

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

Charity Commission
PO Box 211
Bootle
L20 7YX

Date: 6th February 2026

Dear Sir / Madam,

Charity Commission Supplementary Estimate 2025-26: 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 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 IS 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

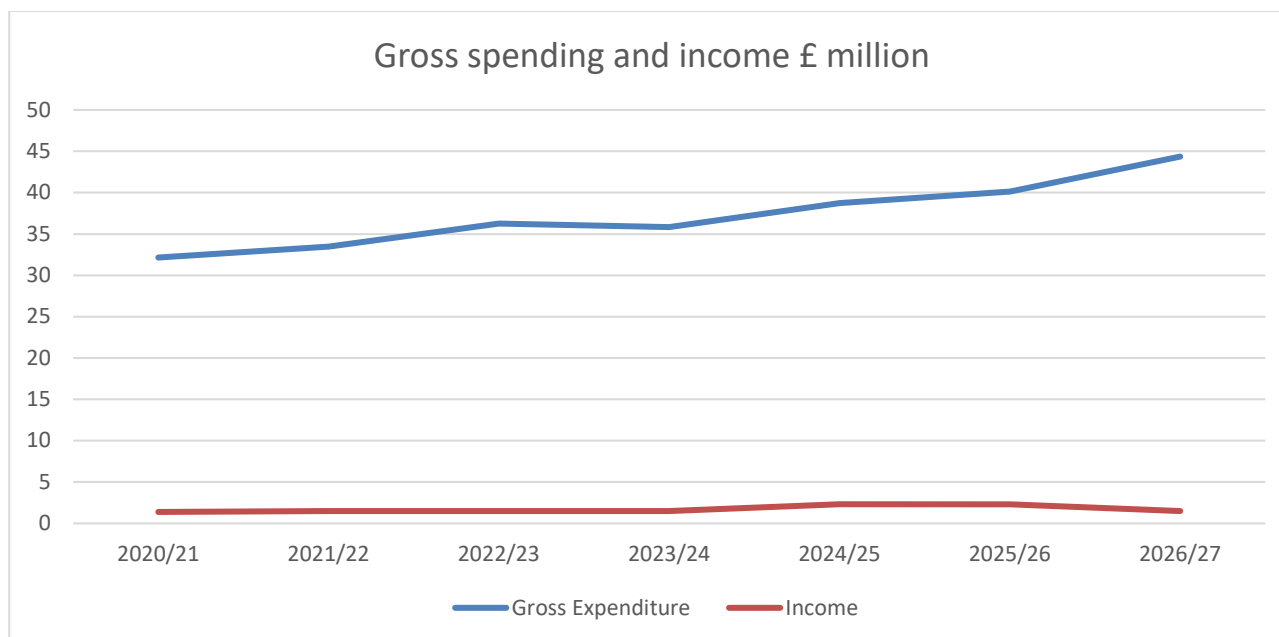
The table below shows how the net spending sought for the Commission compare to last year:

Net Spending total Amounts sought this year (Supplementary Estimate 2025-26)		Compared to original budget (Main Estimate 2024-25)		Compared to final budget last year (Outturn 2024-25)	
		£ m	%	£m	%
Resource DEL	£33.389m	+£0	+0%	£1.345m	4.2%
Capital DEL	£2.65m	-£1.8m	-39%	-£1.714	-39.28%
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 no change in Resource DEL for 2025-26. Capital DEL in 2025/26 includes £2.174m relating to the renewal of property lease under IFRS 16. The renewal of property leases in 2025/26 are calculated at £0.374m, resulting in the surrender of £1.8m. Resource AME sought is in line with prior year 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 2025-26, and current future spending plans.



1.5 Administration costs and efficiency plans

Spending total		Compared to original budget last year		Compared to final budget last year	
Amounts sought this year		(Main Estimate 2024-25)		(Outturn 2024-25)	
(Supplementary Estimate 2025-26)		£ m	%	£m	%
Admin costs	£33.389m	+£1.87m	+6%	£1.345	4%

As part of the 2024 Spending Review Phase 1, the Commission identified plans to achieve further savings of £1.5m through a combination of reductions in staffing levels and the capitalisation of staff costs, both of which are required to stay within spend controls. These savings are on track to be delivered by the end of the financial year.

1.6 Funding: Spending Review and Budgets

The Commission received a £1.870m increase in Resource DEL via the last Spending Review. Expenditure is funded through a combination of:

- Treasury provided Resource DEL funding of £33.389m.;
- Treasury provided Capital DEL of £4.450m
- Additional funding of £2.3m transferred from other departments

2. Spending and income detail

2.1. Explanations of changes in spending and income

	Resource		DEL		
	2025-26 Supplementary Estimates budget sought.	2025-26 Main Estimates budget approved.	In-Year change	change from last year	
	£ million		%	%	see explanation, note number
Giving the public confidence in the integrity of charity	35.689	35.689	0%	4%	Section 1.3
Gross expenditure	35.689	35.689	0%	4%	Section 1.3
Income from OGD's	-2.3	-2.3	0%	0%	
Net expenditure	33.389	33.389	0%	4%	

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.

Resource DEL

Ring fenced budgets Amounts sought this year (Supplementary Estimate 2025-26)		Compared to original budget this year (Main Estimate 2025-26)		Compared to final budget last year (Outturn 2024-25)	
		£ m	%	£m	%
Depreciation & Amortisation (including adjustment for IFRS 16)	£3.594	£0.0m	0%	0.386m	+12%
Depreciation & Amortisation (excluding adjustment for IFRS 16)	£2.25m	£0.0m	0%	0.440m	+14%

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

The Commission's work is aligned to our 2024-29 Strategy. 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 this five year period:

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.

The Board approved our Corporate Business Plan for the 2025-26 financial year in April 2025. This plan sets out a range of key actions aligned under each of the above priorities that we will deliver against in the second year of our Strategy. As of the end of quarter two:

- just under 70% of these were either on track or already achieved, 11% were too early to report against and changes to approximately 9% (equating to 11 individual milestones) were considered and agreed.
- All five of our operational service standards were RAG rated green.

Milestones met included publishing the inaugural Charity Sector Risk Assessment in September and, just into quarter 3, the go-live of the Statement of Recommended Practice (SORP) which introduces a three -tiered reporting system, updates to lease accounting and guidance for income recognition. It is effective for reporting periods starting on or after 1 January 2026.

Whilst performance is positive, it should be noted that we are navigating capacity pressures. For example, Regulatory Services is experiencing a period of acute resourcing and capacity pressure, with FTE staffing declining from 271 to 243 since FY 2022–23. This reduction has coincided with a 23% surge in regulatory demand, including a 77% increase in complaints and a 15% rise in registration applications. Despite these challenges, the directorate has demonstrated operational resilience and strategic agility: productivity has markedly improved, with case closures per FTE rising by 27% in regulatory concerns and 17% in registrations. Performance uplift is also evident across the Regulatory Authority, where cases closed per FTE have increased to 351 YTD (from 273 in 2024–25 and 175 in 2022–23), and in Regulatory Casework, with 91 cases closed YTD (up from 71 in 2023–24). However, despite these efficiency gains, the reduction in staff numbers combined with the increase in demand, is putting key performance indicators under pressure in the second half of the year.

Looking forwards, following a positive Spending Review outcome, the Commission is preparing for a significant increase in its resources from 2026-27 by undertaking a review of its organisational design and developing a 'Commission Futures' programme to ensure that technological improvements will lead to a more sustainable Commission in the future.

3.1. *Major projects*

A 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 became effective on 1st January 2026.

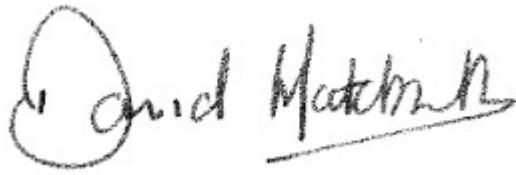
In advance of the 'Commission Futures' programme, which will see a significant investment in its IT infrastructure beginning 2026-27, a programme of continuous improvement is underway, making changes to key systems, along with the development of a 'Casework Academy' to ensure that new starters receive appropriate training as they embark on their career with the Commission.

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,

A handwritten signature in black ink, reading "David Holdsworth". The signature is written in a cursive style, with the first name "David" and the last name "Holdsworth" clearly legible. The signature is positioned in the upper left quadrant of the page.

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