Northern Ireland Assembly

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Briefing Paper

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Review of Costs:

Charities (Amendment) Bill

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Seeking to support Northern Ireland Assembly scrutiny, this Review of Costs addresses key potential "public purse" implications arising from the Charities (Amendment) Bill, if enacted as introduced. The Bill seeks to enhance the regulatory powers of the Charity Commission, streamline accounting and reporting requirements for charities, and repeal Section 167 of the Charities Act (Northern Ireland) 2008.

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Key Points

- The Charities (Amendment) Bill would enhance the regulatory powers of the Charity Commission for Northern Ireland (the Commission), streamline charity accounting and reporting requirements, and repeal Section 167 of the Charities Act (Northern Ireland) 2008.
- The Bill's accompanying Explanatory and Financial Memorandum (EFM) estimates one-off costs to the Commission of approximately £100,000 capital and £240,000-£250,000 resource expenditure between 2026 and 2028.
- Evidence provided by the Commission suggests potential implementation costs may exceed the estimates contained in the EFM. The Commission estimates costs of between approximately £597,000-£941,000, depending on implementation assumptions and staffing requirements.
- The largest identified potential public expenditure pressures relate to additional staffing requirements, estimated by the Commission at between 2.5 and 4 Full-Time Equivalent (FTE) posts over a two-to-three-year period.
- Additional costs are likely to arise from staff training, new guidance, communications, and support for charities adapting to revised requirements. The Commission estimates these costs at £50,000-£60,000.
- The Bill's capital expenditure implications may be significant. Whilst the EFM estimates £100,000 of capital expenditure, the Commission has indicated that system modifications associated with the implementation of the Bill's provisions, as introduced, could require investment in the region of £270,000 over three years.
- The introduced Bill provisions enabling template reporting and exemption from independent examination for charities with annual income of £20,000 or less are expected to reduce compliance costs for smaller charities. Some provisions may generate offsetting efficiencies. For example, the introduction of official warnings could provide a less resource-intensive regulatory tool than formal statutory investigations in certain cases.
- Potential future public purse implications remain uncertain at this time due to several policy areas would be impacted under the secondary legislation that would need to be introduced and enacted subsequent to this Bill's

enactment. It appears those would concern, for example, the form and content of accounting requirements, reporting requirements, and definitions of gross income.

Introduction

This Review of Costs aims to support Northern Ireland Assembly Members in their plenary, committee and constituency capacities, when scrutinising key potential implications that could arise for the "public purse" from the Charities (Amendment) Bill[1] (the Bill) – introduced by the Communities Minister into the Northern Ireland Assembly on 15 June 2026. The Bill comprises fourteen clauses split over seven Parts. The Bill amends the Charities Act (Northern Ireland) 2008[2] in various respects, and has three core aims as outlined below by Department for Communities (DfC) officials to the Committee for Communities on 26 March 2026:

> *The Bill has three core aims: the first is to strengthen the [Charity] Commission's regulatory powers; the second is to streamline accounting and reporting requirements; and the third is to repeal section 167 of the 2008 Act to provide clarity for institutions that are established elsewhere but operate for charitable purposes in or from Northern Ireland.*[3]

The introduced Bill's accompanying Explanatory and Financial Memorandum[4] (EFM) states that:

> *The Bill is expected to have minimal net cost to the public sector. The (Charity) Commission may incur limited administrative costs to implement new powers…one-off costs are anticipated for the Commission of approximately £100,000 capital for IT and £240,000-£250,000 resource between 2026-28*[5]*.*

Further, the Bill's EFM outlines an expected positive net financial impact for charities, particularly for small- to medium-sized organisations. The introduction of an independent examination threshold and streamlined reporting is expected

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[1] *Charities (Amendment) Bill* (36/22-27), as introduced (15 June 2026). Available here.

[2] *Charities Act (Northern Ireland) 2008*, full text available here.

[3] Official Report (Hansard), *Charities (Amendment) Bill: Department for Communities Oral Evidence*, 26 March 2026, available here.

[4] *Charities (Amendment) Bill, Explanatory and Financial Memorandum*, available here.

[5] As above, page 7.

by the DfC to reduce compliance costs. And whilst charities subject to warnings or directions may incur costs, the EFM[6] argues that those are related to addressing misconduct or mismanagement and are outweighed by the benefits of preventing harms to charitable assets.

Given that paragraph, this Review of Costs focuses on key identifiable direct and indirect public expenditure impacts of the introduced Bill, if enacted. Initially, the Review provides background information, defining terminology and providing a brief overview of the Northern Ireland public finance context. Thereafter, it uses information available to RaISe to highlight key considerations about the introduced Bill's potential impact on the "public purse" in Northern Ireland, followed by key takeaways.

As such, it is presented using the following section headings:

Any discussion regarding the prevailing law, including existing legislation, is not intended to provide legal advice or opinion. Instead, it seeks to orientate the Paper's discussion. Identified key potential financial implications for the public purse are not intended to provide an exhaustive list.

For wider social or policy considerations relating to the Bill, refer to RaISe Briefing Paper NIAR-86-2026, dated 9th September 2026.

[6] *Charities (Amendment) Bill, Explanatory and Financial Memorandum*, page 7, available here.

1 Public Finance Context in Northern Ireland

To provide wider framing for this Review of Costs, this section sets out key definitions and the challenging public finance context in which the Bill has been introduced.

1.1 "Public Purse" defined

The "public purse" refers to taxpayers' money raised through taxation and other sources of government revenue. Government departments - including their Ministers and individual officials - are custodians of the public purse – meaning they are required to use public funds "efficiently, effectively and economically." Moreover, departmental Accounting Officers are personally responsible for ensuring value for money in accordance with public finance management principles.

In Northern Ireland, the public purse comprises the Northern Ireland block grant allocated by His Majesty's (HM) Treasury, locally generated revenues and any other public funding streams.

Any public purse costs that could arise from the Charities (Amendment) Bill would be met by departmental spending – that is, either within the existing Department for Communities (DfC) budget, or through reprioritisation within the Executive's overall spending envelope.

1.2 Central and Devolved Public Finance Context

When examining key public purse considerations that could arise from the Bill as introduced, it is important to have some understanding of the ongoing challenging period for public finances at both the central and devolved levels across the United Kingdom. Of note for purposes of this Review of Costs, key public finance developments across the period February 2024 up to the time of writing this Paper are outlined below in **Figure 1.**

Figure 1: A Challenging Period for Public Finances: Timeline of Key Developments from February 2024 – Present

Implemetation of Political Agreements (February 2024 - Present)

- Since the restoration of the Executive in February 2024, Departments have been undertaking work to facilitate the Executive's implementation of political and financial agreements - such as the Interim Fiscal Framework (May 2024), the Budget Sustainability Plan (October 2024) and the accompanying Budget Improvement Plan Roadmap (December 2024), as well as the establishment of the Interim Transformation Board (March 2025). These measures have been broadly targeted to improve the position of Northern Ireland's public finances.

Budget Information Gathering Exercise (August-September 2024)

- The Department of Finance (DoF) undertook a 2025-28 Budget Information Gathering Exercise, requesting returns from all Northern Ireland Departments, marking the start of the planning stage in the 2025/25 Northern Ireland Executive Budget cycle. The DoF outlined that "Departments identified a reported £767 million of unfunded pressures", as reported to the Assembly on 23 September 2024.

UK Autumn Budget 2024 (October 2024)

- The Chancellor's Autumn Budget 2024 set out some of the multi-year competing pressures facing the United Kingdom Government, potentially adversely impacting the Government's spending power in certain areas, along with other decisions relating to social security - see RaISe Briefing Paper 47/24 entitled “Chancellor’s Autumn Budget 2024: initial considerations for Northern Ireland”.

Departmental Bids Exceed Budget Allocation (December 2024)

- Northern Ireland Departmental resource and capital expenditure bids exceeded the Northern Ireland Budget allocated by the United Kingdom Government to the Executive. Later that month, the 2025/26 Draft Executive Budget and accompanying Written Statement by the Finance Minister highlighted ongoing "pay and inflationary pressures” and “growing demands” on public services.

UK Spring Statement 2025 (March 2025)

- The Chancellor's 2025 Spring Statement announced a number of policy decisions, which included reforms to the welfare system, increased defence spending and a £3.25 billion “Transformation Fund” to reform public services. (Note: this is a central government development - the Northern Ireland Executive Budget is a sub-cycle within the United Kingdom Government’s Budget cycle.)

Executive Agrees 2025/26 Budget (3 April 2025)

- The Executive agreed the 2025/26 Executive Budget, which the Finance Minister described as "setting out a direction of travel" which "clearly prioritises its Programme for Government priorities".

US Trade Tariffs (4 April 2025)

- The American President announced substantial international trade tariffs, resulting in: plummeting stock markets across the globe; a collapsing American bond market; the subsequent 9 April 90-day pause on some new US tariffs; other countries' similar pauses; further consideration of retaliatory tariffs on the US; and an international trade war arising between the US and China.

US-UK Trade Deal (8 May 2025)

- A non-binding trade deal was agreed by the US and UK Governments, with the general terms subsequently published in the UK-US Economic Prosperity Deal (EPD); the deal is non-binding, meaning further negotiations are required to work through the detail of the deal.

Executive Spending Plans Published (24 June 2025)

- The DoF published its 2025-26 Budget Factsheet, setting out the Executive's spending plans for the one-year period from 1 April 2025 to 31 March 2026.

Finance Minister Written Statement (3 October 2025)

- The Finance Minister provided a Written Ministerial Statement detailing Treasury Funding Available 2026-2029/30.

UK Autumn Budget 2025 (26 November 2025)

- The Chancellor's Autumn Budget 2025 detailed the United Kingdom Government's resource spending plans up to 2028/29 and capital plans up to 2029/30.

NI Draft Multi-Year Budget (6 January 2026)

- The Finance Minister published the Draft Budget 2026-2029/30 (not agreed by the Executive) and announced an eight-week public consultation on the draft. The Finance Minister, in a Written Ministerial Statement to the Assembly, outlined that *"...both the Resource and Capital DEL funding position remain extremely constrained."* The Finance Minister continued: *"Delivering our Programme for Government priorities will require the Executive collectively, and individual Ministers, to take challenging decisions to prioritise the available funding to deliver the desired outcomes."*

Treasury Agrees £400m Reserve Claim (11 February 2026)

- HM Treasury agreed a reserve claim for the Northern Ireland Executive, to provide £400 million for 2025/26, which is to be repaid over three years. The Finance Minister confirmed in a Written Statement on the same day that the Reserve Claim would be allocated as follows, as agreed by the Executive:
- - Department of Education: £214.6 million
- - Department of Health: £185.4 million

UK Spring Forecast 2026 (3 March 2026)

- The Chancellor delivered her 2026 Spring Forecast. Later that day, in an Oral Statement to the Assembly, the Finance Minister confirmed additional £390 million Barnett consequentials over the next three-year period, consisting of £380 million RDEL and £9 million CDEL.

Update on Multi-Year Budget Discussions (16 April 2026)

- Speaking publicly following a meeting of Executive Ministers, the deputy First Minister stated that the Executive wanted a multi-year Budget agreed "as quickly as we can".
- She added, *"...but the reality is that there is a very, very significant shortfall...the moment that Budget would be agreed, unless we secure additional resource from the Treasury, would simply lead to significant cuts and massive impacts in terms of our public services and on the people that we are here to serve."*
- The Finance Minister echoed these sentiments, stating that *"to achieve the ambition of the Budget is going to take an injection of investment from the British Government."*

Parties Meet SoSNI on Budget Progress (2 July 2026)

- Speaking after the meeting, Hilary Benn MP said they had 'agreed a programme of work' that will 'look, first of all, at the pressures that the Executive's finances are facing'.
- He said the work would also look at the Executive's plan for "fiscal sustainability, efficiencies and public service transformation".

Budget Act Deadline Passes (31 July 2026)

- As the Executive were unable to pass a Budget by this deadline, an automatic departmental expenditure limit of 95% of last year's funding was triggered under public finance laws.

Executive Writes to PM on Financial Pressures (13 August 2026)

- The Executive collectively wrote to PM Andy Burnham, calling for a 'fair funding envelope'. The letter said the current funding from Westminster 'does not provide a sufficient basis to fund public services' in NI.

SoSNI Statement on Budget Impasse (25 August 2026)

- SoSNI Chris Bryant MP said the Executive will have to engage in 'self-help' and look at revenue raising to resolve Northern Ireland's budget issues. He further added "I understand the financial pressures that there are in Northern Ireland, and I'm very happy to take them very seriously."

1.3 Draft Budget 2026-2029/30 – DfC Allocations

On 6 January 2026, the Finance Minister published a Written Ministerial Statement to the Assembly on the Draft Budget 2026-29/30. The Statement outlined proposed funding allocations for Resource Departmental Expenditure Limits (RDEL) and Capital Departmental Expenditure Limits (CDEL) during the specified period, including the Department for Communities', as reproduced below in **Table 1**.

Table 1: Proposed DfC Budget Outcome 2026-30, £ million[7]

Funding Category	2026-27	2027-28	2028-29	2029-30
Resource DEL	922.0	944.3	960.3	-
Capital DEL	294.9	319.2	321.7	404.1
Total DEL	**1,216.9**	**1,263.5**	**1,282.0**	**404.1**

Source: Draft Budget 2026-29/30

At the time of writing, the Draft Budget 2026-2029/30 remains unagreed by the Executive. The Communities Minister gave oral evidence to the Assembly Communities Committee on 18 June 2026 about the Budget, where he stated:

> *…we need to get a Budget. We absolutely want one in place, and work is taking place between the Executive and the [UK] Government on that. The Budget that we have is not satisfactory. We can do more to save money in many areas, but those savings will be over the longer term. Bringing in the efficiencies and doing what needs to be done cannot be achieved in one year…there needs to be some realism. We want to get on to a more stable financial footing, but you cannot fix your house while it is on fire…we are constrained as a Department, because our spend is in areas that cannot easily be rolled back…I am not prepared to agree to a Budget that would cause harm*[8].

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[7] Draft Budget 2026-29/30, Department of Finance, available here.

[8] Official Report (Hansard), *Charities (Amendment) Bill: Department for Communities Oral Evidence*, 26 March 2026, available here.

Potential Scrutiny Point:

1. Given the existing budgetary challenges and competing pressures in Northern Ireland, how would the Department for Communities ensure that appropriate resourcing is provided to the Charity Commission to fully implement the Bill's provisions, should it be enacted as currently introduced?

2 Charities (Amendment) Bill Background

The introduced Charities (Amendment) Bill (the Bill) is an outworking of the Independent Review of Charity Regulation[9] (the Review) commissioned by the DfC in 2021. The Bill is intended to progress a range of recommendations made by the Review, alongside addressing other issues which have been raised in the intervening period. Many of the Bill's provisions relate to the Charity Commission for Northern Ireland (the Commission).

This section sets out Bill provisions with key potential financial implications, as examined in Section 4 of this Paper.

2.1 Charities (Amendment) Bill Clauses

2.1.1 Clauses 2 to 6 – Powers of the Charity Commission

Clause 2, if enacted as introduced, would expand the definition of 'public bodies' to which the Commission could disclose information. It amends the Charities Act (Northern Ireland) 2008[10] to define public bodies as '*including bodies discharging functions of a public nature, and/or regulatory functions as to charities or fund-raising*'. The main purpose of this Clause is to allow information sharing with the Fundraising Regulator.

[9] *Independent Review of Charity Regulation*, Department for Communities (2022). Available here.

[10] The full text of the Charities Act (Northern Ireland) 2008 is available here.

The DfC's Bill consultation document states that the current definition of public bodies to which the Commission can share information has caused practical issues when working with organisations like the Fundraising Regulator[11].

It should be noted that the Charity Commission and the Fundraising Regulator published a Memorandum of Understanding (MoU) in October 2025[12], which sets out the current framework for sharing information. As set out in that MoU, the Commission has been relying on Section 24 of the 2008 Act to be the legal gateway for information sharing with the Fundraising Regulator. However, difficulties have arisen in that the Fundraising Regulator does not meet the current definition of a 'public body', which subsequently means there exist limitations on the extent of permissible information sharing between the Commission and the Fundraising Regulator. Arguably, there are benefits in allowing the free flow of appropriate information between these two bodies to the extent that this allows them both to more effectively carry out their general functions.

Clause 3, if enacted as introduced, would amend the 2008 Act to add a new section 32A, empowering the Commission to issue official warnings, where it considers that a charity, charity trustee or a trustee for a charity (in that capacity) has committed a breach of trust or duty or other misconduct or mismanagement. Prior to issuing the new warning, the Commission would be required to give notice of its intention to do so to the charity (including each trustee). The Commission would also have to take into account of any representations made to it during the notice period and may modify its official warning based on these. The Commission also could withdraw an official warning within 28 days of its publication. Clause 3(3) of the Bill would also allow the Commission to take action to protect a charity after instituting an inquiry, when it would be satisfied that there had been a failure to comply with an order or direction of the Commission, or a failure to remedy any breach specified in an official warning. The introduced Bill does not include any appeal mechanisms in

[11] The Fundraising Regulator is the independent regulator of charitable fundraising in England, Wales and Northern Ireland.

[12] *Memorandum of Understanding: The Charity Commission for Northern Ireland and the Fundraising Regulator* (October 2025), available here.

relation to official warnings, with the Department pointing towards the notice period during which representations could be made to the Commission, and the ability to vary or withdraw notices as in-built safeguards[13].

Clause 4, if enacted as introduced, would amend the 2008 Act to ensure that the Commission could remove trustees, officers, agents or employees from a charity, even if they would resign while under investigation. This would result in their disqualification from becoming a trustee of another charity (see Clause 6). This clause seeks to close a loophole whereby a person found to be responsible or privy to misconduct or mismanagement within a charity is able to resign before they are removed, thereby enabling them to become a trustee in another charity. The Commission has indicated that it would be beneficial to close this loophole, to enable it to safeguard charities from individuals who pose a risk[14]. This would further enhance the Commission's enforcement powers. Through the Charity Tribunal[15], there are existing appeal rights for an individual removed by the Commission[16].

Clause 5 would empower the Commission to issue directions to trustees not to take certain actions, following the Commission opening an inquiry. The Commission is currently empowered to order charities or relevant individual(s) to *take* certain actions where there has been an inquiry which has found misconduct or mismanagement within the charity, or to protect the property of a charity. Clause 5, if enacted as introduced, would similarly empower the Commission to, after an inquiry had been opened, order charities or relevant individuals *not to take* a specified action, or not to continue it. The Commission would be required to review such orders at least every six months. If these orders would be ignored, the Commission then could escalate non-compliance

[13] NI Assembly Committee for Communities, *Official Report: Charities (Amendment) Bill: Department for Communities* (26/03/2026), page 4. Available here.

[14] *First Submission to Independent Review of Charity Regulation*, Charity Commission for Northern Ireland (2021), available here.

[15] The Charity Tribunal was established in 2010 to hear appeals from decisions made by the Charity Commission. A summary of decisions made by the Charity Tribunal is publicly available here.

[16] *Charities Act (Northern Ireland) 2008,* full text available here.

to the High Court. Conversely, any orders issued under Clause 5 could be referred by the charity or relevant individual(s) to the Charity Tribunal.

Clause 6 would amend the 2008 Act so that if an officer, agent or employee of a charity would be removed from their role following an inquiry or by the Court, then they would be automatically disqualified from becoming a trustee again. This provision, as introduced, only applies to existing trustees, and so is a further expansion of the scope of the Commission's existing powers. It would not, however, stop someone taking up employment in another charity in the future – they would be disqualified from becoming a trustee only. Under the existing legislation, someone who is disqualified can apply for a waiver from the Commission to allow them to become a trustee again in future. The Commission is already required to keep a register of those removed from office, by it directly or by the Court[17]. During the consultation process, the Commission, whilst broadly supportive, indicated that this Clause would likely result in an increase in applications for waivers from disqualification[18].

2.1.2 Clauses 7 to 10 – Accounting and Reporting

The broad intention of Clauses 7-10, as introduced, is to streamline accounting and reporting by enabling more flexible regulation proportionate to the size and complexities of charities[19]. Currently, all registered charities must fill out an Annual Monitoring Return (AMR) document and provide same to the Commission[20]. There are varying levels of required detail for charities with different levels of annual income. The Commission requires that a charity's accounts, a trustees' annual report, and a report from an independent examiner or auditor are uploaded alongside the AMR[21]. Depending on the charity's level of income, the relevant charity's accounts may take the form of receipts and

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[17] *Charities Act (Northern Ireland) 2008*, full text available here.

[18] Albeit there have been no orders to remove a person from a role since the *McKee* case in 2020, so therefore no need for a waiver.

[19] *Charities (Amendment) Bill – Explanatory and Financial Memorandum,* available here.

[20] *How to complete the Annual Monitoring Return*

[21] *Charity reporting and accounting: the essentials*, Charity Commission for Northern Ireland, available here.

payments[22] (which are more straightforward), or accrual accounts[23] (which are more detailed). It is important to note that charities which are incorporated are already subject to distinct requirements under company law, including to prepare accruals accounts.[24]

Clause 7, if enacted as introduced, would amend the 2008 Act, repealing the current provision allowing charities with an annual income of under £250,000 to prepare receipts and payment accounts. Instead, the DfC would be empowered (not required) to bring regulations that would set the form and content of charity accounts and would allow different requirements to be applied to different classes of charity (for example by gross income bands). This Clause also would enable the Commission to prescribe the form and content of accounts for different classes of charity, and to dispense with or modify accounting requirements for specific charities or for particular financial years. As outlined in RaISe Paper NIAR 86-2026, dated 9th September 2026, the DfC has indicated its Clause 7 intention – that is, to:

- Introduce a simplified template reporting framework for the smallest charities, with annual incomes of under £20,000;
- Specify the minimum content requirements for the statement of assets and liabilities, including the requirement to provide values for assets and liabilities;
- Disapply the content requirements for receipts and payments accounts for charities who are eligible for template reporting; and

[22] A summary of all monies received and paid via the bank and in cash by the charity during the financial year, along with a statement of balances. Currently, charities with an income of less than £250,000 can choose to prepare a receipts and payment account.

[23] Unlike receipts and payments accounts, accruals accounts recognise income when the charity is entitled to it and it is probable it will be received, and recognise expenditure when a liability is incurred. Accruals accounts provide a more detailed picture of the charity’s financial position and must include a balance sheet showing the charity’s financial position at year end, a statement of financial activities, a cashflow statement (if applicable), and explanatory notes to the accounts.

[24] *Accruals Accounts: Preparing accruals accounts*, Charity Commission for Northern Ireland, available here.

- Allow the Commission to grant dispensations from the requirement to prepare accruals accounts when a charity exceeds the £250,000 income threshold due to exceptional circumstances.

Clause 8, if enacted as introduced, would amend the 2008 Act to exempt charities with a gross income of £20,000 or less from the requirement to either have their accounts independently examined or audited. Currently, unincorporated charities with an annual income below £500,000 may opt to have their accounts independently examined, rather than a full audit. For charities with an annual income over £250,000, but still below £500,000, the independent examiner must be a member of a list of specific bodies[25]. Clause 8, if enacted as introduced, would align with the DfC's planned regulations under Clause 7, to further simplify the reporting process for the smallest charities. Moreover, under Clause 8, the Department could amend this £20,000 threshold in the future by order.

Clause 9, if enacted as introduced, would provide an enabling provision empowering the DfC to update and clarify the meaning of 'gross income' via secondary legislation (regulations). The Commission currently uses the below definition of 'gross income' for threshold purposes:

> *For accounts prepared on a receipts and payments basis, gross income is simply the total receipts recorded in the statement from all sources excluding the receipt of any endowment, loans and proceeds from the sale of investments or fixed assets[26].*

Nevertheless, the Commission has also noted that it has been necessary in practice to apply different definitions depending on the type of accounts prepared by a charity (receipts and payments versus accrual). They have stated, 'these distinctions reflect…differences in accounting methodology rather than regulatory choice'[27]. The DfC has favoured an approach which allows for

[25] *Charities Act (Northern Ireland) 2008,* full text available here.

[26] *Receipts and payments accounts for smaller charities; how to prepare receipts and payments accounts*, Charity Commission for Northern Ireland, available here.

[27] *Draft Charities (Amendment) Bill (Northern Ireland) 2026, CCNI further considerations*, Charity Commission for Northern Ireland (April 2026), shared with RaISe.

greater future flexibility than simply writing detailed accounting rules into legislation.

Clause 10, if enacted as introduced, would amend the 2008 Act to introduce a DfC power to bring forward regulations to tailor the form and content of annual reports and returns for different classes of charities, thereby allowing simplified or 'template' reporting where appropriate. Again, this Clause would align with Clause 7 regarding allowing the smallest charities to use template reporting. The regulations under these Clauses 7, 9 and 10 would be brought via a negative resolution procedure under Assembly procedures[28] – meaning it has effect when its 'comes into force' date is reached, unless it is annulled by resolution by the Assembly within the 'statutory period'. The statutory period is 30 days or 10 days on which the Assembly has sat after the date on which the statutory rule was laid, whichever is the longer.[29]

For ease of reference, **Table 1** below summarises the current and proposed minimum reporting requirements for charities by income levels, as set out above, reflecting all relevant Bill provisions, including those which would require further legislation and the DfC's stated intention for said regulation:

Table 1: Current and Proposed Requirements for Charity Reporting

Charity Income/Type	Current Minimum Reporting Requirements	Proposed Minimum Reporting Requirements
£20,000 or less	Receipts and payments accounts, with independent examination by an independent person.	Template reporting with no requirement for independent examination.
£20,001 - £250,000	Receipts and payments accounts, with independent	Receipts and payments accounts, with a pre-determined format, with

[28] For further details on procedures in this area, see the *Report of the Examiner of Statutory Rules to the Assembly and the Appropriate Committees* (2026), available here.

[29] Further details are also available at *Legislation A-Z* on the Assembly website here.

	examination by an independent person.	independent examination by an independent person.
£250,001 - £500,000	Accruals accounts, with independent examination by a person specified by the 2008 Act.	Accruals accounts, with independent examination by a person specified in the 2008 Act. A potential dispensation from accruals accounts if income is exceptionally high.
Over £500,000	Accruals accounts, with audit (potential dispensation from audit).	Accruals accounts, with audit (potential dispensation from audit). The Department may vary the threshold for requiring an audit in future.

Source: *Charities Act (Northern Ireland) 2008; Charities (Amendment) Bill and Consultation (2025)*

2.1.3 Clause 11 – Repeal of Section 167 of the 2008 Act

Clause 11, if enacted as introduced, would repeal Section 167 of the 2008 Act which regulates 'any institution which is not a charity under the law of Northern Ireland, but which operates for charitable purposes in or from Northern Ireland'. Note, however, that this Section is not yet commenced. In Chapter 10 of their report, the Independent Review of Charity Regulation concluded Section 167 as it was previously drafted was 'unfit for purpose'[30]. In practice, the proposed repeal would not prevent these organisations from operating in Northern Ireland but would mean they would not be required to register or report separately under Northern Ireland charity law. They would continue to be regulated by the regulator in the jurisdiction in which they are registered.

[30] *Independent Review of Charity Regulation*, Department for Communities (2021), page 238. Available here.

3 Context in other jurisdictions

Before moving to key potential public purse implications arising from the introduced Bill, key items of note from nearby jurisdictions are highlighted here, to support Assembly scrutiny of the Bill (see RaISe Paper NIAR 86-2026, dated 9th September 2026 for greater detail.)

The Charity Commission for England and Wales[31] (the Commission) is the responsible body for charity regulation for those countries. Northern Ireland's charity regulation is generally based on the legislation in England and Wales. As noted in RaISe Paper NIAR 86-2026, dated 9th September 2026, the Bill broadly aligns with the approach taken in England and Wales, introducing a wider range of enforcement tools available to the regulator and allowing charities based in other jurisdictions to be primarily regulated by their local regulator.

Scottish charity regulation is the responsibility of the Office of the Scottish Charity Regulator[32] (OSCR). In the Republic of Ireland, the Charities Regulator[33] is the national statutory regulator of charities. Both the OSCR and the Charities Regulator are subject to more judicial oversight than the Commission in Northern Ireland.

4 Key Potential Public Purse Implications

To establish the potential financial implications of the Bill, as introduced, on the public purse, this section draws on the Bill's clauses as introduced (as outlined in detail in Section 2.1), the Bill's accompanying EFM, the related consultation on the policy proposals, and recent correspondence between RaISe-PFSU and the Charity Commission/DfC. A range of 'knowns' and apparent 'unknowns' at the time of writing will be explored, from which reasonably foreseeable potential financial implications will arise if the Bill would be enacted as introduced.

[31] *Charity Commission for England and Wales*, website, available here.

[32] *Office of the Scottish Charity Regulator*, website, available here.

[33] *Charities Regulator (Ireland)*, website, available here.

Potential scrutiny points for consideration by members of the Committee for Communities are offered to inform discussion and scrutiny of the Bill.

4.1 Bill's Explanatory and Financial Memorandum (EFM)

The expected financial costs of the Bill are outlined at paragraphs 14-15 of the Bill's accompanying EFM[34], as reproduced in full below:

> *The Bill is expected to have minimal net cost to the public sector. The Commission may incur limited administrative costs to implement new powers (e.g. amendment to IT systems, processes for official warnings, development of new manuals and guidance etc). One-off costs are anticipated for the Commission of approximately £100,000 capital for IT and £240,000-£250,000 resource between 2026-28.*
>
> *For charities, the net financial impact is expected to be positive, particularly for small and medium-sized organisations. While individual charities subject to warnings or directions may incur remedial expenses, these are associated with addressing misconduct or mismanagement and are outweighed by the benefits of preventing harm to charitable assets...*[35]

4.2 Public Consultation on the Bill

The Bill's EFM outlines the consultation process which has led to the Bill's development and introduction. The Bill reflects some of the recommendations of the Independent Review of Charity Regulation[36], which itself involved extensive consultation with the sector. The DfC carried out targeted consultation on two matters recommended by the Review:

i. The Department sought views on whether the template reporting threshold for smaller charities should align with the proposed registration threshold of £20,000, or the £25,000 recommended threshold from the

[34] *Charities (Amendment) Bill – Explanatory and Financial Memorandum,* available here.

[35] As above, page 7.

[36] *Independent Review of Charity Regulation*, Department for Communities (2022). Available here.

Review. Most respondents favoured a threshold of £20,000 annual income and assets below £100,000.

ii. A two-week consultation was conducted on Section 167 of the 2008 Act. It showed that there was poor understanding of Section 167, and as a result of this consultation, the decision was taken to propose its repeal.

In addition to these targeted consultations, a four-week public consultation was conducted during April 2026, which resulted in amendments to the proposed Bill, including Clauses 2, 3, 7 and 8.

4.3 Correspondence with the Commission

In the course of preparing this Paper, RaISe-PFSU have been in correspondence with both Charity Commission for Northern Ireland (the Commission) about key potential associated public purse implications arising from the Bill, if enacted as introduced.

As the bulk of the introduced Bill relates to the Commission, RaISe-PFSU sought Commission information to help inform the contents of this Paper.[37] The Commission provided a detailed costing document under two scenarios, wherein it estimated direct costs could arise for the Commission between £707,000-£951,000, if the Bill would be enacted as introduced, as explained in the sub-sections below, alongside estimated costs outlined in the Bill's EFM. The Commission's estimated costings encompass staffing costs, training and guidance costs, and capital costs (for IT systems).

4.4 Quantifiable Costs

4.4.1 Increased Staffing in the Charity Commission

As has been outlined throughout this Paper, the Bill, if enacted as introduced, would create new powers for the Charity Commission, as well as enhancing its existing powers. This includes the ability to issue official warnings, remove trustees following an inquiry (even after the trustee has resigned), direct

[37] RaISe-PFSU correspondence via email with the Charity Commission for Northern Ireland, received 23rd July 2026.

specified actions not to be taken, and prescribe the form and content of accounts. The Commission believes such new and enhanced powers into operation would be likely to require additional Commission staff[38], if its increased workloads when implementing the enacted legislation could not be absorbed within existing capacity.

However, the Bill's EFM does not refer directly to costs arising from increased staffing resource. Instead, those costs would appear to be grouped under the 'limited administrative costs to implement new powers'[39] category, which groups together changes to IT systems, processes for official warnings, and new manuals and guidance.

In contrast, the Commission provided RaISe-PFSU with more detailed costings in this area, wherein it estimates an additional staffing requirement of between 2.5-4 Full-Time Equivalent (FTE) over the next 2-3 years. The modelled breakdown is reproduced in **Table 2** below:

Table 2: Additional Staffing Requirement – Charity Commission[40]

Job Title	Grade	Description	FTE Requirement
IT Officer	SO	Provide additional IT capacity to support the delivery of system developments required by the Bill.	1 (3YR)
Monitoring and Compliance Officer	EOII	Need for 2 new staff is based on the creation of a new workflow which will result in accrual dispensation applications being received, assessed, and decisions taken within the statutory timeframe. Only 0.3 FTE of these	0.5-2 (Permanent)

[38] In the areas of monitoring and compliance, policy and communications, and IT. Based on internal analysis from the Commission as shared via email with RaISe-PFSU on 23rd July (not publicly available).

[39] *Charities (Amendment) Bill – Explanatory and Financial Memorandum,* available here.

[40] RaISe-PFSU correspondence via email with the Charity Commission for Northern Ireland, received 23rd July 2026.

		posts would be dedicated to developing new guidance, etc. If a 'smoothing mechanism' is provided for (as in company law), the estimated staffing requirement drops to 0.5.	
Policy/ Communications Officer	EOII	Proactively research, develop, and provide advice on policy, legislation and practice, guidance and procedures to support the delivery of the Charities Bill. Plan and deliver a co-ordinated programme of communications to support the implementation of the Charities Bill and associated regulatory changes.	1 (2YR)

Source: Charity Commission for Northern Ireland

The staffing-related costings provided by the Commission, modelled under two scenarios, yield an estimated cost range of £387,000-£621,000, over a three-year horizon. The difference between the two estimates relates to the possible requirement of two new Monitoring and Compliance Officers (MCOs) when implementing the Bill, if enacted as introduced. In scenario one, the Commission assumes a smoothing income mechanism to negate the need for some charities to apply to the Commission for dispensation from additional reporting requirements if they would breach the threshold temporarily; and estimates 0.5 FTE MCOs would be required to fulfil the other outlined duties. The Commission provided detailed costings around staffing to RaISe-PFSU which break down potential role descriptions, why they would be required (with relation to individual clauses within the Bill), and modelling utilising expected case numbers and expected hours to progress cases. As such, these estimates appear analytically robust.

Given the identified issues around staffing resource requirements, the below scrutiny points are suggested to the Committee.

Potential Scrutiny Points

2. Has the DfC assessed the additional staffing that the Commission could require to discharge its new functions under the Bill, if enacted as introduced?

3. The Bill's EFM states a £240,000-£250,000 resource cost to the Charity Commission if this Bill would be enacted as introduced; do those figures include additional staffing? If so, please provide a breakdown of those additional staffing figures.

4.4.2 Training, Guidance and Internal Processes

Alongside staffing resource, the Bill's EFM notes that there may be costs associated with areas like developing the process for official warnings and the development of new manuals and guidance. Staff training could be reasonably required when implementing the Bill, if enacted as introduced, given its change to various existing rules and procedures. For example, staff would need to receive training on how and when to issue official warnings, how and when to issue directions for actions not to be taken, and the various changes to reporting and accounting requirements. The Commission would be required to provide more intensive awareness raising and training for charities, particularly smaller charities with less internal capacity, on new accounting and reporting requirements as the introduced Bill specifies.

Many of these training and guidance costs would reasonably be expected to be primarily one-off, as new rules and processes 'bed in' following the implementation of the Bill's provisions, if enacted as introduced. The Commission, in its correspondence with RaISe-PFSU, has estimated between £50,000-£60,000 in costs for staff training and resources for charities.[41] However, this estimate is accompanied by less analytical detail than estimates

[41] RaISe-PFSU correspondence via email with the Charity Commission for Northern Ireland, received 23rd July 2026.

provided for staffing requirements, and so it is difficult to objectively assess its robustness.

Potential Scrutiny Point

4. When estimating costs arising under this Bill if enacted as introduced, what portion of the DfC estimated £250,000 Charity Commission resource cost reflected Commission staff training and new guidance materials?

4.4.3 Capital Costs (including Digital Systems)

The Bill's EFM states £100,000 IT-related capital costs would be expected when the Commission would implement the Bill, if enacted as introduced. The Commission provided RaISe-PFSU with different estimates in this area, stating any potential capital costs are difficult to isolate and estimate on the Bill information currently available, because such costs would impact across all three of the Commission's core systems (namely, digital registration and reporting, workflow management and the website) and also would coincide with the introduction of a new specified threshold for charity registration, which in turn would demand significant changes to existing internal systems. Moreover, the Commission advised RaISe-PFSU that the DfE has provided the Commission with capital funding on an ongoing basis to undertake enhancements in the capability of its (the Commission's) digital systems.

Notwithstanding the difficulties of isolating potential costs that would arise for the Commission if the Bill would be enacted and implemented as introduced, the Commission provided RaISe-PFSU with an estimate of £270,000 across three years, to reflect the need to update, enhance and reconfigure underlying software systems. It advised that these systems currently are used by over 7,000 registered charities and around 50,000 related trustees[42].

[42] RaISe-PFSU correspondence via email with the Charity Commission for Northern Ireland, received 23rd July 2026.

Potential Scrutiny Point

5. What is the DfC's view on the Commission's expectation that £270,000 in capital funding could be required to fulfil the Bill's specified requirements, if the Bill would be enacted as introduced and then implemented? Please detail.

The below additional scrutiny points are suggested to the Committee to gain greater clarity on why the Bill's EFM cost estimates, and those from the Commission, come to different conclusions around potential costs.

Potential Scrutiny Points

6. Does the DfC have a view on the discrepancy between the costing estimates provided in the Bill's EFM (£340,000-£350,000) and those provided by the Charity Commission (£707,000-£951,000)? Please detail.
7. Has the DfC considered appropriate contingency planning in the event that its estimated costs of implementing the Bill if enacted as introduced would be higher than expected? Please detail.

4.5 Unquantifiable Costs

4.5.1 Disclosure of Information (Clause 2)

Based on the information available to RaISe-PFSU at the time of writing, Clause 2 is unlikely to generate substantial public purse costs, given that the Commission and the Fundraising Regulator have a strong existing relationship and have established processes/practices for sharing information with one another. There could be additional administrative costs associated with this provision due to potential increased volume of information sharing, or opportunity costs regarding staff time. However, those would be likely to be modest in nature if they would arise from implementing the enacted Bill provisions as introduced. For the purposes of this Paper, such costs are considered to be negligible.

4.5.2 Issuing of Official Warnings (Clause 3)

Clause 3 would introduce a new statutory tool to provide the Commission with the ability to issue an official warning to a charity. The Bill's EFM explains that this new power would be used in place of a statutory investigation, or at the end of a statutory inquiry, if enacted and implemented as introduced. In this way, an associated cost saving would be anticipated in this area, based on current practice – i.e. official warnings typically are used in place of more administratively demanding procedures, and to the extent that official warnings resolve any issues identified to prevent a full statutory investigation.

For comparison, the Charity Commission for England and Wales, used their statutory powers - like those proposed in this Bill - to issue a charity with an official warning 38 times in 2023-24[43]. Given Northern Ireland's much smaller number of charities, it would not be expected that this power would be used to the extent in England and Wales, and thus the expected associated costs could be reasonably expected to be modest in nature.

Potential Scrutiny Point

8. Has the DfC undertaken any assessment or modelling to estimate the scale of official warnings that could be expected to be issued under the Bill in this area, if it is enacted and implemented as introduced?

4.5.3 Review and Appeal Costs (Clause 5)

An area of potential costs which the Bill's EFM does not make specific reference to is the possibility of costs associated with appeals under Clause 5 of the Bill. As a reminder, Clause 5 allows the Commission, following an inquiry,

[43] *Charity Commission for England and Wales, Annual Report and Accounts 2024-25*, Charity Commission for England and Wales (2025), available here.

to order that specified action not be taken or continued where such action would constitute mismanagement or misconduct.

If enacted as introduced, it should be noted that any such orders issued under the Bill would require review every six months, which could present a demand on staff time within the Commission. Failure to comply with such an order also would be referred to the High Court under Section 174 of the 2008 Act. Further, charities or trustees would have appeal rights under this provision. It is reasonably foreseeable that the combination of a statutory review period, possible litigation and related appeals processes could generate additional costs, which are not mentioned in the Bill's EFM. The scale of such possible costs is a current unknown. Nonetheless, given the experience in England and Wales, it would not be anticipated to be significant.

Potential Scrutiny Point

9. Has the DfC undertaken any assessment of the likely scale of cases that could arise in relation to Clause 5 of the Bill as proposed; and the possible costs that this could generate? If yes, please detail.

4.5.4 Secondary Legislation[44]

If the Bill would be enacted and implemented as introduced, several of its provisions would require secondary legislation - for example, regulations – to be brought forward by the DfC, as follows:

- Clause 7 – confers a power onto the DfC to allow them to introduce regulations to make different provision in relation to different classes of charity for accounting requirements.
- Clause 9 – confers a power onto the DfC to introduce regulations to define what is to be treated as 'gross income' for the purposes of the Bill.

[44] This sub-section had been compiled by Eileen Regan, with Ross Connolly, both working in RaISe-PFSU at the time of writing this Paper.

- Clause 10 – confers a power onto the Department make different provision in relation to different classes of charity for the purposes of annual reports and returns.

When considering key potential public purse implications that could arise from the Bill, it is important to consider such regulations - secondary legislation - that subsequently could be enacted under the Bill. That secondary legislation could incur costs when implemented, and those costs typically cannot be estimated until the detail of the secondary legislation would become available. For that reason, it is important to factor this consideration into Assembly deliberations on the Bill at the time of scrutinising the proposed enabling legislation (the primary legislation) – here, this Bill.

And when doing so, also bear in mind the specified Assembly resolution procedure by which the specified secondary legislation subsequently would be brought forward under the Bill, as said procedure bears a relationship to the scrutiny that the Assembly would apply to that secondary legislation, as highlighted below:

- ‘Draft Affirmative’ or ‘Affirmative Resolution’: Both these Assembly procedures require Assembly approval of the subordinate legislation before it could become effective – i.e. come into operation.
- ‘Negative Resolution’: This Assembly procedure enables Departments to make secondary legislation, which can come into operation before there is Assembly approval of it. **But** the Assembly has a specified period in which it could decide to pass a motion to disapprove said legislation and thereby make it ineffective (not in force).
- ‘Confirmatory Resolution’: This Assembly procedure enables Departments to make secondary legislation, which becomes operational before Assembly approval. However, the Assembly must confirm that legislation if that legislation is to continue to have effect. Without such confirmation, the legislation ceases to be effective.

Further note that where the primary legislation does not specify an Assembly resolution procedure, Assembly scrutiny can take various forms, including Written or Oral Questions, through to full Ad Hoc debates that an individual

Assembly Member could use to bring to the attention of the Assembly any secondary legislation that the Member thinks is flawed or deserves consideration. However, such scrutiny would not have legal effect: instead, it would have political effect - and ultimately could force a Departmental Minister to reconsider and, if necessary, replace the relevant legislation.[45]

The introduced Bill specifies the following Assembly resolutions would be required at:

- Clause 7 – negative resolution (regulations to make different provision in relation to different classes of charity for accounting requirements).
- Clause 9 - negative resolution (regulations to define what counts, or does not count, as income of a charity for the purposes of the definition of 'gross income').
- Clause 10 - negative resolution (make different provision in relation to different classes of charity for the purposes of annual reports and returns).

Given the above intended usage of negative resolution procedures, the below potential scrutiny point is suggested to the Committee.

Potential Scrutiny Point

10. If the Bill would be enacted and implemented as introduced, the Committee may wish to ask the DfC for any costings it would compile or have others compile when formulating any of the specified secondary legislation under this Bill, to ensure that the public purse implications of such secondary legislation would receive adequate Assembly scrutiny.

[45] *Deconstructing Legislation: A practical guide to legislative scrutiny*, Daniel Greenberg (on behalf of Northern Ireland Assembly (2015), p 23 (available in Assembly Library).

5 Key takeaways

- If enacted and implemented as introduced, the Bill would be likely to increase operational and administrative costs for the Charities Commission in Northern Ireland (the Commission) in the short to medium terms.
- There appears to be a difference in the DfC's implementation cost estimates and those provided by the Commission. This discrepancy may warrant further scrutiny by the Committee for Communities, particularly regarding staffing, training and digital infrastructure requirements.
- The most significant identifiable public purse implications would be expected to stem from:
    - Additional staffing requirements;
    - Staff training and guidance development;
    - Communications and stakeholder engagement activities; and,
    - Modifications to digital systems (IT) and reporting infrastructure.
- The Bill would be expected to reduce regulatory and compliance burdens for many smaller charities, potentially delivering sectoral savings and allowing charities to devote more of their time to charitable purposes.
- Enhanced regulatory powers could generate financial efficiencies by enabling earlier intervention in cases of misconduct or mismanagement, potentially avoiding more extensive investigations which would generate administrative costs for the Commission.
- Several potential financial implications are currently difficult to quantify, including those associated with appeals, potential High Court proceedings, statutory reviews of directions and future regulations that would be made under the Bill's delegated powers.
- Given the policy matters left to secondary legislation under negative resolution procedure, ongoing Assembly scrutiny would be important if the Bill would be enacted and implemented – in particular, to assess both implementation costs and any wider financial impacts on both charities and the public purse. The Committee may wish to seek further detail from the Department as to how secondary legislation introduced under the Bill would be given the opportunity for adequate scrutiny by Members.

- A key scrutiny issue in that area naturally arises – that is, whether sufficient funding would be available within existing and future Departmental budgets to support the Bill's implementation, especially if actual costs would prove to be closer to the higher estimates provided by the Commission than those outlined in the Bill's EFM.