

Committee Clerk
Culture, Media and Sport Committee
House of Commons
London
SW1A 0AA

Charity Commission
PO Box 211
Bootle
L20 7YX

Date: 14th February 2025

Dear Sir / Madam,

Charity Commission Supplementary Estimate 2024-25: Estimates Memorandum

1. Overview

1.1. Objectives

The Commission is a non-ministerial Government Department, established by law to be the registrar and regulator of charities in England and Wales. The Commission maintains an electronic public register of charities, provides guidance and advice to charities, monitors their activities through their accounts and annual returns and seeks to identify and investigate any impropriety that may place charitable assets at risk. These activities aim to give the public confidence in the integrity of charity.

1.2. Spending controls

The Commission's net spending is broken down into a several different spending totals, for which Parliament's approval is sought.

The spending totals which Parliament votes are:

- Resource Departmental Expenditure Limit ("Resource DEL") - a net limit comprising day-to-day running costs, less income funded projects from other Government Department.
- Capital Departmental Expenditure Limit ("Capital DEL"): - investment in capital equipment such as IT infrastructure.

In addition, Parliament votes a net cash requirement, designed to cover the elements of the above budgets which require the Commission to pay out cash in year.

1.3. Comparison of net spending totals sought

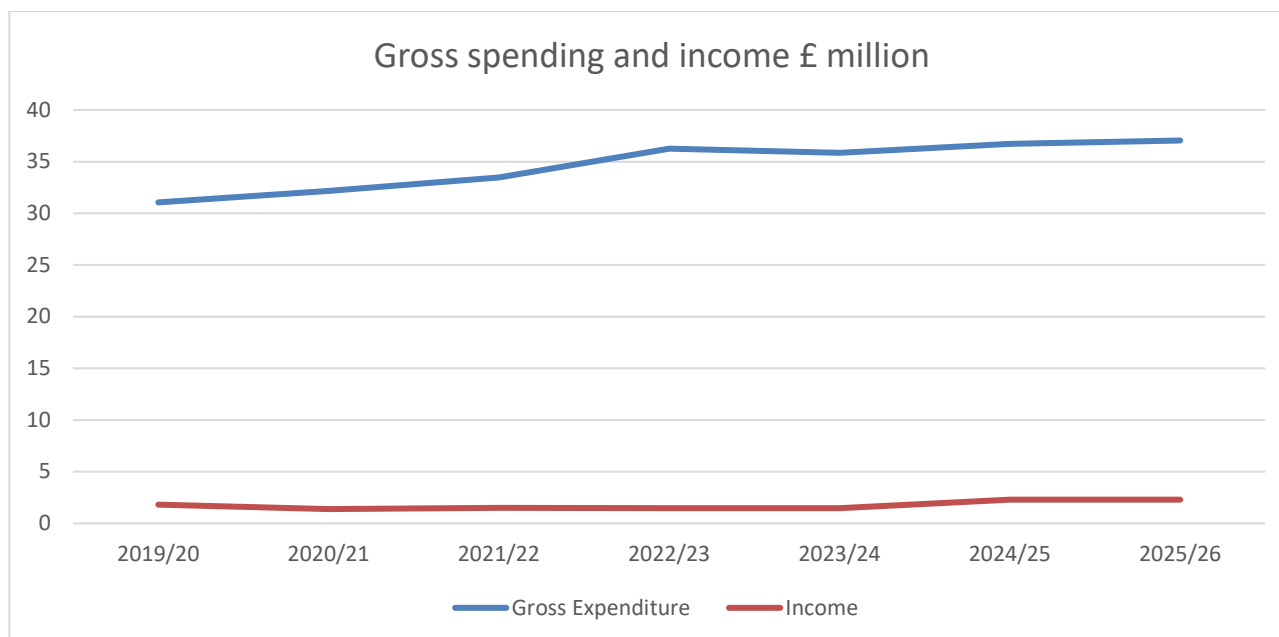
The table below shows how the net spending sought for the Commission compares to last year:

Net Spending total Amounts sought this year (Supplementary Estimate 2024-25)		Compared to original budget (Main Estimate 2024-25)		Compared to final budget last year (Outturn 2023-24)	
		£ m	%	£m	%
Resource DEL	£32.149m	+£0.63m	+2%	-£0.031m	0%
Capital DEL	£4.45m	-£0.824m	-16%	+£2.179	+104.22%
Resource AME	£0.2m	£0.2m	Nil in Main Estimate	+£0.2m	Nil Outturn

A breakdown of spending and income within the net total is shown in section 2.1. The above table shows a 2% increase in Resource DEL for 2024-25. This relates to one-off pay costs, partially met via additional RDEL funding granted by Treasury. Capital DEL in 2024/25 includes £2.174m relating to the renewal of property lease under IFRS 16 (nil in 2023/24). Resource AME sought is in line with prior year in order to allow for any potential legal provisions.

1.4. Spending and income trends

The charts below show overall Resource and Capital DEL spending and income trends for the last five years, plans presented in Estimates for 2024-25, and current future spending plans.



1.5 Administration costs and efficiency plans

Spending total Amounts sought this year (Supplementary Estimate 2024-25)		Compared to original budget last year (Main Estimate 2023-24)		Compared to final budget last year (Outturn 2023-24)	
		£ m	%	£m	%
Admin costs	£32.149 m	+£0.845	+3%	-£0.031	0%

In our last CSR submission of 2021, the Commission detailed a plan to deliver a total of £1.8 million of savings over the three years of the CSR period and to absorb a further £1.2m of demand increases. These savings and efficiencies are being delivered through a combination of system enhancements, improved risk assessment and smarter working – with our IT being a key enabler.

1.6 Funding: Spending Review and Budgets

For 2024/25, the Commission received a £0.215m increase in Resource DEL via the last Spending Review. Capital DEL increased by £0.1m for capital investment projects and £2.174m for property lease renewals under IFRS 16.

Expenditure is funded through a combination of:

- Treasury provided Resource DEL funding of £31.519m;
- Treasury provided Capital DEL relating to the Commission's IT roadmap programme of £3.1m.
- Treasury provided Capital DEL relating to the IFRS 16 commitments of £2.174m.
- Forecast additional funding of £2.3m transferred from other departments

With the next Spending Review due this year, the Commission intends to submit a strong case to support the development of our role as a regulator and as a supportive partner to the charitable sector, whilst also delivering an updated savings and efficiencies plan.

2. Spending and income detail

2.1. Explanations of changes in spending and income

	Resource		DEL		In-Year change	change from last year	see explanation, note number
	2024-25 Supplementary Estimates budget sought.	2024-25 Main Estimates budget approved.					
	£ million			%		%	
Giving the public confidence in the integrity of charity	34.449	33.819		2%		0%	Section 1.3
Gross expenditure	34.449	33.819		2%		0%	Section 1.3
Income from OGD's	-2.3	-2.3		0%		0%	
Net expenditure	32.149	31.519		2%		0%	

2.2. Ring fenced budgets

Within the totals, the following elements are ring fenced i.e. savings in these budgets may not be used to fund pressures on other budgets.

The following table illustrates an 12% increase in ring-fenced charges this year excluding adjustments for the introduction of IFRS16, attributable to an enlarged asset base following the further roll-out of digital services.

Resource DEL

Ring fenced budgets Amounts sought this year (Supplementary Estimate 2024-25)		Compared to original budget this year (Main Estimate 2024-25)		Compared to final budget last year (Outturn 2023-24)	
		£ m	%	£m	%
Depreciation & Amortisation (including adjustment for IFRS 16)	£3.594	£0.0m	0%	0.303m	+9%
Depreciation & Amortisation (excluding adjustment for IFRS 16)	£2.25m	£0.0m	0%	0.400m	+12%

2.3. Changes to contingent liabilities

There is no change: £nil reported in our Annual Report and Accounts.

3. Priorities and performance

3.1. Measures of performance against each priority

In February 2024, the Commission launched its new Strategy for 2024-29. The Strategy sets out our ambition to be the expert Charity Commission that is fair, balanced and independent so that charity can thrive. It provides the following priorities for the Commission over the next five years:

- 1) We will be fair and proportionate in our work and clear about our role.
- 2) We will support charities to get it right but take robust action where we see wrongdoing and harm.
- 3) We will speak with authority and credibility, free from the influence of others.
- 4) We will embrace technological innovation and strengthen how we use our data.
- 5) We will be the expert Commission - where our people are empowered and enabled to deliver excellence in regulation.

In this first year of delivering this new strategy, we have continued to demonstrate our ability to respond in an agile way to the increased impact upon charities from major domestic and international incidents, such as conflict in the middle east. We supported the sector through a UK General Election by signposting and promoting relevant guidance, engaging with sector bodies and political stakeholders, and implementing an effective case handling strategy. Our election casework summary, published in August, found a significant decrease – by over 60% – in the levels of higher risk casework compared to the 2019 General Election.

In the meantime, we have continued our core programme of work to update our guidance for charities to help them fulfil their duties effectively. This includes publishing updated guidance on charity meetings, decision making for trustees and improving charity finances. Across the year, we have continued our programme of charity campaigns such as our annual trustees' week campaign, which included a highly successful refreshed charity quiz designed to test trustee's knowledge of charity governance, and a safer giving campaign over the Christmas period.

We have revised our Regulatory and Risk Framework, which is a public document that sets out how the Charity Commission operates as a risk-led regulator. The document has been renamed "raising a concern with the Charity Commission" and the updates seek to ensure that it better communicates our role and remit so that people know what we do and when they should bring concerns about a charity to our attention. The revised document is due to be published in Quarter 4 of this year.

In the past year we have received a record number of registration applications. This is one example of the backdrop of continuously rising demand across all of our core statutory functions, against which we have been required to prioritise use of our tightly constrained resource. We successfully maintained our effectiveness at taking robust action with those charities who are not complying with their responsibilities. In November 2024, we concluded our investigation into the Captain Tom Foundation, which found repeated instances of misconduct and/or mismanagement by the family of the late fundraiser. There was widespread media coverage of our report, which we used to highlight the firm action taken to hold the trustees to account. A key focus for this year has also been to improve compliance rate for charities to upload their Annual Returns on the public website through targeted filing reminders, prioritising those charities with a last known income of over £10 million.

Internally, to maintain our high levels of performance in this difficult context, we have completely revised our performance management system, ready for launch in 2025-26. The new system will replace our current 12-month review cycle with a cycle of continual assessment, allowing for a continuous process of performance and development conversations.

Over the course of the year, we delivered on our objectives through:

- Supporting over 87,000 unique charities, by answering over 111,000 calls to our Contact Centre.
- Concluding 3,710 regulatory concern cases, opening 89 new statutory inquiries (the most serious of the Commission's regulatory interventions) and closing 65.
- Assessing and responding to 96% of applications for registration and permission, and requests for advice within 10 working days.
- Deciding 77% of all registration, permission and advice requests within 30 working days.
- Considering 9,008 applications to register a charity.
- Releasing dormant funds from moribund charities to be repurposed into the community sector, with £9.1m repurposed in England, and £3.3m in Wales.
- Using our statutory powers 2,189 times, including issuing Official Warnings (39), and disqualifying trustees (34).

3.2. Major projects

In 2022-23, we launched our new My Charity Commission Account (MCCA) service to charity trustees. This was a substantial undertaking for us and the sector, migrating charity contact points from a shared set of charity details to an individualised, personalised accounts. Anticipated technical issues were experienced by some charities in signing up, which led to a higher volume of incoming queries to our Contact Centre than is typical. The focus for this financial year has therefore been to prioritise usability upgrades to the system. The first two tranches of updates have been released, and early data suggests that these are already leading to a decrease in calls to our Contact Centre.

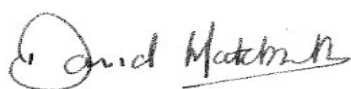
Another key project for this year has been jointly working on the development of the next Charities Statement of Recommended Practice (SORP) with the Office of the Scottish Charity Regulator (OSCR), Charity Commission Northern Ireland (CCNI) and the Charities Regulator Ireland. The new SORP will be effective from 1st January 2026.

4. Accounting Officer Approval

This memorandum has been prepared according to the requirements and guidance set out by HM Treasury and the House of Commons Scrutiny Unit, available on the Scrutiny Unit website.

The information in this Estimates Memorandum has been approved by myself as Departmental Accounting Officer.

Yours faithfully,



David Holdsworth
Chief Executive / Accounting Officer
Charity Commission for England and Wales