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## Charity outsourcing 'could save £136 million a year'

**1 April 2009**

Charities in the UK could save a total £136 million a year by outsourcing their back office costs, research has revealed.

Statistics from Cass Business School's Centre for Charitable Giving and Philanthropy (CGAP) reveal that voluntary organisations with an annual income of £1 million to £10 million could conserve 40 per cent of office costs, yet many fear taking risks and losing control of operations.

Mark Freeman of outsource service organisation Charity Business told Professional Fundraising: "In the current climate we are surprised that more charities are not looking to utilise third parties to reduce their administrative burden and remove the high costs of supporting this in-house.

"This could mean a total of £136 million extra for charitable activities."

Cathy Pharoah, professor of charity funding at Cass Business School, stated that more information about outsourcing must be freely available to the third sector via websites and advisory bodies because charities' administration costs are often high.

The CGAP uses the expertise of the National Council for Voluntary Organisations and research from the universities of Kent, Southampton, Edinburgh and Strathclyde, the Cass Business School website states.

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The government will offer grants worth a total of £750,000 to 30 charities in a bid to support third sector campaigning, it has announced.

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