

Media release

Embargoed until 00.01 hours Tuesday 25 April 2006

Report backs private donations in education but urges caution over academies

Private money can transform the opportunities for children in state education but funding academies may not be the best option, according to a new report out today.

The report on education and the opportunities for private donors, *On your marks**, is published by New Philanthropy Capital (NPC), an independent, non-profit making organisation which advises donors on how to give more effectively to charities.

NPC says there is clear evidence to demonstrate the effectiveness of private donations to many charities working in the field of education. The report highlights a wide range of options from tackling bullying to special educational needs. Martin Brookes, Head of Research at NPC, said: "Private donations should be encouraged. Well-targeted giving can transform opportunities and lives of disadvantaged children, helping to build self-confidence, motivation and basic skills."

However, NPC says academies are a risky investment compared with the other options and donors should think hard about sponsoring them. Brookes said: "There simply isn't enough evidence to make a conclusive assessment on whether academies are a good investment for donors. Academies show mixed results for their pupils. But there is enough evidence to raise doubts about their cost effectiveness."

NPC says the £25m price tag on a new academy – of which £2m is paid by the sponsor - is very expensive, particularly given the lack of a strong relationship between school performance and investment in buildings. According to Department for Education and Skills figures, it is also significantly more than the cost of building a conventional state school, which is typically £16m to £17m.

"Perhaps the most powerful criticism of academies is the £8m difference between the cost of building an academy and the cost of building a conventional school," the report says.

The report, which includes an extensive review of the available research into academies as well as first hand visits to several schools, suggests that many of the 27 existing academies have achieved improved exam results over their predecessor schools.



However, NPC says it is unclear whether this is because the new school is an academy or because they are better run than predecessor schools. There is little existing research into academies. Despite the lack of clear evidence, NPC says the Government is rushing headlong into building academies to replace failing schools. It has built 27 so far and aims to have 200 by 2010 at a cost of £5bn.

NPC believes the debate over academies has tended to obscure the other options open to those who want to donate money to education. The report aims to help donors make a more informed choice and sets out nine different options for giving. These range from providing social and emotional support to children and post-16 education through to backing academies and specialist schools. The report recommends a range of charities working in these areas including Springboard for Children, beatbullying, the Independent Panel for Special Education Advice and ContinYou.

*On your marks, along with some examples of recommended charities, can be downloaded free of charge from www.philanthropycapital.org. Copies can also be ordered from Central Books, telephone 0845 458 9910.

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For further information about NPC, its research reports and charity recommendations, or to arrange an interview please contact:

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Notes to Editors

1. New Philanthropy Capital advises all types of donors on how to give more effectively. It identifies examples of charities with highly effective approaches to tackling problems in the sector. By recommending these charities to potential donors, NPC aims to increase the quantity and quality of resources available to the charitable sector.
2. NPC focuses on human welfare, including problems in communities and families, education, and health and disability in the UK. NPC has published research on sectors ranging from cancer to older people, and domestic violence to special educational needs.
3. NPC develops a detailed understanding of social problems by talking to policy-makers, practitioners, academics and other experts. Its charity recommendations are arrived at after visiting and analysing charities across the sector. Assessments are made of the achievements, the need for additional funding, the financial structure and fundraising potential, as well as the risks.
4. NPC uses its research and experience to help donors ensure they have high impact and a rewarding experience. This can involve developing a tailored giving strategy to meet specific goals, selecting which charities to support and reporting on impact. Donors can also access NPC's research and some of its recommendations at no cost on NPC's website.