

PRESS RELEASE - For immediate release

Charitable Foundations improving practices on diversity, accountability and transparency – but slowly

The fourth annual assessment of charitable foundations, has found that foundations' practices across accountability, transparency and diversity are improving, but there is still much work to be done. The Foundation Practice Rating 2024-25 (FPR), looked at 100 UK charitable foundations of many sizes and types, assessing each one on criteria to provide a representative view of foundation practices, and to rate each one from A to D, with the aim of encouraging improvement across the sector.

Combined scores show gradual improvement over the four years. FPR draws a fresh cohort each year, so does not assess the same foundations every year, though there is some overlap from year to year.

The report found that the size of the foundation, be it a multi-million pound body or a small community entity, has no bearing on the results. Some of the largest are outperformed by the smallest. Of the three domains considered, diversity is consistently where foundations perform least well: this year none achieved an A – in fact only one foundation has achieved an A over FPR's four years. As in previous years, community foundations outperform the average foundation, and by quite some margin.

Of the 100 foundations assessed, 21 had no website. Some that do were very cluttered or limited, making it difficult for potential applicants to navigate. None of the 12 foundations that rated D in all three domains has a website. What's more, only seven foundations publish robust analysis of their own effectiveness, although a handful publish full grantee surveys about the foundation, together with the foundation's response and actions arising.

The report details an unavoidable change in method this year. In the previous three years, most of the foundations assessed by FPR were listed in the annual Foundations Giving Trends report published by the Association of Charitable Foundations. That report was discontinued this year and has been replaced by UK Grantmaking, created by 360Giving – a much larger list than its predecessor, which enables FPR to draw from a larger pool and therefore better represent the foundation sector as a whole.

FPR uses only publicly-available information because this is all that is available to applicants. Finding information in some cases is difficult.

The FPR is supported by a group of UK grant-making trusts of all sizes, led by Friends Provident Foundation. They are committed to incentivising better practice to charities.

Danielle Walker Palmour, Director of Friends Provident Foundation says, “The intention of FPR is to make foundations aware of some of the things they’re doing or not doing, and which they could be doing. Often, these things can go unnoticed because the people working in foundations are so fully concentrated on doing the best they can for their grantees. Many of these organisations are doing fantastic work, and it’s a pity that areas like diversity, accountability and transparency are falling by the wayside. We hope this will help them to address those shortcomings to provide an even better service.”

Lead researcher, Caroline Fiennes, says, “We are encouraged to see ongoing improvements, but foundations still have significant work to do, particularly in diversity and accessibility. The feedback that we hear from foundations indicates that FPR continues to prompt foundations to improve, which is great.”

The FPR is currently funded by: Friends Provident Foundation; Barrow Cadbury Trust; City Bridge Foundation; John Ellerman Foundation; Joseph Rowntree Reform Trust; Joseph Rowntree Charitable Trust; Paul Hamlyn Foundation; Indigo Trust; Robertson Trust; and John Lyon’s Charity.

ENDS

Notes to editors

The Foundation Practice Rating (FPR) is an objective assessment of UK-based charitable grant-making foundations. It looks at foundations’ practices in three important and interlinked domains: diversity, accountability and transparency.

The foundations which enable FPR recognise the importance of good practice in diversity, accountability and transparency for foundations, and the aim of the FPR is to support the trust and foundation sector to develop practice in these areas by encouraging and celebrating positive examples and challenging current practices where necessary.

The research and assessment are carried out each year by Giving Evidence, a consultancy specialised in the production and use of rigorous evidence in charitable giving.

The summary report and the full report can be downloaded free of charge from the Foundation Practice Rating website: <http://www.foundationpracticering.org.uk>

Foundations cannot opt out: the research, and findings are outside their control, although they are given the opportunity to comment on the scores during the research. The FPR therefore gives a representative view of the performance of the UK foundation sector.

This is the fourth year of the FPR. Data for Year One were gathered in 2021, for Year Two in 2022, for Year Three in 2023, for Year Four in 2024.

Each year, the FPR assesses a cohort of 100 UK-based charitable grant-making Foundations. They are: the foundations funding this work; the five largest UK foundations by giving budget; and a random selection of community foundations and charitable foundations.

For each foundation, researchers access publicly available information including reports filed with the regulator, and the foundations' own websites. Taking the stance of a prospective applicant, the researchers try to find answers to a list of questions. The answers are scored using a points system, which is then converted into a rating/grade of A, B, C or D (A is top) for each of the three domains (diversity, accountability and transparency) and an overall rating.

For more information about the project, visit foundationpracticering.org.uk.