IVAR we listen, and learn together

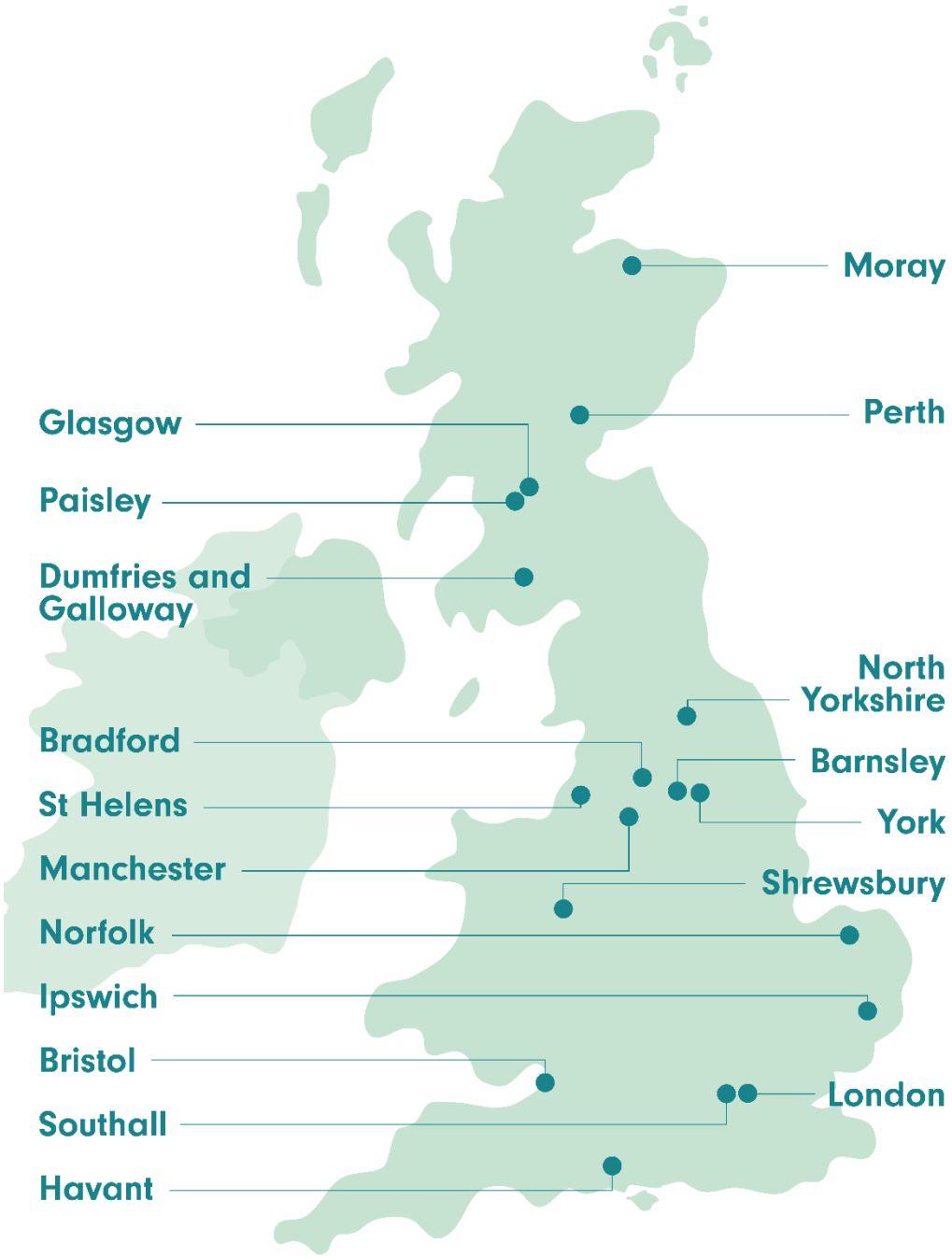
Anchored to purpose: Staying true to charity mission in choppy waters

July 2025

LEADING IN UNCERTAINTY with IVAR

Introduction

'Leading in Uncertainty' is a series of briefings designed to help trusts and foundations better understand the challenges and realities facing charity leaders. Drawing on facilitated conversations between senior leaders of UK charities, these briefings offer direct insights for funders and share perspectives on how they can better support voluntary sector organisations.



This short briefing draws on conversations with 28 charity leaders across England and Scotland (see above) during June 2025. This is a snapshot of what they told us, largely in their own words.

The current reality: what's hardest for leaders?

1. Funding pressures and systemic shifts

Charity leaders consistently report that funding is their most urgent and complex challenge. The sector is experiencing:

- **Diminishing funding streams**:

  'It feels like the overall amount of money coming into the sector has gone down. We're not sure we'll survive this year.'

- **Short-termism**: Funding from foundations and local government tends to be short-term and restrictive, and organisations are needing to dip into reserves to cover costs due to delays in processing.
- **Competition and overcrowding:** We heard a lot about the voluntary sector *'being overcrowded, lots of duplication, not being aligned'*.

Leaders also highlighted the impact of structural changes in the public sector. Recent announcements – such as the changes to local government structures and the abolition of NHS England – are creating another layer of uncertainty. Many charity leaders feel that they are now 'in limbo' while the details of implementation, and implications for funding, are worked through.

2. Growing demand, limited capacity

- **Rising need:** There is a *'massive, ever-growing demand for services'*:

  'We feel stretched thin.'

- **Burnout and wellbeing:**

  'Staff are dealing with traumatised clients and a hostile system.'

- **Volunteer pressures:**

  'We are so reliant on our volunteers and some of our paid roles are now volunteer roles, and we have had to use our reserves to bring in a paid volunteer coordinator to support those volunteers, they need to be looked after like staff.'

3. Leadership isolation and board dynamics

Charity leaders often face significant challenges in managing their roles, with many describing feelings of isolation, tension with their boards, and a heavy burden of responsibility. These issues can affect not only their personal wellbeing but also the effectiveness of their organisations.

- **Loneliness at the top:**

  'Being the leader of a small organisation feels very lonely – making decisions on your own and not knowing who to turn to for support.'

- **Board relationship tensions:**

  'It's not easy to find the dividing line between board responsibility and operational and managerial responsibilities.'

- **Shielding staff:**

  'My job is to make sure that the staff are able to get on with their work.'

- **Burden of responsibility:**

  'It often feels as though SMT are doing the heavy lifting and feeling as though we need to bend over backwards to accommodate other staff members' needs – which is really affecting our ability to deliver.'

What's helping: positive practices and mindsets

1. Building relationships and peer support

- **Space to connect:**

  'It's important to hear from other organisations about their experiences – it helps us to make sure we're using our energy in the right place.'

- **Opening up:**

  'Sharing templates and fundraising strategies … there are opportunities to share more and support each other and by opening up and talking to each other we can all be stronger.'

2. Controlled growth and realism

- **Setting boundaries:**

  'Setting clearer boundaries as leaders: saying "No" to grants that don't fit with core mission or make unreasonable demands.'

- **Being realistic:**

  'We leave it to the point of crisis before we make a change. We need to be more realistic about what we can control and what we can't.'

- **Controlled expansion:** A measured approach to growth has allowed some organisations to expand geographically without sacrificing service quality. By carefully managing resources, one leader reported a 20% increase in service users while maintaining high satisfaction levels.

3. Innovation and adaptation

- **Embracing new tools**: Using social media, e.g. TikTok, to promote services, bringing in young people to support with this.
- **Selective use of AI:**

  'Use it as a tool rather than a be all and end all.'

- **Diversifying income**: Opportunities such as corporate fundraising and setting up social enterprises or trading arms are currently being explored by some organisations.

4. Wellbeing and self-care

- **Personal boundaries**: Putting in boundaries − such as not taking work home and sharing struggles with colleagues and the board − are some of the self-care techniques leaders are using.
- **Wellbeing allowances**: One organisation gives £20 per month wellbeing allowance available for all staff towards gym membership, counselling, mindfulness, etc:

  'Whatever they need (within reason). It's very appreciated.'

- **Reflection and time out**: Taking time out − to go for a walk or switch off from the screen − continues to be an important strategy to protect leaders' wellbeing.

What do leaders need? Messages for funders

1. Multi-year, unrestricted funding

All charity leaders stressed the importance of multi-year, unrestricted funding, or core funding that supports full cost recovery. This will support organisations to achieve their long-term goals, to invest in staff and motivate staff, and to collaborate with others in the sector.

'We need to fund our biggest cost which is staff costs. Longer-term investment is better for staff wellbeing and allows for us to recruit better quality staff.'

2. Proportionate processes and respect for expertise

- **Streamlined applications**: Funding applications should reflect the level of funding and for proportionate monitoring or reporting:

  'Some funders don't know what they want but they know what they don't want and end up rejecting reports without providing guidance beforehand leading to wasted efforts.'

- **Respect for sector knowledge:**

  'Accept that charities are the experts and know where best to spend that money.'

3. Flexibility and open communication

- **Flexibility:**

  'Flexibility and understanding when things don't go to plan.'

- **Transparent dialogue**: Charity leaders would appreciate open and transparent communication from funders regarding their organisational strategy and plans:

  'Changing funder priorities has resulted in a communication breakdown with funded partners. Funders are choosing to avoid communication instead of being transparent with charities about what is happening with them.'

Learning on resilience and resourcefulness

1. Navigating organisational change

- **Adaptation and merger**: Some leaders are adjusting how they view the end of a project, as well as organisational decisions such as merger:

  'We are beginning to see the end of a project as: we've taken it as far as we can.'

- **Standing by values**: Remaining anchored to the organisation's values is helping organisations to retain staff and also influence decisions about which funding opportunities to pursue or not.

2. Being both responsive and proactive

- **Firefighting vs. planning**: leaders are constantly performing a balancing act between the need to 'focus on the now' and the need to look ahead (being responsive as well as proactive):

  'We need to firefight and respond but it's also important to be strategic, think about the long term, build relationships even when the environment feels very precarious and uncertain.'

3. Self-belief and hope

- **Hopeful mindsets:**

  'We've been through hard things before. Times change and we change with them.'

- **Self-advocacy**: Self-belief can make it easier for leaders to motivate and inspire their staff while speaking out about the value of their work to funders:

  'There is so much skill in the sector, and we need to use our collective voice more.'

Concluding thoughts

Despite the relentless pressures, charity leaders continue to demonstrate resilience, adaptability, and a commitment to their mission and communities. They are clear about what would help: open, trusting relationships with funders; flexible funding; and processes that respect their expertise and time. It is clear that Open and Trusting Grant-making can support the health and well-being of charities and enhance the quality and value of their work.

The voluntary sector is stretched, but its leaders remain hopeful and determined to carry on, provided they are given the space, trust, and support to do so.

Further reading

IVAR continues to support charity leaders and funders by providing spaces for learning and dialogue. This work is underpinned by our *Open and Trusting Grant-making* initiative for funders and our *Leading in Uncertainty* peer support sessions for charities.

We invite charity leaders and funders to sign up for our newsletter, to find out more about how to participate in these communities; and to access useful insights. For current information about Open and Trusting Grant-making, read Act with urgency, published in March 2025.

Authorship and acknowledgements

This briefing has been written by Keeva Rooney and Ben Cairns, based on work carried out by the IVAR team. Thanks to the participants of the sessions for giving up their time to be involved and for sharing their experiences and ideas so freely and openly with us.