

Charity Technology Leaders Report 2026



Foreword

Each year, this survey gives us a chance to pause and take an honest look at where we really are as a sector. The 2026 findings, alongside the discussion we held in May, will come as no surprise to most of you. The pressure is real and it's growing. Budgets are tight, demand keeps rising and expectations of technology have never been higher. So, it's unsurprising that priorities centre on cybersecurity, operational delivery and cost control. There's nothing wrong with that; in many ways, it's exactly what organisations need to focus on. But there's a tension running through the data that we shouldn't ignore.

When most of our energy goes into keeping things running, there's very little left to rethink how things could run differently. The risk isn't that we're doing the wrong things, it's that we don't, or can't, create space to do the next right things. That tension shows up in the consistency of both priorities and improvement areas. We're aligned, but it's alignment around constraint. Teams are improving what already exists rather than building what comes next and investment is being driven more by necessity than ambition. Leadership plays a big role here. There's been little progress in board-level representation for technology and where it does exist, it isn't always shaping strategy in the way it needs to. Without strong, credible voices at that level, tech will keep being pulled towards delivery over transformation. That isn't about having a seat at the table for the sake of it. It's about influence.

There are positives. Many organisations now have solid cloud and security foundations in place and confidence in cyber posture is growing. AI is also firmly on the agenda, albeit still experimentation rather than transformation for most. We've started moving, but we haven't yet changed direction. This is where it gets uncomfortable. There's a real risk of divergence. Some organisations will find a way to invest, experiment and build new capability. Others will remain focused on resilience and understandably so, but may fall further behind as a result. That gap won't close on its own.

So perhaps the question to reflect on is this: *are we designing our technology functions simply to cope, or to lead?* The difference between those two positions is only going to become more pronounced. There's no shortage of ambition, creativity or commitment across the sector. What's often missing is the headroom to act on it. Creating that space may be one of the most important challenges we face next. The opportunity is there. The question is, who will be able to take it?



Tree Hall
CEO - Charity IT Leaders

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Introduction

2026 marks the fourth year that **Smartdesc** and **Charity IT Leaders** have come together to conduct a “state of the nation” research project on IT within the non-profit sector.

Who took part?

- Around 65 organisations took part from January to April 2026, typically from medium to large size charities.
- Respondents were typically IT Directors, COOs and CFOs.

This Executive Report walks through the data and provides analysis of the key themes and trends.

New for this year, we held an in-person event at Microsoft Elevate in London on 14th May where we previewed the findings with around 40 other non-profit organisations, invited audience reflection and hosted a panel discussion featuring Girlguiding, WaterAid and Rethink to further add to the insight and analysis mentioned within each section of the report.

If you would like to discuss getting help and support on any of the topics covered within your own organisation, please contact us via: [Contact Smartdesc](#).

To learn more about joining the Charity IT Leaders community, please contact: [Charity IT Leaders - Inspiring NFP IT Leadership](#).

We hope you find the report useful and thank you to all who took part.

Top Strategic Priorities for 2026

Your Top Strategic Priorities for 2026:

- 1 Ensuring Cyber Security
- 2 Transforming and digitalising organisations' operations
- 3 Operational efficiency
- 4 Running the 'business as usual' IT provision
- 5 Offering tech solutions to projects delivering charitable aims

Overall, priorities clearly stack as Security → Operations → Budget, reinforcing a sector primarily focused on maintaining stability under financial pressure.

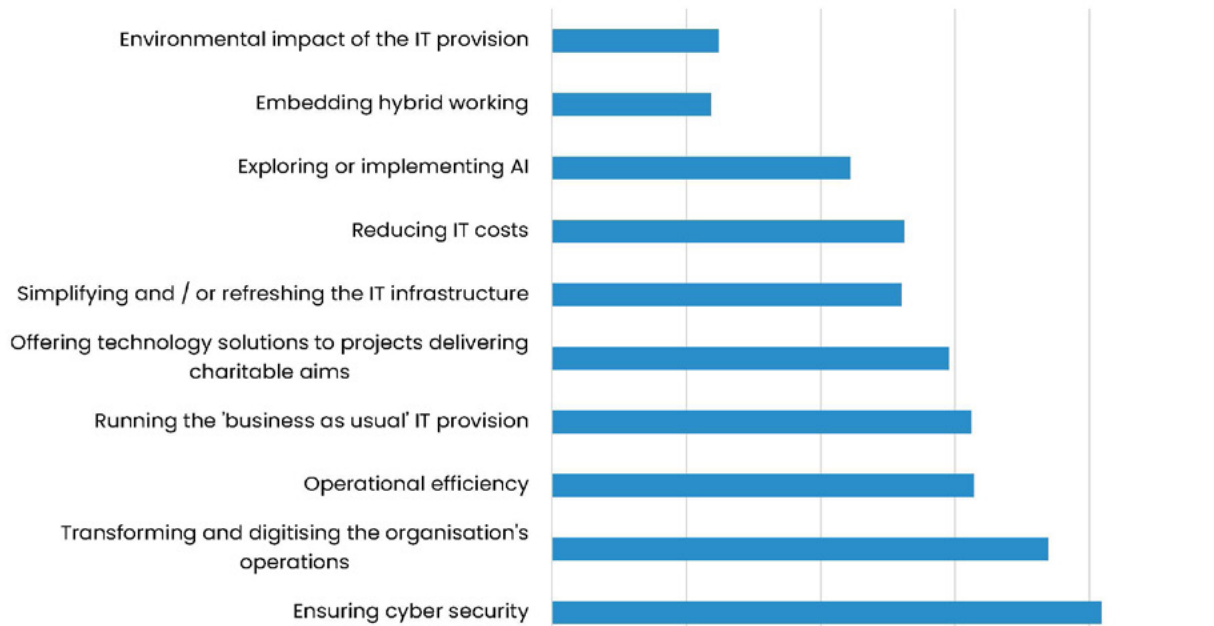
It's no surprise that Cyber features top, as it has done every year, but there is a subtle shift from implementing security controls to maintaining and governing security posture, suggesting many organisations feel baseline controls like SOC, MDR, Cyber Essentials etc. are now in place however, they require ongoing operational maturity.

The middle section of priorities is all about the BAU and Operations. There is perhaps a tension emerging here between operational demand and strategic leadership — organisations are spending significant energy on "keeping the lights on" without an equivalent uplift in technology leadership to drive transformation, probably due to most budgets being cut.



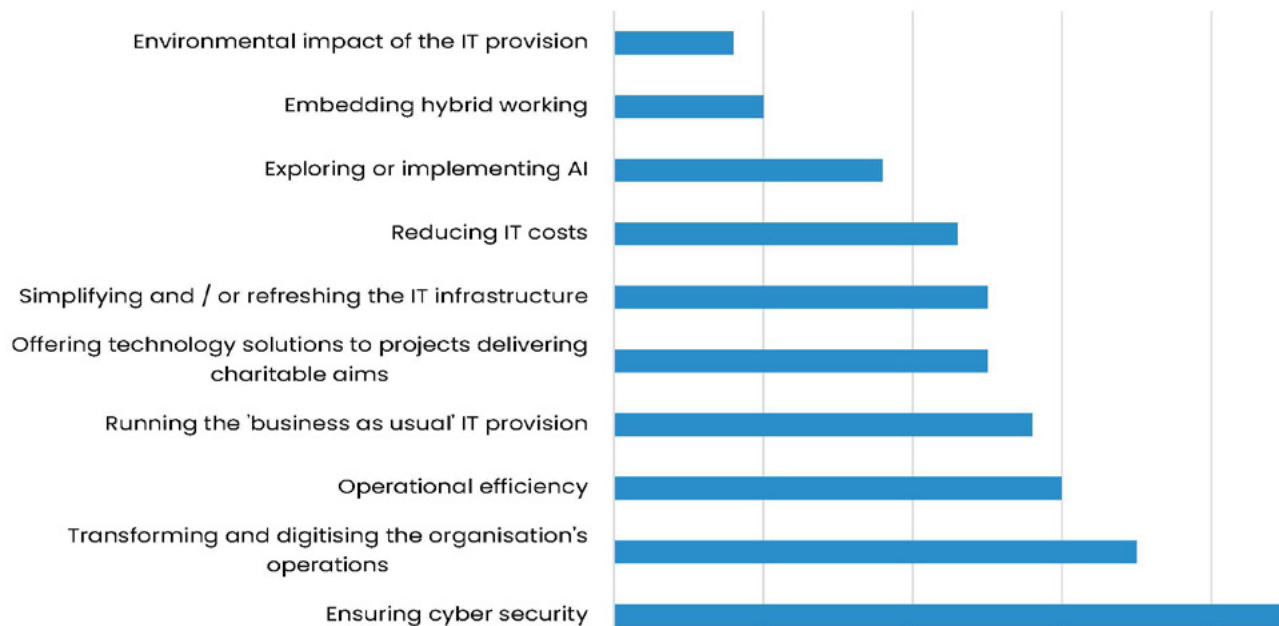
2025

In your role as a charity technology leader, please rank the below areas in terms of priority areas of focus for the year



2026

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Top Improvement Areas for 2026

Your Top IT Improvement Areas for 2025:

- 1 Business enablement
- 2 Obtaining strategic investment to enhance capabilities
- 3 Core IT function operational improvement

Your Top IT Improvement Areas for 2026:

- 1 Business enablement
- 2 Budget / cost reduction
- 3 Better enabling supporter strategies / goals

Improvement areas are heavily weighted towards operational enablement and cost control, as we saw in the overall strategic priorities across pages 5 and 6.

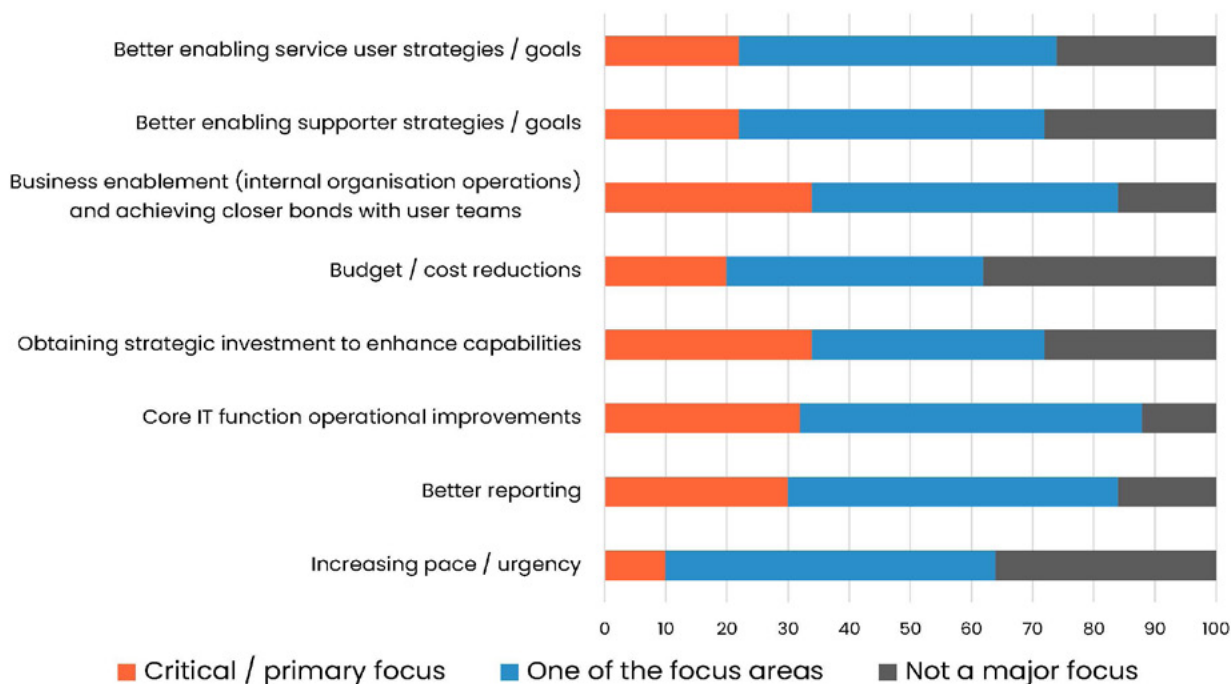
This suggests limited organisational capacity for transformation — teams are improving what already exists rather than building new capability.

The consistency across strategic priorities and improvement areas reinforces not just alignment, but constraint — organisations are focused on the same core pressures with little room to expand into new strategic initiatives.



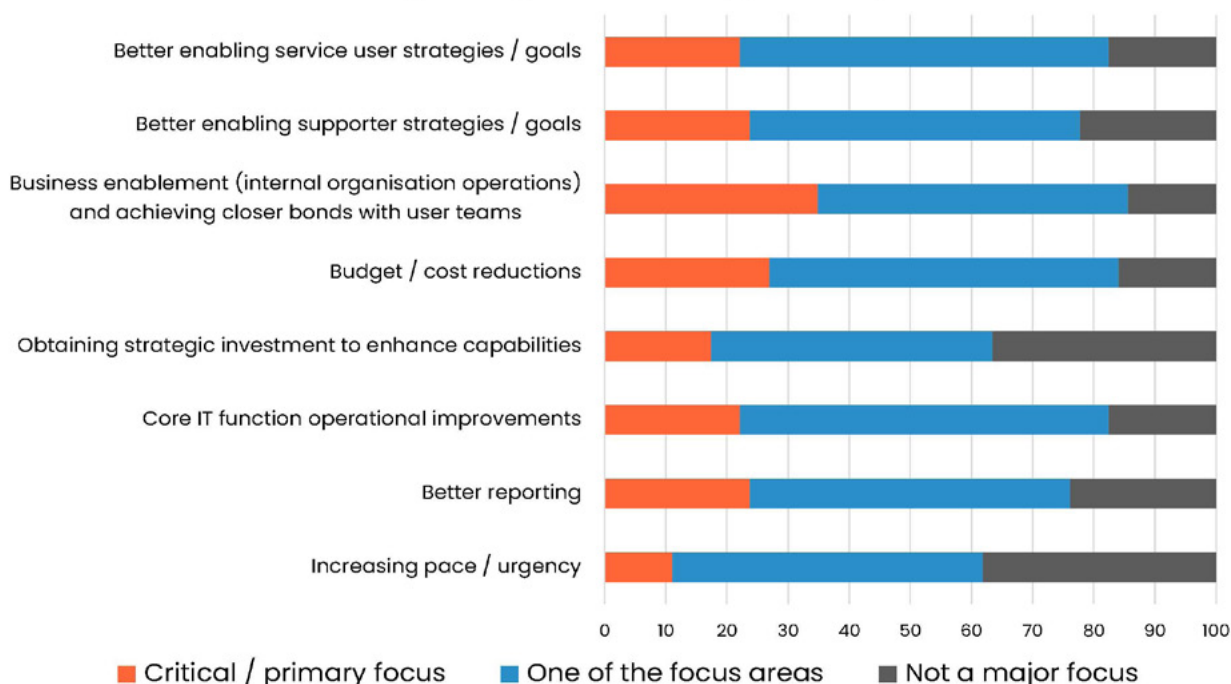
2025

What are the Key areas you are focusing on for improvements?



2026

What are the Key areas you are focusing on for improvements?



Tech Priorities Being Worked On in 2026

Your Top 5 Piloting 2025:

- 1 AI
- 2 Integration / middleware
- 3 Data warehouse
- 4 Environmental
- 5 ITSM

Your Top 5 Piloting 2026:

- 1 AI
- 2 Environmental / green metrics tech
- 3 Data warehouse
- 4 Integration / middleware
- 5 Robotic process automation




Your Top 5 Implementing 2025:

- 1 Asset management
- 2 Device management
- 3 Telephony / voice
- 4 Data loss prevention
- 5 ERP



Your Top 5 Implementing 2026:

- 1 Device management
- 2 Data loss prevention
- 3 AI
- 4 ERP
- 5 Asset management

New 2026 priorities:

-  **AI** jumps into Implementing, Piloting or Scoping for almost all
-  **DLP** is a very common project across the board
-  **Asset / Device Management** as popular as 2025

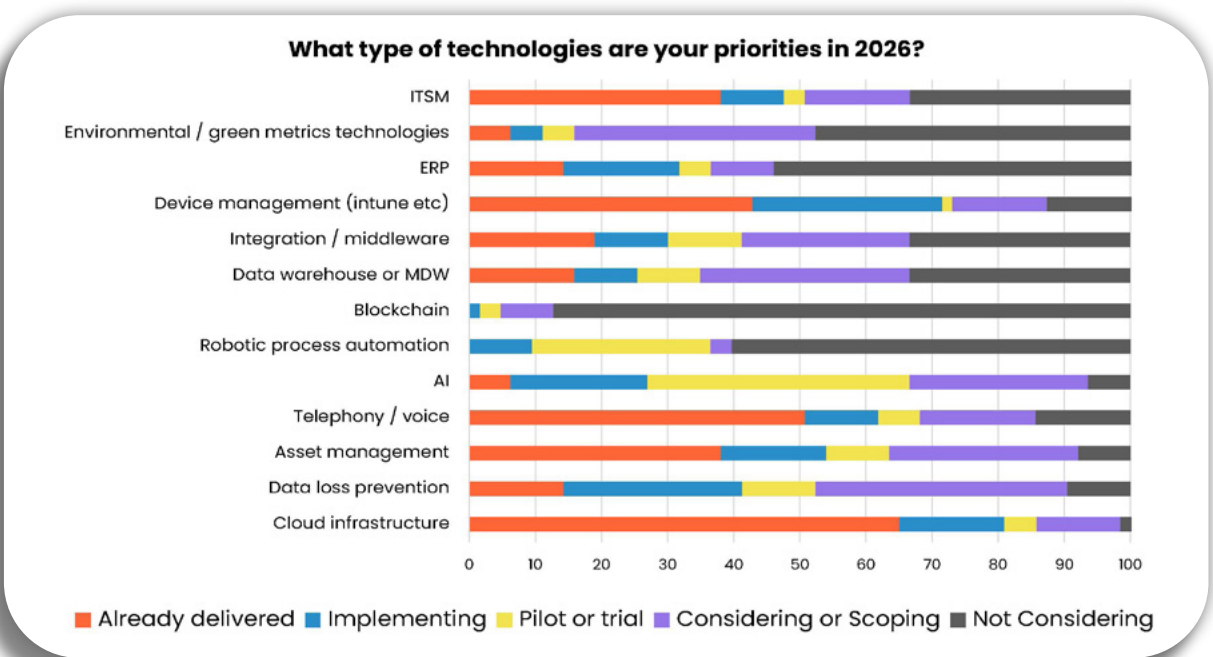
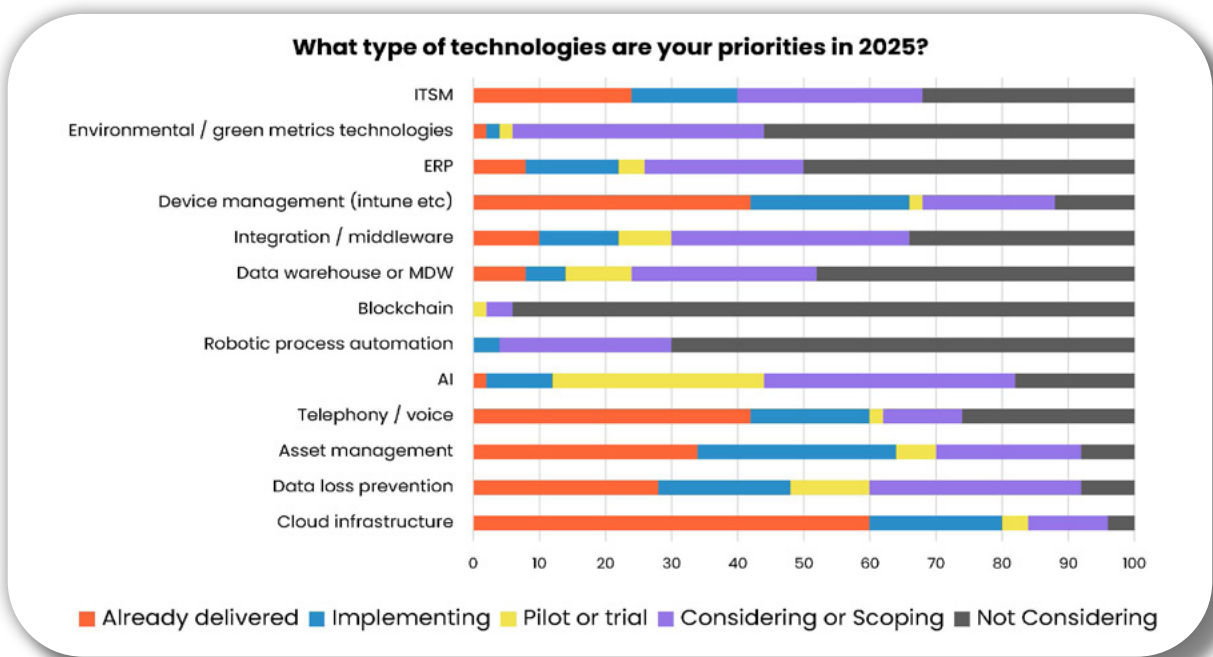
2025 priorities dropping:

-  Telephony/Voice drops **out** of the 2026 top 5 as delivered
-  ITSM almost double report as delivered since last year

There are positives - Cloud technology is now mostly implemented which is no mean feat, but the data shows foundational tech is clearly the focus before organisations can move onto deriving value from data integration, AI etc.

Technology investment is currently being driven by operational necessity rather than strategic ambition, with limited evidence of organisations prioritising innovation-led transformation.

The panel noted that within this survey, "AI" is very broad and means different things to different people; many of us are now using AI tools, but few are using LLMs within their organisation, so this question will be expanded next year to provide a deeper dive.



The Big 6 Challenges

1

Budgets that allow the team to have the right amount of resource

2

Reactive issues taking IT staff away from projects or service improvements

3

Managing outsourced partner(s) and their performance levels

4

Skills/experience capability challenges with our internal IT team

5

IT not being championed as a business enabler

6

Hiring staff and technical specialists/experts

The 'Big 6 Challenges' have remained largely unchanged over the last 3 years, although budgets now sit at number 1 and speaks to the direction of travel in the strategic and project priorities most respondents are working on.

Taken together, these challenges present a concerning but consistent picture of a sector under pressure, where financial constraints and reactive workloads limit the ability to move beyond core operations.

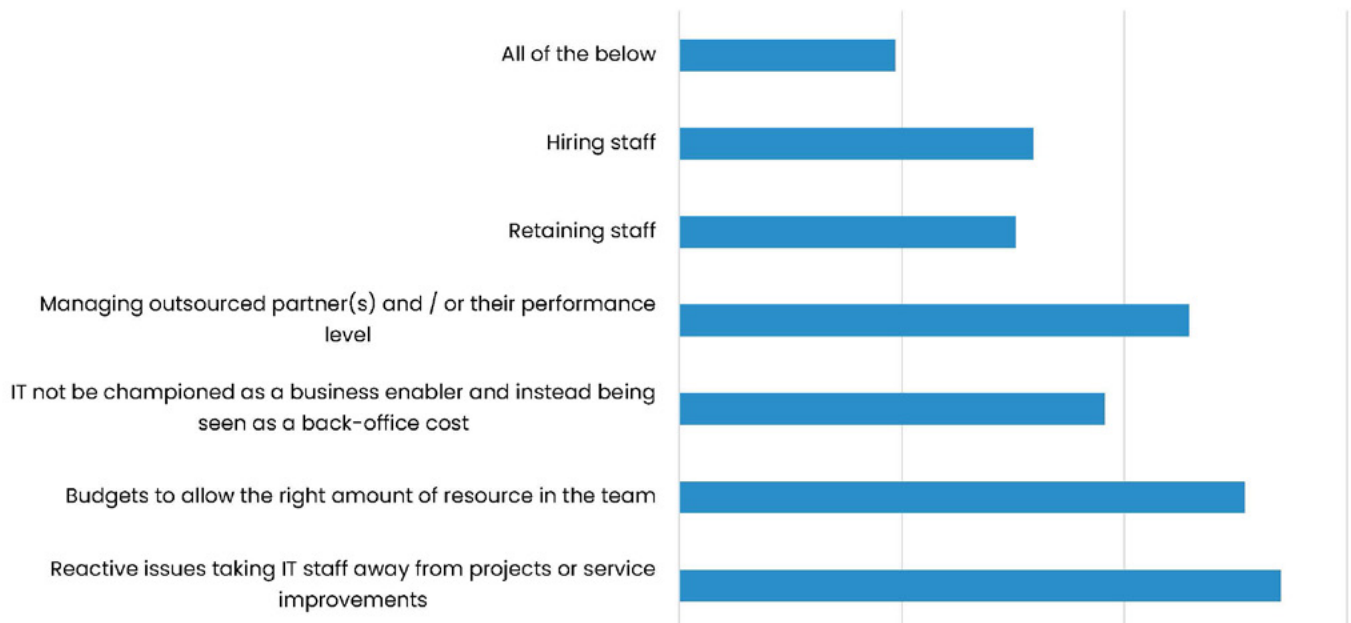
Managing Outsourced Partners featured in our panel discussion and the value of taking references and seeking examples of how corrective action was applied cannot be understated; it's in those moments where a partnership can shine and you see the true spirit emerge.

Equally, the group agreed that partnership is just that – a two-way street. Good suppliers show ownership of outcome and flexibility, some even willing to change the operating model or even commercials mid-contract to keep it on track. Equally, the customer is 50% of the partnership and needs to invest the time to collaborate. If a supplier is changed every 1-3 years in a revolving door, it might highlight an underlying problem with supplier management.



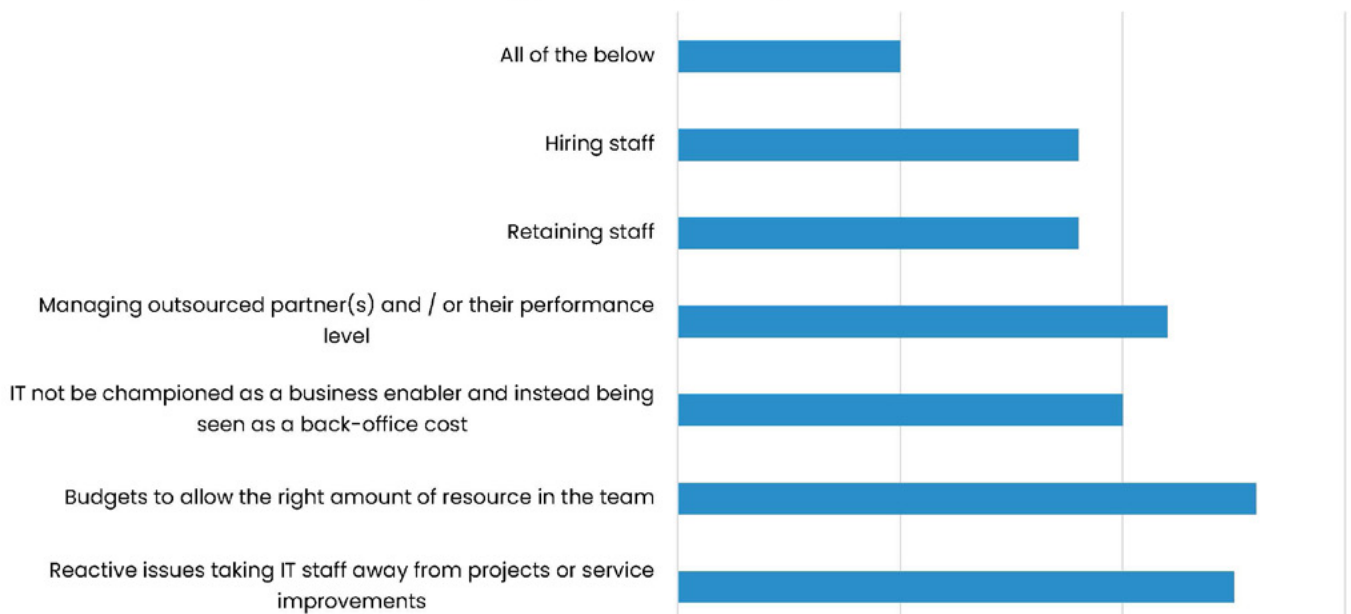
2025

What has been your biggest challenge with your team structure or roles?

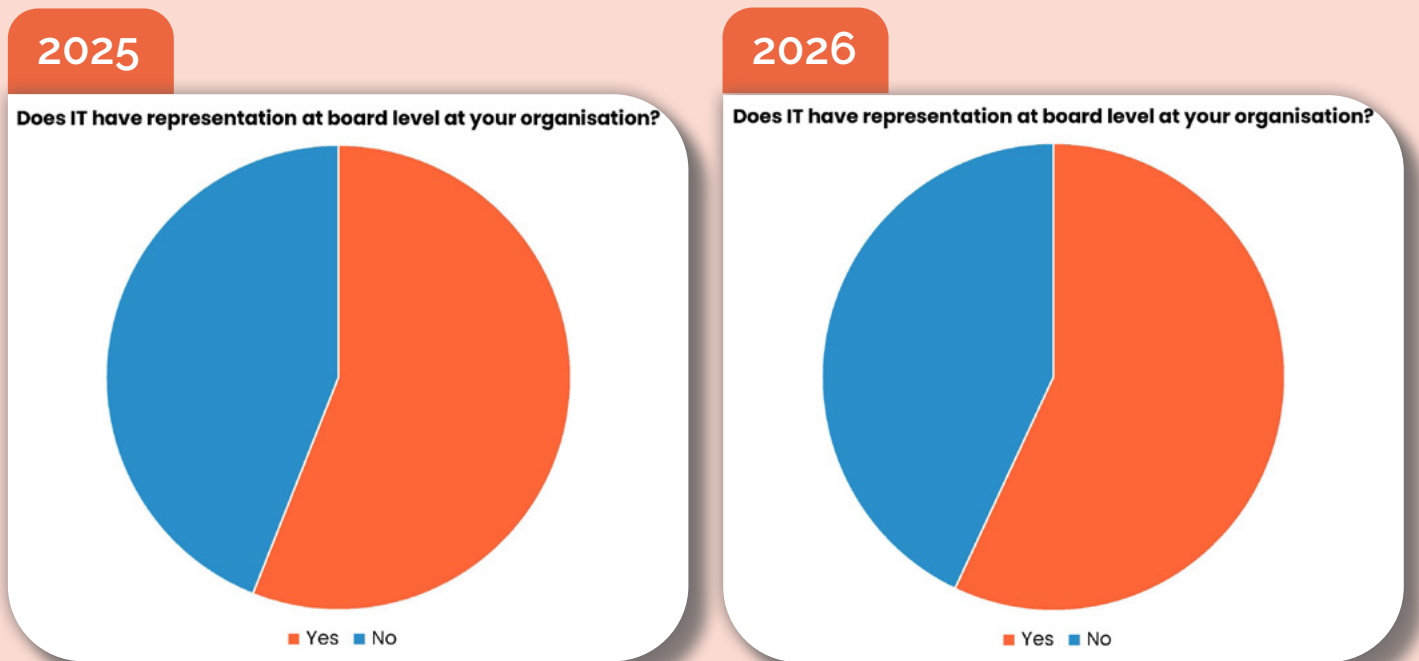


2026

What has been your biggest challenge with your team structure or roles?



IT Representation at Board



The lack of progress in board-level representation may be a contributing factor to the continued focus on operational priorities over innovation, as technology is not consistently influencing strategic decision-making at the highest level.

It was agreed that organisations need a technology voice at the top level, but it must be the right representation. There was a clear nuance that it's not just about having a seat; they've got to be the right voices saying the right things – emphasising how important Board and Trustees can be where they have a quality and relevance of tech understanding.

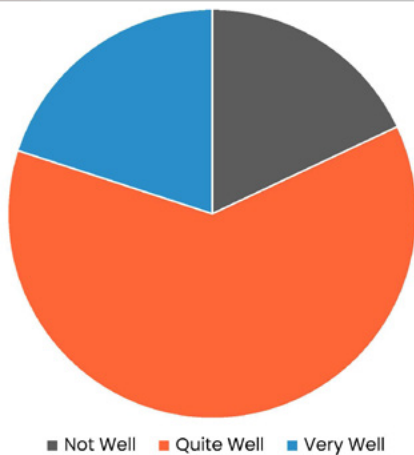
There was a "vibrant discussion" about trustees: indeed, having a technical trustee who might come from a large corporate setting can actually be disruptive as their knowledge might not translate to relevance (or budget!) in a charity setting.

Overall, there was strong support for tech leadership at board level that is meaningful (credible, informed, influential) rather than tokenistic and a recognition that having an ambassador for tech and innovation at the top level plays a crucial role.

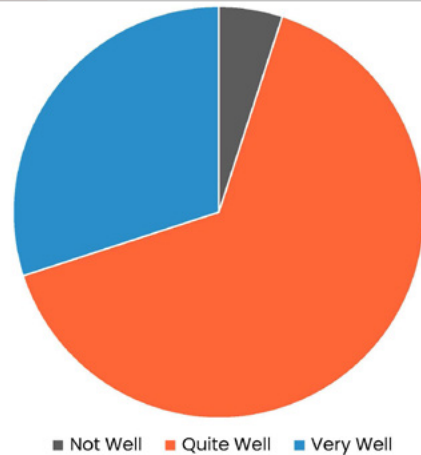
Cyber Security

To what extent do you feel your organisation is positioned to identify and deal with current and near future IT security/cyber attacks?




2025



2026



Your Top 3 Cyber-Related Projects:

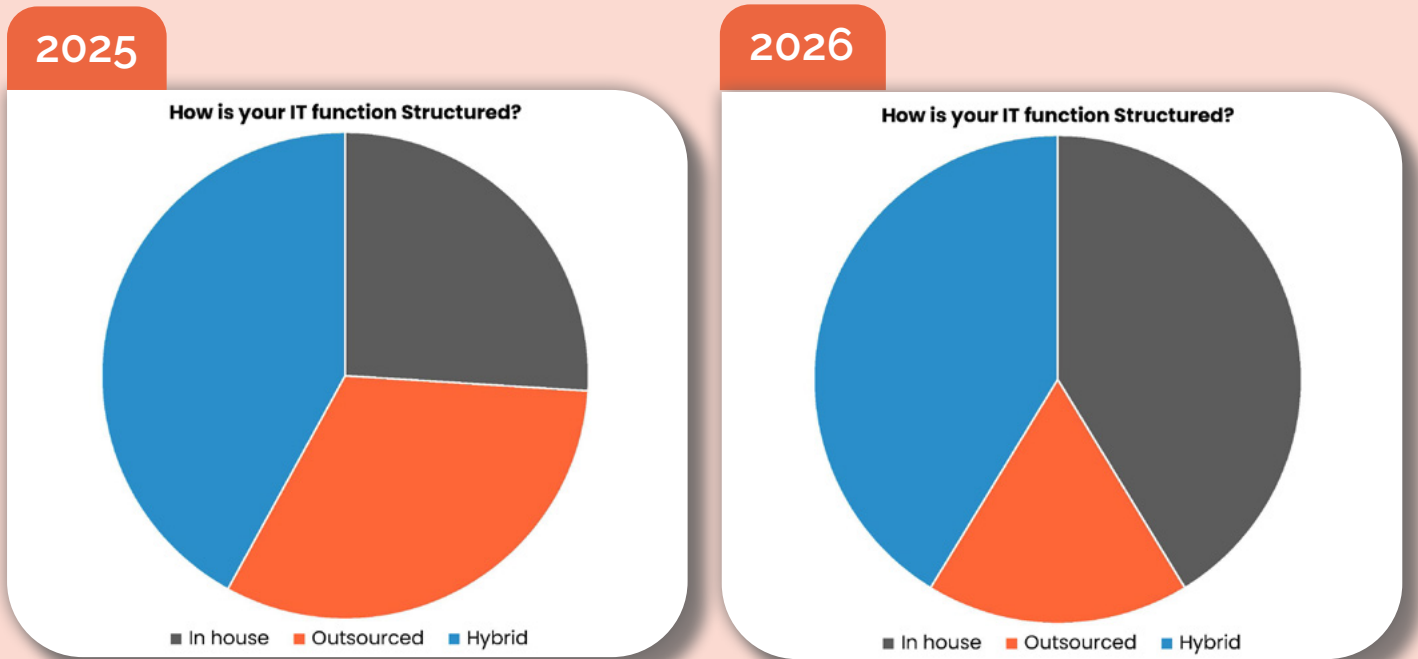
-  Security incident monitoring and response
-  Cyber Essentials support
-  Data loss prevention

But growing confidence in your cyber posture.

While cyber security remains the dominant strategic priority, discussions suggest a shift in mindset—from implementing controls to maintaining and governing security posture. Many organisations appear more confident in their baseline, with focus moving towards monitoring, response and ongoing resilience rather than initial deployment.

IT Team Structure

The majority are hybrid/in-house, fewer are fully outsourced:



What IT functions are you considering using partners to deliver in future?

- 1 Security incident event management
- 2 Cyber Essentials
- 3 User training and upskilling
- 4 System integration
- 5 Process automation

The prevalence of hybrid and in-house delivery models suggests organisations are balancing cost pressures with the need for specialist capability, rather than fully committing to outsourced models.

This aligns with broader sentiment that partnerships are becoming more strategic, with success dependent on collaboration and shared accountability rather than purely transactional outsourcing.

Closing Remarks

As each year comes round, I'm always excited to hear from IT leaders across the non-profit sector and understand the challenges, opportunities and strategic priorities for the 12-months ahead. A huge thank you to all who took the time to be part of the survey. I also want to thank everyone who attended the launch of the survey results at Microsoft Paddington. It was a brilliant session, no shortage of questions, free-flowing conversation and inspiring insights from the incredible panel; Izzy Smith (WaterAid), Vicky Charles (Rethink) and Martin Wilson (Girlguiding).

In a sector operating under enormous pressure to do more with less, IT leaders are needing to evolve their cyber security defences, navigate cloud spend and continue to deliver robust and responsive operations, while building readiness for an increasingly AI-driven future. A significant challenge and one that can only be overcome through shared learning and partnerships.

Over the next 12 months, we are likely to see the emergence of AI agents as a practical reality rather than a future concept, becoming increasingly commonplace across organisations of all sizes. As these tools mature, they will begin to reshape how work is delivered, how services are designed and how value is created. For established organisations, this presents both a major opportunity and a clear strategic risk: those that fail to build understanding, readiness and momentum now may find themselves outpaced by more agile, AI-native start-ups willing to challenge and disrupt the existing order.

As AI continues to develop at pace, next year's survey will ask broader and more detailed questions about the sector's priorities and strategies and I am already looking forward to seeing how perspectives evolve over the next 12-months and hearing from ever growing numbers of colleagues at our in-person survey results launch event.



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