

Government backs call to reduce unnecessary reporting burden on charities

Strictly embargoed until 00.01 hours, 10 September 2008

The Office of the Third Sector has welcomed a new report which recommends charities streamline their reporting procedures to reduce duplication and free up money for improving their services.

Turning the tables in England, by New Philanthropy Capital (NPC), a not for profit organisation committed to helping charities and donors maximise their impact, argues that while it is essential for charities to demonstrate their effectiveness to funders through reporting, the current system often leads to duplication and unnecessary burdens that benefit neither the charity nor their funders.

The report, funded by The Office of the Third Sector, highlights two significant problems with the current reporting system. First, government agencies demand much more information than independent funders, often putting extra burdens onto charities. Second, all funders request reports in different formats, which results in the unnecessary duplication of information by charities.

As a solution, NPC recommends that charities should work more closely with funders in order to identify the key information they require and streamline the process. Charities should group similar funders together to coordinate their reporting requirements and reduce duplication.

Simplifying the reporting process will improve the quality and efficiency of reports, put a greater focus on outcomes and evaluation and free up more money to improve services, NPC says.

NPC says that in order for government to achieve their aim of reducing the administrative burden faced by charities, steps must be taken to explore new ways of reporting.

NPC's Lucy Heady, author of the report, commented:

"Excessive reporting requirements, demanded by government agencies, place a huge strain on charities and ultimately take them away from their work of changing people's lives.

"We believe that the system needs to be changed so that charities collect and report on the most useful information and funders receive the most valuable information on the impact of their money."

Phil Hope, Minister of the Third Sector, commented:



“Monitoring and reporting are clearly crucial to ensuring public funds are being properly spent and having an impact, but we have to be certain that charities do not face unnecessary bureaucracy.

“This report is an important step in our programme of work to tackle needless red tape where it affects the sector. We funded this research in order to know precisely where to focus our efforts on enabling charities to do what they do best, improving lives and communities.”

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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.
5. The Office of the Third Sector, based in the Cabinet Office, is the part of Government that deals with charities, voluntary groups and social enterprise. More information can be found at www.cabinetoffice.gov.uk/third sector.