Principles of Good Impact Reporting

For charities and social enterprises

Introduction

Charities and social enterprises that hope to engage, inform and inspire their stakeholders try to communicate clearly the impact of their work. From local groups run by volunteers to national charities employing thousands of staff, all social organisations should tell their stakeholders how they are fulfilling their purpose and achieving the change that they seek.

Good impact reporting helps beneficiaries, volunteers, donors, funders and other supporters understand and engage with an organisation. It also helps staff and trustees focus on results and work to achieve their vision. An organisation that is able to establish and explain its impact will have a strong foundation both for communicating its work, and also managing it to achieve the greatest possible impact.

This document sets out Principles of Good Impact Reporting, to help charities and social enterprises tell their own story about impact.

The principles cover two themes:

- **how** organisations should communicate their impact; and

- **what** organisations should communicate.

By using these principles to demonstrate their impact, charities and social enterprises can have a strong influence on how they are perceived. They can help to shift the prevailing focus away from concerns about administration costs or chief executives' salaries, and towards what really matters: the difference they make in people's lives.

The principles can be used for whole organisations, but also may be applied on a project or multiple-project basis to explore how they work at that level.

The principles are not intended to be a compliance tool or a checklist. Rather, they can help guide an organisation's exploration of its own impact, and help shape its communications. Charities and social enterprises may wish to review their existing reporting against the principles to identify areas to strengthen or to create a structure for communications. Funders may wish to use the principles within their application or reporting processes to structure the questions they ask about impact.

The principles have been written to minimise the use of jargon, and explain technical terms when they are used in the attached Glossary.

Ultimately, the Principles of Good Impact Reporting aim to help you to tell your story better—more clearly, more openly, in a way that helps you to focus on what's most important, and helps you to achieve even more for those you're trying to help.

Applying the principles

The Principles of Good Impact Reporting aim to guide charities and social enterprises through communicating their impact, including:

- annual reports, annual reviews and impact reports;
- management information, board reports and organisational reviews;
- reports to funders, supporters, investors and commissioners;
- internal communications with staff and volunteers

- communications materials, such as websites, brochures and leaflets;
- fundraising materials;
- key messages about the organisation; and
- communications with, and feedback and responses from, its beneficiaries.

If applied appropriately, the principles can help you to:

- be accountable to your stakeholders, engaging them in open and honest dialogue;
- engage and inspire supporters and potential supporters;

- review your activities and impact against your vision and purpose;
- challenge your assumptions and revise strategies and plans;
- motivate and involve staff and volunteers; and
- ensure that you are helping your beneficiaries in the best way possible.

How should charities, social enterprises and community organisations communicate their impact?

There are six general principles that define how organisations should communicate their impact:

1 Clarity: The reader can quickly and easily understand the organisation through a coherent narrative that connects charitable aims, plans, activities and results.

2 Accessibility: Relevant information can be found by anyone who looks for it, in a range of formats suitable for different stakeholders.

3 Transparency: Reporting is full, open and honest.

4 Accountability: Reporting connects with stakeholders, partners and beneficiaries to tell them what they need to know, and provide reassurance.

5 Verifiability: Claims about impact are backed up appropriately, allowing others to review. This can range from informal stakeholder feedback to external audit.

6 Proportionality: The level and detail of reporting reflects the size and complexity of the organisation, and the complexity of the changes they're trying to bring about.

What should charities, social enterprises and community organisations communicate about impact?

There are six specific principles that define what organisations should communicate about their impact:

1 Clear purpose

- Why do we exist? What issue are we ultimately trying to tackle?
- What overall impact do we want to have? What change do we seek?
- What impact do our key stakeholders want us to have?

2 Defined aims

- What are our specific short and long-term aims?
- How does achieving these aims help us achieve our overall purpose/impact?

3 Coherent activities

- What activities do we carry out to achieve our aims?
- What resources do we use to make these activities happen?
- What are the outputs of these activities?
- How do our activities help us achieve our aims and create change?
- Are our activities part of a coherent plan?

4 Demonstrated results

- What outcomes/impact are we achieving against our aims?
- What impact are we achieving against the overall change we seek?

5 Evidence

- How do we know what we are achieving?
- Do we have relevant, proportionate evidence of our outcomes and impact?
- Are we sharing evidence to back up the claims we make?
- Are we seeking feedback, review and input where appropriate?

6 Lessons learned

- What are we learning about our work?
- How are we communicating what we learn?
- How are we improving and changing from what we learn?
- What has happened that we didn't expect (positive and negative)?
- Are we allocating resources to best effect?

Glossary

(see jargonbuster.org.uk for further more comprehensive definitions)

Impact
- the overall difference you make to those you're trying to help
- the long-term, big picture, general change you make

Aim
- the difference you want to make to those you're trying to help
- can be short-term and/or long-term

Outcome
- the difference an activity makes to those you're trying to help
- the short-term, specific change you make

Resources
- what's required to do the work, also known as inputs
- can include financial costs, in kind donations, volunteer time