



Department
for Culture
Media & Sport

Debra Allock Tyler
Chief Executive
Directory of Social Change
352 Holloway Road
London
N7 6PA



Department
for Business
Innovation & Skills

Baroness Neville-Rolfe DBE CMG
Parliamentary Under Secretary of State
and Minister for Intellectual Property

1 Victoria Street
London
SW1H 0ET

T +44 (0) 20 7215 5000
E enquiries@bis.gov.uk

www.gov.uk/bis

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Dear Debra,

Thank you for your letter of 6th July, about transparency of company charitable donations. I am responding as the minister responsible for narrative reporting.

The Department for Business, Innovation and Skills consulted on its proposals to improve the form and content of narrative reporting between September and November 2011. As part of this, we suggested removing some disclosure requirements but, if sufficient evidence were provided of their value to users of company reports, these would be retained. We received little evidence regarding the disclosure of charitable donations.

We are seeing responsible businesses taking a more collaborative, long-term approach to their relationship with charities. A recent example is the "Live Well Campaign" undertaken by Lloyds Banking Group with the Alzheimer's Society. This was the winner of the 2015 Building Stronger Communities Award from Business in the Community. While Lloyds Bank colleagues raised significant funds for the charity, their work to change the approach of the whole financial services sector to customers suffering from Dementia was more significant. The value of donations is too simplistic to be useful as a measure of a company's charitable engagement.

I can understand your concerns on the removal of this requirement but repealing this regulation contributed to saving UK business £1.2 billion per annum. This government has committed to saving UK business a further £10bn in this parliament. This shows the importance we place in sustaining our deregulatory drive to help boost UK productivity. I

will be working hard to ensure the Department for Business, Innovation and Skills plays its part in achieving this target.

Warm regards

Lucy Neville-Rolfe

BARONESS NEVILLE-ROLFE DBE CMG