

UK Charities Report 2024

Helping to understand the current outlook
and issues for UK charities



Contents

About Kreston Global	3
Introduction	4
Top ten findings.....	5
Executive summary	6
Section one	
Financial position	8
Section two	
Regulation and processes	13
Section three	
Rising costs.....	17
Section four	
Recruitment challenges	22
Section five	
ESG	27
Section six	
Skills shortages	30
Section seven	
Risk management.....	32
Section eight	
Digitisation	36
Section nine	
Political matters	39
Where to now?	44

About Kreston Global

Kreston Global is an international network of independent accounting firms. As trusted long-term advisers, we combine expertise with empathy to help you achieve your professional and personal goals.

When you're branching out into the unknown, you can't beat local knowledge. As a network of 160 independent accounting firms across 114 countries, Kreston Global gives you access to top-quality advice and exceptional service. Working with us connects you with more than 27,000 dedicated professionals, wherever in the world you happen to do business.

As new markets develop and technology evolves, business operates on an increasingly global scale. Kreston Global members use their network of local contacts to shape international solutions that are right for you and your business.

We know our local regulations and customs inside out. Combine that with our solid reputation and enviable contact book, and there's no doubt that we give your business the competitive edge.

Kreston Global
www.kreston.com

“

Almost half of the charities surveyed have a positive financial outlook.

”

Introduction

Despite the UK grappling with a cost-of-living crisis and inflation sitting at 4% in January 2024, almost half of the charities surveyed have a positive financial outlook. However, pressures still remain on income streams and, whether it's wages, energy, insurance or rent, charities are facing huge challenges when it comes to rising costs.

What's more, as well as continuing to recover from the effects of the Covid-19 pandemic, which saw an increase in demand for services, charities must also face regulatory and financial requirements both domestically and internationally.

This survey was extended to clients of the Kreston UK Charity Group, which works with more than 2,000 charities of various sizes offering a range of services across the UK.

Understanding and considering the experiences of a wide range of charities can provide important guidance so that the sector can adapt and grow, helping to deliver the best outcome for the country and its people.

This report, based on a survey of more than 80 UK charities, explores the financial outlook of the third sector, the challenges and risks being faced, and attitudes surrounding key topics such as diversity, recruitment, digitisation and sustainability.

“

Most charities will not be focusing more on ESG/sustainability in 2024.

”

Top ten findings

- 1** Almost half of charities believe their financial outlook is positive for 2024 (see section 1.1)
- 2** Charities are increasingly exploring options to diversify their income streams (see section 1.3)
- 3** Of those that responded, 81% of charities have seen wages increase during the last 12 months, 76% have seen energy costs increase and 78% have seen insurance costs increase (see section 3.1)
- 4** Most charities (54%) are finding it difficult to recruit and retain employees, and 29% believe it has become harder in the last year (see section 4.1)
- 5** Increasing salaries is the most popular incentive that charities have used to attract and/or retain employees in the last 12 months (see section 4.1)
- 6** Most charities (51%) are finding it difficult to find volunteers, and 23% believe it has become harder in the last year (see section 4.2)
- 7** Most charities will not be focusing more on ESG/sustainability in 2024 (see section 5.2)
- 8** HR and IT are the skills that charities are most likely to be missing amongst their trustees (see section 6.1)
- 9** Charities see reduced funding as the biggest emerging risk in 2024 (see section 7.2)
- 10** The majority of charities (59%) believe that the Labour Party would have the greatest positive impact on their charity if they came into power (see section 9.2)

Executive summary

Despite the uncertain economic times, this report shows that many charities are confident with their financial outlook for 2024, with almost half believing their financial outlook is positive.

However, this does not mean that charities have not experienced rising costs over the last 12 months. The cost of living, soaring energy bills and inflation continue to present challenges for the third sector, with costs increasing for outgoings such as wages, energy and insurance.

The majority of charities are also experiencing pressures on their income streams and, as a result, 67% are exploring options to diversify them. This includes tactics such as growing their major donors, grants, trusts and foundations, legacies and corporate giving.

As in previous years, recruitment remains a real concern for the sector - 54% are finding it hard to recruit and retain employees, and 29% believe it has become harder in the last year. This may come as a surprise, as the charities we surveyed have added incentives such as increased salary, more flexible hours and more remote/hybrid working in the last 12 months - yet are still struggling to recruit and retain.

And this doesn't only apply to employees - 49% of charities are struggling to recruit and retain trustees and most charities (51%) are finding it difficult to find volunteers. As a result, many are experiencing skills shortages amongst trustees, with HR and IT being the skills that charities are missing most. Considering that many experienced professionals withdrew from the workforce post-Covid-19, it is surprising to see that this has not translated into a higher supply of volunteers.

One reason for the struggle with recruitment and retention could be the risks associated with the charity sector. Those at board level are acutely aware of the risks involved with running a charity, so much so that one third of the charities we surveyed review their risk register at every board meeting. Reduced funding is seen as the biggest emerging risk in 2024, followed by pressure from pay increases and increased demand.

Executive summary

Charities are, on the whole, not affected by cyber attacks with 86% not having experienced an attack in the last 12 months. Of those that did, only 1% stated that the attack significantly impacted the organisation's ability to deliver services, suggesting that most charities are well equipped to deal with these sorts of attacks. However, despite the positive news that charities are not affected by cyber attacks, it is still important for them to remain vigilant, seriously consider risks, and continue to be well-equipped to deal with cyber attacks.

It seems that many charities are also growing tired of the political uncertainty in the UK. Although 59% feel that the Labour Party would have the greatest positive impact if they came into power, the majority of those surveyed believe that a change of government during 2024 would make no difference to their charity. This suggests that the sector has fallen out of political favour in recent years and it's easy to see why - back in 2010, the Big Society was a key pillar of most government manifestos, but this approach is no longer used.

With the charity sector facing financial and workforce challenges, it is surprising to see that the outlook still appears to remain positive. Over three quarters of those surveyed feel that their charity has the capacity to deliver its required services - but it remains to be seen whether this will continue, if concerns surrounding funding and recruitment are not addressed over the coming year.

“

The majority of charities are experiencing pressures on their income streams.

”

Section one

Financial position

In brief

Our research finds that almost half of charities believe their financial outlook for 2024 is positive (43%), with 33% having a neutral outlook and 24% having a negative outlook.

However, whilst many have a positive outlook, almost one quarter have a negative outlook, so there are clearly still many financial challenges presenting themselves to the sector.

With this in mind, it's no surprise that most (83%) charities are experiencing pressures on their income streams and, as a result, two thirds are exploring options to diversify their income streams in 2024.

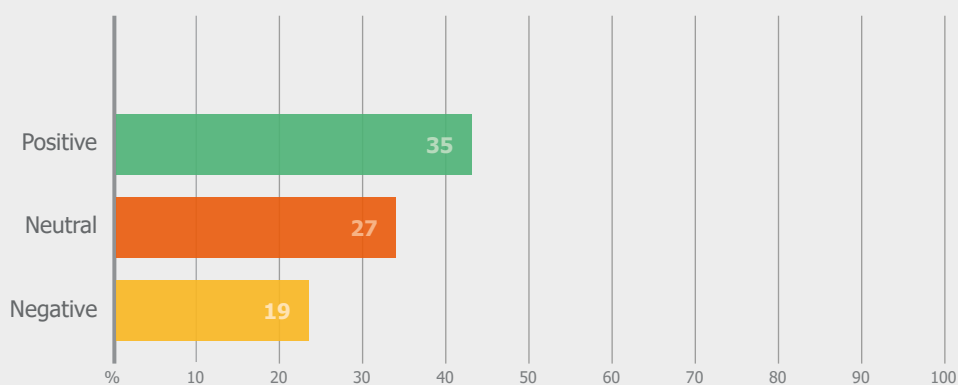
Despite this, the resilience of the charity sector shows through, with 80% of charities believing that they have the capacity to deliver their required services in 2024.

Section one

Financial position

1.1 Almost half of charities have a positive financial outlook for 2024, however 33% have only a neutral outlook and 24% have a negative outlook.

What is the financial outlook for your charity? (Answered: 81 / Skipped: 0)



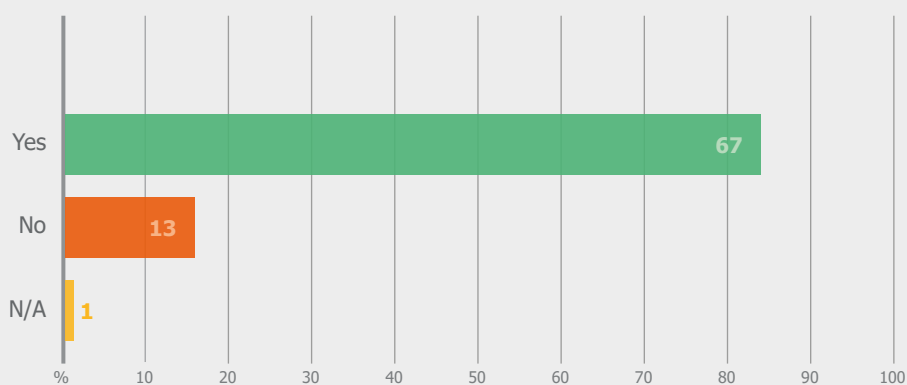
Whilst it is encouraging to see that almost half of the charities surveyed have a positive financial outlook, the fact that 57% have either a neutral or negative outlook is concerning.

Section one

Financial position

1.2 An overwhelming majority (83%) of charities are experiencing pressures on their income streams.

Are there pressures on your income streams? (Answered 81 / Skipped 0)



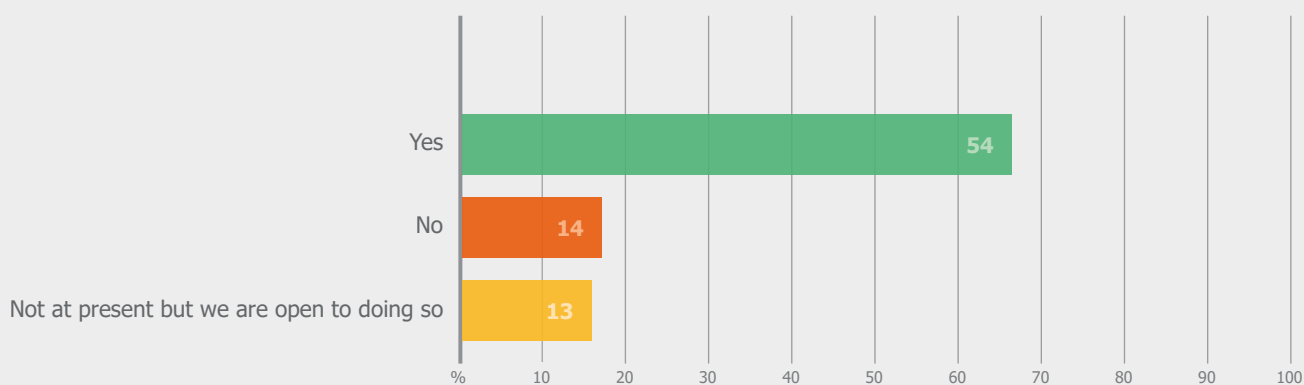
With government funding for the charity sector sparse, and the Spring Budget failing to address the challenges faced by charities, it's no surprise that 83% of charities are currently experiencing pressures on their income streams. The cost of living crisis means that the general public are tightening their purse strings for charitable giving, while demand is increasing, creating growing concern for the sector.

Section one

Financial position

1.3 67% of charities are exploring options to diversify income streams, with an additional 16% open to doing so in the future.

Are you exploring options to diversify income streams? For example, growing major donors, grants, trusts and foundations, legacies and corporate giving. (Answered: 81 / Skipped: 0)



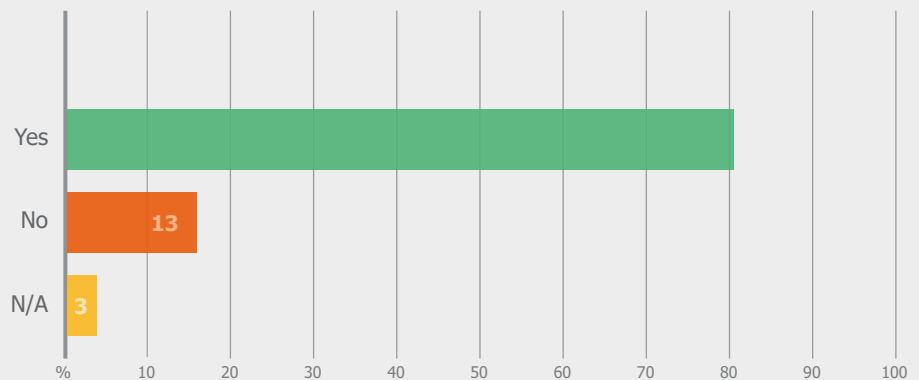
With so many charities experiencing income stream pressures, it's no wonder that just over two thirds (67%) are taking a strategic approach and exploring new ways to grow their income. This includes tactics such as growing their major donors, as well as looking into grants, trusts and foundations, legacies, and corporate giving.

Section one

Financial position

1.4 Over three quarters of charities believe that they have the capacity to deliver their required services in 2024.

**Does your charity have the capacity to deliver its required services?
(Answered: 81 / Skipped: 0)**



Despite the financial challenges being thrown at charities, it is reassuring to see the sector showing its resilience, with over three quarters believing they still have the capacity to deliver their required services. However, although 16% seems like a small percentage of charities that do not have the capacity to deliver their services, this figure should not be overlooked - if extrapolated across the entire charity sector, it would equate to approximately 25,000 charities.

Section two

Regulation and processes

In brief

Strategic planning and following strict financial processes not only helps charities to manage their finances effectively, but also helps to improve their governance.

With the increasing awareness of transparency insofar as governance is concerned, things such as reserve policies, cashflow forecasts and cash management strategies can show stakeholders like donors, funders and beneficiaries how the charity's money is being managed.

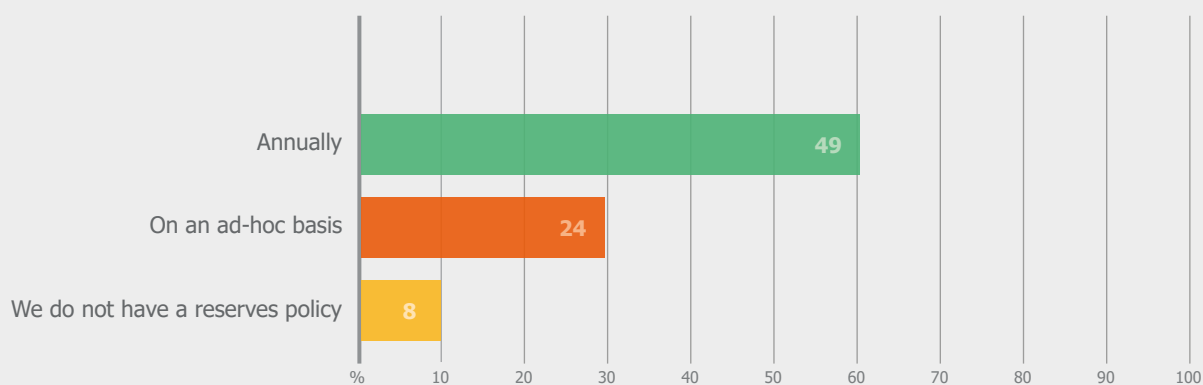
Our research shows that most charities review policies such as these on an annual basis, suggesting that the sector recognises the need to adapt to the ever changing financial situation in the UK.

Section two

Regulation and processes

2.1 Over half of charities review their reserve policies on an annual basis.

How often do you review your reserve policies? (Answered: 81 / Skipped: 0)



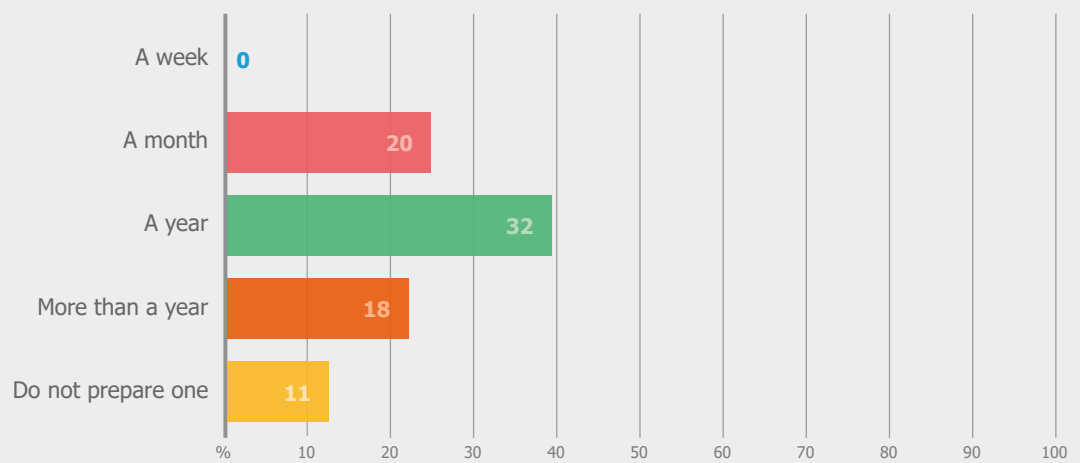
Our data shows that over half of charities (60%) review their reserve policies on an annual basis, and 30% review them on an ad-hoc basis. With the UK economy falling into recession at the end of 2023, it is promising to see that charities have robust financial plans in place to cope with worsening financial positions, and that these are reviewed regularly.

Section two

Regulation and processes

2.2 40% of charities prepare annual cashflow forecasts.

**Over what period do you prepare your cashflow forecasts?
(Answered: 81 / Skipped: 0)**



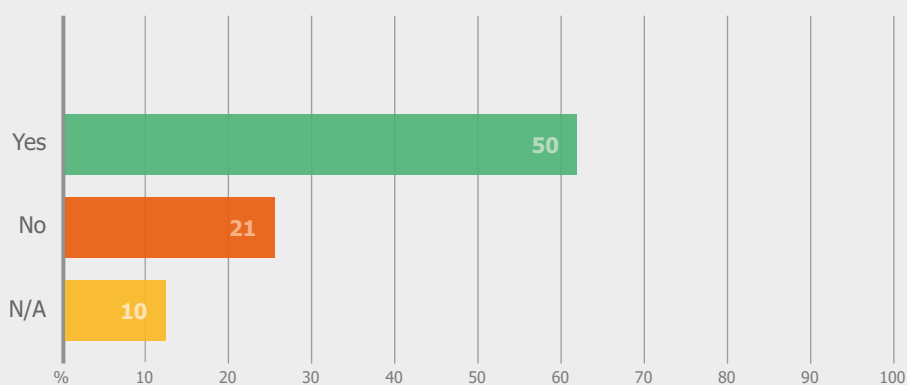
The most popular way for charities to prepare their cashflow forecasts is over the period of a year (40%), followed by over a month (25%) and over more than a year (22%). What is most concerning is that 13% of charities do not prepare a cashflow forecast. This is likely to put them at a higher risk of being unprepared for a situation where income does not meet outgoings.

Section two

Regulation and processes

2.3 More than half of charities have a cash management strategy in place to maximise interest on cash deposits.

Have you got a cash management strategy to maximise interest on any cash deposits? (Answered: 81 / Skipped: 0)



It is promising to see that over 60% of charities have a cash management strategy in place, meaning they can investigate the benefits offered by a particular deposit account and consider the interest rates they're receiving on cash deposits. With funding often sparse in the third sector, making sure they're getting competitive rates is a reliable way for charities to maximise donations.

Section three

Rising costs

In brief

Over the last 12 months, charities have seen costs rise across the board, with increases in wages, energy and insurance. This is in part due to the cost of living crisis and pressures to increase wages in line with this, as well as the soaring cost of energy. Spiralling insurance costs due to inflation are also causing significant challenges for the sector.

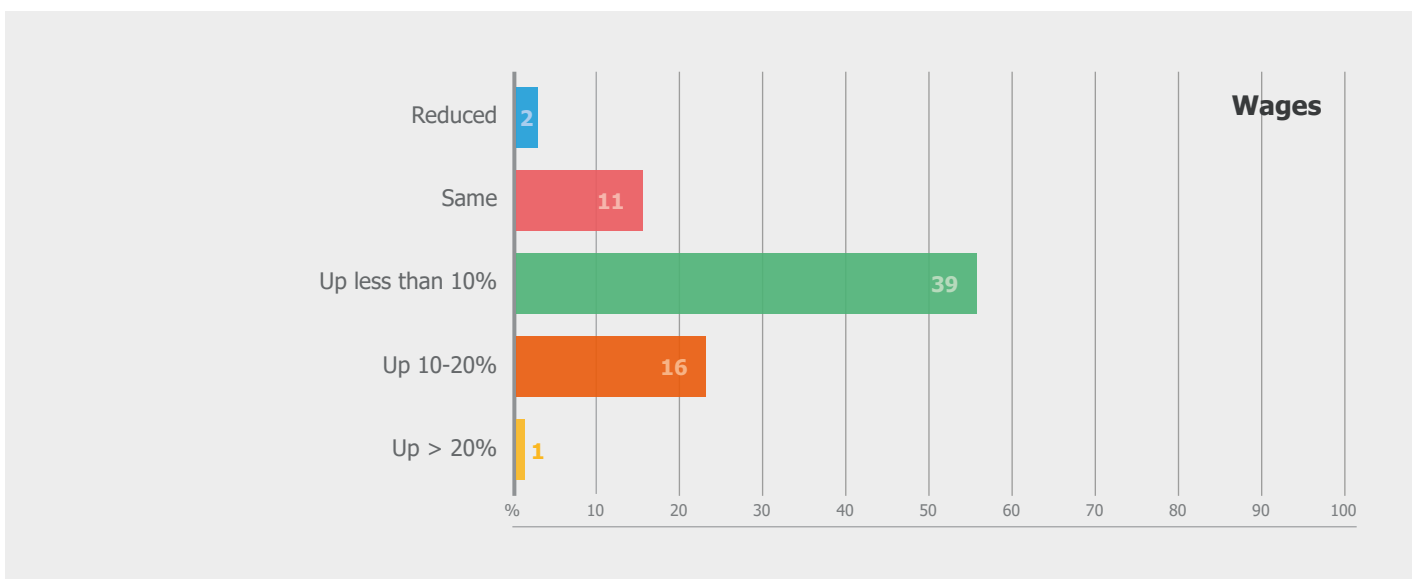
However, one cost that charities do not seem to be struggling with is rent. Of those surveyed, 64% of charities stated that their rent has stayed the same over the last 12 months. The stability of rent may be in part due to the increasing shift towards flexible working and working from home, meaning there is less demand for office space.

Section three

Rising costs

3.1 Costs including wages, energy and insurance have increased across the board, whereas rent costs have mostly stayed the same.

**Which costs have gone up during the year and by how much?
(Answered: 80 / Skipped: 1)**

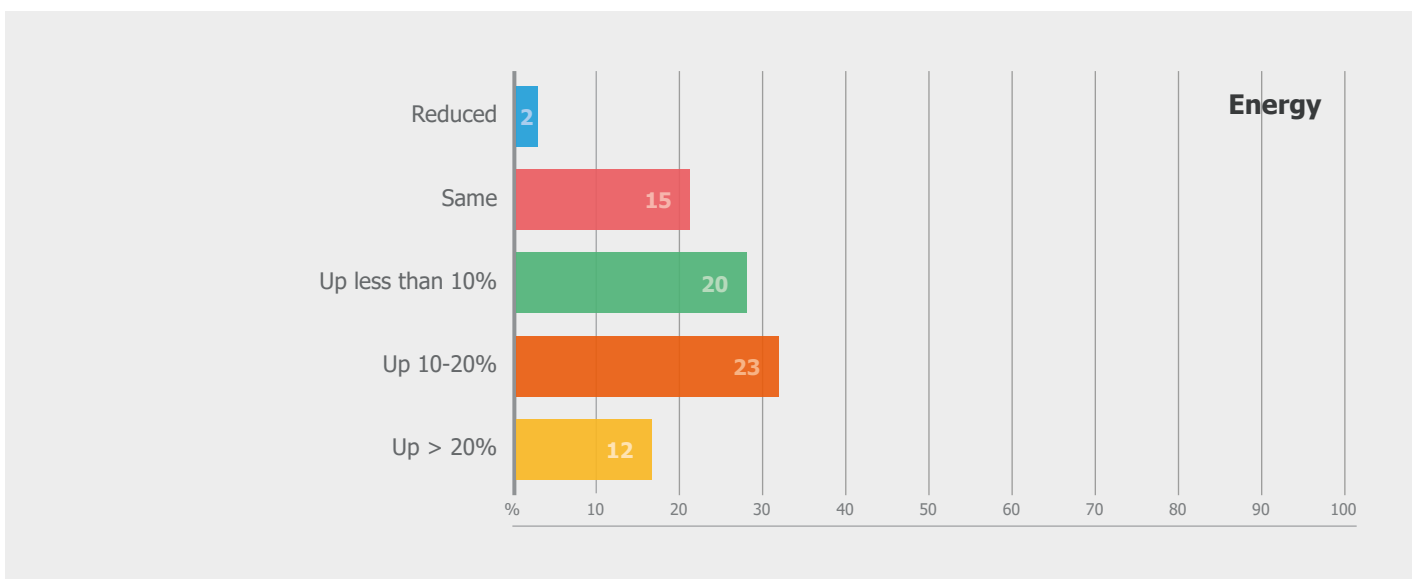


Section three

Rising costs

3.1 Costs including wages, energy and insurance have increased across the board, whereas rent costs have mostly stayed the same.

**Which costs have gone up during the year and by how much?
(Answered: 80 / Skipped: 1)**

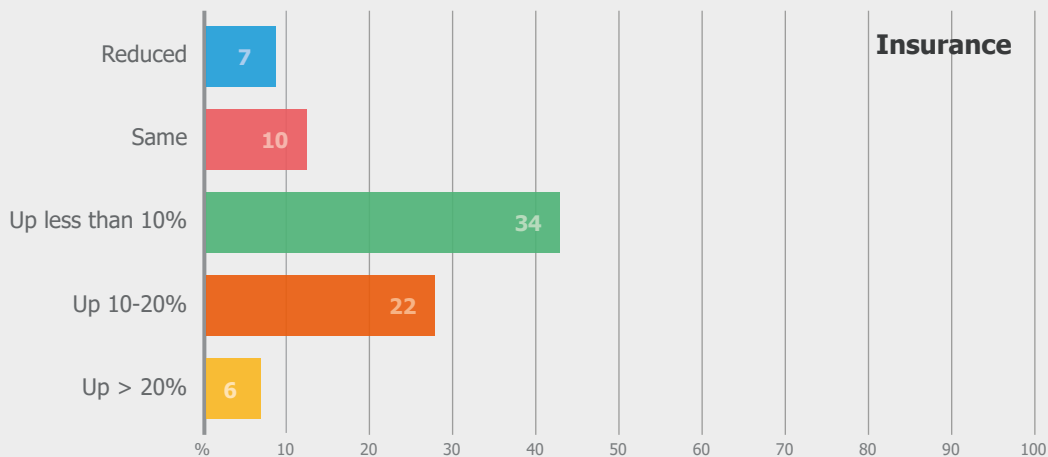


Section three

Rising costs

3.1 Costs including wages, energy and insurance have increased across the board, whereas rent costs have mostly stayed the same.

**Which costs have gone up during the year and by how much?
(Answered: 80 / Skipped: 1)**

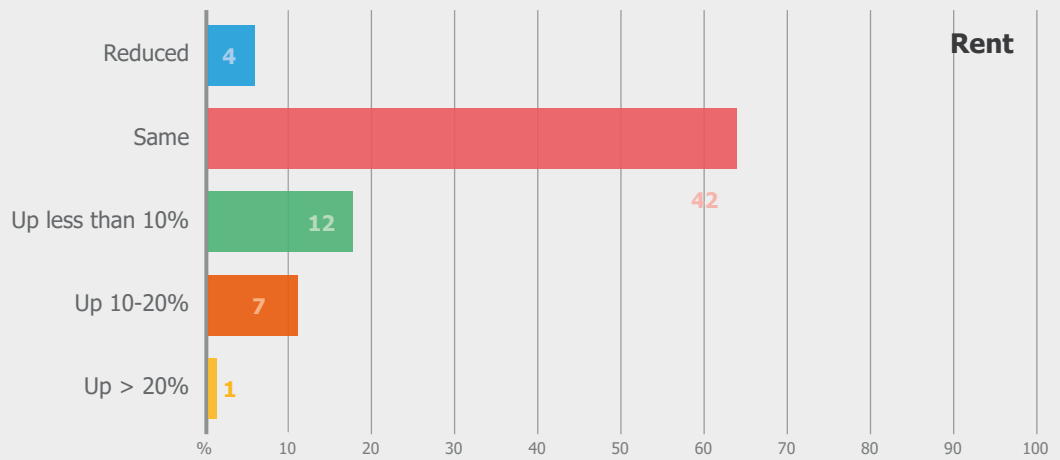


Section three

Rising costs

3.1 Costs including wages, energy and insurance have increased across the board, whereas rent costs have mostly stayed the same.

**Which costs have gone up during the year and by how much?
(Answered: 80 / Skipped: 1)**



Of those that responded, 81% of charities have seen wages increase during the last 12 months. 57% saw them increase by less than 10%, 23% saw them increase by 10-20% and 1% saw them increase by more than 20%. As the UK has struggled with the cost of living crisis and employers have been under pressure to increase wages in line with this, it is not surprising that most charities have experienced increased costs from wages.

Of those that responded, 76% of charities have also seen energy costs increase during the last 12 months and 78% have seen insurance costs increase. The only cost that charities have not seen rise is rent, with 64% of those that responded stating that their rent has stayed the same over the last 12 months.

The rising costs of running a charity, coupled with the uncertainty of charity funding, does not paint a positive picture for the third sector in 2024 - a contrast to the positive financial outlook that almost half of charities say they have.

Section four

Recruitment challenges

In brief

One factor that remains a constant struggle for charities throughout the years is recruitment and retention, with more than half finding it hard to recruit and retain employees.

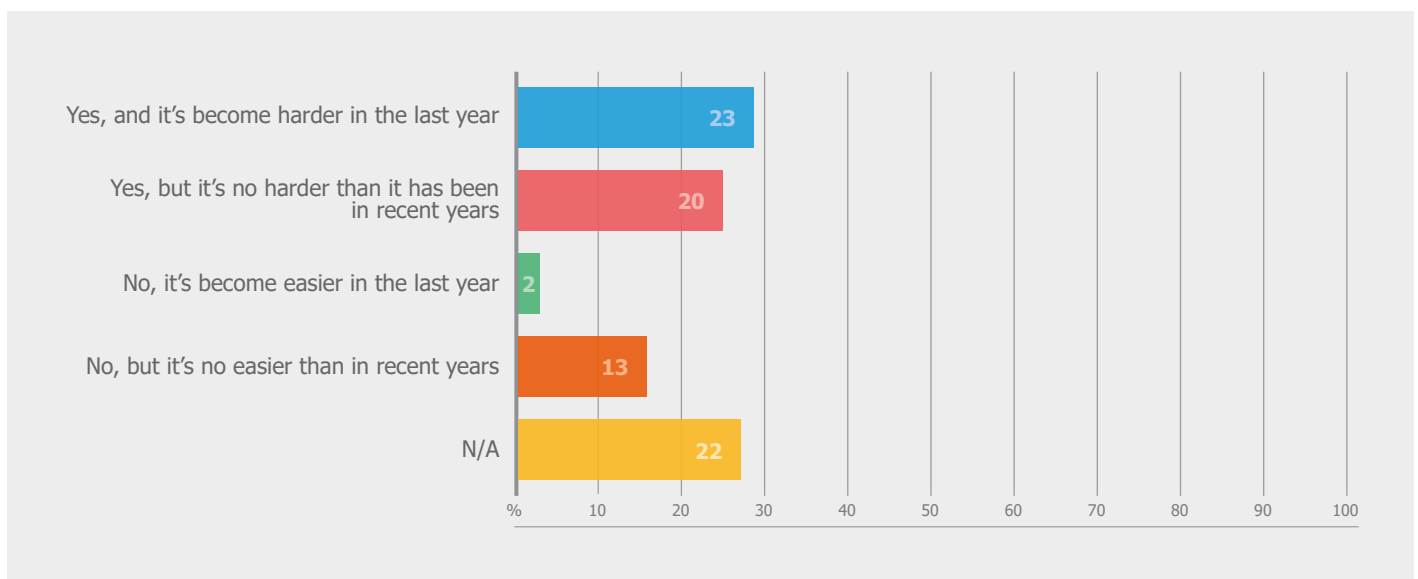
In line with the cost of living crisis and changing attitudes to working patterns, charities have started to offer new incentives to recruit and retain staff. Concerningly, despite these efforts, the sector is still struggling with workforce issues and this also applies to trustees, as well as employees.

Section four

Recruitment challenges

4.1 54% of charities are finding it hard to recruit and retain employees, despite introducing additional incentives in the last 12 months.

Are you finding it hard to recruit and retain employees?
(Answered: 80 / Skipped: 1)

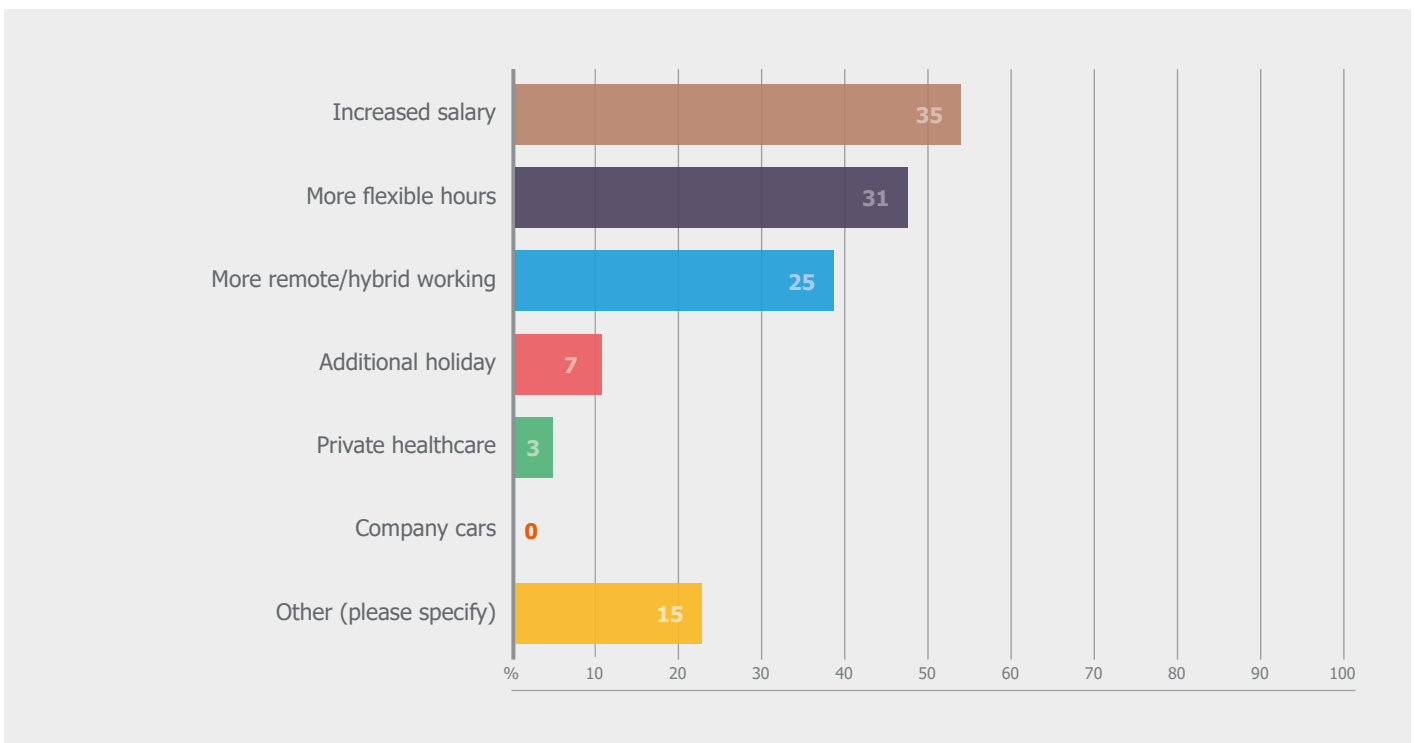


Section four

Recruitment challenges

4.1 54% of charities are finding it hard to recruit and retain employees, despite introducing additional incentives in the last 12 months.

What additional incentives have you added in the last 12 months to attract/retain employees? (Answered: 65 / Skipped: 16)



54% of charities are finding it hard to recruit and retain employees, despite the fact that, over the past 12 months, charities have introduced a number of additional incentives for staff.

Increasing salaries is the most popular incentive that charities have used to attract/retain employees in the last 12 months, followed by more flexible hours and more remote/hybrid working.

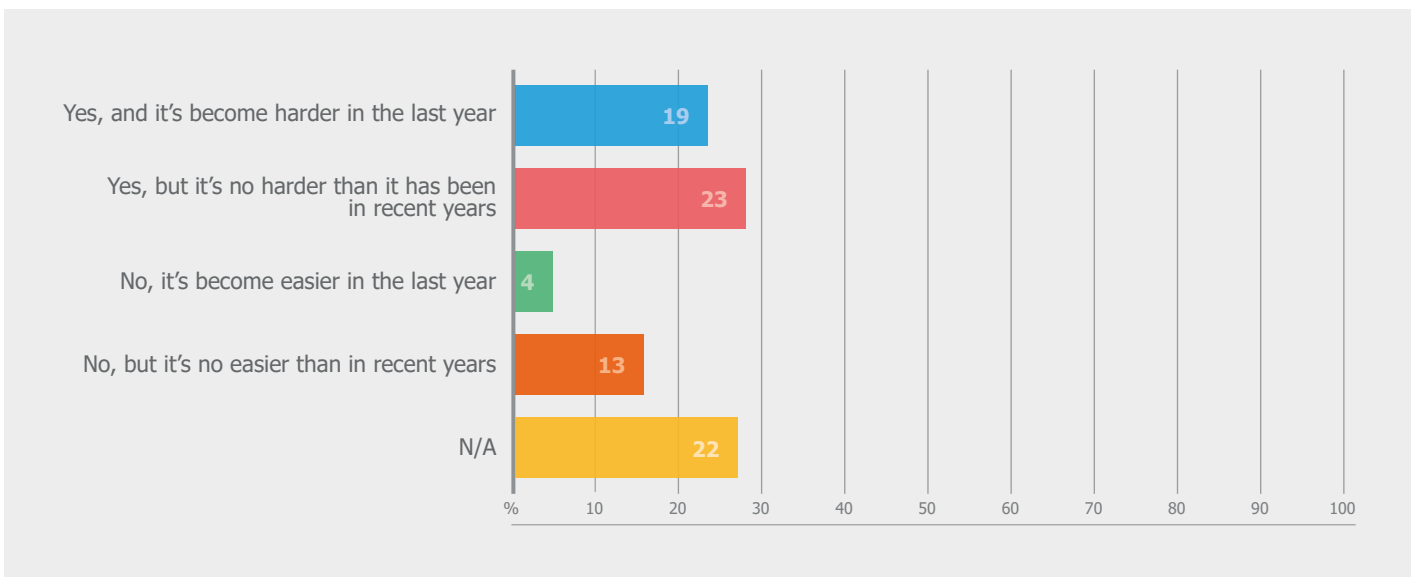
After increasing salaries in line with the cost of living, as well as introducing more flexible, hybrid working approaches - something which has grown in demand following the Covid-19 pandemic - the ongoing recruitment issues in the sector paint a worrying picture.

Section four

Recruitment challenges

4.2 52% of charities say that it is hard to find volunteers.

Are you finding it hard to find volunteers? (Answered: 81 / Skipped: 0)



More than half of charities we surveyed are finding it difficult to find volunteers - but it appears that this is not a new issue, as 28% stated that it is no harder than it has been in recent years.

This may come as a surprise, as around 550,000 experienced professionals below retirement age withdrew from the workforce in the UK post-Covid-19, so we would expect this to translate into a higher supply of volunteers.

Volunteers provide a vital service in the charity sector, allowing their work and services to continue without adding to the financial pressures of paying wages. This lack of volunteers may be in part due to the cost of living crisis, with people not finding it financially sustainable to occupy a volunteer role. What's more, with the fast pace of modern day life, it would be no surprise to hear that people are unable to prioritise these sorts of roles due to time constraints.

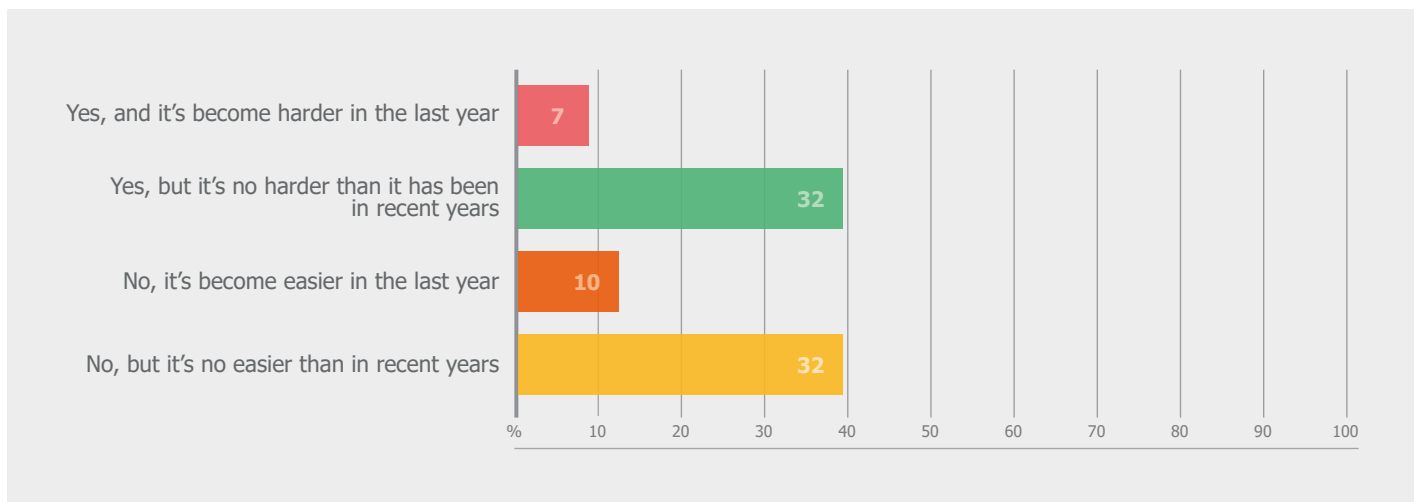
However, with 27% of charities stating that this question was not applicable to them, this suggests that the demand for volunteers may not be what it once was.

Section four

Recruitment challenges

4.3 Charities believe it is no harder, but also no easier, than in recent years to recruit and retain trustees.

**Are you finding it hard to recruit or retain trustees?
(Answered: 81 / Skipped: 0)**



Surprisingly, there is a very even split between charities' opinions on recruiting and retaining trustees.

40% stated that they are finding it hard to recruit and retain trustees, but it is no harder than it has been in recent years. On the other hand, 40% stated that they are not finding it hard to recruit and retain trustees, but it is no easier than it has been in recent years.

This suggests that finding trustees presents an ongoing challenge for charities, perhaps due to the fact that the majority of charity trustees are unpaid. Some charities do pay their trustees, but they can only do so because it's allowed by their governing document.

This begs the question of whether more needs to be done to attract people into trustee roles. This was done in 2012, when the Charitable Incorporated Organisations (CIO) Regulations paved the way for a reduction in trustees' personal liability, so it will be interesting to see if the next government will relax rules on trustee payment to push this agenda further.

Section five

ESG

In brief

Environmental, Social and Governance, or ESG for short, has boomed in popularity in recent years - and this is no exception for the charity sector. The concept allows charities to demonstrate their commitment to responsible practices and delivers long-term sustainable value.

For example, by having a good ESG score and making their ESG approach clear, charities will be more likely to attract supporters and donors.

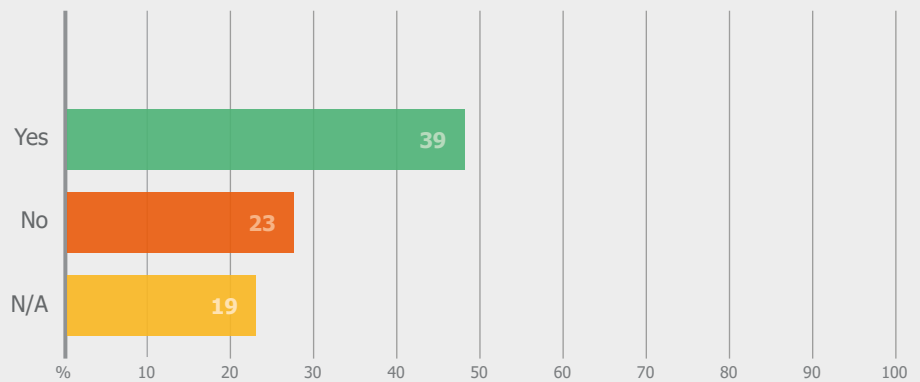
However, the ESG picture being painted by charities is an unclear one, with only a minority focusing on diversity and ESG/sustainability.

Section five

ESG

5.1 Less than half of charities have undertaken activities to increase the diversity and inclusivity of their team in the last year.

Have you undertaken activities to increase the diversity and inclusivity of your team in the last year? (Answered: 81 / Skipped: 0)



Only 39% of charities surveyed have undertaken activities to increase the diversity and inclusivity of their team in the last year, suggesting that more needs to be done to increase diversity in the sector.

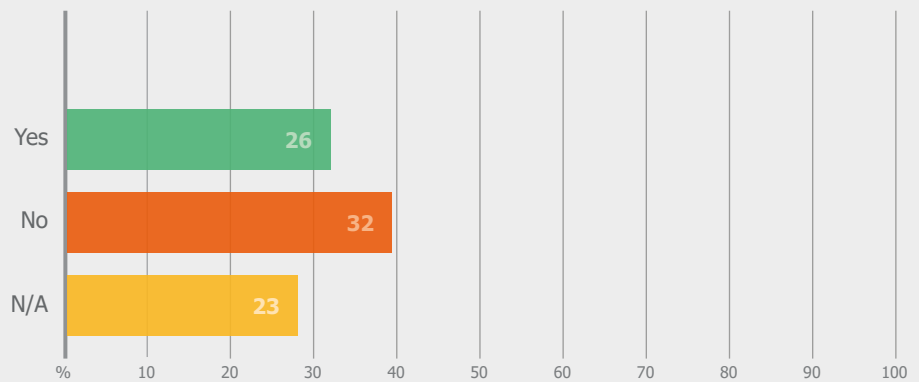
What's more, this lack of effort to hire more diverse individuals could be playing a part in the recruitment issues being faced by many charities.

Section five

ESG

5.2 Most charities will not be focusing more on ESG/sustainability in 2024.

**Are you focussing more on ESG sustainability in 2024?
(Answered: 81 / Skipped: 0)**



With ESG and sustainability generally being seen as a priority among the public and many other sectors, it is surprising to see that most charities will not be focusing more on ESG/sustainability in 2024. What's more, 28% stated that this question was not applicable to them, suggesting that they do not have any processes or strategies in place to increase their sustainability.

With the younger generation placing such a heavy focus on sustainability, so much so that some will not work for an organisation that is unsustainable, this approach could again be contributing to the ongoing recruitment crisis in the sector. It could also be a reflection of the other pressures charities face, which mean that ESG and sustainability are simply not a priority at present.

Section six

Skills shortages

In brief

Charities appear to be struggling with a skills shortage amongst their trustees, with 84% of respondents having at least one area where they are lacking skills.

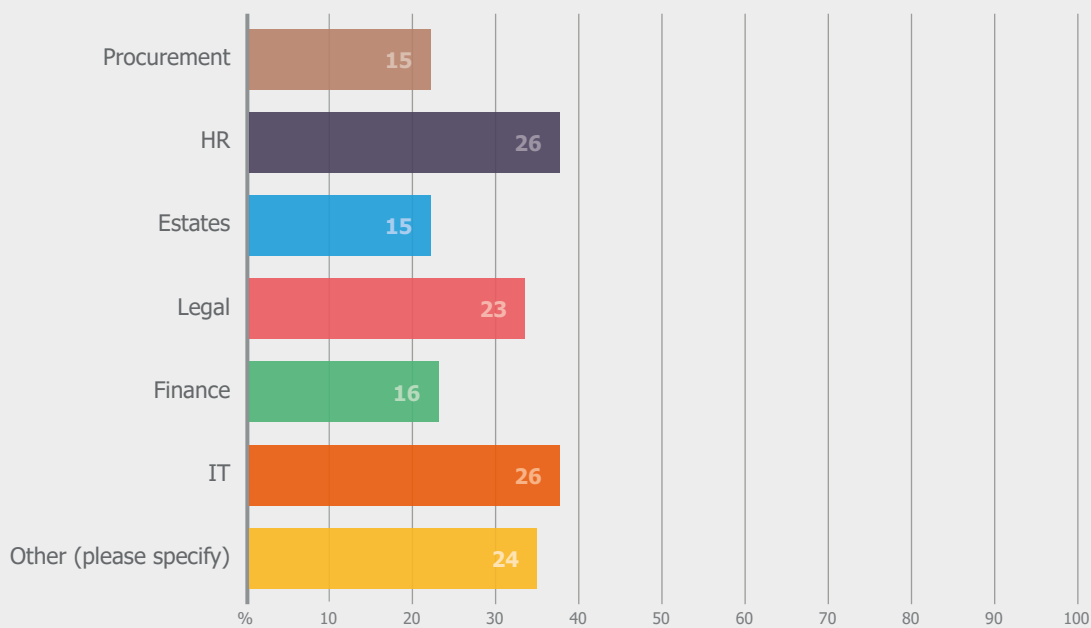
With trustees playing such a vital role in governing charities and directing how they are managed and run, it will come as a concern for the sector to hear that the skill set of trustees leaves room for improvement.

Section six

Skills shortages

6.1 HR and IT are the skills that charities are most likely to be missing amongst their trustees.

Are there any key trustee skills that you are currently missing?
Answered: 68 / Skipped: 13



Both HR and IT are the skills that charities are most likely to be missing amongst their trustees, followed by other skills not included in the list.

For those that selected the 'other' category, fundraising was the most common skill specified. As most charities are experiencing pressures on their income streams and are looking for ways to diversify them, it is not surprising that so many are noticeably missing trustees who bring fundraising experience.

Section seven

Risk management

In brief

The charity sector is very dynamic and, as a result, charities must be able to quickly adapt to the changing environments they're working in. Because of this, risk management is key and our research suggests that board members are acutely aware of this, with many reviewing and updating their risk registers at every board meeting.

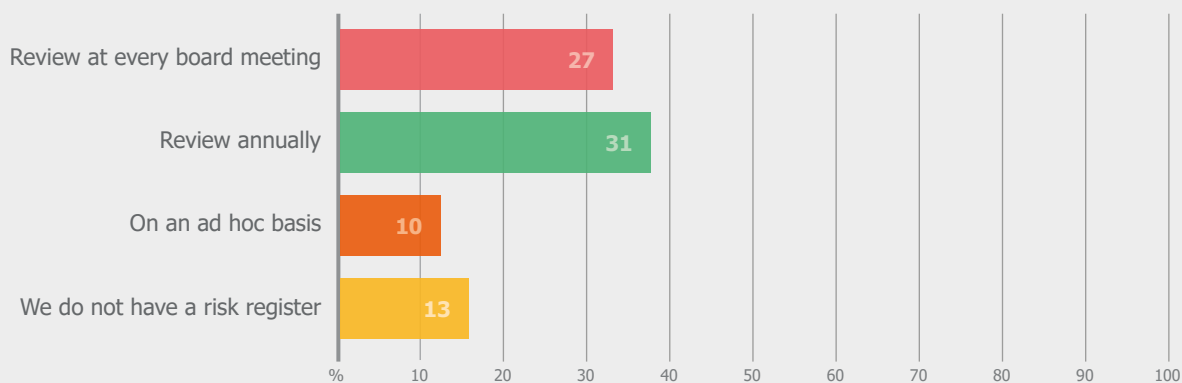
Whether it's reduced funding, increased demand, staffing pressures or uncertain political landscapes, there are many risks that charities across the UK must be prepared for.

Section seven

Risk management

7.1 The majority of charities review and update their risk registers annually, but one third review them more regularly, at every board meeting.

When did you last update your risk register? (Answered: 81 / Skipped: 0)



Most charities surveyed (38%) take an annual approach to reviewing and updating their risk register. But interestingly, one third of charities take a more cautious approach and review their risk register at every board meeting.

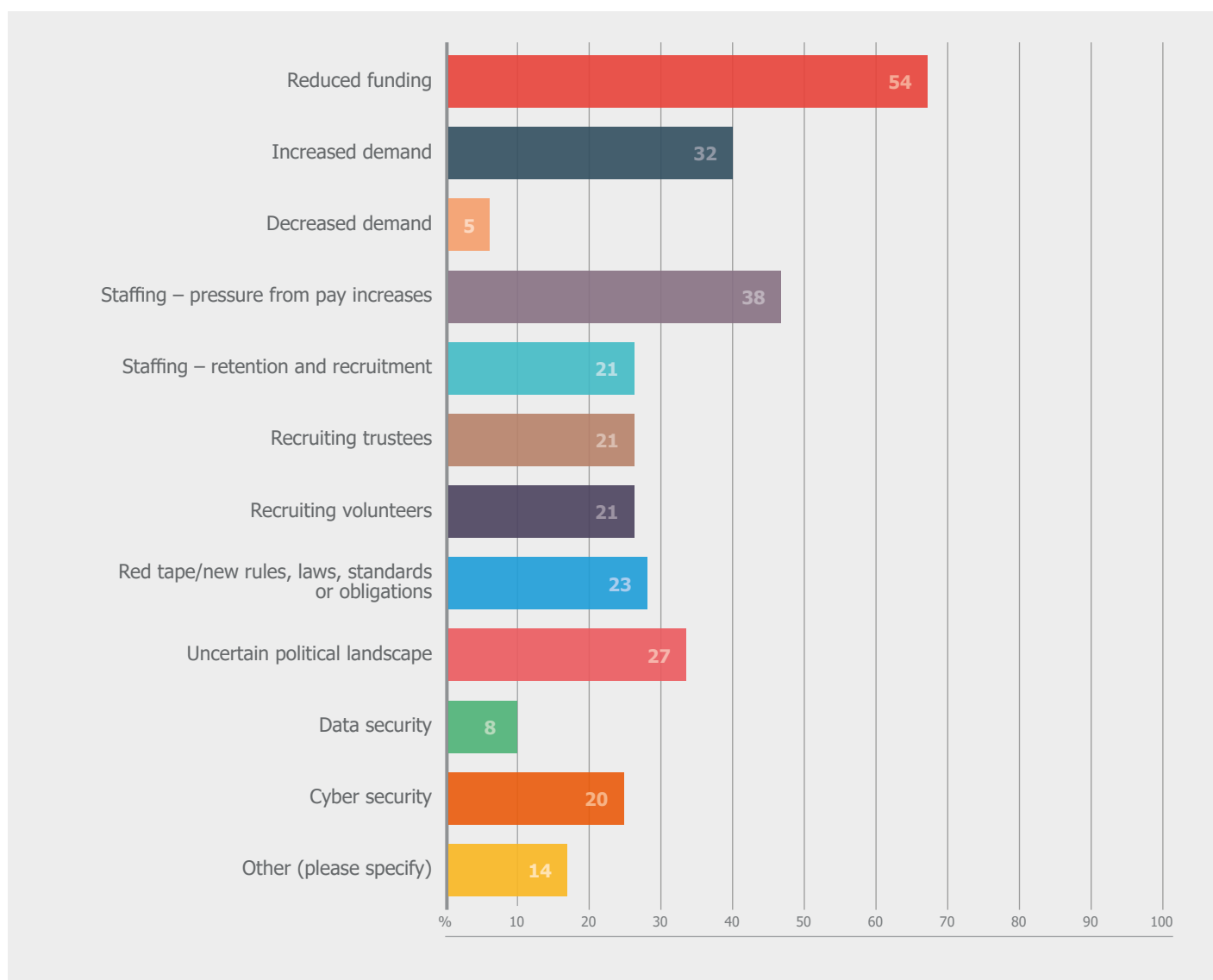
This suggests that the risks charities see as the most prominent are changing on a regular basis, whether this is related to finance, income, people, governance or communications.

Section seven

Risk management

7.2 Reduced funding is seen as the biggest emerging risk for charities in 2024.

**What do you consider are your main emerging risks?
(Answered: 80 / Skipped: 1)**



Section seven

Risk management

7.2 Reduced funding is seen as the biggest emerging risk for charities in 2024.

Reduced funding is seen as the biggest emerging risk for charities in 2024, followed by pressures from pay increases and increased demand. This is not surprising, considering that 83% are experiencing pressures on their income streams and outgoings such as wages, energy and insurance have increased.

It is perhaps also not a shock that just 6% of charities see decreased demand as the biggest emerging risk - with the cost of living crisis continuing, it's looking unlikely that people will rely less on support from things such as food banks and mental health advisors anytime soon.

Section eight

Digitisation

In brief

Charities are, on the whole, not affected by - or unaware of - cyber attacks and feel confident that they are keeping up with digital changes if required.

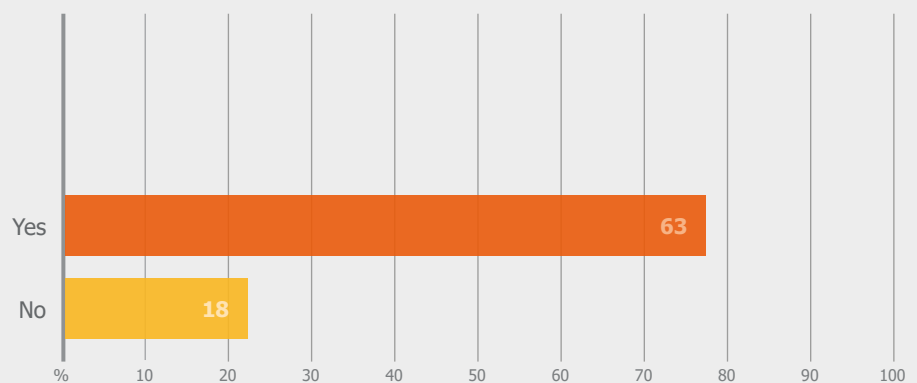
This is reassuring, considering that IT is seen as one of the biggest skills that charities are missing amongst their trustees. What's more, following the introduction of Making Tax Digital for VAT registered charities in April 2022, it's promising to see that charities are able to adapt to digital changes when required.

Section eight

Digitisation

8.1 Most charities believe they are keeping up with digital changes if required.

Do you feel as an organisation that you are keeping up with digital changes if required? (Answered: 81 / Skipped: 0)



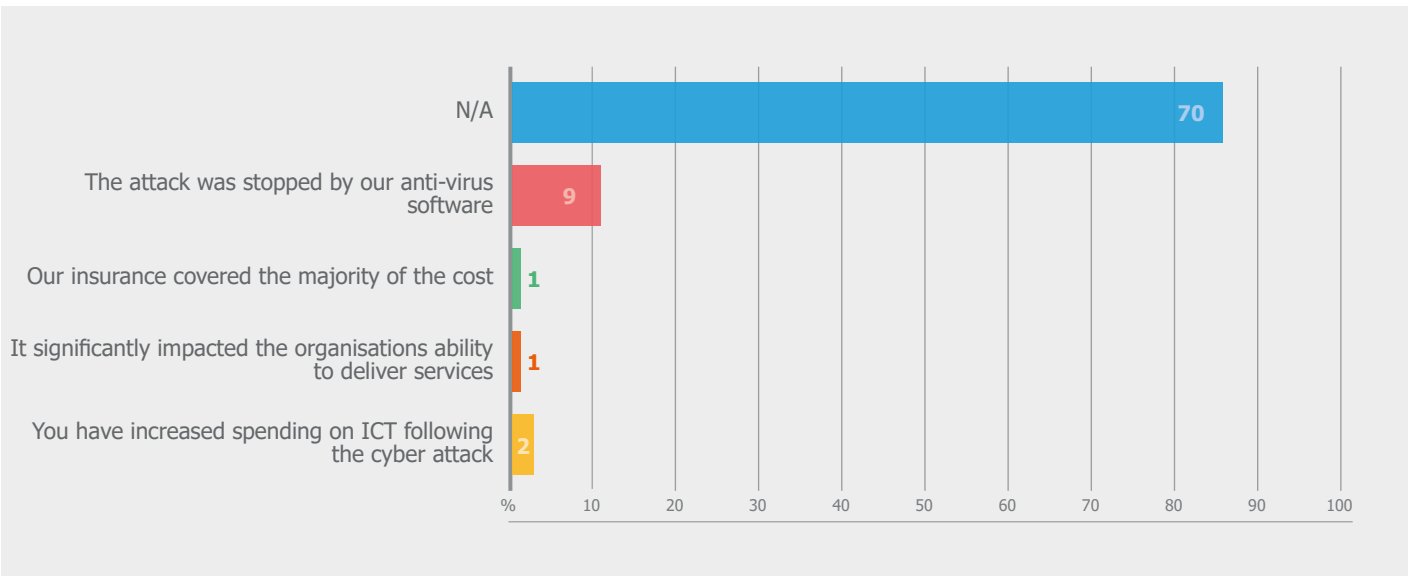
An overwhelming majority (78%) of charities believe they are keeping up with digital changes if required. However, this data can be interpreted from another perspective. Just over 20% of charities - a figure that cannot be overlooked - do not feel they are keeping up with digital changes. With so many processes now becoming digitised, including governance and HMRC requirements, this is an issue that charities will need to address in 2024.

Section eight

Digitisation

8.2 Only 1% of charities suffered a cyber attack that significantly impacted their ability to deliver services in the last 12 months.

If you have suffered a cyber attack in the last 12 months do any of the following apply? (Answered: 81 / Skipped: 0)



Our research shows that charities are generally not affected by cyber attacks, with 86% not having experienced an attack in the last 12 months. Of the 14% that did, 11% said that the attack was stopped by anti-virus software and only 1% stated that the attack significantly impacted the organisation's ability to deliver services.

This suggests that most charities are well equipped to deal with these sorts of attacks - a very positive result considering how frequent cyber attacks are becoming and the huge amount of personal data that charities hold about both their supporters and sensitive details relating to their beneficiaries, some of whom are society's most vulnerable individuals.

However, despite the positive news that charities are not affected by cyber attacks, it is still important for them to remain vigilant, seriously consider risks, and continue to be well-equipped to deal with cyber attacks.

Section nine

Political matters

In brief

According to our research, it seems that many charities are growing tired of the political uncertainty in the UK. The next UK general election has to be held by 28th January 2025, but the majority of those surveyed believe that a change of government during 2024 would make no difference to their charity.

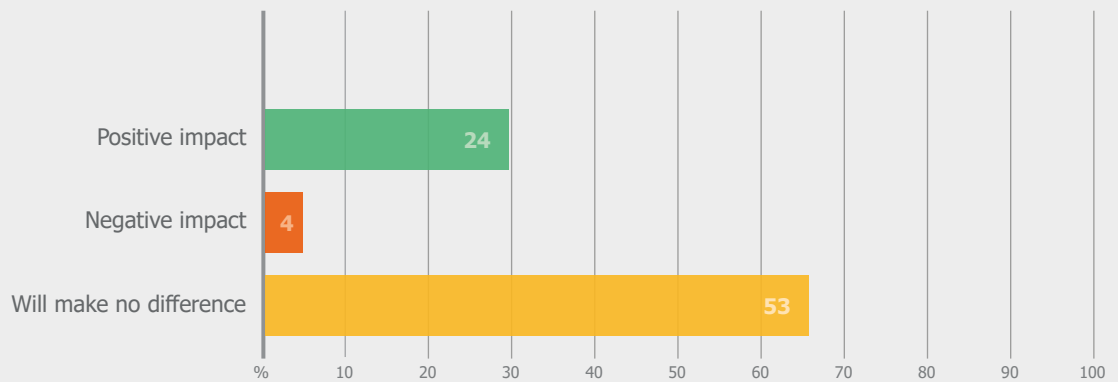
However, if there was a change of government, those in our survey have a clear preference for Labour over the Conservatives, with over half of charities saying that the Labour Party would have a more positive impact if they came into power in 2024/2025.

Section nine

Political matters

9.1 65% believe that a change of government in 2024 would make no different to their charity.

Would a change of government during 2024 have a positive or negative impact on your charity? (Answered: 81 / Skipped: 0)



The majority of charities surveyed appear to have a lack of confidence in the major political parties in the UK, with 65% thinking that a change in government would make no difference to their charity.

This suggests that the sector has fallen out of political favour in recent years and it's easy to see why - back in 2010, the Big Society was a key pillar of most government manifestos, but this approach is no longer used.

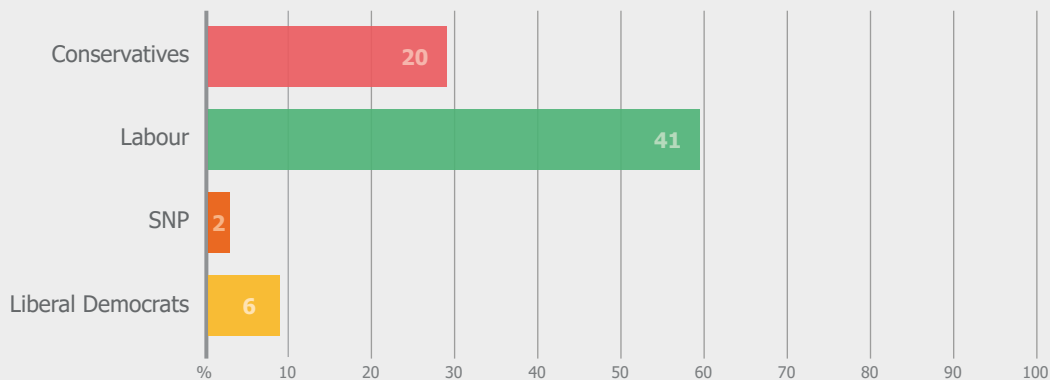
However, 30% believe that a change in government would have a positive impact - suggesting that faith in the Conservative Party is not high amongst those working in the third sector.

Section nine

Political matters

9.2 Most charities believe that the Labour Party coming into power would have the greatest positive impact, and the Conservative Party coming into power would have the greatest negative impact.

Which of the following political parties do you think would have the greatest positive impact on your charity if they came into power?
(Answered: 69 / Skipped: 12)

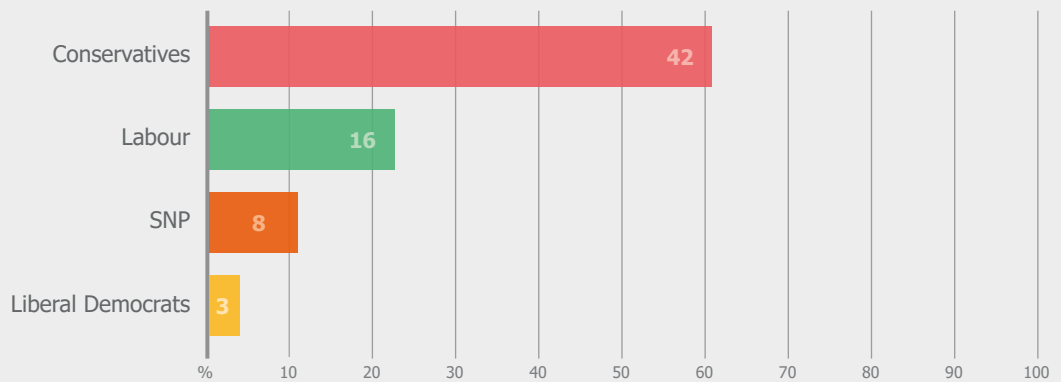


Section nine

Political matters

9.2 Most charities believe that the Labour Party coming into power would have the greatest positive impact, and the Conservative Party coming into power would have the greatest negative impact.

Which of the following political parties do you think would have the greatest negative impact on your charity if they came into power?
(Answered: 69 / Skipped: 12)



Of those that responded, 59% of charities believe that the Labour Party would have the greatest positive impact on their charity if they came into power. Similarly, of those that responded, 61% of charities believe that the Conservative Party would have the greatest negative impact if they came into power.

The reasons why charities feel this way are not clear from our results, but it may be related to the perception that funding under the current Conservative government is not sufficient to support most charities, as explored in our next question.

Section nine

Political matters

9.3 Charities are calling on the government to provide more funding for the sector.

When asked what policy changes the government could make that would help the charity sector, the majority of responses related to charity funding and wanting the government to provide better funding to the sector.

This was closely followed by calls for the government to exempt charities from VAT and provide more tax relief.

With so many charities struggling with pressures on their income streams, rising costs and increased demand for services, it's to be expected that further financial support and the introduction of money-saving policies would be welcomed by the sector.

Where to now?

This report shows that the charitable sector has been hugely impacted by various financial factors including the cost of living crisis, growing energy bills and rising inflation.

A large majority of charities have seen the cost of wages, energy and insurance increase over the last 12 months and 83% are experiencing pressures on their income streams. When combined with a struggle to recruit, despite attempts to attract employees with increased salaries and more flexible working, it is a concerning financial outlook for UK charities.

Despite this, it's positive to see the resilience of the sector shining through, with charities remaining confident in their financial outlook. Almost half of those surveyed believe their 2024 financial outlook is positive and over three quarters believe they still have the capacity to deliver their required services.

Looking to the year ahead, it's clear that charities across the UK are well prepared for possible risks, including reduced funding and cyber attacks. Risk registers are generally reviewed and updated on an annual basis, and charities are increasingly exploring options to diversify their income streams to cope with a lack of funding. What's more, of the minority that experienced a cyber attack in the last 12 months, it only impacted a small amount of charities' ability to deliver services.

Whether we see a change in government or not, this year will be a crucial time for charities to secure their futures, grow their business strategies and continue adapting in line with the dynamic nature of the sector.

“

It seems that many charities are also growing tired of the political uncertainty in the UK.

”

Visit us at kreston.com



Disclaimer: This publication is for information purposes only and does not constitute professional advice.

No decisions should be taken based on the information contained in this publication and you are advised to obtain professional advice. Whilst every endeavour has been made to ensure the accuracy of this publication, no responsibility is accepted by Kreston Global or its member firms for its accuracy and completeness.

The views expressed in this publication are not those of Kreston Global © Kreston Global 2024.