tender: a more focused request for proposals, a bigger challenge to the investment industry, participation from those usually excluded from the process, and more partners.

Four other foundation partners (the Children's Society, Cripplegate Foundation, Joseph Rowntree Foundation and Vivensa Foundation) joined the initiative. The Impact Investing Institute, John Ellerman Foundation, Gallagher, the Robertson Trust and ShareAction's Charities Responsible Investment Network signed up to support the work.

SHIFTING POWER

We wanted to put a new challenge to the investment industry: to propose a fund that prioritises positive social and environmental impact for future generations alongside a reasonable financial return.

To do that, we needed the experiences and needs of young people to guide the process. So, with the Blagrave Trust's expertise in bringing youth voice to the forefront, we set about developing a participatory programme for the work.

Together with Oli Whittington, a participatory and strategic designer, we co-designed a process to surface the needs of those most at risk of future social, environmental and economic threats and who are most often excluded from investment decisions.

In June 2025, we offered a paid opportunity to join a Future Generations Panel – a group of 18 – to 25-year-olds that would reflect a diverse mix of experience. This group would, through a mix of online and in-person sessions, shape and influence the investing process. From around 750 applications from across the UK, seven young adults were randomly selected: Izzy, Jayden, Lok-Yi, May, Muhammed, Seth-Jesse and Viktoria.

REQUEST FOR PROPOSALS

We worked together to shape and draft a request for investment proposals (RFP). A vision from the panel of a "sustainable and fairer future where we take pride in communities and are equitable, with no hate and injustice", plus the results of a survey with another 60 young people, also contributed towards its development.

Of the 43 questions in the RFP, more than a quarter were specifically identified, or contributed towards, by the Future Generations Panel. The RFP outlined that while we took a broad definition of impact, we expected ISPs to be able to explain how their solutions provide intentional social and environmental impact that considers the priorities of future generations.

Specifically, the Future Generations Panel identified the following areas of priority: sustainable development, resilience, and recovery of communities affected by conflict, genocide, or breaches of international law; genuinely affordable housing; racial justice and disability equity; cooperatives, community ownership, and democratically run businesses; and renewable energy infrastructure.

Organisational culture was also important, and we wanted ISPs to demonstrate how their culture aligned with the mandate's mission.

In September 2025, we published the RFP. To support a fair and open process, we held a webinar to outline the requirements and answer questions from potential applicants. By the December closing date, we had received 60 applications from 55 investment service providers. They were based in seven countries and three continents and reported over £11tn in total assets under management.

Following an intensive assessment process, which included 13 assessors from seven partner and supporting organisations and three sets of scores for each assessed application, we arrived at a shortlist of five ISPs: EdenTree Investment Management, Foresight, Octopus Capital, Tribe Impact Capital and Triodos Investment Management.

THE APPLICATIONS

Overall, it was great to see that a desire to invest with impact still has influence, despite ESG backlash and difficult times for sustainable investment strategies.

We saw a breadth of ISPs making applications, and this evolving ecosystem is good news, reflecting a growing industry and offering investors multiple options. It was also encouraging to see a consensus building on how to measure impact: consistent use across the sector of an established and openly available framework is a positive sign.

But there are still plenty of trade-offs to wrestle with. The best financially performing funds continue to invest in the biggest companies in the world ("the Magnificent Seven"), while the funds creating a positive real-world impact have generated less of a financial return in recent years.

The trade-off of liquidity vs impact was still very present. For example, the impact of private assets was high, but the trade-off was the liquidity. As grantmaking organisations, we need liquidity to ensure we can continue to meet our grantmaking and operational demands. And despite some great examples of engagement activities, overall, we found it quite insufficient.

> “Investment should be a bridge to a better economy”

MORE THAN A MILESTONE

On 25 March, we welcomed an audience of around 120 staff and trustees, young people, other mission-aligned investors and advisers to London's Barbican Centre for the culmination of the work so far.

We saw presentations from five very different ISPs, including public equity portfolios, a fund of funds, private markets solution and multi-asset portfolio.

Each presenting team was challenged with relevant and insightful questions from a group of experts, the Future Generations Panel and audience. Following the presentations, the Future Generations Panel considered each ISP before making a recommendation to the audience: to vote for Triodos.

Izzy from the Future Generations Panel said to the audience: "When we started, we established baseline criteria that reflected our views of the world and the future. We wanted an ISP that doesn't contribute harm, such as not investing in arms, war, or the maltreatment of employees. Instead, we were looking for an ISP that contributed to future generations in the long term, such as through renewable energy, bridging inequality, opposing genocide, and not investing in the 'Magnificent Seven'.

"Our winner met these expectations. They were transparent and showed clarity in their strategies, especially in a way for us to understand (the jargon is real), as well as handling our challenging questions well, which gives us more confidence in them."

And the audience followed their recommendation, with 46% of the "people's choice" vote going to Triodos.

Each of the shortlisted ISPs brought a different solution to our challenge of a portfolio that prioritises the needs of future generations. By applying a child-lens investing framework, Triodos demonstrated that it truly prioritised positive impact alongside financial returns.

THE FUTURE

The event is an important milestone in this collaborative effort to invest our endowments in line with our missions. We've found alignment among the different stakeholders and a shift in power with the participation of the Future Generations Panel.

There is more work to do. Each partner's trustees and investment committees will examine Triodos's portfolio, alongside additional due diligence from Gallagher, and make their investment decisions.

And once our money is invested, we'll continue to engage and scrutinise the investments made on our behalf.

We also hope to start a movement (of both priorities and money) across the sector. Endowed foundations and charities are long-term stewards of capital, and so must be long-term thinkers when it comes to our investment portfolios. Investment should be a bridge to a better economy in the future. But for now, that bridge is broken by a focus on short-term increases in financial value. We hope to change that by demonstrating a bold new model for investing – one that shares power with young people, prioritises long-term impact, increases transparency and challenges the status quo of the investment industry.

You're invited to join us. Whether you want to find out more, commit capital alongside the challenge's partners or replicate the process, please contact us: hello@endowmentsinvestingchallenge.com ●

Q&A RATHBONES

Aligning responsible investment with purpose and mission

An interview with

Kate Elliot
Head of the Rathbones Responsible Investment Centre of Excellence

In 2026, what does a fit-for-purpose responsible investment framework look like for trustees balancing mission, risk and return?

As responsible investment approaches have evolved and developed, the range of options available to trustees has expanded far beyond just a list of prohibited activities.

Exclusions can still play an important role, but they have been joined by a much wider toolkit of complementary approaches.

> “Responsible investment frameworks should be mission-aware but investment-led”

A core foundation of many responsible investment approaches is ensuring environmental, social and governance (ESG) issues are considered as part of the investment process, allowing for a wider view of risks and opportunities that might impact the financial outlook of individual companies, industries or the economy as a whole.

Setting expectations for your managers to take an active approach to engagement and stewardship can help manage and mitigate ESG risks and encourage improvement over time in the social and environmental performance of underlying investments. This might be through dialogue with investee companies, voting at AGMs or collaborating with others to encourage systemic change.

In practice, a good framework is one that is mission-aware but investment-led: proportionate, evidence-based, and focused on decisions that protect long-term returns while aligning capital with the charity's values.

How should charities prioritise responsible investment issues and engagement areas in a way that is proportionate and aligned with their resources?

A good starting point is establishing a clear understanding of the charity's purpose and mission and the role that any investments need to play in supporting it. This should include consideration of the investment time horizon, risk appetite, objectives for financial return and mission-alignment.

Prioritisation starts with identifying areas where the charity's mission and investments overlap and what approaches can be used to maximise alignment. Activities that are in direct conflict with a charity's mission (eg a cancer research charity and tobacco) can be managed through exclusions.

Broader issues could then be considered through a matrix mapping topics by mission relevance, portfolio exposure and potential risk.

From there, trustees can identify their core priorities and build expectations around those, whether that

FAST FACTS

- Expert charity investment management
- Managing investments for over 3,000 UK charities and not-for-profit organisations
- £9.6bn charity assets under management
- Local support and national reach with 21 dedicated offices across the UK
- Specialist sustainable research expertise (Greenbank) within the Responsible Investment Centre of Excellence

*All figures as at 31 December 2025

be through further exclusions, seeking to align investments with positive social or environmental themes or expectations on engagement activity.

This keeps the approach disciplined and achievable, ensuring the charity concentrates on decisions and topics most relevant to its mission.

What should charities expect fund managers to evidence on responsible investment – across integration, stewardship and outcomes – and where is the line between essential information and nice to have?

Trustees should expect a reporting approach that gives them insight into risks, opportunities and outcomes without becoming a drain on governance capacity.

There are three core areas that investment managers should be able to demonstrate:

Integration: how ESG risks and opportunities are assessed within investment decisions, and what difference this analysis makes. This should include real examples, not generic statements.

Stewardship: evidence of engagement activity, how issues are prioritised, how progress is tracked and how voting decisions align with stated policies. Trustees should expect transparency on how managers react and escalate activity if engagement stalls.

Outcomes: bringing the theoretical back to reality. How has the charity's responsible investment policy been implemented in practice? How has engagement activity translated into real world change? Is the manager clear on where they can and can't claim influence and impact?

The line between essential and "nice to have" will vary according to a charity's aims and objectives for responsible investment. But what doesn't change is the need for information to be clear and understandable and, most importantly, relevant to the charity and its aims.

Quality over quantity is the key factor here. Detailed ESG reports, glossy impact metrics or overly technical modelling may give the impression that all bases are covered, but if these do not assist trustee understanding or decision-making then they serve no real purpose.

How can charities report progress on responsible investment credibly to stakeholders, without over-claiming or relying too heavily on imperfect data and evolving standards?

Credible reporting focuses on what the charity can control and avoids promises it cannot substantiate.

The most effective approach is often to explain the decision-making framework and context. What has the charity prioritised, how decisions are taken, and how the investment manager is held accountable. Trustees can then provide examples of changes made during the year, whether in policy wording, risk oversight, or specific stewardship outcomes.

Data and metrics can be useful proof points, but often stories and narrative reporting are a more effective way of communicating with wider stakeholders.

This is particularly true if those stakeholders have little or no experience or understanding of investments and how they can be aligned with a charity's mission.

> “Transparency can be a very powerful tool in building trust and a sense of shared purpose”

Transparency can be a very powerful tool in building trust with stakeholders, as can honesty about areas that may not be perfect today. Recognising progress, outlining areas where evidence is still emerging and being clear about where the charity is still learning can all help build a sense of shared purpose with beneficiaries, donors and broader stakeholders.

All shapes and sizes

Diane Sim looks at recent development in the charity banking market and the increasing range of suppliers and products available to charities

RESTRUCTURING MOVES introduced in the wake of the 2008-09 financial crisis aimed at strengthening the banking sector and introducing more competition look as if they are starting to bear fruit.

The high street banks are still undoubtedly the dominant force but they have had to up their game in the face of increased competition from challenger banks moving into their territory and from the specialist banks, which enjoy wide support from charities and the wider not-for-profit (NFP) sector.

While extensive branch networks undoubtedly confer a strong competitive advantage on the incumbents, the rapid development of online banking and payments, spurred in large part by Covid-19, has served to level the playing field.

As a result, the charity banking landscape mirrored in this year's survey is diverse, complex and full of choices for charities.

RESPONSE LEVELS

A record number of charities participated in Charity Finance's annual banking survey. Each year the major banks are asked to promote the survey to their charity client base and this year customers of the Co-operative Bank have provided 929 responses, representing 80% of the 1,164 survey responses received overall.

As the Co-operative Bank enjoys a strong position in the small charities segment, charities with annual income of under £1m make up 90% of the survey sample. The remainder is split between charities in the £1m-£5m income bracket (6%); charities in the £5m-£20m income bracket (3%), and large charities with income of over £20m (1%).

This is a big change from last year, when small charities with annual income of under £1m accounted for 47% of the survey sample. To counteract this skew and to improve comparability with data from previous years, figures in this year's survey focusing on the take-up of particular banking services and products are restricted to charities in specific income segments (see figures 10-14).

The survey data has been supplemented with data sourced from the UK's top 350 charities, which are routinely tracked for the

FIGURE 1: BANKS USED AS PRIMARY PROVIDER BY CHARITIES[1]

	Charity income				
Number of clients	< £1m	£1m – 5m	£5m – 20m	> £20m	**Total**
Co-operative Bank[2]	917	8	4	0	929
Barclays	14	8	13	122	157
NatWest[3]	6	9	4	77	96
Lloyds Bank[4]	15	7	4	50	76
HSBC	12	2	4	32	50
CAF Bank	21	14	1	0	36
Royal Bank of Scotland[3]	3	4	0	24	31
Reliance Bank	19	0	0	1	20
Bank of Scotland[4]	7	3	1	7	18
Coutts[3]	1	1	2	12	16
Santander	8	0	3	5	16
Unity Trust Bank	8	5	1	0	14
Virgin Money[5]	5	2	0	2	9
Metro Bank	2	2	1	1	6
Handelsbanken	1	0	0	3	4
TSB Bank[6]	4	0	0	0	4
Triodos	2	1	0	0	3
Allied Irish Banks[7]	0	0	0	3	3
Citigroup	0	1	0	2	3
C. Hoare & Co.	0	0	0	2	2
Bank of America	0	0	0	2	2
UBS	0	0	0	2	2
Charity Bank	2	0	0	0	2
Danske Bank	0	0	0	2	2
Starling	2	0	0	0	2
Other	1	0	0	6	7
Total	**1,050**	**67**	**38**	**355**	**1,510**

(1) Based on data provided by 350 members of the Charity Finance 100 and 250 Indexes, plus 1,164 survey respondents (minus the overlap).
(2) Acquired by Coventry Building Society in January 2025.
(3) Part of NatWest Group.
(4) Part of Lloyds Banking Group.
(5) Acquired by Nationwide Building Society in October 2024. Includes Clydesdale Bank and Yorkshire Bank.
(6) Acquisition by Santander, announced in July 2025, pending regulatory approval.
(7) Part of AIB Group.

purposes of compiling the Charity Finance 100 and 250 Indexes.

Figure one shows the primary bank used by charities in this sample. While it does not purport to represent the charity banking market as a whole, it provides fairly comprehensive coverage of large charities with annual income of over £20m and more selective coverage of small and medium-sized charities.

LARGE CHARITIES

The large charity segment is dominated by the big-four high street banks, namely Barclays, HSBC, Lloyds Banking Group (comprising Lloyds Bank and Bank of Scotland) and NatWest Group (comprising NatWest, Royal Bank of Scotland and Coutts). Together these four act as main bank to 91% of charities with annual income of over £20m.

Barclays is the main single provider to charities in this income bracket with a 34% share of main banking relationships, though NatWest Group is not far behind with a 32% share split between NatWest (22%), Royal Bank of Scotland (7%) and Coutts (3%).

Lloyds Banking Group has a 16% share of main banking relationships with charities in this segment, split between Lloyds Bank (14%) and Bank of Scotland (2%), while HSBC has a 9% share.

The big-four high street banks do not leave much of the large charities market for other banks to fight over and the remaining 9% share is fairly fragmented.

There is some – albeit limited – representation from challenger banks including Santander, Handelsbanken, Virgin Money and Metro Bank, along with smaller banks operating in Northern Ireland including Allied Irish Banks and Danske Bank.

This year, sector specialists that focus on the charities or wider NFP sector such as CAF Bank, Reliance Bank and Unity Trust Bank are very sparsely represented in the large charities market, with just Reliance Bank making the listing.

Looking ahead, there clearly are some contenders to the big four's hegemony in the large charities market.

Santander, for example, has been gaining ground in this segment over the last few years and continues to expand its presence in the UK banking market, largely by acquisition. Its latest £2.65bn purchase, announced in July 2025 and still subject to regulatory approval, is TSB Bank.

Another contender is Virgin Money, the UK's sixth largest bank with around 6.6 million customers, which earlier this year was acquired by Nationwide, the UK's largest building

> “Looking ahead, there clearly are some contenders to the big four's hegemony”

FIGURE 2: SECONDARY BANKS USED BY CHARITIES

NatWest	8%
Co-operative Bank	8%
Charity Bank	7%
CAF Bank	6%
Barclays	6%
Virgin Money	5%
HSBC	5%
CCLA	4%
Lloyds Bank	4%
Nationwide Building Society	4%
Santander	4%
United Trust Bank	3%
Cambridge & Counties Bank	3%
Hampshire Trust Bank	2%
Redwood Bank	2%
Flagstone Savings Platform	2%
Unity Trust Bank	2%
Kingdom Bank	2%
Triodos	2%
Reliance Bank	1%
Royal Bank of Scotland	1%
Metro Bank	1%
Shawbrook Bank	1%
Skipton Building Society	1%
Aldermore Bank	1%
Central Finance Board of the Methodist Church	1%
Saffron Building Society	1%
Bank Of Scotland	1%
Ecology Building Society	1%
Monzo	1%
Starling	1%
Wise	1%
Yorkshire Building Society	1%
Other	7%

society with over 17 million customers.

Virgin Money includes the business banking customers of the former Clydesdale Bank and Yorkshire Bank, which includes some large charity clients. While the deal has only very recently completed, the direction of travel for business banking has been clear from the outset.

As Nationwide chair Kevin Parry notes: "Bringing the established business banking services of Virgin Money into the Nationwide Group will give us a broader and more diverse product range. It also means we can start to support small and medium-sized businesses more quickly and efficiently than developing these services ourselves."

Additionally, Nationwide has committed to retain its network of 696 branches, including 91 Virgin Money branches, till the start of 2030.

The third obvious contender for the large charities segment is the Co-operative Bank, which was last year acquired by Coventry Building Society, the UK's eighth largest lender.

The £780m acquisition of the Co-operative Bank's 2.5 million retail customers and 94,000 small business customers including charities created the UK's second-largest building society with assets of around £90bn, over 4.5 million customers and almost 120 branches.

Bank to mutual ownership is a significant and positive step. While our focus on supporting charities and community organisations is unchanged, being part of a larger mutual group gives us greater long-term financial strength to support the sector," comments head of charity and commercial deposits, Laura Willerton.

Particularly significant is Moody's upgrade of the bank's long-term deposit rating to investment grade. "For many charities, banking with an investment-grade institution is essential, and this rating reflects the progress we've made in strengthening the bank," she adds.

As the response to this year's survey shows, the Co-operative Bank has a strong position in the smaller

> "The Co-operative Bank has a long history of servicing the not-for-profit sector due to its ethical policy"

The Co-operative Bank has a long history of servicing the NFP sector due to its ethical policy, introduced in 1992 and incorporated into its constitution in 2013, which requires it to turn away business from organisations whose values are not aligned with its own.

Its position weakened, however, in 2017 when it had to be rescued by a consortium of hedge funds following its takeover of Britannia Building Society at the height of the financial crisis, which exposed it to bad loans and a £1.5bn capital shortfall.

"The return of the Co-operative

charities segment. Key to this is the bank's Charity and Community Account, which last year become available to organisations with annual income of up to £2m, up from £1m previously.

"It offers free banking and multiple ways to manage accounts – online, via our app, by phone, or in branch and through the Post Office, along with the opportunity to apply for grants from our Customer Donation Fund, discounted merchant services terminals, free Go Get Paid access and accountancy software integration and other perks," says Willerton.

FIGURE 3: CHANGING BANKS

■ Just over a fifth of charities will review their main bank shortly, with just under a tenth expecting to switch ■

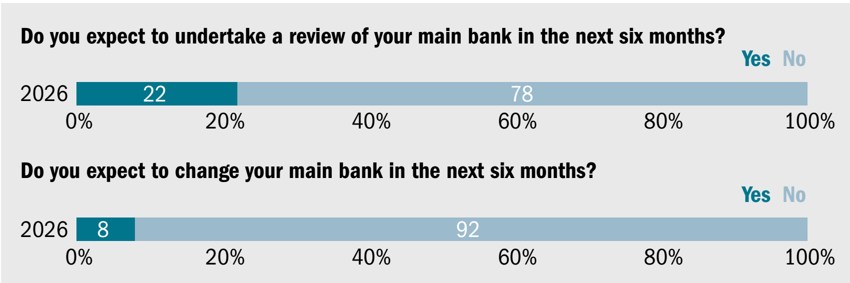
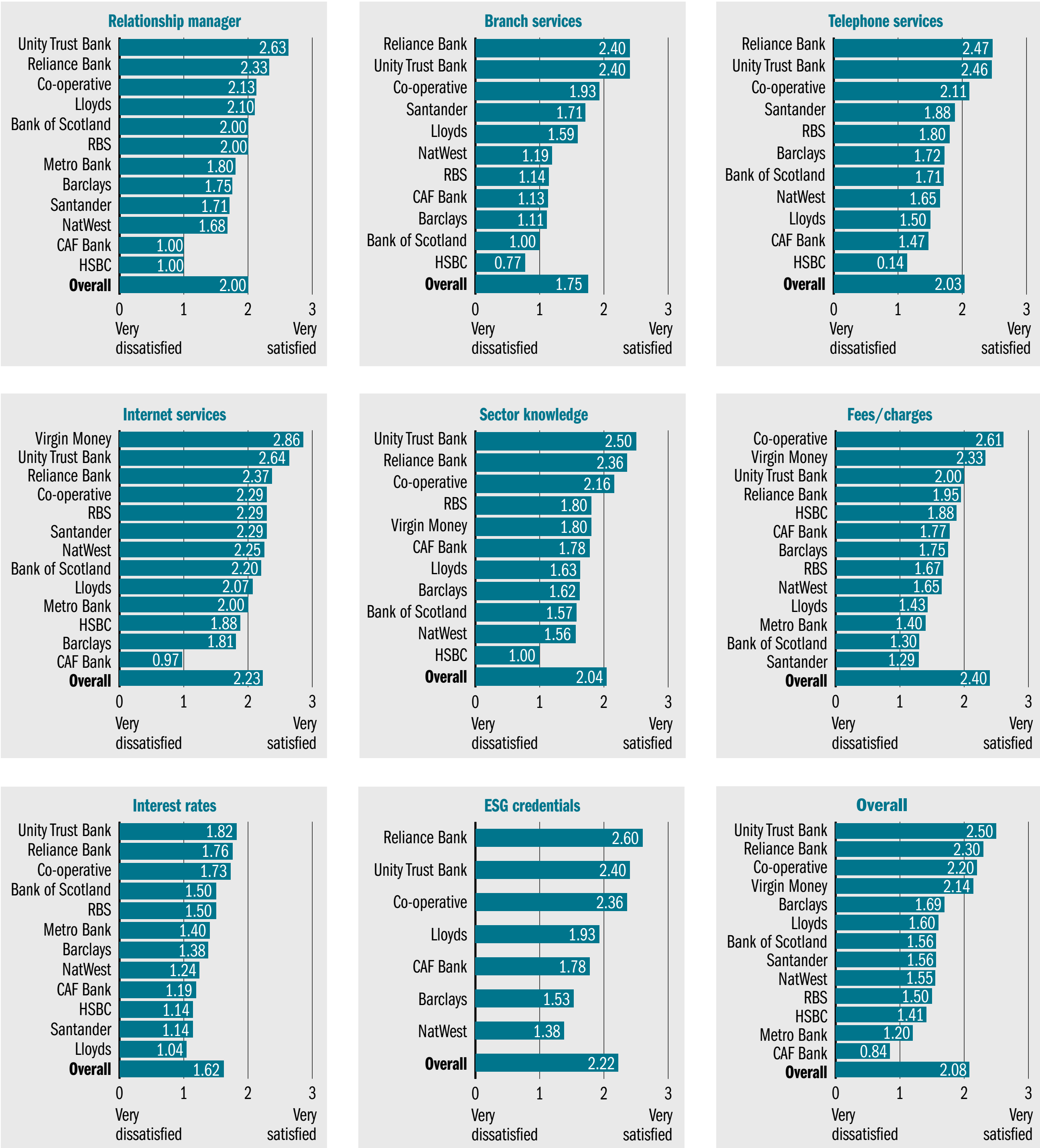


FIGURE 4: CUSTOMER SATISFACTION RATINGS



Note: Banks with fewer than five charities rating their services have been excluded.
Satisfaction ratings have been calculated by assigning responses with values and then calculating an average: "very satisfied" = 3, "fairly satisfied" = 2, "slightly dissatisfied" = 1, "very dissatisfied" = 0.

"The bank also has a dedicated relationship management team within commercial banking focused on supporting charity customers with everyday banking needs as well as onboarding and reviews," she adds.

Now that the bank is back in mutual ownership and its credit rating has improved, it is quite possible that it will start to regain the business of mid-sized and large charities which it enjoyed 10 years ago.

THE BIG-FOUR

The big-four high street banks do of course operate across all segments of the charities market, employing a range of strategies depending on the size and/or complexity of the client.

At Barclays, for example, large charities – typically those with annual income of over £10m – are looked after by the charities team, which forms part of the public sector group in Barclays Corporate Bank.

"The charities team has 11 specialist relationship directors across the UK covering large charities," says Roland Pearce, head of charities in Barclays Corporate Bank.

FIGURE 5: BIGGEST COMPLAINTS

Internet/online services	21%
Call centre/back-office support	11%
Lack of dedicated contact	9%
Withdrawal of services/facilities	8%
Interest rates	6%
Understanding needs of charities	5%
Know Your Customer regulations	3%
Fees	3%
Limited product range	1%
Lack of integration with accounting software	1%
Change in relationship manager	1%
Lack of ESG credentials	1%
No complaints	30%

FIGURE 6: IMPORTANT FACTORS WHEN CHOOSING A BANK

Good reputation in charity sector	54%
Ethical/socially-responsible approach	49%
Internet/online banking	36%
Competitive fees	27%
Ease of access	25%
Offers specialist charity services	18%
Recommendation	15%
Historic relationship	15%
Range of services	7%
National representation	4%
Sponsorship/support	3%
Attractive interest rates on cash deposits	3%
International capabilities	1%
Switching incentive	1%
Supportive approach to risk management	1%
Credit rating	1%

Note: Respondents could choose more than one category

FIGURE 7: REVIEWING BANKS

■ Many charities have been reviewing their banks more regularly, leading to increased switching activity over the last five years ■

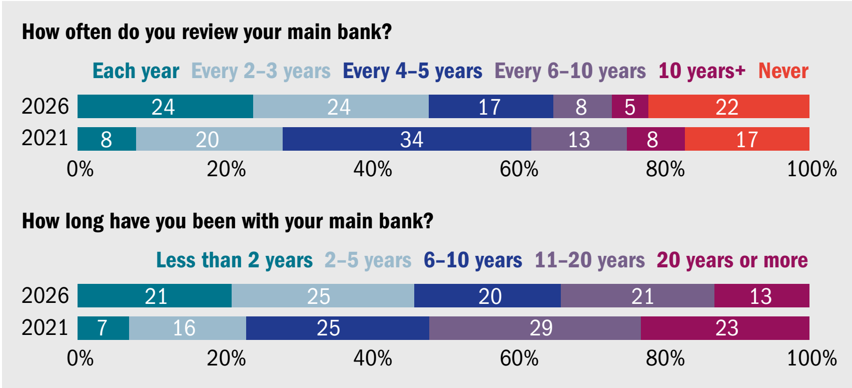
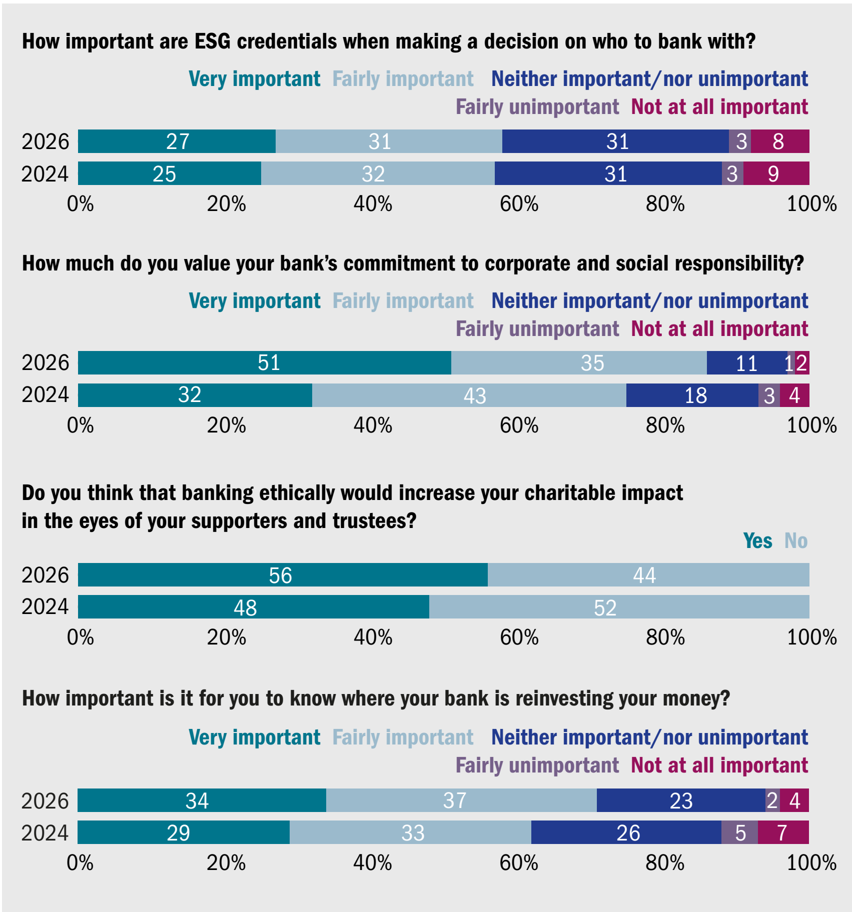


FIGURE 8: ETHICAL BANKING

■ Increased value placed on an ethical banking approach ■



"The team also has sector-aligned product specialists supporting our charity clients with cash management and transactional banking, trade and working capital, foreign exchange and lending, along with sector-aligned specialists in Barclaycard supporting clients with their corporate card and payment programmes."

Small to medium-sized charities are serviced by a dedicated national charities and community organisations team, set up by Barclays UK in April 2025 and led by Georgina Hemington.

According to Pearce, "this team was created to provide sector-specific, relationship-led banking support to charities, social enterprises and community organisations across the UK".

"It is structured across key sites in London, Bristol, Birmingham and Glasgow. We have a team of 13 relationship managers that support customers with income of up to £1m and six relationship managers that have a dedicated portfolio of customers whose income is over £1m."

Barclays also has a specialist charities and NFP team within the private bank, supporting charities, not-for-profits, foundations and educational institutions with the management

FIGURE 9: USE OF ADDITIONAL BANKS

■ Around a third use more than one bank, often to increase deposit protection ■

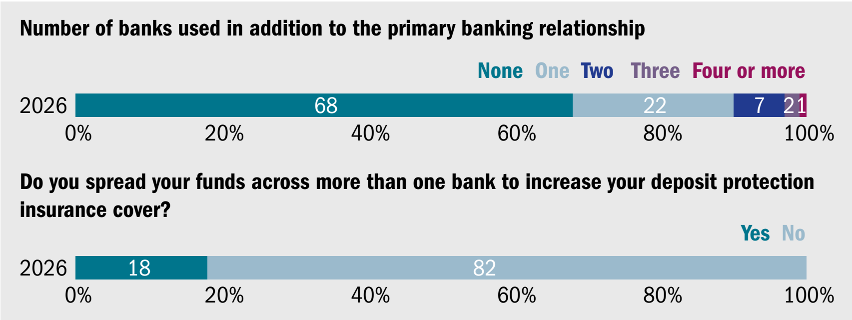
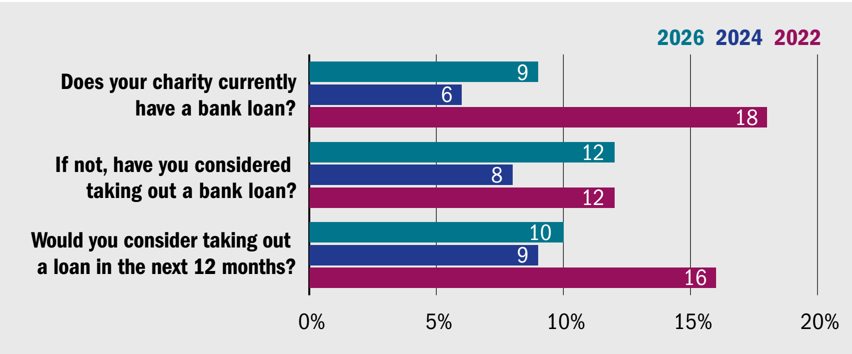


FIGURE 10: BANK LOANS (% OF RESPONDENTS ANSWERING YES)[1]

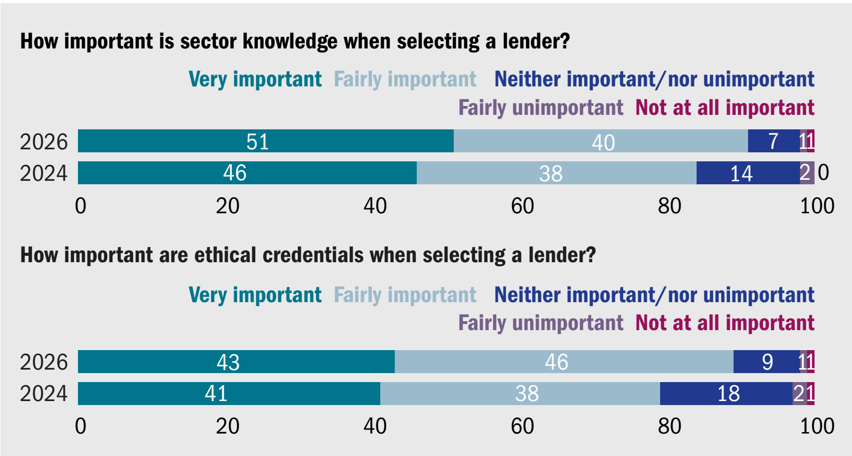
■ Appetite to borrow, which peaked during Covid-19 then fell back, is now showing signs of recovery ■



(1) Sample is restricted to charities with minimum annual income of £500,000

FIGURE 11: QUALITIES TO LOOK FOR IN A LENDER[1]

■ Sector knowledge still outweighs ethical credentials when selecting a lender, though the gap is narrowing ■



(1) Sample is restricted to charities with minimum annual income of £500,000.

of their investment portfolios.

Lloyds Bank estimates that it has "relationships with around 70% of large UK charities and acts as lead banking partner to around 20% of the sector, with further relationships spanning the broader NFP sector," says Kate Manku, head of charities and higher education corporate coverage.

"For larger charities, which are managed by a specialist team in the corporate bank, Lloyds has invested in digital capabilities and host-to-host technology to help charities embed payments directly into their digital journeys, making it easier for supporters to donate and for charities to send and receive funds quickly and securely," says Manku.

Over the last year, Lloyds has changed the way in which it services smaller charities, which "can now do more of their everyday banking via the app, as well as access in-person banking via our branches, banking hubs and post offices", says Manku.

"We have also increased our annual turnover limit for charity accounts from £50,000 to £250,000, enabling us to support more charities with our new and bespoke proposition than were previously supported via our Treasurers' Account.

"The Charity Account has no monthly account fee and has 100 free e-transactions per month, ensuring that fees scale with the size of the charity," adds Manku.

Lloyds is also developing a secure self-service deposit machine designed to make cash deposits easier. "Using a simple QR code, organisations can pay cash directly into their bank account without needing to access a branch counter.

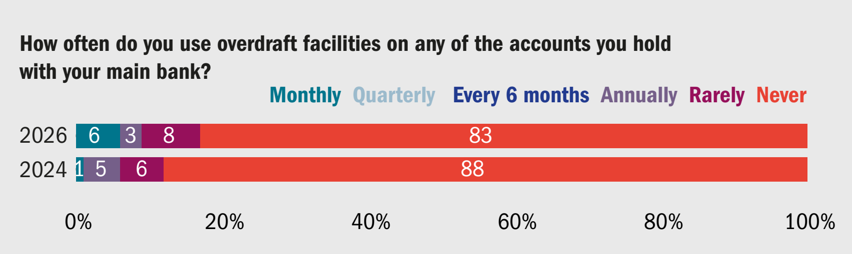
"The pilot is currently underway and we hope to be rolling it out more widely across the UK to support charities that continue to receive cash donations," says Manku.

HSBC is also trying to do more for its smaller charity clients: "Our charitable bank account is designed specifically for the wide range of UK charities and we continue to make enhancements to our account proposition such as the introduction of dual signatory online control and simplifying our mandate process," says Leo Jones, head of charities, education and not-for-profits at HSBC Commercial Banking.

"We understand how important local charities are and recognise the challenges the sector is facing," says Jones. "This is why we announced last July the removal of our monthly account fees for our charitable bank account for new and existing customers and why SME business banking customers continue to benefit

FIGURE 12: OVERDRAFT FACILITIES[1]

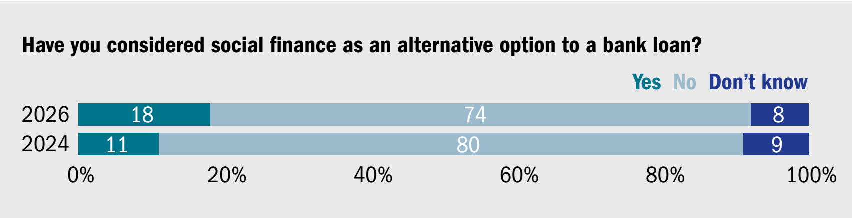
■ Use of overdraft facilities, while always low, has increased over the last two years ■



(1) Sample is restricted to charities with minimum annual income of £500,000.

FIGURE 13: SOCIAL FINANCE[1]

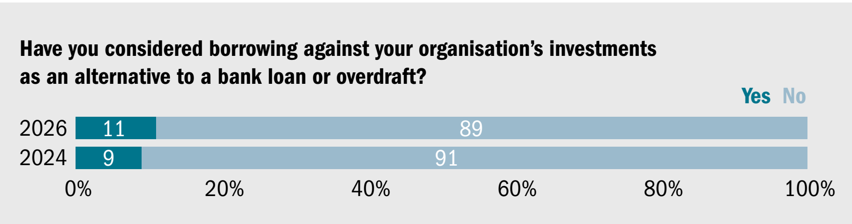
■ Increasing interest in social finance as a borrowing option ■



(1) Sample is restricted to charities with minimum annual income of £500,000.

FIGURE 14: INVESTMENTS AS SECURITY[1]

■ A modest increase in the number of charities considering using investments as loan collateral ■



(1) Sample is restricted to charities with minimum annual income of £500,000.

> "We understand how important local charities are and recognise the challenges the sector is facing"

from free UK digital banking."

At NatWest the emphasis is on providing both branch-based and alternative channels for charities.

"Our branches play a central role in how we support our customers and communities. Since 2020 we have invested £115m in our branches, including more than £20m in 2025 to improve customer service, enhance the look and feel of the branches and reduce the environmental impact of our buildings," says Barrie Davison, sector specialist lead at NatWest.

"Outside of our branch network, NatWest Community Account holders can perform most 'branch' tasks at alternative locations including post offices, ATMs and banking hubs or by using different platforms.

"Our Bankline for Communities service continues to provide free banking services for not-for-profit groups with a turnover of less than £100,000 and offers digital methods of support.

"A new digital addition allows two to four signatories to authorise payments online and bypasses the need for in-branch dual signing. It is available for free to Community Account holders, enabling digital mandate changes and secure, shared management of funds without needing branch visits," he adds.

NatWest has recently announced Adeel Hyder as its new managing director of business banking as from June. NatWest's business banking arm serves more than one million SMEs ranging from start-ups to established small firms, high-growth businesses and community organisations.

Hyder joins NatWest from challenger bank Starling, where he helped build and scale its digital-first business bank. He has also worked at RBS, McKinsey, Banco Sabadell and TSB Bank.

An interesting new initiative is NatWest's recent strategic equity investment in John Smith Group (JSG) and its Aspire platform, which is now being actively rolled out to the charity and NFP sector.

"Aspire is an award-winning open banking-enabled payments and insights platform that improves how financial support is distributed, safeguarded and evidenced. It was initially developed and proven in the higher education sector, where it is widely used by universities and colleges to deliver bursaries, hardship funds and grants at scale, securely and efficiently," says Davison.

"Building on this success, Aspire is now being extended into the charity sector to help charities and social organisations to: distribute financial support more efficiently; introduce greater governance over how funds are used; provide choice for beneficiaries while ensuring that funds are used for their intended purpose; and access anonymised data insights from users to improve targeting, impact reporting and long-term sustainability."

SPECIALIST BANKS

The smaller specialist banks focused on the NFP sector enjoy a strong position in the charities market, albeit not in the large charities segment. They feature prominently in the list of primary banks for smaller charities with annual income of up to £5m and in the list of secondary banks used by charities, where Charity Bank has a 7% share and CAF Bank has a 6% share (see figure two).

The specialist banks are handicapped from competing head-on with the high street banks – particularly for the business of large charities – because they lack the range and depth of products and services that the latter provide, often supplying branch and payment facilities via agency bank agreements with third parties.

However, they score well on sector knowledge and environmental, social and governance (ESG) credentials and compare favourably with the high street banks on fees and charges (see figure four). Moreover, they have done a good job of communicating the social benefit that they claim usage of their products and services creates.

"CAF Bank exists solely to serve UK charities and social enterprises. As sector specialists, we help charities access banking through a review process informed by deep sector knowledge," says CAF Bank deputy chief operating officer Neil Poynton.

As well as providing services tailored specifically for charities, it supports the sector directly by gifting back its surpluses to its owner, the Charities Aid Foundation (CAF).

CAF Bank's goal is to increase the range of products and services that it provides, so that it can increase the number of charities whose full banking requirements it can comfortably meet.

In June 2025 it launched a new online banking service, which "guided by the needs of our customers … provides real-time payments, enables online CHAPS payments, and quickly credits payments to customers' accounts", says Poynton.

The upgrade has suffered from teething problems which are in the process of being resolved. "We are continuing to engage with customers to understand their requirements and will be making further improvements," he adds.

A prime example of CAF's collaboration with other financial providers is the CAF Charity Deposit Platform which provides access to more than 90 savings accounts from over 20 banks and building societies. Promoted by CAF Financial Solutions and provided by Flagstone Investment Management, the service is available to charities with a minimum of £150,000 to deposit.

Reliance Bank, which was founded in 1890 as the Salvation Army Bank, also gives back its profits to its charity owner, either in the form of direct donations or retained earnings.

"The Salvation Army remains the sole shareholder, making Reliance Bank the only UK bank to be owned by an international charity and Christian church," says Victoria Addy, senior marketing and communications manager at Reliance.

> "We only finance organisations creating positive social, environmental or cultural impact"

"Reliance Bank has supported businesses and charities for 135 years and we have extensive knowledge of what the charity sector requires from their bank," she adds.

The bank has recently launched a Faith Current Account designed for organisations with a congregation of people who regularly gather for prayer in a place of worship such as a church, mosque, synagogue or temple.

"Customers' deposits will help provide loans to UK faith organisations for property purchase, property expansion, refurbishment, refinance and mission-led business acquisition," says Addy.

Reliance Bank amply illustrates the challenges faced by the smaller specialists in trying to provide a full range of financial products.

"In order to maintain a strong regulatory position, Reliance Bank has, over the last five years, reduced the variety of products that it offers, focusing on banking services and social impact lending to charities and small and medium-sized enterprises as well as personal savings accounts," says Addy.

"Mortgages, ISAs and personal current accounts are heavily regulated and are no longer possible for us to offer at our small scale," she adds.

Meanwhile, Paul Nicoll, head of societal lending at Triodos Bank UK, says that Triodos "has a long track record of values-based banking, which resonates strongly with charity clients".

"We only finance organisations creating positive social, environmental or cultural impact. Our specialist relationship and corporate finance teams work closely with charity clients to understand mission, governance and impact, not just financial performance," he adds.

Unity Trust Bank is similarly focused on charities. "Over half of our 11,300 customers are NFP organisations and we have an in-depth understanding of their needs," says Reon Odendaal, who was appointed head of charities at Unity Trust Bank earlier this year.

"We are dedicated to delivering service excellence to the charity sector. We understand how charities operate and provide specialist team support and processes to assist them," he adds.

The bank has recently integrated its online banking system with Xero accounting software and has invested in its customer-facing teams to improve the account opening process.

"Our lending supports a broad range of vulnerable groups across the UK. It helps customers improve their local communities through access to frontline healthcare, quality housing, employment, support services and supporting green growth," says Matt Conroy, head of impact propositions at Unity Trust Bank.

"Our values and mission resonate with charities and many choose to entrust their deposits to us as a result," he adds. ●

Bacs to basics – preventing fraudulent payments in charities

Emma Gabe
is a senior manager at HaysMac

With the pace of technology changing at lightning speed, the way we work is shifting also. The insurgence of artificial intelligence (AI) and continued automation has meant that technology is driving many of our decisions. When systems are updating and advancing, we often assume that the processes remain the same. But what if the controls have subtly changed or disappeared altogether? What if management could now override controls, unwittingly perhaps, due to the advances in technology?

In the last year we have seen, in our capacity as external auditors, the technology around online banking change. While in most cases this has had no impact on financial controls, there have been several charities that have been impacted by this. In this article, we specifically focus on the controls around online payments. We go through the pitfalls in technology and what a charity must check to ensure that the risk of management override of controls is mitigated.

We begin by understanding how a charity pays their stakeholders: namely their staff, via the payroll, and their suppliers for their charity's costs. Typically, a charity will pay their staff in one Bankers' Automated Clearing Services (Bacs) payment. Similarly for suppliers, charities will pay their suppliers by one Bacs payment – perhaps weekly or biweekly depending on the level of activity. A Bacs payment is one bulk-payment transaction which is comprised of multiple payees, rather than raising lots of individual online payments (as we will be familiar with for our own personal banking).

All payee details, including bank account numbers and sort codes, are stored in the charity's secure accounting system. A bulk payment, or Bacs payment report, is generated from the accounting system. This report should then link either directly into the charity's online banking system or be linked into a payment platform which feeds directly into the online banking software. The accounting system should usually flag, via exception reporting, if a new payee has been added or if the bank account details of a payee have changed. This means that the charity's reviewer or authoriser can simply review these exceptions and be confident that the payee details of the staff or suppliers remain authorised, and the same as the previous report. Controls will be in place within the accounting system to add or amend payee details.

> "Do you know how your charity's payments work end to end?"

Tech moves, risks follow

While these controls are in place in the accounting system, and the initial Bacs payment report is reviewed and authorised, there can be opportunities for intervention at the next step prior to the payment being made. Some payment platforms or online banking systems are not directly linked to the accounting system, so the Bacs report must be manually imported by a .txt file or a PDF file. As we know, .txt files can be typed over and PDFs can be easily edited. Thereby the staff member who is uploading the Bacs file could alter the report to change amounts, add a payee or change account details. There is a risk here that the report that has been authorised, could then be manipulated. There is often no exception reporting within online banking or the payment platforms. There is potential for a staff member to amend these reports prior to the payment being sent.

As technology continues to develop, the strength of payment platforms emerge. But it has materialised that some platforms require a .txt file to import the Bacs report. The .txt file that can be easily typed over and amended. This opens the door to potential fraud.

Do you know how your charity's payments work end to end? Are there any opportunities for manipulation within that process? Are the authorisers comfortable that each payee and amount due is genuine? Has the payment technology changed and, if so, does this impact this process? These are key questions for all charities to address. With the changes to technology, it is easy to lose sight of the basics. Financial controls around payments are critical for all charities. These must be considered carefully on a periodic basis as technology continues to advance and systems develop. ●

Futureproofing charity finance – a human-centred AI approach

Charity finance leaders need to be ready to transition to the world of AI – and must take their teams with them on this journey, says Bex McGann

"AS CHARITY FINANCE LEADERS, WE MUST INVEST TIME IN UNDERSTANDING HOW AI WORKS AND HOW WE CAN LEVERAGE IT"

Bex McGann *is head of finance at Comic Relief*

CHARITIES ARE at so many different stages in the digital transformation journey, from utilising legacy finance systems through to effective agentic AI implementation. But the sector is still tracking behind our corporate sector counterparts, and it's important that the charity finance sector does not get left behind. In the corporate sector, they often speak about how finance has moved from tabular analysis through to visual dashboard analysis, and now through to AI-driven data interpretations where individuals are leveraging agentic AI. As charity insiders, we know that many charities are still using tabular analysis – be that management accounts in Excel, or systems where self-service is hard to operationalise – so the concept of agentic AI feels very far away. But it is important that, as charity finance leaders and colleagues, we start to think about what this means for our finance teams and the real people within them. We need to begin to visualise a future where humans and AI agents work side by side.

For the first time in history, there are five generations in the workforce. This means there are employees who will have been working in the last technological revolution of 2000, with the dotcom explosion, through to gen Z digital natives who have grown up with digital technologies. This makes the transition to working with AI a tricky thing to navigate. The other concern for many employees and charitable organisations will be the environmental impact of AI, with the Government Digital Sustainability Alliance's (GDSA) report highlighting that AI is predicted to lead to an increase in global water usage from 1.1 billion to 6.6 billion cubic meters by 2027 to keep data centres cool, generate electricity and manufacture required hardware. In addition, from a societal point of view there are understandable concerns around what AI and particularly agentic AI means for entry-level and junior processing roles in organisations.

A CHANGE PROCESS

This transition is very much a change process, particularly when thinking about moving to agentic AI, and should be considered and treated as you would any other large-scale change process. And a big part of this process is how we bring our teams along for the ride.

KPMG expects that 80% of today's finance activities will be AI-enabled within the next three to five years, which means the key is thinking about skills requirements and how to upskill and transition teams. The machine is not perfect, and therefore everything the machine produces needs human input. But herein lies an opportunity for finance functions who have been process-driven and backwards-looking to evolve into strategic business functions. In a future of agentic AI, transactional finance, reconciliations, payments processing, and even budgeting and forecasting are likely to be humans operating as agent bosses, with spare capacity to scenario plan, maximise assets and resource allocation, provide in-depth analysis, and importantly manage the agents who are doing the transactional work. This evolution will also require new internal controls, governance processes, and oversight mechanisms to ensure that agentic operations within charities remain robust and compliant. Another consideration for finance teams will be the ethical and moral risks which are associated with using AI, including how we will identify, assess and appropriately mitigate these risks.

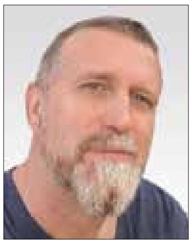
As charity finance leaders, we must invest time in understanding how AI works and how we can leverage it as we look to the future. We must do this in consultation with the people around us, and bring people along on the journey, appreciating that everyone's starting point is different, but the end point will be a position of unity. This might be supporting your team to use Microsoft Copilot in some of their daily tasks, demonstrating successful use cases to team members, through to piloting agentic AI in some of your finance systems. We need to have a clear vision, an understanding of its impacts and a structured plan for training and upskilling our teams – all while maintaining a strong, robust control environment.

In a sector shaped by volatility and increasing need, we must prepare for a future that is already unfolding: one where human judgement and AI capability work together to deliver greater impact. If we embrace this now, we can strengthen our organisations, protect our missions, and unlock opportunities that once felt out of reach. ●

Observations from 25 years in charity tax

As he moves on to a new role with the Charity Tax Group, Paul Knight *reflects on what has changed over 25 years of providing tax advice to charities*

"I WOULD ENCOURAGE ANY CHARITY TO APPROACH CHOOSING A TAX ADVISER IN A WAY MORE AKIN TO RECRUITING A COLLEAGUE"



Paul Knight *is senior adviser to the Charity Tax Group*

I SPENT 25 years providing tax advice to charities and retired from practice late in 2024. Across that time, I worked with charities of all types and sizes. Since retiring as a tax adviser, I have joined the team at the Charity Tax Group, a role I am much enjoying. Much has changed in those years. The world has gone digital, people can work at home, and I have an exhaustive but sadly redundant collection of ties. In all the change, some things have worked well and others have not. I have a few observations that might be of interest.

First off, there is no such thing as "charity tax", and it is largely unhelpful to think of it that way. Charities have whole sections of tax legislation that relates only to them, but they all sit on top of existing core tax rules. Even the most discrete areas such as gift aid for individuals is built on income tax law. Separating out gift aid from its foundational tax law is not a good approach. This often leads to an excessive reliance on HMRC's guidance.

It is important to remember that the extensive and often helpful guidance is an understanding of the law, not the law itself. Some of it is (in my view) overly prudent or restrictive, and some of it a very generous interpretation. The importance of a wider understanding of tax, upon which charity rules is overlaid, is even more critical in expansive areas such as property or financing transactions. Accordingly, charity tax should not be viewed as a disconnected niche discipline. Experience in the sector is important, but it is not a replacement for the proper discipline of interpreting tax legislation. You should expect your advisers to be able to demonstrate this.

I have reservations over HMRC's approach to the mainstream charity sector in the last decade, which has not helped most tax advisers. There has been a steady move away from discrete reviews of tax returns to a systems and processes model. The logic is fine – help taxpayers get things right, rather than have to correct things later – but there is a risk. Losing the regular direct engagement with charities and their advisers over the technical positions being adopted risks a reduction in technical capability on both sides. Sometimes, things are not clear, and the adviser needs to come to a view. Knowing that view is going to be tested is helpful to the process. It would be better for charities, advisers and HMRC to see that pendulum swing back a little. (HMRC has to deploy lots of resource to the worst types of "charity tax" abuse; this has nothing to do with the mainstream charity sector, and should, in my view, be largely considered a separate area of HMRC resource).

A BIG CHANGE

A big change over my career has been in how tax services are bought. I have never met anyone that does not accept that some change was required from the distant days where advisers where selected based heavily on their shmoozing capabilities. However, the procurement-led world that has since been built around buying tax advice is fundamentally problematic.

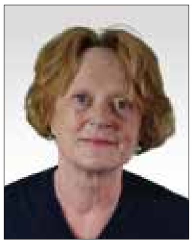
Most large charities now either have an obligation to apply a procurement framework to selecting advisers, or have adopted it as best practice. Of course, there should be a sensible attempt to assess different advisers by reference to their ability to meet your needs. But what are those needs? I have filled in countless tender requests, and not a single one has given the prospective client a true sense of what it would be like to work with me and my team. The answer to: "How would you approach [example] project", should always be: "It depends. How do you want me to approach it?" The point is, you are buying a *relationship*, not a photocopier. Advisers do not approach all their clients in the same way; this is a sophisticated professional relationship that cannot be meaningfully reduced in this way. I would encourage any charity to approach choosing a tax adviser in a way more akin to recruiting a colleague. Yes, they need the technical capabilities, but after that, it is about a fit with your team/values.

Charities should hold their tax advisers to account for knowing their stuff right down to the fundamentals. You are more reliant than ever on your advisers' view where HMRC does not routinely challenge technical analyses. If you want a good relationship with your advisers, find a way to meaningfully test that as much as possible in your tendering (ideally with less paperwork involved, please!). ●

What is occurring in the voluntary sector in 2026?

Antonia Swinson *outlines three property issues that will cause major problems for many charities in the year ahead and beyond*

"ON TOP OF ALL THE RECENT ENERGY HORROR STORIES, NEW CHARGES ARE HIKING UP OUR CHARITY ENERGY BILLS STILL FURTHER"



Antonia Swinson
is CEO of the Ethical Property Foundation

THIS YEAR more than ever, the relationship between money and property is being thrown into sharp relief as funding is ever more challenging to find and property costs are rising steeply. Three challenges preoccupy most of our clients:

1. **Leases.** The issues, most weeks, centre on insecure tenancies, the quest for affordable premises and fair rents. Lack of security of tenure is affecting access to capital funding and funding generally, while inhibiting long-term planning.
2. **Moving.** Five years-plus post-Covid-19, we see a delayed mass move as voluntary organisations seek to realise assets, cut costs, downsize, sell off premises and offload leases. Lower valuations are cutting down balance sheet asset levels, against which financial planning is based.
3. **Running costs.** Most notably, with hybrid working here to stay as a norm in our sector, are utility costs. The introduction of new charges for long-term systemic change is massively hitting commercial property energy bills, but alas, most charities are unaware of this.

1. LEASE ISSUES

Many clients report complex relationships with their local authority. Often, the very council giving them a contract for running local services can be the same council not providing a secure lease. Tenancies-at-will, an issue covered in my previous columns, crop up most weeks in our free Ask a Property Expert service, with reports of a reluctance to grant local charities secure long-term leases.

At its most extreme, we see harsh efforts to recover property for sale and redevelopment. For example, staff from yet another food bank recently contacted us, after unexpectedly finding themselves on the brink of eviction. Sports clubs seem to be another group in the firing line, because they often have land in nice places.

Another issue which will be increasingly apparent as we move into late 2026 and 2027, is an unintentional consequence of local government reorganisation. Voluntary organisations are widely recognised as key delivery partners for local services. Traditionally, their strongest champions have been local councillors and council officers. However, there is a growing and concerning disconnect – exacerbated by the targets given to the property departments of enlarged council areas to find efficiencies and boost income from property sales.

Increasingly, the voluntary sector will deliver services far from the new reorganised council's headquarters. There appears to be a need for central government to ensure that this sector is given recognition and protection within enlarged local government bodies.

2. MOVING

Many organisations are trying to offload their leases and often encountering huge dilapidation bills, too easily imposed because the charities economised on schedules of condition reports when moving in which would have protected them. I recently wrote on my Linkedin blog that dilapidation bills are arguably the silent killer of our civil society. Overly dramatic? You think? It is the main reason for not-for-profits closing.

Below are a few of the questions from a recent moving premises Q & A session we held:

How can we plan an effective premises brief to save time and money? Who do we have to consult before we plan a move? How can we find suitable properties within our budget? What are the questions to ask agents and landlords and what are the red flags to watch out for? What do trustees need to know and what questions should they ask?

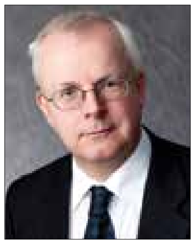
3. ENERGY

On top of all the recent energy horror stories, new charges are hiking up our charity energy bills still further by up to 10%. From November last year, the Nuclear Regulated Asset Base levy started appearing on electricity bills to fund new nuclear projects. And, from 1 April this year, the Transmission Network Use of System charges to fund the high-voltage electricity transmission network in the UK, and covering maintenance and infrastructure upgrades, have also appeared. Big thanks to our learning partner Utility Aid, which has placed plenty of free information on our website, including a free check-your-bills service. ●

Nine steps to understanding a risk strategy – part I

In the first of two articles, Steve Billot *begins to outline a nine-point plan to review a charity's risk strategy*

"YOU MAY ALSO SEE THAT THE LOW RISK TAKERS WILL SEEK TO CONTROL THINGS WHILE THE HIGH RISK TAKERS WILL DELEGATE MORE"



Steve Billot *is a lecturer at Bayes Business School and a consultant*

AS PART of my role at the business school, I recently ran a workshop on understanding risk appetite. Some time ago, I had been shown a nine-step risk review process by the chair of a charity and used this to structure the day. I thought I would share the structure with you in this and next month's articles.

The points are easy to summarise:

1. Know your purpose.
2. Agree what success looks like.
3. Identify risks.
4. Agree your board's risk appetite.
5. Determine risk tolerance and agree a scheme of delegation.
6. Agree mitigation processes.
7. Have an assurance framework.
8. Keep this on all board agendas.
9. Review annually.

STEPS ONE TO FIVE

1. Understand the organisation's strategic objectives and outcomes

This is core to any charity's existence. What is its purpose and is it continuing to achieve this? If an organisation can no longer serve its purpose, it should cease operating. But the real question is how often do trustees really ask themselves this question?

2. Agree what success looks like for service users, staff, partners and board members

The organisation must be effective and that requires success. But what does that mean? Is it to achieve a defined goal (unusual), alleviate suffering, educate, support others etc. These will be driven by its purpose. Success for service users will be different from staff, commissioners or funders and the board.

3. Identify significant risks

Once you know the purpose and success criteria you can start to assess risk. What will stop you from achieving the outcomes you want to achieve? These are commonly identified as:

Governance risk. How the charity is managed by the board and senior leadership.

Operational risk. The provision of services, employment of staff, use of volunteers and assets and operating activities.

Financial risks. How are the finances managed, reserves retained, investments controlled and financial systems used?

Environmental or external factors. How does the wider world see the charity, what risks are there to funding sources?

4. Determine the overall risk appetite and generate a risk appetite statement

I take the course through several ways in which you can assess a board's real-world risk appetite. It is especially powerful if you can get all the board to participate in a quick survey to assess their risk appetite in a number of areas.

This is something you can do before an awayday and then share the anonymised feedback and use it to lead the board to some interesting and potentially challenging discussions.

Having asked the board, you should then be able to assess their appetite for risk. You may also see that the low risk takers will seek to control things while the high risk takers will delegate more and stand back further (not too far).

5. Assess the risk tolerance to inform a scheme of delegation and clarify escalation procedures

The Charity Governance Code for England and Wales is clear about the ultimate responsibility of the board for its organisations but is also clear that boards cannot and should not do everything. It states that not-for-profit trustees can "delegate authority but not ultimate responsibility, so the board needs to implement suitable financial and related controls". This is the heart of the challenge. To delegate properly you must have passed steps one to four.

Now is the time to devise a scheme of delegated authority. A scheme of delegation is an internal document detailing which powers and responsibilities are delegated from the board of trustees.

I will look at this in the next article and then follow through to look at the remaining stages to be completed to underpin a robust risk strategy. ●

UK Biobank brings new blood into the Charity Finance 250 Index

As the ticket price for membership continues to rise, Diane Sim surveys the movers and shakers in this year's review of the Charity Finance 250 Index

THIS YEAR'S review of the Charity Finance 250 Index has resulted in a 7% rise in minimum income requirements to £34.7m and 23 new entrants. Five of these are relegations from the Charity Finance 100 Index, while the other 18 are charities moving up from outside the Indexes.

The top new entrant from outside the Indexes is UK Biobank, which enters the Charity Finance 250 Index at position 165, based on three-year average income of £44.5m.

UK Biobank is a large-scale biomedical database and research resource containing anonymised genetic, lifestyle and health information from half a million UK participants. Its database, which includes blood samples, heart and brain scans and genetic data, is accessible to approved researchers undertaking health-related research in the public interest.

The second highest new entrant from outside the Indexes is golf course operator St Andrew's Links Trust, which enters the Charity Finance 250 Index at position 179, based on three-year average income of £41.8m.

It is followed by the Al-Khair Foundation, which enters the Charity Finance 250 Index at position 195, based on three-year average income of £40m. Established in 2003, the Muslim faith-based charity provides emergency relief and developmental support in the world's most impoverished areas.

> "The top new entrant from outside the Indexes is UK Biobank"

New entrants to the top quintile of the Charity Finance 250 are exclusively relegations from the Charity Finance 100 Index. With their new Charity Finance 250 Index positions shown in brackets, these are: Sense (3), WaterAid (6), the Sigrid Rausing Trust (9), Consumers' Association (12) and Charities Trust (39).

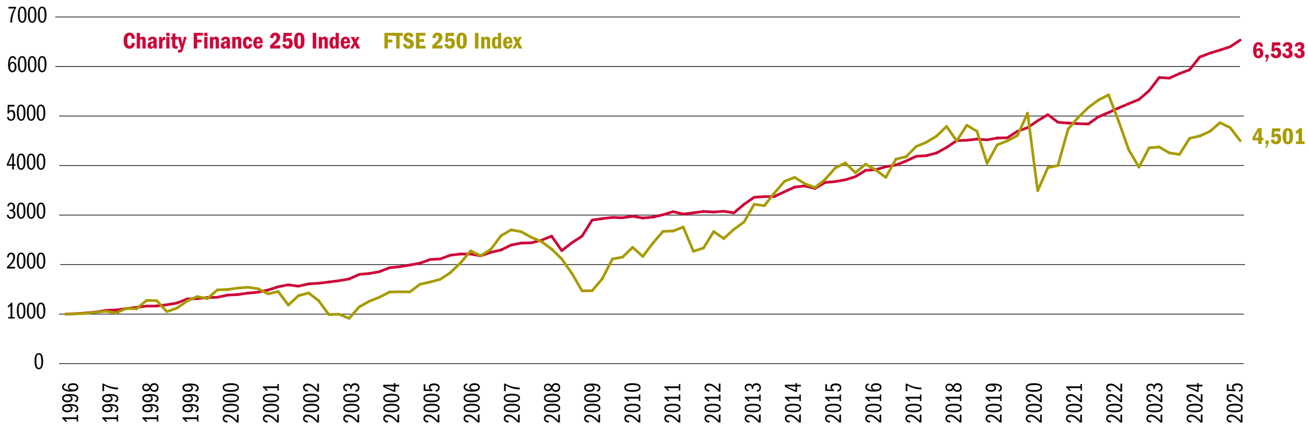
The other 15 new entrants from outside the Indexes fall in the bottom quintile of the Charity Finance 250. They include performing arts charities such as Sadler's Wells Trust (209), Glyndebourne Productions (211) and Birmingham Hippodrome Theatre Trust (244).

These are all returning to the Charity Finance 250 Index, having now largely recovered from lockdown measures in force during the coronavirus pandemic.

These 15 new entrants also include five independent schools including Clifton College (215), Reigate Grammar School (224), Malvern College (242), the Perse School (243) and St Bede's School Trust Sussex (250).

The high incidence of independent schools in the listing of new entrants is not surprising, given the current merger trend in the sector, as it battles rising costs and the likely impact of fiscal changes. These include VAT on school fees, the removal of charitable business rates relief and increases in the rate of national insurance paid by employers.

CHARITY FINANCE 250 INDEX VS FTSE 250



CHARITY FINANCE 250 INDEX CONSTITUENTS

Current position	Last year	Charity	Income £m[1]
1	35	London Museum	96.4
2	1	Garfield Weston Foundation	94.9
3	100 in 100	Sense	94.5
4	236	Social Investment Business Foundation	93.5
5	3	Mines Advisory Group	92.9
6	97 in 100	WaterAid	92.1
7	8	Thera Trust	91.3
8	5	Cats Protection	90.7
9	62 in 100	Sigrid Rausing Trust	90.5
10	18	Parish Giving Scheme	89.2
11	10	Education Development Trust	86.9
12	99 in 100	Consumers' Association	86.4
13	14	Woodland Trust	86.0
14	20	Médecins Sans Frontières (UK)	85.8
15	9	International Medical Corps (UK)	85.7
16	39	British Academy[2]	85.6
17	16	Masonic Charitable Foundation	85.3
18	17	Autism Initiatives Group	85.2
19	13	ACS International Schools	85.0
20	30	NPT Transatlantic	84.1
21	19	National Oceanography Centre	83.4
22	11	Tearfund	82.7
23	4	Christian Aid	82.7
24	6	Hft	82.5
25	23	Harrow School	82.0
26	26	Zoological Society of London	80.7
27	47	Royal Shakespeare Company	80.7
28	28	We Are With You	79.7
29	84	Royal Collection Trust	78.7
30	33	Nacro	78.7
31	34	Edinburgh Merchant Company Education Board	77.2
32	41	Imperial War Museum	77.0
33	21	Shelter	76.9
34	24	Institute of Physics	76.4
35	32	Elim Foursquare Gospel Alliance	75.9
36	58	Camfed International	74.8
37	36	Brandon Trust	74.1
38	40	Education Endowment Foundation	74.1
39	86 in 100	Charities Trust	73.9
40	37	Whitgift Foundation	73.7
41	42	Jewish Care	73.2
42	50	Alternative Futures	72.8
43	48	United Westminster and Grey Coat Foundation	72.8
44	80	National Trust for Scotland	72.2
45	27	Plan International UK	71.3
46	92	Mill Hill School Foundation	71.3
47	25	Against Malaria Foundation	70.9
48	64	John Innes Centre	70.5
49	60	Achisomoch Aid Company	70.2
50	45	Royal Society of Chemistry	70.1
51	59	Brighton College	69.3
52	49	Praxis Care	69.3
53	68	Marlborough College	69.3

(1) Average total income over the last three years up to and including 31 March 2025

Current position	Last year	Charity	Income £m[1]
54	43	Hospital of St John & St Elizabeth	69.1
55	44	Macintyre Care	68.7
56	69	Amanat Charity Trust	68.5
57	82	Our Future Health	68.2
58	65	Harpur Trust	68.0
59	90	Church of Jesus Christ of Latter-Day Saints (Great Britain)	67.5
60	51	Emms Nazareth	67.5
61	62	Affinity Trust	66.9
62	57	Westminster Roman Catholic Diocesan Trust	66.9
63	75	Depaul International	66.6
64	55	Institution of Engineering & Technology	66.0
65	70	Wellington College	66.0
66	54	Crisis UK	65.3
67	67	World Vision UK	65.1
68	29	King's Trust	64.7
69	83	Millfield	64.6
70	31	Fondation Chanel	64.5
71	61	Aga Khan Foundation (UK)	64.4
72	76	Anthony Nolan Trust	64.1
73	88	Extracare	63.3
74	73	Battersea Dogs' and Cats' Home	63.2
75	46	Teach First	63.0
76	81	Enable Scotland	62.8
77	136	Farmland Reserve UK	62.5
78	63	Breakthrough Foundation	62.4
79	72	James Hutton Institute	62.2
80	53	Mind	61.9
81	71	BRE Trust	61.5
82	85	UK Centre for Ecology and Hydrology	60.8
83	91	Haberdashers' Aske's Charity	60.3
84	169	National Philanthropic Trust UK Ltd	59.9
85	100	Avenues Trust Group	59.2
86	12	Grace Trust	59.1
87	74	StepChange Debt Charity	59.0
88	121	PayPal Giving Fund UK	58.9
89	95	Dulwich College	58.5
90	96	Shaftesbury	58.5
91	98	Breast Cancer Now	58.0
92	135	Migrant Help	57.9
93	94	Winchester College	57.7
94	66	BBC Children in Need	57.6
95	89	Cafod	57.3
96	105	Alzheimer's Research UK	57.0
97	99	Centrepoint Soho	57.0
98	103	North of England Zoological Society	56.8
99	102	Care South	56.7
100	116	British Pregnancy Advisory Service	56.6
101	78	Donkey Sanctuary	56.4
102	106	Ruskin Mill Trust	56.1
103	112	Methodist Church in Great Britain	55.2
104	108	South Bank Centre	55.2
105	97	Universities and Colleges Admissions Service	55.0
106	183	Human Appeal	54.9

(2) British Academy for the Promotion of Historical, Philosophical and Philological Studies

CHARITY FINANCE 250 INDEX CONSTITUENTS

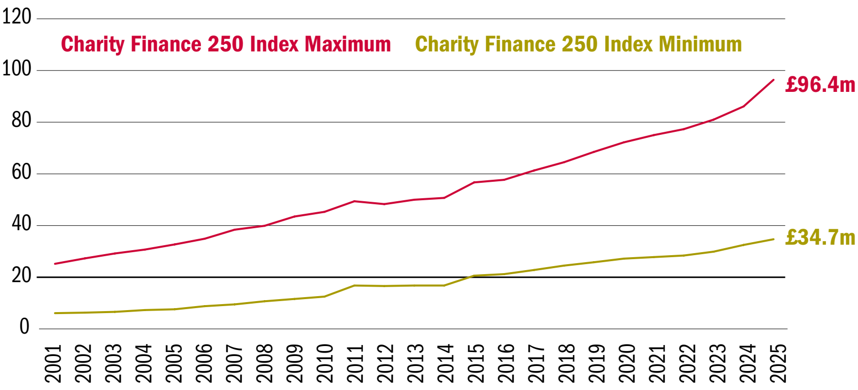
Current position	Last year	Charity	Income £m[1]
107	86	GambleAware	54.8
108	127	YHA (England & Wales)	54.8
109	101	Brainkind	54.6
110	119	Trussell Trust	54.4
111	147	CDP Worldwide	53.5
112	118	Corporation of Oundle School	53.5
113	79	Catch 22	53.1
114	93	ActionAid	53.0
115	115	Royal Hospital for Neuro-Disability	52.9
116	170	Royal Albert Hall	52.7
117	77	Charity Projects[3]	52.5
118	113	Real Life Options	52.3
119	149	London Marathon Foundation	51.9
120	124	Charterhouse School	51.8
121	128	OneSchool Global UK	51.5
122	104	Compassion UK Christian Child Development	51.4
123	161	Nesta	51.3
124	130	Albert Gubay Charitable Foundation	51.1
125	140	Fitzroy Support	51.0
126	114	Quarriers	50.8
127	120	St Monica Trust	50.8
128	131	Rugby School	50.7
129	123	Victim Support	50.5
130	134	Royal College of General Practitioners	50.5
131	141	Healthcare Management Trust	50.2
132	117	Cornerstone Community Care	50.0
133	126	National Centre for Social Research	49.9
134	138	Effective Ventures Foundation	49.8
135	109	London Diocesan Fund	49.7
136	132	American School in London Educational Trust	49.7
137	137	Bromsgrove School	49.4
138	110	Alan Turing Institute	48.5
139	107	Pirbright Institute	48.1
140	143	King's School of the Cathedral Church of Canterbury	47.8
141	144	Warwick Independent Schools Foundation	47.8
142	52	Moondance Foundation	47.5
143	139	Fremantle Trust	47.3
144	87	Jeremy Coller Foundation	47.3
145	145	Benenden Hospital Trust	46.9
146	129	Family Fund Trust[4]	46.9
147	151	Highgate School	46.7
148	178	Fedcap UK	46.4
149	156	Blue Cross	46.4
150	152	Tonbridge School	46.4
151	148	National Museum of Wales	46.4
152	165	King's College School	46.1
153	164	BH Live	46.0
154	154	St Paul's School	45.7
155	133	Foundation Scotland	45.6
156	153	Turning Point Scotland	45.3
157	146	King Edward VII's Hospital Sister Agnes	45.3
158	176	Scout Association	45.3
159	180	St Andrew's College, Bradfield	45.2
160	162	Parkinson's Disease Society	45.1
161	157	CIPD[5]	45.0
162	158	Kibble Education and Care Centre	44.9
163	184	Stowe School	44.6
164	150	United Synagogue	44.5
165	New	UK Biobank	44.5
166	142	Scope	44.3
167	174	JTL	43.9
168	111	Christian Vision	43.6
169	171	Bryson Charitable Group	43.6
170	188	Sevenoaks School	43.4
171	155	Inspiring Scotland	43.3
172	182	Berkhamsted Schools Group	43.1
173	125	Care International UK	42.7
174	172	Rethink	42.7
175	166	Stroke Association	42.4
176	159	Sheffield City Trust	42.2
177	179	Scottish Autism	42.1
178	181	Institution of Civil Engineers	42.1
179	New	St Andrew's Links Trust	41.8
180	167	Royal Academy of Arts	41.8
181	190	Royal College of Physicians	41.8
182	193	Brentwood School	41.6
183	191	Inspire Wellbeing	41.5
184	214	Virunga Foundation	41.4
185	185	Single Homeless Project	41.3
186	192	Family Action	41.2
187	196	Prostate Cancer UK	41.1
188	168	Diabetes UK	41.1
189	199	Radley College	40.9
190	177	Corra Foundation	40.9
191	186	Royal Voluntary Service	40.6
192	175	The Clothworkers' Foundation	40.5
193	204	Avante Care And Support	40.4
194	187	Children's Society	40.2
195	New	Al-Khair Foundation	40.0
196	211	UK DRI	40.0
197	231	Mission Aviation Fellowship International	39.9
198	202	National Star Foundation	39.8
199	203	Cheltenham Ladies' College	39.8
200	218	National Museums Liverpool[6]	39.7
201	209	Westminster School	39.4
202	200	City Bridge Foundation	39.3
203	208	Cartrefi Cymru	39.0
204	223	Uppingham School	39.0
205	New	Archdiocese of Liverpool	38.9
206	194	Relief International	38.9
207	226	Forward Trust	38.9
208	197	United Bible Societies Association	38.8
209	New	Sadler's Wells Trust	38.8
210	205	Horder Healthcare	38.5

(3) Better known as Comic Relief
(4) Family Fund Trust for Families with Severely Disabled Children
(5) Chartered Institute of Personnel & Development
(6) Based on average total income over the last three years up to and including 31 March 2024, as 2024-25 accounts have not yet been filed.

CHARITY FINANCE 250 INDEX CONSTITUENTS

Current position	Last year	Charity	Income £m[1]
211	New	Glyndebourne Productions	38.3
212	206	Turn2us	38.3
213	201	Everyturn	38.2
214	212	Fauna & Flora International	38.2
215	New	Clifton College	38.2
216	210	Hampton School	38.0
217	New	Royal Botanic Garden Edinburgh	38.0
218	220	Together Trust	37.8
219	222	Ulster Independent Clinic	37.7
220	228	Latymer Foundation at Hammersmith	37.6
221	248	Nazareth Care Charitable Trust	37.5
222	233	Royal Medical Foundation of Epsom College	37.5
223	227	Premier League Charitable Fund	37.4
224	New	Reigate Grammar School	37.1
225	New	Motor Neurone Disease Association	36.5
226	New	National Assistance Fund	36.5
227	240	Birdlife International	36.4
228	207	International Bible Students Association	36.4
229	229	Loughborough Schools Foundation	36.3
230	189	Rothamsted Research	36.3
231	249	Action for Humanity	36.2
232	245	Cheltenham College	36.2
233	238	Discovery	36.0
234	160	Rothschild Foundation	36.0
235	230	Air Ambulance Service	35.9
236	219	HelpAge International	35.9
237	247	Shrewsbury School	35.8
238	232	Percy Hedley Foundation	35.7
239	243	Changing Lives	35.4
240	New	People Potential Possibilities	35.4
241	239	Bolton School	35.3
242	New	Malvern College	35.3
243	New	Perse School	35.3
244	New	Birmingham Hippodrome Theatre Trust	35.0
245	215	Wales Council for Voluntary Action	35.0
246	234	Cranleigh School	34.9
247	198	Cornwall Care	34.8
248	New	Wildfowl and Wetlands Trust	34.8
249	New	Ambitious about Autism	34.8
250	New	St Bede's School Trust Sussex	34.7

CHARITY FINANCE 250 INDEX MAXIMUM AND MINIMUM INCOME LEVELS



INCOME REQUIREMENTS

Membership of both the Charity Finance 100 and 250 Indexes is reviewed every spring to take into account income fluctuations, new charities and charities for which it had previously not been possible to obtain a three-year run of audited accounts. Income data is extracted from accounts with financial year-ends up to and including 31 March 2025, with the index ranking based on average total income over the last three years.

The minimum income requirements for entry into the Charity Finance 250 Index rose this year by 7% from £32.5m to £34.7m. Minimum income requirements have increased every year since the Index was first launched in the late 1990s, with the exception of 2011-12 when they fell by 1%.

> "There are five exits that are promotions to the 100 Index"

This suggests that the top 250 charities continue to fare reasonably well, particularly when considered alongside other sectors of the economy. Comparison with the most appropriate corporate index – the FTSE 250 – shows that the income level of the top 250 charities has kept pace with the share price increases of their corporate equivalents.

This contrast has been particularly apparent over the last five years, with both the negative impact of Covid-19 and positive impact of the lifting of lockdown restrictions in 2020-21, along with Russia's invasion of Ukraine in 2022, being far more marked on the FTSE 250 than the Charity Finance 250 Index.

The majority of the 23 exits from the Charity Finance 250 Index this year are charities whose income has not kept pace with the income requirements. This includes two charities that have gone into administration over the last year. With their former Charity Finance 250 positions shown in brackets, these two are Fusion Lifestyle (122) and Ambient Support (195).

There are just five exits that are promotions to the Charity Finance 100 Index. These five, with their former Charity Finance 250 Index positions shown in brackets, are: the National Gallery (2), Waythrough, formerly known as Humankind (7), the CH Foundation (UK) (15), Football Foundation (22) and Founders Pledge (38). ●

COMMISSION FREEZES CHARITY'S ASSETS OVER 'SERIOUSLY UNDERSTATED' INCOME

A CHARITY has had its accounts frozen over concerns that it "seriously understated" its income and may have made unauthorised trustee payments.

The Charity Commission has opened a statutory inquiry into the Gorgias Charitable Trust, a charity registered in 2018, after raising "serious concerns" over financial information provided.

It has frozen the charity's accounts and will now investigate whether the trustees have complied with their legal governance duties.

The southwest London-based charity, whose general purposes are to advance the Christian religion and promote healthcare, declared that it had no income the year after registering.

Gorgias Charitable Trust's accounts for the year ending 31 December 2020 are more than 1,600 days overdue, with all subsequent reporting years also not filed.

"The regulator has serious concerns as to the accuracy of the information provided in 2019, as the charity appears to have been operating and has seriously understated its income," the commission said.

"Since then, it has failed to file any accounting information with the commission, which constitutes misconduct and/or mismanagement in the administration of the charity."

The inquiry will examine trustees' compliance with their accounting and reporting, financial management and whether there has been any unauthorised private benefit to trustees or connected parties. If further regulatory issues emerge, the scope of the inquiry may be extended.

Three trustees are listed on the charity's entry on the commission's website, all of whom were appointed in 2018. ●

ARTS CHARITY SHUTS PERMANENTLY AFTER FACING 'EXTRAORDINARY' COSTS

A GLASGEWIAN arts charity has been placed into administration after facing "increased and extraordinary" costs.

After a temporary closure, Creative Scotland, which distributes Scottish government and National Lottery funding, announced on 30 January that Glasgow's Centre for Contemporary Arts (CCA) would cease to operate.

The CCA operated the arts venue at 350 Sauchiehall Street, which Creative Scotland aims to reopen as a cultural resource.

Creative Scotland said: "As CCA is unable to demonstrate its ongoing viability and therefore cannot deliver the activity set out in its multi-year funding agreement, Creative Scotland is not able to make further payments.

"This is in line with our responsibilities as a distributor of public funds."

CCA's accounts for the year ending 31 March 2024 show that the charity applied for £4.53m in multi-year funding for 2025-28 to meet its "increased running costs".

Creative Scotland said the CCA was successful in its application for three years of funding and was awarded £832,000 in 2025-26.

Some £1.28m was planned for 2026-27 and 2027-28 to support its programme of creative activity.

CCA's accounts say: "During the financial year, CCA faced significant financial risk and volatility.

"Due to increased and extraordinary costs, reserves were utilised in the year to ensure the viability of the organisation."

It used its reserves built up through 2021-22 from Covid-19 recovery funds after a "controlled loss" in 2023-24.

The accounts say reserves were used to address the increased costs which resulted in "higher risk" to the CCA.

Its total income for 2023-24 was £1.37m, down from £1.43m the year prior, with its 2024 expenditure exceeding this at £1.64m. ●

AUDIT NEW BUSINESS WINS

Charity client name	New supplier	Name of previous auditor	Previous audit fee (before VAT)	New audit fee (before VAT)	Year-end of first audit	Annual income £ (approx)
The Advocacy Project	Goodwins	Cooper Barry Group	£19,200	£10,500	31.03.26	£2.9m (2025)

Advocacy Project appoints Goodwins:
Katherine Shaw, CEO of the Advocacy Project, said: "We chose Goodwins due to the very competitive, inclusive pricing structure, but as importantly, its charity experience, especially with similar organisations to the Advocacy Project, and flexible, client-focused approach."

	Fund name	Date	Class (accumulation or income shares)	Charity sells (p)
MIXED FUNDS				
BlackRock	Armed Forces Charities Growth & Income Fund	31 Mar	Income	240.31
BlackRock	Catholic Charities Growth & Income Fund	31 Mar	Income	173.99
BlackRock	Charities Growth & Income Fund	31 Mar	Income	116.89
Cazenove Charities	Charity Multi-Asset Fund	14 Apr	Income	60.75
Cazenove Charities	Charity Sustainable Multi-Asset Fund	14 Apr	Income	58.72
CCLA	COIF Charities Investment Fund	01 Apr	Income	1,811.06
CCLA	COIF Charities Ethical Investment Fund	01 Apr	Income	274.30
CCLA	Catholic Investment Fund	31 Mar	Income	140.67
Epworth	Multi Asset Fund	31 Mar	Income	110.77
M&G	Charity Multi Asset Fund Sterling	31 Mar	Income	103.64
Newton	Growth & Income Fund for Charities	31 Mar	Accumulation	261.01
Newton	Growth & Income Fund For Charities (Responsible)	31 Mar	Accumulation	234.84
Newton	Ethically Screened Fund for Charities	31 Mar	Income	208.98
Quilter Cheviot	Global Income and Growth Fund for Charities	16 Apr	Income	129.10
Rathbones	Charity Growth & Income Fund	31 Mar	Income	93.91
Rathbones	Active income and Growth Fund	31 Mar	Income	155.02
Ruffer	Charity Assets Trust	31 Mar	Accumulation	185.90
Sarasin & Partners	Climate Active Endowments Fund	31 Mar	Income	127.10
Sarasin & Partners	Endowments Fund	31 Mar	Accumulation	381.80
Sarasin & Partners	Income & Reserves Fund	31 Mar	Income	96.92
W1M	Charity Growth & Income Fund	31 Mar	Income	144.00
ARC	*Sterling Steady Growth Charity Index*[a]	*31 Mar*		–
GLOBAL EQUITY FUNDS				
CCLA	COIF Charities Global Equity Fund	01 Apr	Income	255.65
Epworth	Global Equity Fund	31 Mar	Income	160.74
UK EQUITY FUNDS				
BlackRock	Charities UK Equity Index Fund	31 Mar	Income	1,873.09[i]
BlackRock	Charities UK Equity Fund	31 Mar	Income	832.40
Cazenove Charities	Charity Equity Value Fund[k]	14 Apr	Income	577.40
Epworth	UK Equity Fund	31 Mar	Income	183.10
Epworth	Climate Stewardship Fund	31 Mar	Income	125.30
M&G	Equities Investment Fund for Charities (Charifund)	31 Mar	Income	1,794.38
GILT & FIXED INTEREST FUNDS				
BlackRock	Charities UK Bond Fund	31 Mar	Income	139.88
CCLA	COIF Charities Short Duration Bond Fund	01 Apr	Income	128.15
PROPERTY FUNDS				
CCLA	COIF Charities Property Fund	30 Mar	Income	105.27
Savills Investment Management	Charities Property Fund[c]	31 Mar	Income	119.36
Swiss Life Asset Managers UK	Property Income Trust for Charities	31 Mar	Income	74.92
Eskmuir FM	Diversified Property Fund for Charities[c]	10 Feb	Income	145.80

(a) Data provided by ARC Research
(b) Distribution yield according to MSCI's AREF/IPD UK Quarterly Property Fund Index
(c) Updated quarterly
(d) Dividend yield on mid price
(e) Gross redemption yield
(f) 0.40% on first £200m and 0.35% on balances thereafter
(g) 0.50% on first £200m and 0.45% on balances thereafter
(h) 0.45% on first £200m and 0.40% on balances thereafter
(i) Price for the class A share, which is open to all investors
(j) Less than £40m GAV 0.65% and over £40m GAV 0.50%
(k) The Charity Equity Income fund closed on 8 October 2025 and merged with the Charity Equity Value Fund
(l) Institutional share class launched on 21 October 2025
(m) Subject to manager's discretion

Charity buys (p)	Yield gross (%)	Fund size £m	*Annual charge %	Minimum investment	Net returns (%)** Qrtr % to 31.03.2026	12 months %	Annualised 3 yrs % pa	Annualised 5 yrs % pa
241.13	4.05	405.80	0.40[f]	£1,000	-0.63	18.65	7.62	4.80
174.55	3.39	152.17	0.50[g]	£5,000	-0.35	16.31	8.33	5.50
117.38	3.65	118.66	0.45[h]	£5,000	-0.83	15.33	6.68	4.19
60.75	4.00	873.00	0.65	£10,000	-3.60	12.60	8.70	5.80
58.72	4.00	2,666.00	0.82	£10,000	-4.70	9.60	6.90	5.50
1,811.06	3.21[d]	3,209.70	0.60	£1,000	-7.00	-5.69	1.21	2.78
274.30	3.35[d]	1,942.00	0.60	£1,000	-7.33	-6.17	1.50	2.71
140.67	3.41[d]	197.40	0.60	£1,000	-7.11	-6.00	1.20	1.67
110.77	2.45	52.40	0.60	£1,000	-6.10	3.10	3.40	3.00
103.64	4.25	282.26	0.50	£500	1.12	16.27	9.80	8.23
261.01	2.06	691.80	0.60	£5,000	0.01	13.47	9.12	8.15
234.84	2.13	104.00	0.60	£5,000	-1.28	11.40	7.88	5.99
208.98	2.39	49.60	0.65	£5,000	-2.17	10.67	7.15	5.75
129.10	2.90	237.00	0.50	£100,000	-0.70	11.50	9.30	6.00
93.91	3.19	365.45	0.40	£10,000	-5.70	n/a[l]	n/a[l]	n/a[l]
155.02	2.89	222.95	0.30	£10,000	-1.46	11.39	8.35	5.28
185.90	2.70	518.60	1.07	£500	-0.10	7.50	1.20	2.50
127.10	2.07	582.46	0.75	£1,000	-4.02	2.96	5.70	3.45
381.80	2.55	1,911.78	0.75	£1,000	-4.00	3.81	6.26	3.88
96.92	2.33	90.49	0.75	£1,000	-1.53	4.24	4.42	0.26
144.00	2.20	180.23	0.60	£10,000	-2.90	12.24	10.47	7.45
–	–	–	–	–	*-0.75*	*10.00*	*7.31*	*4.74*
255.65	2.84[d]	177.30	0.75	£1,000	-9.42	-7.49	1.69	2.99
160.74	1.41	138.90	0.55	£1,000	-6.70	6.30	7.40	6.00
1,876.08[i]	3.07	145.26	0.075	£5,000	2.62	22.03	13.26	11.02
833.89	3.10	187.02	0.50	£1,000	-0.59	13.34	9.11	8.11
577.40	4.17	96.14	0.52	£10,000	-4.30	18.90	13.70	12.70
183.10	3.09	30.50	0.55	£1,000	-4.30	8.50	7.20	5.90
125.30	3.58	55.60	0.65	£1,000	-3.90	10.00	8.00	6.60
1,794.38	5.29	856.12	0.47	£500	4.72	25.35	13.14	10.12
140.08	5.36	40.61	0.35	£500	-1.46	3.16	2.46	-1.81
128.15	4.74[e]	193.00	0.22	£1,000	-0.16	4.71	5.81	1.76
108.80	5.20[b]	466.40	0.65	£10,000	1.17	7.32	4.73	4.01
123.27	4.80[b]	900.00	0.71	10,000[m]	1.46	5.40	4.40	4.30
77.14	5.10[b]	508.00	0.65 or 0.50[j]	£10,000	1.30	6.40	4.20	3.50
151.37	5.30	85.10	0.60	50,000[m]	n/a	n/a	n/a	n/a

* extra charges may apply
** quarterly net of fee total return performance in GBP.

The information on this page is provided by fund managers themselves. While best efforts are made to check the accuracy of data, readers are advised to verify this data with the manager in question before making any investment decisions.

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Investing on behalf of charities for over thirty years

For more than thirty years, BlackRock has been a leading provider of global investment management services for UK non-profits. We are entrusted with over £7.6 billion on behalf of more than 3,000 charities, the majority of which invest through our pooled funds. Our specialist offering provides access to the full breadth of BlackRock's global investment platform, underpinned by strong risk management to help address the investment challenges facing today's charity investors.

Capital at risk. The value of investments and the income from them can fall as well as rise and are not guaranteed. Investors may not get back the amount originally invested. Authorised and regulated by the Financial Conduct Authority. Risk management cannot fully eliminate the risk of investment loss. RO: MKTG0226-5184473-EXP0227 * As at 26/09/2025

BNY Investments Newton

Newton Investment Management Ltd
160 Queen Victoria Street, London EC4V 4LA
T: 020 7163 2224 charities@newtonim.com
www.newtonim.com/uk-charities

Unlocking opportunity for charities

BNY Investments Newton is a trusted long-term partner to charities and seeks to deliver strong investment outcomes for them by taking an active, multidimensional and engaged approach, applied across four key disciplines: income and value equities, growth and core equities, specialist equities and multi-asset strategies, which includes charity-focused pooled funds and segregated portfolios.

www.newtonim.com/uk-charities

Your capital may be at risk. The value of investments and the income from them can fall as well as rise and investors may not get back the original amount invested. This is a financial promotion.

Brown Advisory
Thoughtful Investing.

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www.brownadvisory.com

A long-term commitment to charities

Brown Advisory is a global investment management firm, private and independent since 1998. We build bespoke portfolios for our charity clients to meet their long-term financial obligations and broader goals. We foster a rigorous investment culture, managing bespoke multi-asset portfolios and strategies spanning equities, fixed income, and alternative asset classes and with over 15 years of experience in sustainable investing, our team is always guided by a commitment to long-term value creation. As colleagues, we support over 400 charities globally through funding, volunteering, trustee work and engagement. As of March 2025, Brown Advisory has £13 billion in charity client assets globally of which £1.8 billion is for U.K. registered charities.

The Shortlist

INVESTMENT

Why Choose Cazenove Charities?

Cazenove Capital

James Brennan
James.brennan@cazenovecapital.com
020 7658 1183
www.cazenovecapital.com/en-gb/uk/charity

Cazenove Charities is proud to look after £14.9 billion for over 1,800 charities of all shapes and sizes – something we have been doing for 90 years.

Our award-winning charity team is 33 strong and many of the team are charity trustees in a personal capacity which helps us to see the world from your perspective.

We are proud to be the leading charity manager in the UK and can offer ongoing investment advice to our clients – something which is not offered by all.

Cazenove Capital, which is part of the Schroder Group and is a trading name of Schroder & Co. Limited is regulated by the Financial Conduct Authority and the Prudential Regulation Authority. All data as at 31 December 2025.

Invest for good

CCLA GOOD INVESTMENT

Contact:
Sharika Sharma, Head of Business Development
One Angel Lane, London, EC4R 3AB
T: 020 7489 6102 E: Sharika.Sharma@ccla.co.uk
W: www.ccla.co.uk

We look after the investments of more charities than any other fund manager in the UK[1]. We manage £15.3bn on behalf of charities, religious organisations, the public sector and individuals.[2]

Our primary aim is to make Good Investments for our clients. For us, the Good runs deeper than solely financial returns. Good Investment at CCLA means building lasting, long-term financial security and using our voice to engage with companies and government policy makers on issues that matter.

1 Charity Finance surveys 2020 to 2024. 2 As at 30 September 2024. CCLA is authorised and regulated by the FCA.

The Charities Property Fund

Charities Property Fund

Contact:
Sophia Pitts, CPF Investor Relations Manager
33 Margaret Street, London, W1G 0JD
T: 07812 405 173
E: cpfadmin@savillsim.com
W: www.cpfund.co.uk

Launched in 2000, the Charities Property Fund was the UK's first Common Investment Fund to provide charities with direct access to professionally managed UK commercial property. Designed specifically for charities, it provides access to professionally managed property investment while avoiding the complexity and cost of direct property ownership. With c.1,200 investors and almost £1bn of charity assets under management, the Fund invests in a diversified portfolio across the UK's principal commercial property sectors. Its objective is to deliver a high and secure level of income with the prospect of income growth, while maintaining the long-term capital value of the assets held.

Meeting the investment needs of charities

CHARLES STANLEY

Glenn Baker
Business Development Director
(Charities and Professionals)
glenn.baker@charles-stanley.co.uk
020 3797 2510

- Bespoke segregated portfolio solution, tailored to meet each charity's specific needs, rather than using in-house collective funds or products.
- A rigorous institutional investment process using centralised research and risk management functions to deliver performance in line with expectations.
- Specialists in ESG integration, stewardship and ethical screening.
- Trustees supported with a cost-effective on-going service proposition, jargon-free reporting, Trustee training, thought leadership, advice and regulated financial planning where needed.

Investment involves risk. Charles Stanley & Co. Limited is authorised and regulated by the Financial Conduct Authority.

Christian Ethical Investment – for Churches and Charities

Epworth Investing Faithfully

Contact: Simon Woolnough
Head of Business Development
Email: s.woolnough@epworthim.com
Tel: 020 7496 3636

We are dedicated to serving the needs of Churches and Charities, currently managing around £1.3bn (30/06/2021).

What makes us different is how we do it. Our Christian ethical approach looks to identify sustainable companies with attractive return prospects. We then engage to positively influence their behaviour and ensure they are acting in a responsible way.

For good returns that faithfully meet your ethical requirements, please get in touch.

Epworth Investment Management Limited ("Epworth") is authorised and regulated by the Financial Conduct Authority

The Shortlist

The Shortlist

INVESTMENT

Helping charities manage and grow their investments

M&G Investments

Contact: Richard Macey, Director of Charities
richard.macey@mandg.com
10 Fenchurch Avenue, London EC3M 5AG
T: +44 (0)20 8162 3623
www.mandg.com/investments/charities/en-gb

We have been serving charity clients for over 60 years, and we have a long track record of delivering investment returns and income to these organisations, partnered with excellent client service and support throughout their time with M&G.

*UK charity client AuM as at 31/12/2025. Segregated mandates offered by M&G are subject to their own investment minima, fees, and structures that will differ to our pooled fund solutions. Please contact either Richard Macey or charities@mandg.com for more information.

M&G offers:

- A dedicated charities team, servicing over 5000 individual UK charity investors, with an AuM of £1.2bn*
- A full suite of Equity, Fixed-Income, Multi-Asset, ESG, and Alternative investment strategies, and segregated mandates*
- Deep heritage in the sector, with M&G launching one of the UK's first investment funds only for charities in 1960

Investing to beat inflation

navera INVESTMENT MANAGEMENT

Contact: Sam Cotterell, Investment Partner
scotterell@naverainvestment.com
020 3740 8384
2a Southwark Bridge Road
London SE1 9HA
www.naverainvestment.com

For 30 years we have focused on protecting our clients' capital and ensuring it grows faster than inflation – in that order.

Our common-sense, long-term approach aligns closely with many charities' objectives and values, helping them continue to support their beneficiaries in the years ahead. We invest only in listed, liquid equities, high-quality bonds, gold and cash. The companies we select for our global portfolios have resilient, predictable characteristics and strong long-term growth prospects.

As an independent and 100% employee-owned business, we take a long-term view of client relationships – it's a partnership. The view looks different from here.

NIML is authorised and regulated by the FCA.

Global investment leadership with purpose

nuveen
A TIAA Company

Adeline Bosley
AVP, Institutional Distribution | UK
adeline.bosley@nuveenglobal.com
Mobile: +44 (0) 7811 901216
Nuveen
201 Bishopsgate, London, EC2M 2BN
www.nuveen.com

At Nuveen, we partner with charities to deliver long-term investment solutions that align financial goals with purpose. Our traditional and alternative strategies are designed to generate sustainable returns while supporting positive social and environmental outcomes, helping charities meet their mission with measurable impact.

With broad expertise across income and alternatives, we invest in the growth of businesses, real estate, infrastructure and natural capital, providing clients with the reliability, access and foresight unique to our 125+ year heritage.

Property Income Trust for Charities

PITCH
Property Income Trust For Charities

Contact: James Lloyd
Swiss Life Asset Managers UK
55 Wells Street, London, W1T 3PT
Tel: 020 7291 6664 james.lloyd@swisslife-am.com
www.pitch-fund.co.uk

The Property Income Trust for Charities (PITCH) helps charities to invest in property in an ethical, responsible and tax efficient way.

- Fund exempt from SDLT
- Market leading Fund for ESG
- Fund delivering reliable and growing income

Strategic Property Management services provided on an advisory basis

www.pitch-fund.co.uk

Swiss Life Asset Managers UK Limited is authorised and regulated by the Financial Conduct Authority.

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Award-winning charity specialists

QUILTER CHEVIOT

Contact: Charles Mesquita, Charities Director
Quilter Cheviot, Senator House, 85 Queen Victoria Street, London, EC4V 4AB
T: +44 (0)20 7150 4386
E: charles.mesquita@quiltercheviot.com
W: www.quiltercheviot.com

An award-winning charity team dedicated to managing investments for **over 670 charities** across the UK & Ireland.

A **top 10 charity fund manager,** based on discretionary funds under management (Charity Finance 2024 Fund Management Survey).

We offer:

- **Discretionary Portfolio Service** – structured as a segregated portfolio
- **Charity Authorised Investment Fund** – The Quilter Cheviot Global Income & Growth Fund for Charities
- **Sustainable Investment** – structured as a segregated portfolio or Fund

Quilter Cheviot Limited is authorised and regulated by the Financial Conduct Authority. Capital at risk.

The Shortlist

Investment management for charities

RATHBONES

Get in touch:
T: 020 7399 0000
E: charities@rathbones.com
W: rathbones.com/charities
Rathbones Group Plc, 30 Gresham Street
London, EC2V 7QN

Our dedicated charity specialists help your charity invest well – to drive real returns that empower your mission.

We bring together institutional investment expertise, a deep knowledge of the charity sector and a long track record in responsible investing.

Our purpose is simple: to help more charities invest well so they can better fulfil their mission, today and for the long term.

The value of your investments and the income from them may go down as well as up, and you could get back less than you invested. Rathbones Investment Management Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulatory Authority.

Helping each charity achieve their investment goals

RBC Brewin Dolphin

For further information please contact:
Lynne Lamont, Head of Charity and Institutional clients
lynne.lamont@brewin.co.uk 0131 300 2803
Sarah Pook, Charity Business Development Manager
charities@brewin.co.uk 020 3201 3516

RBC Brewin Dolphin is one of the UK's leading providers of personalised discretionary investment management for charities, with over £3.8bn in funds under management for over 1700 charity clients. Whether you want to invest for income or growth, or your priority is to align your investment strategy to your own ethics and priorities, we are here to help your charity achieve its financial goals. Our specialised investment managers have been providing advice to Charity Boards and Executives for over 65 years.

The value of investments, and any income from them, can fall and you may get back less than you invested. RBC Brewin Dolphin is a trading name of Brewin Dolphin Limited which is authorised and regulated by the Financial Conduct Authority.

RUFFER

David Benson – Director, dbenson@ruffer.co.uk
Charles Lynne – Director, clynne@ruffer.co.uk
Ruffer LLP, 80 Victoria Street,
London SW1E 5JL
T: +44 (0)20 7963 8100

Ruffer is an absolute return manager aiming to deliver consistent positive returns – whatever happens in financial markets. By putting safety first we have been there for our charity clients – often when they need it most. Through boom and bust. For over 30 years.

- Ruffer is one of the largest charity fund managers in the UK
- £1.1 billion under management, for 208 charity clients
- Managing money for charities large and small
- Clients include hospitals, universities and schools, livery companies, religious bodies, community foundations and grant-making endowments

All figures as at 31 December 2025. Ruffer LLP is authorised and regulated by the Financial Conduct Authority.

SARASIN & PARTNERS

Melanie Roberts Tel: 020 7038 7296
melanie.roberts@sarasin.co.uk
John Handford Tel: 020 7038 7268
john.handford@sarasin.co.uk
www.sarasinandpartners.com

Sarasin & Partners is one of the leading charity investment managers in the UK, managing portfolios for a wide range of educational, medical, religious and grant-making charities. As at 31st December 2022, it manages discretionary accounts worth approximately £8.2bn for over 490 charities.

We offer:
- Strategic investment advice
- Dynamic tactical asset allocation
- Global thematic stock selection
- Segregated and specialist mandates
- Investment courses for charity trustees.
- Managers of Charity Authorised Investment Funds (CAIFS): the Sarasin Endowments Fund, the Sarasin Income & Reserves Fund, the Sarasin Climate Active Endowments Fund and the Sarasin Growth Fund

Supporting Charity Investors

TROY ASSET MANAGEMENT

Contact: Fritz von Westenholz
Business Development Director
33 Davies Street, London W1K 4BP
Tel: 0207 290 5265
Email: fvw@taml.co.uk

Troy Asset Management is an independent investment boutique known for strong risk-adjusted returns with low volatility and a focus on capital preservation. Our cautious approach aims to protect and grow investor assets through high-quality investments and long-term sustainable returns, avoiding unnecessary complexity.

We offer:
- Over 20 years of experience with around 85 charity clients and £900 million in charity AUM
- A dedicated Share Class for UK registered charities, with a reduced annual management charge
- An ethical exclusion option available across our fund range

The Shortlist

INVESTMENT

High quality investment solutions for charities

Contact: Kitty Burnford
W1M, 16 Babmaes Street, London SW1Y 6AH
Tel: 020 7484 7485
Email: charities@w1m.com
www.w1m.com/charities

Charities, universities and other not-for-profit institutions have valued the personalised service and high quality investment solutions that W1M has delivered for over thirty years. We understand the complex matters that charities and institutions face. That is why we would work in partnership with you, to ensure that your investments are aligned with your organisation's objectives and aims.

W1M offers:

- A dedicated charity team
- An open and personalised service
- Pooled or segregated solutions
- Ethical investing and bespoke screens
- Institutional investment approach
- Trustee training and guidance

W1M Management Limited is authorised and regulated by the Financial Conduct Authority.
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Aon is in the Business of Better Decisions

Contact: Geoff Bauer
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London EC3V 4AN
talktous@aon.com
aon.com/investment

Every day, Aon's strategic investment advisers and asset management experts bring their deep knowledge, best ideas and operational excellence to protect and grow investment portfolios, including those of charities, foundations and endowments.

Services:

- Investment Consulting
- Asset Allocation
- Investment Manager Research
- Responsible and ESG Investment
- Delegated Investment

The pursuit of better investment performance

Contact: Chris Curtis
Tel: 0203 946 2870
Email: chris.curtis@assetrisk.com
assetrisk.com/charities

We specialise in advising charities on how to optimise their investment strategies, ensuring alignment with their mission and long-term objectives. Our charity team collaborates with leaders and stakeholders to effectively navigate the investment journey.

- Understanding objectives and calibrating risk capacity
- Developing investment policy and governance
- Investment manager identification, review and selection

The ARC Charity Indices are free investment performance benchmarks for the charitable sector, used by trustees and stakeholders to assess their manager's delivered outcomes.

Portfolios built for what matters

CAMBRIDGE ASSOCIATES

For any further information regarding our Endowment and Foundation practice, please contact:
Susannah McCrea, Senior Director
+44 (0)7899 503 145
smccrea@cambridgeassociates.com

We build bespoke, institutional-quality portfolios in pursuit of outperformance. With over 581* endowment and foundation clients, we understand the challenges that non-profit investors face. Our investment teams work to understand each client's needs, resulting in customised portfolios that align with our clients' long-term investment objectives, risk tolerances, liquidity needs, and other enterprise considerations.

Get in touch to find out more about our service offerings, including discretionary and non-discretionary investment management, staff extension services as well as strategic and tactical asset allocation advice.

* Cambridge Associates Group clients, as of 30 September 2025.

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INVESTMENT CONSULTANTS

Are you maximising your charity's financial resources?

HYMANS ROBERTSON

Contact: Chris King
Head of Charities
T: (44) 20 7082 6404
chris.king@hymans.co.uk
www.hymans.co.uk

Backed by a firm that supports over 500 clients, our expertise ensures you'll receive the best guidance available.

Our advice is also cost effective, designed to complement, not repeat, your own expertise and is provided at specifically discounted fees, recognising the importance of the third sector.

We offer a comprehensive advice service spanning investment strategy, manager selection and ESG integration. What's more, we're a B Corp certified firm with our own charitable foundation, meaning we understand and share your challenges.

Reach out to us for more information or to discuss your specific needs – we're here to help.

LCP powering possibility

Independent advice from a team of charity experts

We provide tailored and independent investment advice to charities, endowments and foundations. We help you to design, implement and monitor investment portfolios that meet your specific financial, ethical and responsible investment objectives.

Our investment advisers have decades of experience in researching and assessing novel investment opportunities and providing tailored advice without being constrained to a house view.

We use our experience to help you increase your investment returns and further your mission, whilst ensuring robust treasury management. We also help you to reduce investment management costs, making sure your investments positively align with your mission.

Contact: Ian Gamon
Partner for Charities, Endowments & Foundations
Email: ian.gamon@lcp.uk.com
Tel: +44 (0)1962 870060
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Mercer

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- Pioneers of sustainable investment for over 20 years
- Providing a combination of boutique advice and global implementation
- Leading investment managers worldwide, including private markets
- Expertise to support and enhance your governance framework

Contact: Natalie Yapp
Head of Endowment & Foundation Sales – UK
Email: natalie.yapp@mercer.com
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www.mercer.com/solutions/investments/not-for-profit-organizations

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INVESTMENT ADVISORY SERVICES

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Ian Allsop *is a freelance editor and journalist, and contributing editor to Charity Finance*

'Incorrect pluralisation on menus is another area that is ripe for investigative focus'

I HAVE had a sense reading charity-related news in the first third of 2026 that there seems to have been a lot of inquiries and investigations into suspected malpractice.

Never being one to pass up the chance of undertaking some vaguely robust research to back up an intuition, I did some analysis of material on the news pages of the Civil Society Media website. In 2024, 189 of the 874 stories published, included some reference to an investigation. In 2025, the figure was also 189, out of a slightly higher sample of 889. However, up until 20 April 2026, the count is already at 85 out of 280 stories.

This could be a statistical quirk, evidence of greater regulatory zeal, increasing numbers of dodgy charities, sloppy governance and oversight procedures, or greater scrutiny of the sector generally. Or a combination of all of these things. Therefore, I am not going to attempt to draw any great conclusion, but I thought it interesting nevertheless.

A lot (but not all) of the regulatory activity has involved the Charity Commission. Long-suffering readers of the column may recall me previously mentioning my annoyance whenever I see this august body referred to erroneously as the Charities Commission. On a related theme, incorrect pluralisation on menus is another area that is ripe for investigative focus and regulation.

One of the skills needed by a writer, and especially an editor, is strong proofreading. A pedantical (is that the right word?) approach to language. Preciseness matters.

PROOFREADING

Admittedly, I do sometimes take this a little too far, for example, when proofreading shopping lists at home and correcting the spelling of items my wife has written down. I don't mean to, it is almost a subconscious thing and I accept that it must be extremely annoying for her.

This tenacious pursuit of exactitude came to a dramatic head in an incident 26 years ago, that is still talked about by those who witnessed it. However, I think it strongly underlines why attention to detail is important.

A number of us, friends from university, were staying at a hotel near Cumbernauld in Scotland for a mutual friend's wedding. The evening before the big day, we gathered in the restaurant for an evening meal. I ordered "fishcakes". You can probably already guess what happened next. What arrived was a single fishcake, accompanied by some salad. It wasn't even a particularly big fishcake.

The look on my face as I studied my paltry dinner had already caused some amusement and as I started muttering about the misleading menu, I was enthusiastically encouraged to complain. It didn't go well.

The first person I spoke to was unable to grasp that the menu's promise of, at worst, two fishcakes had not been fulfilled. I am not sure I then used the precise phrase "can I speak to your manager?" but it was words of similar intent.

There then followed a lengthy and confused discussion with a more senior hotel employee where I got more and more irate. Partly because they kept changing their excuse, alternating between "it is a typo" and "we used to serve two fishcakes but recently cut back and haven't got round to updating the menu".

In an effort to resolve things, they offered to take the cost of the dish off my bill when I checked out, when what I really wanted was at least one more fishcake.

Naturally, everyone else was in hysterics as my fishcake breakdown escalated and since that day I have never been able to see "fishcakes" on a menu without a shudder.

When we were in Sri Lanka earlier this year, I had what I am calling the reverse fishcake, in Galle. There was "jackfruit taco" listed on the menu and as we had already ordered quite a lot of food, I thought having just one to try was ideal. The photo illustrates what turned up. They were delicious by the way.

I am meeting this same group of people next week for a reunion and have just checked the menu at the pub we are going to. I am already nervous about ordering the cod cheeks, crab cakes and lamb koftas. ●

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