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# Charity Governance, Risk and Regulatory Engagement

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# Roger Waite

Roger is a partner in our charities and philanthropy team.

Roger works with all types of charities, foundations and non-profits on charity law, governance, fundraising and regulatory matters.

He has advised a range of charities on their formation, restructurings, commercial and fundraising agreements, grant-making, international operations and regulatory engagement with the Charity Commission and HMRC.

Roger has a range of experience of charities with substantial endowments and with complex legal structures, including advising on a range of complex restructurings and related engagement with the Charity Commission

Roger also has wide experience of philanthropy and advising on the structuring of grant-making and the legal issues which arise for substantial grant-making bodies.

Up and coming partner

Chambers and Partners UK,  
2026

Next generation partner

Legal 500 UK, 2026



Partner | London  
Charities and philanthropy

+44 20 7597 6623

Roger.waite@withersworldwide.com



Roger has been instrumental in the projects we've operated this year and his exceptional industry knowledge and advice has been key in enabling growth.

Chambers and Partners UK, 2026



# Agenda

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1. Introduction
2. Current landscape
3. Sector risk assessment
4. Core duties of charity trustees
5. Regulatory engagement and the role of the Charity Commission
6. Charity Commission updates
7. Charity governance
8. Recent statute and case law
9. Looking ahead

# Overview of Current Sector Landscape

- More than 170,000 registered charities in England and Wales
- Combined annual turnover of £94 billion and assets of £340 billion
- Only 0.57% of charities have income over £10m
- 3% of the UK workforce is currently employed by the charities sector
- Sector benefits from the support of roughly 6.7 million volunteers
- Over 900,000 trustee roles filled on a voluntary basis



# Charity Commission Sector Risk Assessment

The Charity Commission published its first ever sector risk assessment, identifying systemic risks that may impact on charities' ability to deliver against charitable objects.

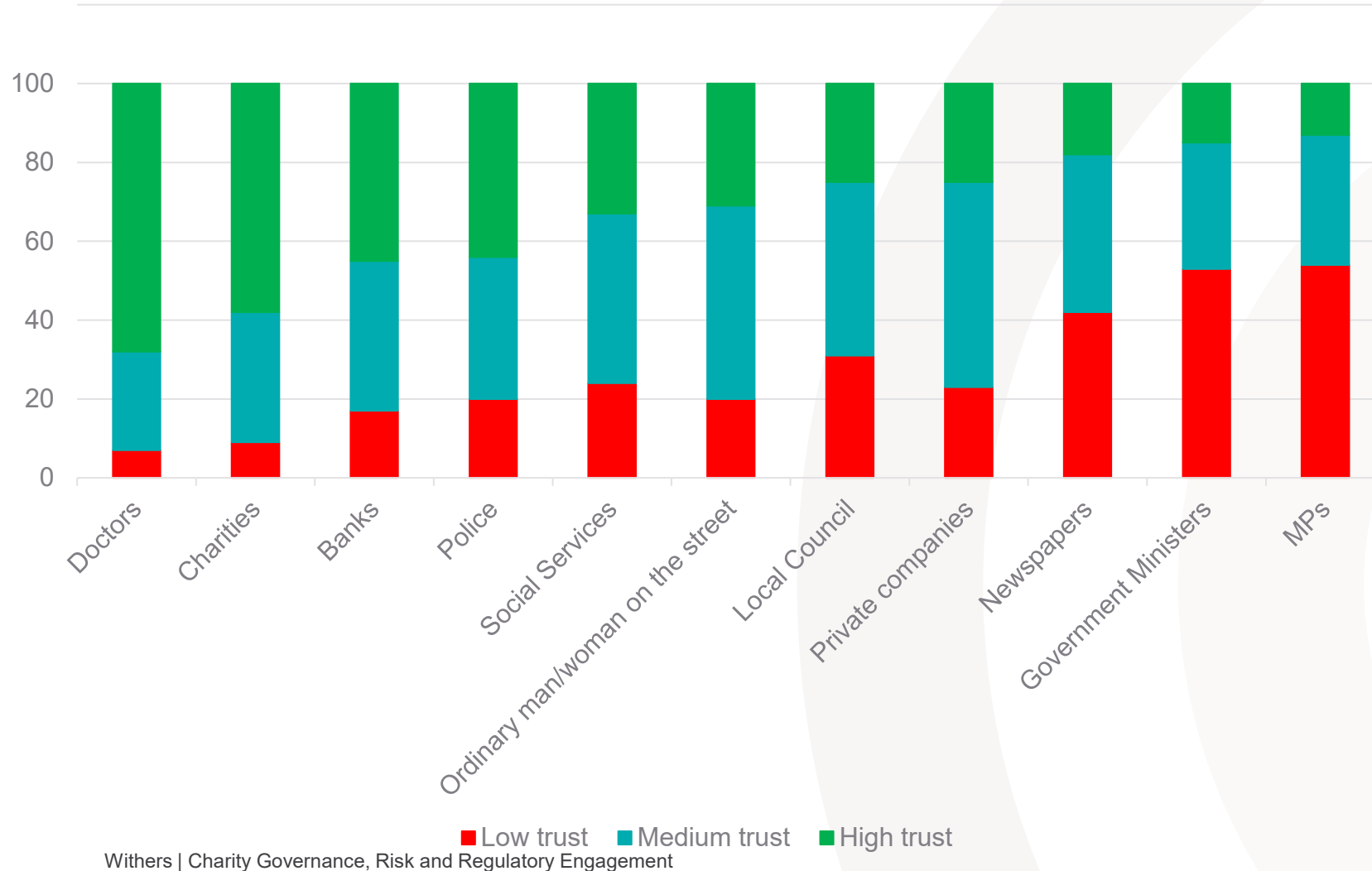
Core risks include:

- Financial resilience
- Risks to public benefit
- Safeguarding
- Social tensions
- Governance risks

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Charities have shown remarkable resilience facing up to the challenges that have arisen over recent years – from a global pandemic to a one-in-a-generation cost of living crisis. In responding to these events, charities have reminded us once again of their central importance to our society.

# Trust and Confidence in Charities



# Charity Trustees' Core Duties

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- Ensure your charity is carrying out its purposes for the public benefit
- Comply with your charity's governing document and the law
- Act in your charity's best interests
- Manage your charity's resources responsibly
- Act with reasonable care and skill
- Ensure your charity is accountable
- Key publication – CC3a



# The Regulatory Context

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## Charity Commission Strategy 2024 to 2029 – Five priorities:

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.



**CHARITY COMMISSION**  
FOR ENGLAND AND WALES

## Remember:

The Commission's regulatory role is focused on charity trustees and their conduct

# Charity Commission Recent Inquiries

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- Brighton Mosque & Muslim Community Centre
- The Sikh Channel Community Broadcasting Company Limited
- Island Health Trust
- Four Paws Animal Rescue (South Wales)
- Some time ago... RNIB



# Charity Commission Updates

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- Dame Julia Unwin acting as Chair, three-year term on 1 Jan 2026 – 31 Dec 2028
- Increase in funding of over 25% to £37.9m in 2025 – 2027
- Revised Charity Commission guidance:
  - CC30 – Recruitment and appointment of trustees
  - CC11 – Payment of trustees and connected persons
  - CC20 – Charity Fundraising: a guide to trustee duties
  - Trustee expenses
- CC29 – Management of Conflicts of Interest
- New Fundraising Regulator guidance issued on AI use in fundraising

# The Foundations of Good Governance



*‘Charity Trustees’ are ‘...the persons having the general **control** and **management** of the administration of a charity’*

Charities Act 2011

*Governance: ‘the process by which a governing body ensures that an organisation is effectively and properly run ....governance is **not** necessarily about **doing**; it is about ensuring that things are **done**’*

NCVO

# Key distinctions between governance and management

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## Governance

- Determining policy and strategy
- Appointing and overseeing the Chief Executive
- Managing the governance process
- Providing insight, wisdom and judgment
- Ensuring the organisation is accountable

## Management

- Developing policy and implementing strategy
- Appointing managers and staff
- Supporting governance processes
- Delivering functions
- Measuring and reporting on performance

# Revised Charity Governance Code

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Updated version of the Code released in 2025

➤ 8 principles refined / refocused:

- Foundation principle
  - Organisational purpose
  - Leadership
  - Ethics and culture
  - Decision making
  - Managing resources and risks
  - Equity, diversity and inclusion
  - Board effectiveness
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- New website due this year providing a more interactive way to use the Code.

# Revised Charity Governance Code – *'deliberately aspirational'*

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'Trustees take responsibility for, and invest the necessary time and care, in understanding the charity, their responsibilities and legal duties.'

You know it's working when:

1. Trustees understand their role and are committed to doing a good job, ensuring continuous learning and sufficient time for their responsibilities.
2. Trustees have a good understanding of the charity's governing document, purposes and how the charity delivers public benefit.
3. Trustees have an up-to-date understanding of how charity law and wider regulation relate to their charity's work.
4. Trustees uphold and promote standards of good governance, and work to ensure that the role of the board is understood and valued throughout the charity.
5. Trustees identify and manage conflicts of interest, making sure the charity and its aims are put first in decision making.'

# Revised Code of Fundraising Practice

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- Revised Code of Fundraising Practice applies from 1 November 2025
- Principles based approach. Fundraising is to be:
  1. Legal
  2. Open
  3. Honest
  4. Respectful
- New guidance on modern practices: online gaming and fundraising
- Underlying law has **not** changed



# Changes to Charities SORP

## New SORP effective from 1 Jan 2026

### (1) Three tiers of reporting based on income:

- Tier 1 – Income up to £500,000
- Tier 2 – Income between £500,000 and £15 million
- Tier 3 – Income above £15 million

### (2) New reporting requirements:

- Mandatory impact reporting for all charities
- Comprehensive disclosures incl. reserves policy and risk
- ESG

### (3) Threshold changes for simpler accounting

- Income threshold for non-company charities to use simpler receipts and payments accounts doubled from £250,000 to £500,000

# Charities Act 2022 – Ex Gratia Provisions

- All Charities Act 2022 ('ChA 2022') provisions now in force (as of 27 November 2025)
- Delays due to concern regarding restitution of cultural assets
- s15 ChA 2022 – power to make ex gratia payments below the relevant thresholds without approval:

Charity's gross income (from previous financial year)	Maximum ex gratia payment allowed without consent of Charity Commission, Court or Attorney General
£25,000 or less	£1,000
Over £25,000 to £250,000	£2,500
Over £250,000 to £1million	£10,000
Over £1 million	£20,000



# Ex Gratia Provisions (continued)

- s16 ChA 2022 confers stand-alone statutory power on the Charity Commission, Court and Attorney General to authorise ex gratia payments over threshold
- Power remains *'by order of'* and under supervision of Attorney General
- Power now delegable : s 106(1)(b) (as amended by s 16 ChA 2022) test now objective. The trustees *'in all the circumstances could reasonably be regarded as being under a moral obligation'*
- Saving provisions commenced by government prevents 16 statutory charities from transferring 'excluded property'
- Trustee oversight and ex gratia policy adoption advised

# Digital Markets, Competition and Consumers Act 2024

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Applies to 'traders' who have 'subscription contracts' with 'consumers'

Intended to enable consumers to:

- Make informed choices
- Use products and services that meet their needs
- Be protected from unfair or misleading practices

Key element: protections for consumers in relation to subscription contracts

# Data (Use and Access) Act 2025

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- Amends UK General Data Protection Regulation (UK GDPR)
- Amends facilitate 'soft opt-in' i.e. charities sending direct electronic marketing without express opt-in
- Introduces concept of 'recognised legitimate interests', a new basis for organisations use of personal data
- Organisations must now provide adequate way for people to make a data protection complaint, acknowledge receipt within 30 days and take 'appropriate steps' to respond
- Rules don't apply retrospectively

# Economic Crime and Corporate Transparency Act 2023

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New corporate criminal offence of 'failure to prevent fraud', came into force on 1 September 2025

- Applies to large charities
- Strict liability offence – no need to show complicity or knowledge
- Only defence is if relevant body has reasonable procedures in place to prevent fraud

From 18 November 2025, identity verification at Companies House required for all new and existing company directors (including trustees of charitable companies and directors of trading subsidiaries) and PSCs

# For Women Scotland Ltd v The Scottish Ministers 2025

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- Supreme Court ruling terms 'woman', 'man' and 'sex' in the Equality Act 2010 refer to biological sex
- Implications for sector
- Charity Commission CEO open letter to government urging ministers Code of Practice (prepared by Equality and Human Rights Commission ('ECHR') to be issued
- Draft Code submitted for approval on 4 September 2025
- If approved, Code put before Parliament for review

# On the horizon

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- Evolving regulatory landscape: charities should be reviewing risk registers
- Increasing firm regulatory action
- Updates to CC29 Commission guidance on conflicts
- New website delivering a more interactive Charity Governance Code
- New EHRC Code of Practice for services, public functions, and associations to be approved by the Minister and laid before Parliament (re *For Women Scotland* case)
- Employment Rights Act changes into effect in October 2026



# Thank you

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Roger Waite

Partner

Charities and Philanthropy | London

+44 20 7597 6623

Roger.waite@withersworldwide.com

Global office locations

London | Geneva | Milan | Padua

Hong Kong | Singapore | Tokyo | British Virgin Islands

New York | Greenwich | New Haven | Texas

San Francisco | Los Angeles | San Diego

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