



**DRAFT 1: April 2025**

# **Supporting Better Endings and Transitions in Scotland's Voluntary Sector**

**A Practical Guide for Those Supporting the Sector  
Through Change**

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# **Important Note**

This guide does not constitute legal, financial, or professional advice. It is a collection of practical, generalised insights drawn from the experience of those supporting organisations in Scotland's voluntary sector.

While we hope the information helps organisations reflect, plan, and navigate uncertainty or difficult decisions, it is not a substitute for advice from accredited professionals, such as solicitors, insolvency practitioners, HR consultants, or accountants.

Always seek tailored support from qualified individuals or organisations. We've signposted where you might want to start — and we strongly encourage you to use those resources.

# Introduction

This document is a working draft of key insights and emerging notes from the Empowering Endings series, designed to support voluntary sector professionals across Scotland. It is a practical resource for practical people – ie. people providing direct support to charities, social enterprises, and voluntary organisations navigate the complexities of endings and transitions.

Rather than being a perfect or exhaustive list, this guide aims to bring together crowd-sourced expertise and knowledge in one place—offering clarity on the support available for organisations facing transitions such as closures, mergers, governance changes, succession, and other shifts that are part of the natural lifecycle of voluntary sector organisations.

As you explore this document, you'll find not only available resources but also gaps in existing support. Our hope is that those with relevant knowledge will contribute to filling these gaps. Where gaps persist, we will work collectively to find, test, and develop new types of support and written guidance.

This is a living resource, shaped by the experiences and expertise of the voluntary sector. Your insights and contributions are welcome as we continue to strengthen support for organisations facing change. Please contact [seiske@decelerator.org.uk](mailto:seiske@decelerator.org.uk) if you have additions or edits to this guide.

Please note: Any actions you take based on the information in this guide are your responsibility. The organisers and participants of Empowering Endings cannot be held liable for decisions made as a result of this resource.

# BREAKING DOWN SUPPORT AND GUIDANCE BY TYPE OF ENDING

In this section, each of the key endings types are broken to provide reference notes, signposting and materials that might be useful for Scottish voluntary sector support and infrastructure practitioners.

Each of the types of endings has the following covered:

1. Presenting information – these are the things that people might be bringing and saying as they explain their situation.
2. Key questions – these are a few pointers for ways to support people to step back, reflect and consider all options and what a better ending could mean for them and their organisation
3. Signposting – these are the places, resources and people that practitioners can consider pointing callers towards.



## 01. Planned Closure

An orderly wind down with enough resources to meet closure needs like redundancies and asset transfers. It avoids insolvency and ideally happens over 6–9 months (mostly less than 3–6). It may involve a merger or transferring programmes, buildings, or staff (via TUPE).



## 02. Insolvency

This is a rapid, often chaotic closure. In the simplest terms, insolvency occurs when there aren't enough resources to meet closure obligations. Despite this, thoughtful and deliberate decisions and actions taken in these often-rapidly unfolding scenarios can help to achieve better outcomes.



## 03. Merger

A merger can mean forming a single new entity or joining under a group structure. It may involve transferring assets to an existing or newly created organisation. Eastside People's Good Merger Guide offers a detailed breakdown of merger types.



## 01. Planned Closure

**An orderly wind down with enough resources to meet closure needs like redundancies and asset transfers. It avoids insolvency and ideally happens over 6–9 months, but can be delivered on much shorter timeframes. It may involve a merger or transferring programmes, buildings, or staff (via TUPE).**

### Presenting information

- We've never quite reached sustainability. We've tried everything but nothing has pulled us into a more sustainable / resilient state.
- We're all exhausted. I am burnt out.
- Our CEO or senior management have been struggling with burn out. Perhaps they've been off on sick leave / long term sick leave.
- We've realised we have inaccurate or misleading financial information.
- There's been a financial shock (eg. An unaccounted for debt, or the need for a new roof on a building).
- Key funding has been pulled / stopped.
- We're seeing a marked reduction in the number of bids we are getting positive responses to ("we haven't had success in 6 months").
- Efforts to diversify income have not shored up stability or sustainability.
- A fundamental shift has happened in the community / beneficiary group we work in and we aren't able to meet the needs of the people we exist to serve.
- Another organisation is / other organisations are better suited
- We can't find the trustees / staff / volunteers we need to deliver the work or achieve impact.



## 01. Planned Closure — Decision Map

1. Has the board (or other decision making governance group) agreed the organisation is no longer viable/needed?

- No → Revisit purpose, viability, or alternatives
- Yes → Continue →

2. Is this a solvent closure (can all debts be paid)?

- No → See "Insolvent" map
- Yes → Continue →

3. Have you informed OSCR (if applicable), Companies House, or other regulators?

- No → Start closure notification and compliance process
- Yes → Continue →

4. Have you created a closure plan? (timeline, staff transition, asset disposal, stakeholder communication)

- No → Draft wind-down plan with oversight from trustees / directors
- Yes → Continue →

5. Do you need legal or professional support?

- Yes → Apply for support funding / pro bono aid, if no available funds
- No → Continue →

6. Are staff, volunteers, and service users supported and informed?

- No → Begin phased communication and transition planning
- Yes → Continue →

7. Are you managing assets and liabilities in line with your constitution/legal form?

- No → Seek legal/accountancy support
- Yes → Final steps →

8. Have final accounts and reports been submitted and the organisation formally dissolved?

- No → Complete final compliance tasks
- Yes → Closure complete



## 01. Planned Closure — Key Questions

### Pre Decision

(If someone is calling before a decision has been taken)

- Clarification on funding pipeline? Try to get people to lift their heads up out of the 'if we just get that bid we'll give ourselves 2 more months', into a more strategic headspace: 'what amount would fundamentally change the outlook? Have you got any leads or relationships that are in that realm?'
- Are you sharing your situation / concerns? If so, with whom?
- Have you undertaken a stakeholder analysis to map out who currently knows what about your situation? What order your communications / outreach / consultation will be going forwards. There is no rigid recommendation for how this is ordered, each organisation is different. But the different stakeholder groups include:
  - Trustees (although arguably they are decision makers not stakeholders, but some organisations might view them as one!)
  - Funders
  - Staff
  - Volunteers
  - Beneficiaries
  - Organisational partners
  - Other key organisational stakeholders
- Have you sought advice from accredited professional services?
  - Has an HR professional reviewed your contracts and helped you understand the financial implications of possible redundancies etc?
  - Have you thought about consulting a lawyer? Lawyers can help you work out any liabilities you might have in your contracts?
  - How confident are you in your accounts / numbers? Might a second opinion from an accountant be useful / reassuring?
  - Is it relevant to consult an insolvency practitioner, just to understand the possibilities.
- What does your governing document say about resources remaining in the organisation at the moment of a wind up? It is likely to guide where you might transfer your remaining resources and assets.
- Have you thought about different options for legacy?
  - What are your golden egg assets? I.e. the assets that are your golden ones — those that best articulate an organisation's mission and will be most missed because others do not replicate / duplicate them. Services, programmes or assets that you believe / know are essential?
  - What lies for you beyond this? What is keeping you going right now?





## 01. Planned Closure — Key Questions

### Post Decision

(If someone is calling after a decision has been taken)

- Have you written a detailed plan?
- Do you have a closure date?
- Do you have a detailed comms plan? Do you have comms messaging?
- What do your funders know? Have you approached them for funding to make this a good / better ending?
- How are your...
  - Board? Morale? Conflict?
  - Staff? Morale? Conflict?
  - Beneficiaries? Morale? Conflict?
  - Volunteers? Morale? Conflict?
- What lies for you beyond this? What is keeping you going right now?

### Beyond the closure

(Sometimes people call us shortly after, or a long while after, a closure. This is often so they have a space to process and reflect.)

- Thinking about the closure, what did you do well, get right, or do as well as you could?
- Thinking about the closure, what might you have done better or differently?
- What do you wish you'd known starting out with your organisation looking back now?
- What is your legacy? What is the organisation's legacy?
- How are you feeling now that the work is done? Relieved, tired, sad, hopeful, depressed etc.



## 01. Planned Closure — Signposting & Information

- Help people to situate themselves in the current context.
  - Share the current context and what you and other practitioners are seeing in the wider context can help an organisation make sense of their situation. You might also want to consult the [SCVO Third Sector Tracker](#) and [NCVO Almanac](#) to help people situate themselves and their position in the wider context. Perhaps you might want to reassure them that part of what they are experiencing is systemic challenges. You might want to point them towards things The Decelerator has written about the current context (if you haven't already, [get up to speed with The Decelerator's substack](#)). Or news articles eg.
    - [Charities Cannot Substitute for State Services](#)
    - [The Guardian view on the voluntary sector and the state: this crucial relationship needs resetting](#)
    - [Nearly half of Scottish charities spend more than they make, report finds](#)
    - [Scottish Budget failed to dispel charities' 'sense of financial hopelessness', SCVO says](#)
    - [Scottish charities and voluntary sector organisations closing their doors](#)
    - [Sector income down for the first time in 10 years, research finds](#)
- Signpost them to other sources of infrastructure support.
  - It's worth always looking at the websites of the following types of infrastructure to check if they have written guidance or services that might be useful. Eg.
    - SCVO
    - ACOSVO
    - Local / Regional Third Sector Interface organisations
  - Another place to look is to have a look at the directory of all the people and organisations who participated in the Empowering Endings Series.



## 01. Planned Closure — Signposting & Information

- Professional accredited services and advice can often be useful / necessary when thinking about planned winddowns. For example:
  - HR advice to review contracts and establish what contracts dictate for redundancy etc.
    - ACAS also a good reference point.
    - SCVO's HR Support Service might be a useful place to start.
  - Accountancy advice to get a second opinion on accounts, or to review a wind down budget.
    - Embrace Finance are experts in small charity finance and have lots of useful resources on their website. They also offer 1-1 bespoke charity finance deepdive sessions and advice at reasonable prices.
  - Legal advice from lawyers can support a range of questions and planings for planned closure.
    - Brodies
  - Directory of Services | Getting on Board for Trustees (although most are over £1 million, and the host Getting on Board itself entered insolvency in 2024 so this information is likely to be increasingly out of date).
  - Inspiring Scotland's Specialist Volunteering Network is worth checking out.
- Referrals to places for practical support diagnosing and planning for planned winddown is often also useful. For example:
  - Locality's Lighthouse Service is free for Locality members (fee for non-members) and provides bespoke diagnostic and guidance for organisations considering questions of ending, change and transformation.
  - Just Enterprise: Just Enterprise is a Scottish Government-funded programme for the Third Sector in Scotland. Their website says: whatever stage you are at, Just Enterprise can help! Check out their support here.
  - The Social Enterprise Support Map documents an array of support for many different life stages and needs for social enterprise organisations in Scotland.
  - The Crisis Button from Community Enterprise is a place to signpost organisations looking for practical and timely support in response to crises – financial and otherwise.
- Ensuring familiarity with the relevant guidance from the appropriate regulator (eg. OSCR, HMRC) is always essential for organisations considering or planning a wind down:
  - Winding up or dissolving a charity.
  - Updated Charity Commission guidance on 'Improving Charity Finances' is here and might be useful for organisations.



## 01. Planned Closure — Signposting & Information

- Suggesting that people source support and guidance for the human elements of a winddown is also often essential (although people can assume it's a luxury!):
  - Coaching for leaders or team to support them with approaching or conceptualising an ending. [ACOSVO's Leader Mentoring](#) service might be somewhere to start looking.
  - Facilitator for difficult or important decisions / meetings / processes.
  - Mediation support and services can come in handy for deep conflict. [Scottish Mediation](#) comes well recommended, and they might be able to provide free support to charities / voluntary sector organisations with annual income of up to £50,000. Some Third Sector Interfaces offer this sort of support too eg. Aberdeenshire Voluntary Action. Check with local organisations to see if this is suitable / available.
- Written tools and resources might also come in handy! eg.
  - SCVO's resources might be useful. [This page here](#) is the portal to all their guidance and information on winding down different types of organisations depending on legal structure.
  - Locality's diagnostic tool might be useful. You can pay for it with a one-off payment of £75 [here](#).
  - Decelerator Tools might be useful eg.:
  - [Deceleration in Practice Principles](#)
  - [The Sensing an Ending Toolkit](#) is a step by step guide to anticipating, deciding and enacting better closures / wind downs.
- Signpost to paid-for consultancy support at the right price point eg.
  - [Fair Collective](#) can match you to an expert consultant across basically every area from comms to strategy to fundraising to digital.
  - [Consultants for Good](#) can also match you with recommended consultant support.



## 02. Insolvency

**This is a rapid, often chaotic closure. In the simplest terms, insolvency occurs when there aren't enough resources to meet closure obligations. Despite this, thoughtful and deliberate decisions and actions taken in these often-rapidly unfolding scenarios can help to achieve better outcomes.**

### Presenting information

- In simple terms a charity or organisation may be insolvent if either: it cannot pay its debts when they are due (known as the cashflow test) or. it does not have enough assets to cover its liabilities (known as the balance sheet test). This might have come about because:
- A key funder / funders has / have pulled out
- The need to scale back on staff hours due to this being the biggest cost
- New CEO / Chair / Trustee has arrived and has different outlook on finances / resilience to previous leadership
- Key staff or trustees have left
- It's not been possible to recruit key staff / personnel / trustees
- Accounting errors
- Challenge with an asset eg. Leaky roof
- Pension problems (eg liability)
- Fraud or other existential challenge to an organisation's ability to operate



## 02. Insolvency – Decision Map

1. Are you unable to meet financial obligations (insolvent)?

- No → See Planned Closure tree
- Yes → Continue →

2. Have you paused spending and sought immediate financial/legal advice?

- No → Urgent action needed: stop trading, seek insolvency advice
- Yes → Continue →

3. Has the board formally acknowledged insolvency and documented decisions?

- No → Schedule emergency board meeting
- Yes → Continue →

4. Have regulators and stakeholders been informed?

- No → Notify OSCR, funders, key stakeholders
- Yes → Continue →

5. Have you engaged an insolvency practitioner or sought pro bono/legal help?

- No → Apply for crisis/legal support fund or identify affordable services
- Yes → Continue →

6. Can staff, liabilities, and assets be managed safely and legally?

- No → Work with advisors to minimise risk and support exit
- Yes → Continue →

7. Has the organisation complied with final legal duties (reports, asset transfer, dissolution)?

- No → Complete final steps with professional support
- Yes → Closure complete



## 02. Insolvency – Key Questions

In these often rapidly unfolding processes, it's often important to ask questions that help someone step back and see all aspects of the process / journey they are on, or might be heading towards. Each organisation is different but useful questions to ask might include:

Practical questions. eg.

- How confident are you about 'the numbers' right now? Have you sought a second opinion?
- Have you had proper HR advice? Has someone looked over your contracts?
- Have you had any legal advice regarding existing contracts, liabilities, assets or other key legal considerations?
- Have you sought advice from insolvency practitioners?
- Have you followed the process / protocol mapped out by your regulator(s)?  
For example Housing Associations would need to be in touch with the Scottish Housing Regulator.

Legacy questions eg.

- What of your assets / services could or will be transferable to a new home?
- Have you devised a communications plan that helps signpost people to new sources of support?

Stakeholder and communications questions. eg.

- Are your funders in the loop? What have you told your funders?
- What do your key partners and other sectoral allies know? Can you ask them to help or support in some way?

Questions addressing emotional and relational elements. eg.

- How is your board? Morale?
- How are your staff? Morale?
- And what about your volunteers and beneficiaries?
- How are you feeling / doing? How are you taking care of yourself at this time?  
What lies for you beyond this?



## 02. Insolvency – Key Questions

- Encourage people to get their heads around the basics of insolvency:
  - [This information from Begbies Traynor](#) is a good overview of the basics of insolvency.
  - [This guidance from Henderson Logie](#) is useful for trustees concerned about reputational damage and other implications of possible insolvency.
  - Review OSCR and other regulators key information and guidance.
- Help people to situate themselves in the current context. This can help them calm their nerves.
  - Share the current context and what you and other practitioners are seeing in the wider context can help an organisation make sense of their situation. You might also want to consult the [SCVO Third Sector Tracker](#) and [NCVO Almanac](#) to help people situate themselves and their position in the wider context. Perhaps you might want to reassure them that part of what they are experiencing is systemic challenges. You might want to point them towards things The Decelerator has written about the current context (if you haven't already, [get up to speed with The Decelerator's substack](#)). Or news articles eg.
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## 03. Merger

**A merger can mean forming a single new entity or joining under a group structure. It may involve transferring assets to an existing or newly created organisation. Eastside People's Good Merger Guide offers a detailed breakdown of merger types.**

### Presenting information

These are often very similar to closure scenarios...e.g.

- A sector is getting more and more “competitive”.
- A founder wants to step down taking with them the key fundraising capacity.
- A key funder / funders has / have pulled out.
- New CEO or Chair / Trustee has arrived and has different outlook on finances / resilience
- Key staff or trustees have left.
- It's not been possible to recruit key staff / personnel / trustees.
- Accounting errors have been revealed resulting in a less positive financial outlook.
- Challenge with an asset eg. Leaky roof.
- Fraud or other existential challenge to an organisation's licence to operate.
- End of a good run and keen to find a new home for stronger assets.
- Trying to find a neat / dignified way to avoid a straight up closure or wind down
- We've never quite reached sustainability. We've tried everything but nothing has pulled us into a more sustainable / resilient state.
- We're all exhausted. I am burnt out.
- Our CEO or senior management have been struggling with burn out. Perhaps they've been off on sick leave / long term sick leave.
- We've realised we have inaccurate or misleading financial information.
- There's been a financial shock (eg. An unaccounted for debt, or the needs for a new roof on a building).
- Key funding has been pulled / stopped.
- We're seeing a marked reduction in the number of bids we are getting positive responses to (“we haven't had success in 6 months”).
- Additional compliance requirements means we can no longer operate.
- Efforts to diversify income have not had desired impact.



### 03. Merger — Decision Map

1. Is the organisation still viable on its own?

- Yes → Can other forms of collaboration eg. partnership working be considered?
- Yes, but → There other reasons for merger → Continue →
- No → Continue →

2. Is there a potential partner aligned with your mission and values?

- No → Consider other options like closure or strategic alliance
- Yes → Continue →

3. Do both boards agree in principle to explore a merger?

- No → Pause or revisit governance engagement
- Yes → Continue →

4. Have you engaged legal, financial, and governance advice?

- No → Source professional input (funding support may be needed)
- Yes → Continue →

5. Are there risks (staff, services, liabilities) that need managing before merger?

- Yes → Address risks with due diligence and planning
- No → Continue →

6. Has stakeholder engagement (staff, funders, communities) been carried out?

- No → Begin transparent communication process
- Yes → Continue →

7. Are formal steps underway (due diligence, TUPE, new governance structure)?

- No → Work with legal support to formalise
- Yes → Proceed to merger implementation



## 03. Merger — Key Questions

### Pre Decision

(If someone is calling before a decision has been taken)

- Clarification on funding pipeline? Try to get people to lift their heads up out of the 'if we just get that bid we'll give ourselves 2 more months', into a more strategic headspace: 'what amount would fundamentally change the outlook? Have you got any leads or relationships that are in that realm?'
- What do your funders know?
  - Are you sharing your situation / concerns?
  - What do your board know? Morale? Conflict?
  - What do your staff know? Morale? Conflict?
  - What have you told your funders?
- What does your governing document say about resources remaining in the organisation at the moment of a wind up? It is likely to restrict where you might transfer your resources.
- Have you sought professional advice?
  - Has an HR professional reviewed your contracts and helped you understand the financial implications of possible redundancies etc?
  - Have you thought about consulting a lawyer? Lawyers can help you work out any liabilities you might have in your contracts?
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### Post Decision

(If someone is calling after a decision has been taken)

- Have you written a detailed plan?
- Do you have a final date?
- Do you have a detailed comms plan? Do you have comms messaging?
- What do your funders know? Have you approached them for funding to make this a good / better ending?
- How are your...
  - Board? Morale? Conflict?
  - Staff? Morale? Conflict?
  - Beneficiaries? Morale? Conflict?
  - Volunteers? Morale? Conflict?
  - Merger partner key contacts? Morale? Conflict?
- What lies for you beyond this? What is keeping you going right now?

### Beyond the closure

(Sometimes people call us shortly after, or a long while after, a closure. This is often so they have a space to process and reflect.)

- Thinking about the merger, what did you do well, get right, or do as well as you could?
- Thinking about the merger, what might you have done better or differently?
- What do you wish you'd known starting out with your organisation looking back now?
- What is the legacy of this merger? What is your legacy?
- How are you feeling now that the work is done? Relieved, tired, sad, hopeful, depressed etc



## 03. Merger — Signposting & Information

A key place to send people is Eastside People. Who offer:

- [The Good Merger Guide](#)
- [The Good Merger Index](#)
- [1-1 conversation with Cara, Mergers and Partnerships Director](#)

### Signposting

- HR advice to review contracts and establish what contracts dictate for redundancy etc. [ACAS](#) also a good reference point.
- Accountancy advice to get a second opinion on accounts, or to review a wind down budget.
- Coaching for leaders or teams to support them with approaching or conceptualising an ending.
- Facilitator for difficult or important decisions / meetings / processes.