



New
Philanthropy
Capital

Manifesto for social impact

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New Philanthropy Capital (NPC) is a **consultancy and think tank** dedicated to helping funders and charities to achieve a greater impact.

We provide **independent research, tools and advice** for funders and charities, and shape the debate about what makes charities effective. Since NPC was launched in 2002, we have produced over 50 reports, analysed hundreds of charities, and worked with a wide range of funders, from government departments to private foundations and wealthy individuals.

We have an ambitious vision: to create a world in which charities and their funders are as effective as possible in improving people's lives and creating lasting change for the better.

For **charities**, this means focusing on activities that achieve a real difference, using evidence of results to improve performance, making good use of resources, and being ambitious to solve problems. This requires high-quality leadership and staff, and good financial management.

For **funders**, this means understanding what makes charities effective and supporting their endeavours to become effective. It includes using evidence of charities' results to make funding decisions and to measure their own impact.

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Introduction

2010 is a year of change. By the summer, we may have a new government. And after election fever dies down, whichever party finds itself in power will have to make difficult decisions about how to cut public spending. What will this mean for the third sector?

Over the last decade, the third sector has become an integral part of public services in the UK, with government funding for charities growing year on year. Government now accounts for one third of the sector's total income, and around 27,000 charities (a quarter of the third sector) rely on it for over three quarters of their funding.¹ These charities provide vital services, from nursing the terminally ill to tackling knife crime and working in prisons. Yet many fear that the axe will fall on them first.

As spending is slashed, government needs to think carefully about the role of charities in providing public services. But it also needs to think about its relationship with the third sector more broadly. On top of the £12bn of funding distributed to charities for public service provision (half of which comes from local government), it supports the sector to the tune of £3bn per year through tax relief for charities and donors. So it has a responsibility to ensure that charities and philanthropists are as effective as possible.²

As election campaigns get underway, we would like to see politicians debate these questions and review how government should work with charities and philanthropists in the years ahead. An independent voice in the third sector, New Philanthropy Capital (NPC) is dedicated to highlighting the need for effectiveness and helping charities and philanthropists achieve a greater impact. To help shape the debate, we have produced this social impact manifesto, drawing on our in-depth and practical knowledge of the challenges that both charities and philanthropists face.

NPC's six steps for improving social impact

Supporting charity effectiveness

1. Government should introduce an Impact Fund to help charities measure their own impact.
2. Spending departments should coordinate the development of standardised frameworks for impact measurement.
3. Government should publish the evidence it collects from charities in the same way that it publishes other public services performance data.

Supporting effective philanthropy

4. Government should support the provision of good quality information to help philanthropists focus on effectiveness.
5. Government should promote the development and take-up of good quality philanthropy advice.
6. Government should build sustainable partnerships with philanthropists.

In this manifesto, we discuss what we believe the priorities for government should be and make specific recommendations on how it might address them. We recognise that working with charities and working with philanthropists requires different approaches, so we discuss them in separate sections. But there is a common thread that runs through our argument: the call for government to sharpen its focus on understanding social impact. We believe that the issue of impact is at the heart of all the debates raging in the third sector. Hotly-contested questions about issues like public benefit and charities' independence from government cannot be answered unless we understand the results they are achieving. If government is to ensure that every penny of taxpayers' money is spent as wisely as possible, then it cannot afford to ignore this issue.

Note

This manifesto focuses on charities working on human welfare issues, which are NPC's area of interest and expertise. However, many of our comments on social impact are relevant to the third sector more broadly, including charities working on other issues, and other types of voluntary organisations, such as social enterprises and community interest companies. We recognise that tax policy is a major issue for the third sector, and one which other charities are campaigning around; however it is not NPC's area of specialism and so will not be covered in this manifesto. Our recommendations are primarily aimed at central government, but some also have implications for local government, which provides the largest source of statutory income for the third sector.

Supporting charity effectiveness

The big picture

Government has a responsibility and an incentive to support a thriving third sector. Charities and other voluntary organisations can achieve things that government cannot. They are less constrained by the need for political acceptability and have more flexibility in how they spend their money and how they behave. This means they can intervene earlier to tackle social problems, provide longer-term support for individuals and communities, and take risks on trying out new ideas. Charities are well placed to work with the most disadvantaged and hard-to-reach people, including those who may be suspicious of government. They also encourage participation and build social networks, giving people a way to contribute to their communities and a legitimate voice with which to express their concerns and, in some cases, challenge government.

As well as supporting a vibrant and democratic society, charities have become an integral part of public service provision over the last decade, particularly in fields such as social care and healthcare. Government is the biggest funder of charities in the UK, although this funding is concentrated on a quarter of charities. But government has a stake in all charities, even those that it does not fund directly. It sets the regulatory framework for charities and also supports the third sector through tax exemptions and reliefs, with charities claiming an estimated £2.2bn in tax relief per year, and donors claiming a further £0.8bn.³

For these reasons, **ensuring that charities maximise their impact should be an important goal of government policy.** But in order to achieve this, government first needs to understand charities' impact.

A problem of evidence

NPC has analysed hundreds of charities, and most of them would agree that measuring their impact can be a struggle. There are barriers at three levels:

- **Collecting evidence.** Charities lack support and incentives for measuring their impact. Collecting evidence about impact requires time, money and specialist skills that charities often do not have. It also requires specialist measurement systems, which are not always up to the task or practical for charities to use.⁴ These problems are particularly marked when it comes to measuring less tangible outcomes, such as improvements in confidence or self-esteem, or tracking impact over the long term.
- **Using evidence.** Once evidence is collected, it needs to be used—both by charities, to help them improve their services, and by funders, to work out how to allocate their resources more effectively. Again, this can be difficult for charities and funders who may lack the time, experience or skills to analyse evidence and use the information to review the way they work.
- **Sharing evidence.** All too often, evidence is not shared beyond the charity that collected it or the funder that requested it. There are few mechanisms for communicating results and few incentives for transparency—in a competitive market, charities worry about admitting to mistakes in case they lose out on future funding. And when evidence is shared, it can be difficult to compare, as charities use a whole host of different methods to measure their results, even when they are working on the same issues. As a result, charities and funders can find it difficult to learn from each other's experiences and assess what works, what does not work, and how to allocate resources accordingly.

At the moment, these problems with evidence are holding policy back. For instance, it is difficult for government to invest in preventative measures unless there is compelling evidence of impact and the promise of significant cost savings down the line. This becomes a bigger issue in a recession, when funds are tight and government might be tempted to revert to fire-fighting, rather than tackling the causes of problems. While it is not an issue that affects charities exclusively, they often have greater flexibility to invest in preventative work than other organisations, so it is particularly pertinent to them.

The current government has moved the charity sector up the political agenda, most obviously through the creation of the Office of the Third Sector (OTS). But the OTS has perhaps not challenged the sector as much as it might—it has focused on helping charities to do more of what they already do, rather than to improve what they do. Rhetoric is running ahead of reality. Government has increased the emphasis on impact, for instance through the introduction of 'outcomes-based commissioning', but government funders are rarely willing to cover the costs of evaluation. Until this changes, how can it commission services based on their outcomes? Politicians have also started to discuss 'payment by results' for charities. But, again, how will this work if government is unable to measure or compare those results?

Unless these barriers are overcome, it will be difficult to understand the benefits that charities create. Collecting, using and sharing evidence costs money, but this is an investment that both funders and charities should prioritise. It is also an investment that will save money in the long term, by helping charities to improve their services and ensuring that funding is allocated more efficiently.

In the meantime, the lack of adequate evidence about results may be damaging the third sector. It means that commissioners fall back on other criteria—such as cost, track record in winning contracts, and strength of personal relationships—to make funding decisions. Private sector providers and larger charities often have the competitive edge on these criteria, so smaller, local charities lose out. NPC believes that funding should go to the most effective organisations, whatever their size, but until we know which those are, we should make sure the odds are not stacked against smaller organisations.

Three steps for improving impact measurement

This situation needs to change. Government can and should take a lead in sharpening the focus on impact measurement. It can drive improvements by providing targeted financial support and incentives for charities to measure their results. And it could get smarter about public spending, directing money towards proven interventions that nip problems in the bud and reduce costs down the line.

But charities and philanthropists must also take responsibility and make impact measurement a priority in their work. The ability to demonstrate their results will help to strengthen their case in a climate of reduced funding, when funders are looking for easy areas to cut.

There are three steps that we propose government takes to improve impact measurement. The first applies to all charities; the second and third apply particularly to those that provide public services.

1. Government should introduce an Impact Fund to help charities measure their own impact.

We propose that government should set aside 20% of the funding currently allocated to Capacitybuilders (which would be about £6m for the year 2009/2010) for an Impact Fund. Capacitybuilders is committed to improving the capacity of the third sector and ensuring that its investment, and that of government more broadly, is informed by high-quality data and analysis.⁵ But it cannot achieve these goals without first helping charities to get better at measuring their impact. Government should ring-fence funding for this purpose through

an Impact Fund, run from the Office of the Third Sector, which might consist of two funding streams:

- **Funding for charities that want to build their own capacity to measure their impact**, perhaps including grants for systems that help charities collect and analyse evidence, and for expert advice on using these systems.⁶ The Office of the Third Sector should assess the quality of the proposed systems before agreeing grants, and might supply a list of approved providers that could provide expert advice for charities.
- **Funding for the development of improved methods for measuring social impact**, targeted towards issues where robust evidence is particularly sparse. This might include improved methods for measuring changes in 'softer' outcomes such as well-being, and the development of frameworks that assess the cost savings linked to particular outcomes, such as the Social Return on Investment framework. Funding would not be exclusively for the third sector—the fund might also support partnerships between charities and academic departments, for example.

2. Spending departments should coordinate the development of standardised frameworks for impact measurement.

Spending departments should be required to make evidence of impact more comparable by coordinating the development of standardised evaluation frameworks for public services. These frameworks should be used by charities and other organisations (including private sector providers) who deliver public services and are using the same interventions or trying to achieve the same outcomes. They could be rolled out via local government where appropriate and the development costs could easily be covered by the efficiency savings they would achieve—we estimate that standardised frameworks could save the state over £150m, as the box below explains. They should also help streamline government's reporting requirements, which can place a heavy burden on charities.⁷

An example is the national outcomes framework developed for the government's Supporting People programme, which provides housing-related support to help vulnerable people live independently and prevent problems that may lead to hospitalisation, institutional care or homelessness. This framework tracks the programme's results against five high-level outcomes (such as economic well-being and health), each of which is assessed through specific indicators. Service providers (including charities) complete outcomes forms and these are then analysed centrally by the Centre for Housing Research at St Andrew's University, on behalf of the department for Communities and Local Government.⁸

Standardised frameworks should not be straitjackets. It is important that organisations are not forced into using inappropriate measurement systems, or systems that reduce their work to overly simplistic metrics. But these frameworks could encourage organisations to use the same tools when they are measuring the same things, and agree standard parameters for measurement. Government must recognise the time and skills involved in meeting the requirements of new frameworks and allocate funding to cover the associated costs.

Neither should these frameworks be imposed from above—charities and other stakeholders must be involved in their development and they should build on existing systems where appropriate. They have specialist knowledge and are more likely to cooperate with initiatives they have helped to develop. An example of where this collaborative approach has already borne fruit is in the homelessness sector, where the London Housing Foundation worked with a consultancy and a charity to develop the 'Outcomes Star'. This tool is now used by a number of homelessness charities and being adapted for use in other sectors.⁹ The Third Sector Champion in each department should be responsible for ensuring that adequate consultation with the third sector takes place.¹⁰ They should also ensure that, while results may be analysed centrally, they should be fed back to the provider organisations, to help them review and improve their services.

3. Government should publish the evidence it collects from charities in the same way that it publishes other public services performance data.

Government is committed to opening up access to data about its work. In December 2009, it announced its intention to publish public services performance data online by 2011.¹³ It has also launched www.data.gov.uk to make government data on issues as diverse as childhood obesity and traffic volume easy to find and use.

This principle should be extended to charities and other public or private organisations that receive government funding to provide public services. Government funders should be required to publish reports and evaluations about the impact of these organisations through websites such as www.data.gov.uk, which is easy to search and accessible to anyone, and specialist data sites such as the Economic and Social Data Service.¹⁴

Saving money through better measurement

Coordinating standardised frameworks for impact measurement would not only help government departments to invest in what works; it could also save them money. In our 2008 report *Turning the tables*, funded by the Cabinet Office, NPC looked into how much time charities were taking to report to their funders. On average, 8% of each statutory contract in our research was spent on reporting back to funders. This represents a huge potential for efficiency savings.

The third sector receives £7.8bn from government per year in the form of contracts (as opposed to grants),¹¹ so we estimate that 8% of this, £600m, is being spent by charities on reporting back to government.

NPC's research found that by coordinating and standardising reporting, charities could reduce their reporting burden by between 30% and 90%. So, on a conservative estimate, having standardised frameworks across government could reduce reporting by at least 25%, saving the public purse over £150m a year. This is 50% more than the entire budget for the National Audit Office,¹² and would more than cover the costs of developing the frameworks and publishing the data collected.

This would make it easier to compare evidence about effective ways to deliver public services, which should help both government and charities to make better decisions about how to maximise their impact. It would also encourage a culture of greater transparency and accountability in the third sector. And, as the basic infrastructure already exists, the costs would be low and could potentially be funded through the efficiency savings outlined in the box above.

Supporting effective philanthropy

The big picture

Government has a vested interest in encouraging philanthropy, as it contributes to public benefit without draining the public purse. In total, individuals, trusts and foundations in the UK give over £13bn to charity every year.¹⁵

Philanthropy also brings a number of other benefits. It can be seen as an expression of citizenship—a way for the wealthy to 'give back' and be actively involved in their communities. Private donors can also take risks that government cannot in supporting innovative projects.

Government may then roll out these new approaches more widely once the results are proven. However, government has a fine line to tread with philanthropists, as many individuals value autonomy in their giving and are wary of getting bogged down in political agendas or government bureaucracy.

In the UK, government's policy on philanthropy is primarily about incentivising more giving through financial and status incentives, such as tax breaks and honours for philanthropists. Donors who pay a higher rate of tax can claim higher-rate relief through Gift Aid, and trusts and foundations enjoy the tax benefits that accompany their charitable status.

Increasing the quantity of giving is certainly important. But NPC believes that government should also emphasise the quality of giving. The two need to go hand in hand. Otherwise, there is a risk that money will be wasted on schemes that do not work—and this waste will not only be of philanthropists' own money, but also of the tax relief they receive from the state.

Sharpening the focus on quality

Government offers **no incentives for effective philanthropy**. In particular, the emphasis of regulation for trusts and foundations is not on the impact of their funding. Rather, it is focused on ensuring that their funding fits with their charitable purposes, that they maximise return on any financial investments, and that they do not have unnecessary administrative overheads. Theoretically, government regulation of charities should mean that any money given to them is money well spent. But in reality the Charity Commission does not have the resources to regulate how effectively charities deliver public benefit.

There is also a **lack of information and advice** to help philanthropists give effectively. From NPC's experience, we know that this is partly due to a lack of interest among some philanthropists in the impact of their giving. For those who do care about impact, however, there is little information and few places to turn for advice. For example, few lawyers or wealth managers have worked out a business case for offering philanthropy services to their clients, or developed specialist knowledge in this area. The result is that a significant opportunity to engage people in discussions about effective philanthropy is being missed.

We know that **government and philanthropists can increase their impact by working in partnership**—philanthropists have the flexibility to take risks and test out new ideas, and government has the reach and resources to take these ideas to scale and support them over the long term. NPC has seen examples of effective partnerships. Lloyds TSB Foundation for Scotland developed an initiative called Inspiring Scotland, which brought together private and public investors, including individuals, grant-making trusts and the Scottish Government, to take a 'venture philanthropy' style approach to supporting vulnerable young people (see the box below). In another example, KPMG Foundation piloted the use of a literacy programme called Reading Recovery in the UK, which, once it had demonstrated success, was scaled up by government.

But **government in the UK is missing opportunities to maximise the impact of philanthropy**. Where there have been partnerships, they have usually been driven by philanthropists rather than by government, and they remain isolated examples. There should be more impetus from government, as we are seeing in the US, where President Obama's new Office of Social Innovation and Civic Partnership is developing partnerships with leading foundations to roll out proven approaches to tackling social problems.

Three steps towards more effective philanthropy

Government's approach to philanthropy needs to be about incentivising and enabling effective giving, rather than increasing regulation—the carrot, not the stick.

Effective philanthropy is both about giving to effective charities, and about structuring your giving in such a way that will help charities maximise their impact. For instance, giving an

effective charity a grant that is too large, too small, too short-term, or limited by unnecessary restrictions, may mean that the desired impact cannot be achieved or sustained.

There are three steps that we propose government takes to make philanthropy more effective.

1. Government should support the provision of good quality information to help philanthropists focus on effectiveness.

There is a lack of good information available to help philanthropists make good decisions about how to spend their money. Improving information about charities' results is fundamental to this, but government can also support initiatives that enable philanthropists to inspire, and learn from, each other.

Government has already taken important steps in this direction by appointing a Giving and Philanthropy Ambassador and supporting the Beacon Fellowship, a national award scheme that recognises exceptional philanthropic acts and highlights role models and innovative approaches to grant-making. We believe it should sustain this support and continue to fund information-sharing initiatives such as Philanthropy UK, a resource that provides free and impartial information for philanthropists who want to give effectively, and their advisors.

NPC's proposed Impact Fund could also be used to support new projects that encourage transparency about the results of philanthropy. This might include projects like the new Glasspockets initiative in the US. Set up by the Foundation Center in partnership with other philanthropic organisations, Glasspockets aims to encourage greater openness among private foundations. It is publishing facts about philanthropy, highlighting examples of philanthropy's impact, cataloguing foundations' online transparency and accountability practices, and tracking the ways in which they communicate their work online.¹⁶

2. Government should promote the development and take-up of good quality philanthropy advice.

Few philanthropists receive professional advice about their giving, even though private client advisors, such as lawyers and bankers, are in an ideal position to advise existing and potential philanthropists on how to give effectively. Even when philanthropy advice *is* offered, the quality is variable.

While impetus needs to come from advisors themselves, we believe that government can also help by promoting the provision and take-up of good quality philanthropy advice. The government's first Giving and Philanthropy Ambassador, Dame Stephanie Shirley, is chairing a new steering group of private client and specialist philanthropy advisors, convened by NPC for this purpose. This group is highlighting the business benefits of providing philanthropy services and developing initiatives such as establishing best practice standards for advice and philanthropy training for advisors. We hope to see government's commitment to the steering group continue after the election.¹⁷

Going a step further, government should use its influence with UK banks to stimulate the development of new products and services that support effective philanthropy. One way it might do this would be to encourage banks and wealth managers to introduce donor-advised funds similar to those run by leading financial services providers in the US, such as Fidelity, Vanguard, Merrill Lynch and Schwab. These funds are charitable investment accounts that are used to manage donations on behalf of individuals, families or organisations. Donors receive a tax deduction on their contribution and can recommend grants to the charities they support. As well as offering donors a flexible and accessible way of giving, they could encourage good quality philanthropy by giving donors access to funding expertise such as due diligence on charities and impact measurement.

Donor-advised funds are the fastest growing and most popular charitable vehicle in the US, holding almost \$30bn in assets in 2007.¹⁸ Yet their potential remains largely untapped in the UK.

Partnership in action: Inspiring Scotland

Inspiring Scotland is an initiative that was developed by Lloyds TSB Foundation for Scotland to bring together investors from a number of sectors—government, individuals, businesses, and other trusts and foundations. Having seen examples of promising venture philanthropy programmes in Australia, the US and Europe, Lloyds TSB Foundation for Scotland believed it could have a greater impact by attracting new money into the charity sector and developing a more cohesive approach to tackling social problems.

In early 2009, Inspiring Scotland became a fully independent organisation. The team behind Inspiring Scotland recognised that they could achieve more by working in partnership with government as they share the same overall goal—to improve society. However, while close to government policy, Inspiring Scotland is not driven by it.

Inspiring Scotland's work is tailored to the key challenges that Scotland faces today. The team's in-depth knowledge of Scottish charities stood it in good stead to identify priorities for investment. It also commissioned independent 'baseline' research from NPC to help explore the themes chosen for the first two years of work and set the parameters for investment.

Inspiring Scotland understands that effective funding is not only about allocating resources wisely; it is also about structuring grants in a way that helps charities achieve their objectives. Inspiring Scotland provides sustained funding for charities over five to ten years, considers how they will be funded after its investment ends, and supports their organisational development. More broadly, it aims to improve learning in the charity sector by undertaking rigorous evaluation and being open about successes and failures.

3. Government should build sustainable partnerships with philanthropists.

Government should be more proactive and strategic about building partnerships with philanthropists on specific social issues. In the 'Philanthrocapitalist Manifesto', Matthew Bishop and Michael Green proposed that each spending department should be mandated to identify key policy and delivery areas where it could work with philanthropists to test out new ideas that it could scale up if successful. We do not think that philanthropists should become subject to departmental targets—it is important that they retain their autonomy. But we do believe that both government and philanthropists would benefit from working together on common goals. For instance, departments might match donations from philanthropists for the development or evaluation of pilot schemes, and agree with philanthropists on how promising projects will be taken forward once results are proven.

It also struck us that in the examples of effective partnerships with government discussed above (the KPMG Foundation and Inspiring Scotland initiatives), the charitable initiative had a member of staff who was either an ex-civil servant or a civil servant on long-term secondment. This created more structural and sustainable partnerships and helped the philanthropists to navigate government systems and vice versa. Government could actively encourage these sorts of relationships by introducing a secondment scheme similar to Charity Next, which was set up by The Prince's Charities and the Civil Service to second civil servants to charities.¹⁹ In this new scheme, civil servants with five or more years' experience could be seconded to trusts or foundations that are working in partnership with their department, to help develop promising programmes. This scheme would be low cost, as the civil service would continue to pay secondees the same as before, with trusts and foundations contributing a proportion of their salary.

The Social Impact Bond could also provide a way for government to build effective partnerships with philanthropists and other non-government investors. The Bond is based on a contract between government and other investors to tackle a particular tightly-defined social issue. The incentive for investors is that they receive a financial return for a given improvement in the social outcome, defined in the contract (often a proportion of the savings achieved for the public purse). This should ensure that funded programmes deliver clear value for society. The Bond is currently being developed by Social Finance and piloted with government. We look forward to seeing the results of the pilot programme and emphasise to government the importance of continuing to fund this.²⁰

Further information

For more information about New Philanthropy Capital (NPC), see www.philanthropycapital.org or contact Clare Yeowart, NPC's Public Affairs Manager: cyeowart@philanthropycapital.org.

References

¹ Figure for 2007/2008, taken from Clark, J., Dobbs, J., Kane, D. and Wilding, K. (2009) *The State and the Voluntary Sector: Recent trends in government funding and public service delivery*. NCVO.

² Figures for 2006/2007, taken from Clark, J. et al (2009) *The State and the Voluntary Sector*. NCVO.
Note: The most recent figures on income are from 2006/2007, while the most recent figures for Gift Aid are from 2007/2008.

³ Figure for 2007/2008, taken from Clark, J. et al (2009) *The State and the Voluntary Sector*. NCVO.

⁴ One example of NPC's response to this problem is our work to develop a questionnaire that charities can use to measure their impact on children's well-being. For further information, see Nevill, C. (2009) *Feelings count: Measuring children's subjective well-being for charities and funders*. New Philanthropy Capital (available on our website). We plan to publish the final questionnaire later this year.

⁵ *Capacitybuilders' Business Plan 2009/10* (available to download from <http://www.capacitybuilders.org.uk>).

⁶ NPC's report, *Turning the tables*, discussed streamlining reporting between charities and funders, and showed the value of empowering charities rather than imposing reporting frameworks on them from above. Heady, L. and Rowley, S. (2008) *Turning the tables: Putting Scottish charities in control of reporting*. New Philanthropy Capital.

⁷ As part of the National Performance Programme, NPC has conducted a survey on reporting relationships between charities and commissioners. This found that half of charities said that local authorities' reporting requirements were out of proportion to the funding received and that they have never received funding for monitoring their results, and close to half had had no non-financial support. Two thirds of charities surveyed also said that they had to tailor the information on, and presentation of, their results to each local authority. Again, this takes up valuable time. The full survey results will be published later in March 2010.

⁸ For further information about Supporting People and its national outcomes framework see <http://www.spkweb.org.uk>.

⁹ In contrast, NPC has heard some criticism of government's recent attempt to design an evaluation framework for charities working in prisons, which did not sufficiently involve charities in its development.

¹⁰ The Third Sector Champions were established following the government's 2002 cross-cutting review, *The Role of the Voluntary and Community Sector in Public Service Delivery*. They are senior civil servants who lead government's third sector agenda both within their department and in the department's relationships with their non-departmental public bodies, agencies and stakeholders. Each Third Sector Champion is supported by a Third Sector Liaison Officer. For further information see: http://www.cabinetoffice.gov.uk/third_sector/Partnership_working/cross_government.aspx.

¹¹ Figure for 2006/2007, taken from Clark, J. et al (2009) *The State and the Voluntary Sector*. NCVO.

¹² *National Audit Office Strategy 2010-11 to 2012-13* (available to download from <http://www.nao.org.uk>).

¹³ Cabinet Office, *Prime Minister announces radical plan to protect frontline services by streamlining government*, http://www.cabinetoffice.gov.uk/newsroom/news_releases/2009/091207-frontlinefirst.aspx, 7 December 2009.

¹⁴ The publication of data from charities would comply with the terms of the Data Protection Act and personal data would not be published.

¹⁵ Individuals gave a total of £9.9bn to charitable causes in 2008/2009, and trusts and foundations gave a total of £3.1bn, according to *UK Giving 2009: An overview of charitable giving in the UK, 2008/09* (NCVO and CAF) and www.trustfunding.org.uk.

¹⁶ For further information, see <http://www.glasspockets.org>.

¹⁷ For further information about philanthropy advice and the new steering group, readers can refer to NPC's upcoming report, *The business of philanthropy: Building the philanthropy advice market*, which will be published on 24 March 2010.

¹⁸ National Philanthropic Trust (2008) *Donor Advised Fund Market: An analysis of the overall market and trends*.

¹⁹ For further information, see <http://princescharities.org/charity-next>.

²⁰ The Government's initiative to pilot Social Impact Bonds was announced in the policy paper *Putting the Frontline First: smarter government*, launched by the Prime Minister in December 2009. An example of the sort of social issue that a contract might tackle is the reoffending rate for short-sentence offenders between particular ages in a defined geographical area over a given period.