

MEDIA RELEASE

NPC calls for independent body to scrutinise charities

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A new independent body is needed to scrutinise and assess charities' performance, according to New Philanthropy Capital (NPC).

Speaking at the RSA (Royal Society for the encouragement of Arts, Manufactures & Commerce), Martin Brookes, NPC's Director of Research, said that charities have not faced the same level of scrutiny as other sectors and would benefit from external assessment. He proposed that the new body should sit alongside, but separate from the Charity Commission.

"This new body should be concerned with assessing and improving the performance of charities," Brookes said. "Creating such a body would have far-reaching consequences for the way charities are run and our confidence in their achievements".

"This proposal is not driven by a suspicion that charities are bad. It is driven by a desire to help them do more good. Charities are an important driver of social change. I want them to achieve more. And that would be the purpose of the new body."

In his lecture to the RSA, Brookes highlighted how increased external scrutiny and measurement had contributed to improved performance in other areas such as health and education and argued that the same mechanisms could work in the charity sector.

He said that although the available information was sketchy, there was little doubt that the performance of charities varies greatly across the board and not enough attention had been paid to these differences. However by introducing greater scrutiny and making information available about variations in performance, donors would be able to make more informed choices and there would be greater incentives for charities to change.

"Scrutiny, analysis and assessment of charities to this end are not merely desirable, they are essential", he said.

Matthew Taylor, Chief Executive, RSA commented:

"Martin Brookes raises important and difficult issues. Too often in the charitable sector the road to failure is paved with public donations. The question is not whether charities should be subject to scrutiny, surely they must. It is how scrutiny can be

developed not as an external and hostile imposition but as something which the sector sees as a valuable tool to improve its outcomes and public standing.”

With £28 billion going to charities annually, a small improvement in charities’ average performance would produce substantial returns, Brookes argued.

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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. Martin Brookes delivered the speech “A Question for Charity” at the Royal Society of Arts on 19 November 2007.
2. 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.
3. 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.
4. 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.
5. 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 all of NPC’s research and charity recommendations at no cost on NPC’s website.
6. The RSA, founded in 1754, works to remove the barriers to social progress. The RSA’s public lecture programme aims to bring serious social and economic issues to a wider audience and, facilitate debate. www.theRSA.org or Tel 020 7451 6850