

# The Foundation Practice Rating 2024/25

*Year Four*

**Assessing diversity, accountability and  
transparency in grant-making foundations**

*Summary report*

**Friends Provident Foundation  
March 2025**



Foundation  
Practice  
Rating

## Further information

This summary report, and the full report, can be downloaded from the Foundation Practice Rating website: [www.foundationpracticering.org.uk](http://www.foundationpracticering.org.uk)

LinkedIn: [linkedin.com/showcase/foundation-practice-rating](https://linkedin.com/showcase/foundation-practice-rating)

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## About Friends Provident Foundation

Friends Provident Foundation is an independent charity that makes grants and uses its endowment towards a fair and sustainable economic system that serves people and planet. We connect, fund, support and invest in new thinking to shape a future economy that works for all. Since 2004, we've pioneered the creation of a fair economy for a better world. Already, we've helped improve access to financial services for people who were once excluded, and supported the development of resilient economic communities across the UK.

We're a catalyst for wider change, making an impact through continuous experimentation and shared learning. And we do all we can to embody the change we want to see. We invest in great social enterprises, and use our money in line with our values. Tomorrow, we'll continue to fund more new thinking, connect new ideas, invest our capital in line with our aims and values, and create better systems so that in the future the economy will serve both people and planet.

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## Acknowledgements

The Foundation Practice Rating is a collaborative project striving to improve the practices of UK foundations against the standards they have set for themselves and those that apply to other organisations that seek to support and improve the society we live in. The FPR requires considerable joint working by many people and organisations. We would like to thank:

- the foundations whose financial support and intellectual guidance enables this work. The Funders Group for this year comprises 10 foundations which are listed in this report;
- various membership bodies which support in various ways. These include the Association of Charitable Foundations, UK Community Foundations and 360 Giving;
- the researchers and statistician. They are in the UK, Uganda and Kenya, and all bring relevant expertise and diligence;
- the graphic and website designers who help to produce the report, data visualisations and explanatory graphics; and
- the press and journalists who help to bring the findings to a wider audience.

# Introduction

The Foundation Practice Rating (FPR) is **an independent assessment of foundations done without their permission or control.**

It aims to incentivise and help UK foundations to improve their practices – specifically in the three important and interlinked domains of diversity, accountability and transparency. Every year, the FPR makes a fresh selection of 100 UK-based charitable grant-making foundations, and carries out an independent and objective assessment by answering nearly 100 questions about each one. The FPR takes the stance of a prospective applicant, so uses only publicly available information. Each included foundation is assessed by two researchers operating independently, and their answers are compared and moderated by a third. Foundations are exempt from questions that are not relevant to them; for example, a foundation with no staff is exempt from publishing gender pay-gap data, so foundations are not penalised for, say, being small. Foundations have a chance to correct the data about them. Their scores in each domain are turned into a rating on that domain (A, B, C or D: A is top), and they also each get a rating overall.

As far as we know, the FPR is groundbreaking, in that foundations cannot opt out: the research and findings are outside their control, and therefore the FPR gives a representative view of the performance of the sector.

**In total over its four years, the FPR has assessed 302 foundations.** This means that by this point, **just under half of the foundations in-scope have been assessed at least once.**

The FPR was initiated by Friends Provident Foundation, and is funded by a group of UK grant-making foundations.<sup>1</sup> These funders recognise the importance of diversity, accountability and transparency for foundations, and want to support the trust and foundation sector to improve on them, encouraging and celebrating examples of good practice, 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.

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<sup>1</sup> 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.

This report summarises the findings of the fourth year of the FPR, based on data gathered in autumn 2024. The full report includes more detailed method, results and analysis.

Some foundations which were not selected asked whether they could pay to be assessed, in order to see where to improve. An option to 'opt in' was introduced in Year Two in response to demand. This year, three foundations opted in. They are assessed in precisely the same way but not included in the main cohort of 100, to avoid selection bias in the results.

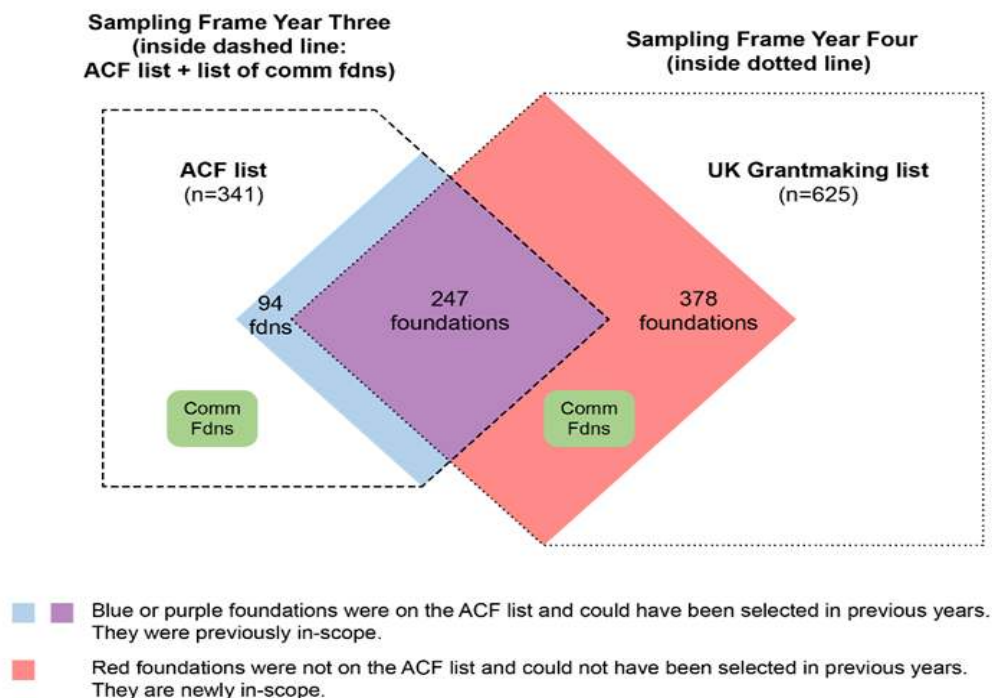
For context, the FPR requires gathering data on around 100 questions for each of 100 foundations. That's 10,000 data-points. In fact, it is more because several criteria have multiple parts, so multiple data points (e.g. which of a list of five communications channels the foundation uses). Each is scored by two researchers – so that's 20,000 – and there is a moderated answer – so that's 30,000. Plus sometimes moderation involves a third research, and then debate between researchers. Furthermore, foundations are given their data and invited to 'appeal' it, which some do, prompting further research and decisions which get recorded. So we probably have ~33,000 data-points each year. The FPR has now run for four years, so there are over 130,000 data points. Figure 3 shows findings over the full period: that summarises all 130,000 data points(!)

# Important method change this year

Unavoidably, a change had to be made this year which complicates comparisons of the full set of results from one year to the next. In short, for the FPR's first three years, the cohort was drawn mainly from the list of foundations in the annual *Foundations Giving Trends* report published by ACF ('the ACF list'). That report discontinued this year and was replaced by UK Grantmaking, created by 360Giving, so the Year Four cohort is drawn mainly from (the relevant part of) that instead ('UK Grantmaking'). That latter sampling frame (= list from which a sample is taken) is much larger than the previous one (the ACF list), which usefully makes the Year Four FPR more representative of the sector as a whole.

Figure 1 shows that the previous sampling frame overlaps only somewhat with the new one.

**Figure 1:** The relationship between the sampling frame for Year Three and that for Year Four

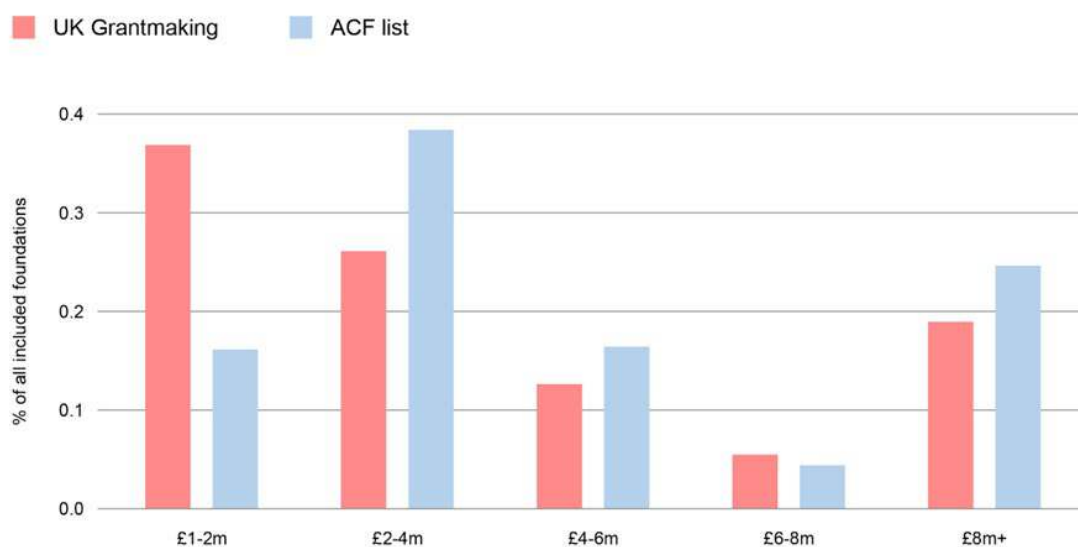


Note: "ACF list" here means the ACF Giving Trends report of 2022. That was used for FPR's Y3 cohort as it was the most recent. There was some churn amongst foundations listed in the various ACF Giving Trends lists over time. "UK Grantmaking list" here means the subset which FPR took from that (= charitable fnds with giving budget £1m+ pa; not inactive and not benevolent funds).

This matters because the new sampling frame is materially different from the previous one: despite significant overlap and having the same range of giving budgets, the new frame (UK Grantmaking = red + purple boxes) includes many more smaller foundations than the previous frame (ACF list = blue + purple boxes), and, of those in the FPR cohort, more lack a website. That latter is a strong predictor of poor FPR performance: no foundation without a website has ever scored above D overall.

Figure 2 shows the considerable difference in size distribution of the two sampling frames. (Note: we chose from the UK Grantmaking list only foundations giving over £1 million, to match the ACF list.)

**Figure 2: Income distribution of foundations on UK Grantmaking vs the ACF list**



In previous years, when results changed from one year to the next, the research team had to work out whether that was likely to reflect a real change in foundation practice, or was just the luck of the draw (the random sample just happened to pick foundations that performed better than average).

This year, because of the change in sampling frame, the researchers also had to establish whether any apparent changes arise simply from drawing the sample from a pool of foundations that have different characteristics.

This report presents year-on-year comparisons of the full cohort, and also shows results for only the comparable set of foundations, e.g. the ones in the blue + purple boxes which were in-scope both this year and in previous years.

In all other respects (e.g. the criteria), the FPR is unchanged since last year, precisely to enable year-on-year comparisons and to avoid 'moving the goal-posts' for foundations.

# Main findings from FPR Year Four

- **Every criterion was achieved by at least one foundation** in the cohort. This was also true in previous years. This shows that **the FPR does not require anything impossible**.
- **Since the FPR began, there has been a material** and statistically significant **improvement in performance** (of foundations on the ACF list).<sup>2</sup>
- As in previous years, **the foundations scoring A overall are diverse in size and structure**. As in previous years, they include the largest foundation (Wellcome, formerly called Wellcome Trust), a mid-size one (such as Corra Foundation) and at least one with few staff, such as John Ellerman Foundation.
- In other words, the **FPR is not a tacit measure of a foundation's size. Some small foundations score well, and some large ones score relatively poorly**: two of the largest foundations (by giving budget) scored C overall. Last year, three of the five largest did so.
- **Financial size does not predict a high rating**. Some small foundations scored highly, whereas two of the UK's five largest foundations (by giving budget) scored only C overall (Gatsby Charitable Trust and Quadrature Climate Foundation), and only one of them (Wellcome) achieved A overall.
- **Diversity remains the weakest domain**. This is consistent with all three previous years. Only one foundation has ever achieved A on diversity: that was in Year Three, and this year, again none did so. By comparison, over half achieved A on transparency. 44% of the assessed foundations got D on diversity, and 13 foundations scored nothing at all on diversity (in Year Three, 11 did so).
- **A foundation's ratings can vary quite markedly on the various domains**. Some foundations get A on one domain but only C or D on another. This also happened in previous years.
- **Number of trustees seems to matter**. Foundations with few trustees (five or fewer) are much more likely to rate D than are foundations with more trustees. And conversely, ratings of A overall are unique to foundations with six or more trustees.
- **Number of staff also matters**. Poor ratings (D overall) were unique to foundations with ten or fewer staff (last year, overall Ds were almost unique to

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<sup>2</sup> This refers to the average numerical scores of a like-for-like group: specifically foundations which could have been selected in any of FPR's four years (i.e. the randomly selected foundations which were on the ACF list).



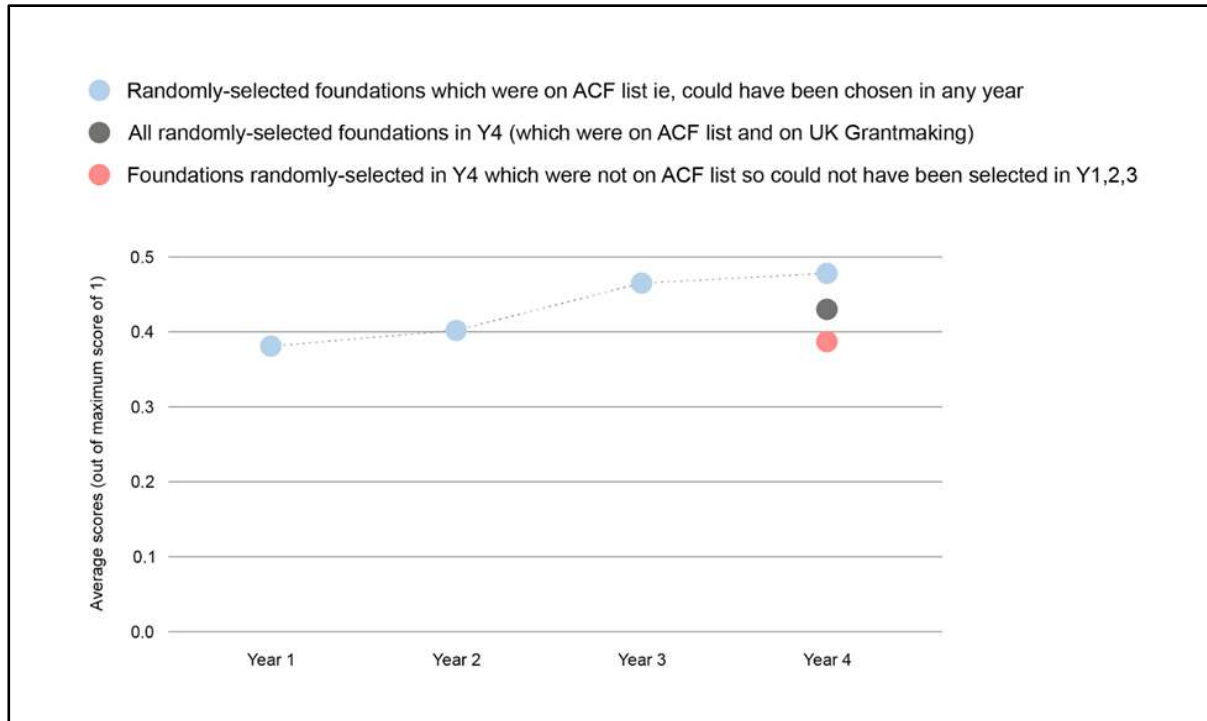
them. However, the relationship is such that, on average, foundation's scores rise only with many more staff, whereas they rise faster as the number of trustees rises.

- **Community foundations continue to outperform the broader sector**, and by an appreciable margin. By Year Three, there were enough data to be confident that this is statistically robust, and the difference in scores in Year Four remains marked.
- **The paucity of foundations' websites** was striking: 21 of the 100 foundations had no website (vs 13 in Year Three and 22 in Year Two, none of them community foundations). Some other foundations have overly cluttered or limited websites that impede finding basic information. This matters, because often the website is how potential applicants view a foundation, as well as how others see the sector. None of the 12 foundations rated D on all three domains had a website.
- **Few foundations publish quantitative analysis of their own effectiveness** (as opposed to just where their grants go). In Year Four, only seven did, down from 16 last year. Of those, most were feedback from grantees: the FPR gives credit for feedback from grantees or applicants only where it is collected systematically – so not just a few quotes with no logic for how those voices were chosen – and across all the foundation's work – so not for isolated programmes, as this may be a biased choice of what to publish. A handful of foundations publish full grantee surveys, together with the management's response and actions arising. But overall, as in previous years, these 100 foundations publish little from which others can learn how to give well. So foundations could usefully investigate their own impact – as opposed to that of their grantees – and how to improve it.

Understanding the movement of overall scores in the cohort requires taking account of the change in sampling frame. Figure 3 shows overall numerical scores year by year for foundations randomly selected from the ACF list.

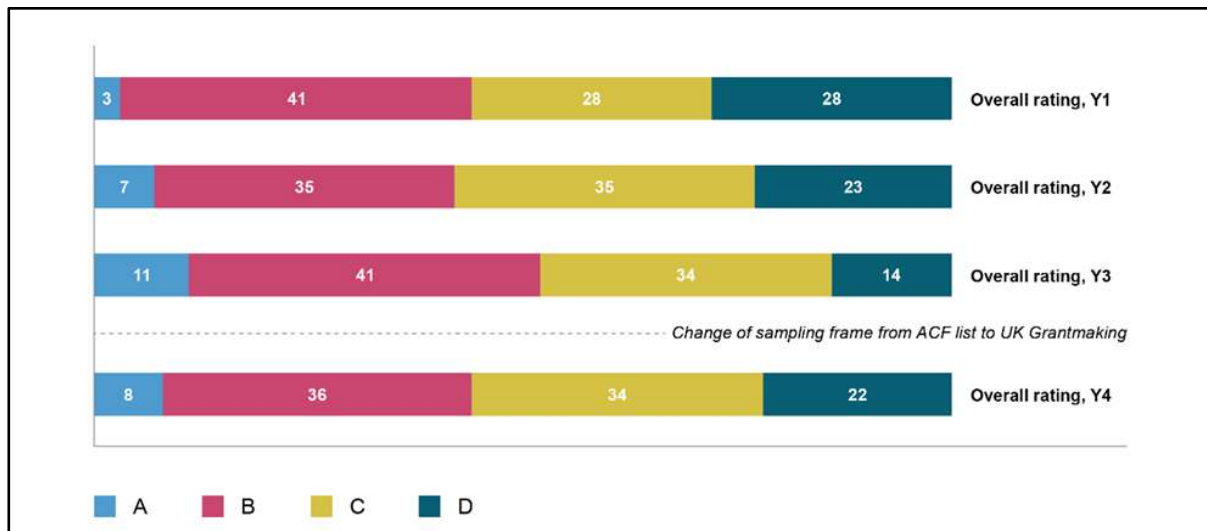
Average Year Four scores for the whole set have fallen. But a different picture emerges when the scores of the newly included (red) foundations are split out from the foundations on the ACF list (blue) which have been in-scope for each year of the FPR. In fact, **scores of the foundations which have always been in-scope (blue/purple) have continued to climb**, but the scores of newly in-scope (red) foundations are lower: they have pulled down the average of the Year Four cohort overall (grey dot). The red dot is about aligned with the blue dot from Year One: i.e. the foundations which were in-scope for the first time this year score much as did the blue/purple ones in the first year that they were in-scope. One interpretation is that the red foundations are a control group, which indicates (without proving) that the FPR has consistently encouraged improvement amongst the foundations in its scope, and pulled their scores and performance upwards.

**Figure 3:** Overall scores in each year of the FPR, showing the effect of the set of foundations newly in-scope because of the change of sampling frame in Year Four



The reduction in average scores shown above is reflected in the breakdown of ratings for the cohort overall each year (Figure 4): this year, there are slightly fewer foundations achieving A overall, and more scoring D overall.

**Figure 4:** Number of foundations achieving each rating in Year Four



Collectively, the criteria on which the 100 included foundations scored best were:

- whether the foundation gave any information on who or what it has funded (98% did);
- whether the foundation published on its website who its staff are<sup>3</sup> (86% did);
- whether the foundation has a website (79% did, down from 87% last year);
- whether the foundation publishes on its website any information about its funding priorities (79% did).

They collectively scored worst on:

- having targets for trustees in the diversity plan (0.5% of points for non-exempt foundations, down from 4% last year);
- having any specific, numerical targets to improve the diversity of its trustees or board members (1.6% did);
- having ways to contact the foundation for people who have disabilities (4% of points available to non-exempt foundations, up from 2% last year);
- having specific, numerical targets to improve the diversity of staff (4.4% of points available to non-exempt foundations).

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<sup>3</sup> This percentage is of the foundations which have a website. Those without are exempt from this criterion.

# Who does the FPR rate and how does it rate them?

## The foundations assessed

Each year, the FPR assesses 100 UK-based charitable grant-making foundations. Each year, the cohort comprises:

- the foundations funding the work. This year, there were ten of them;<sup>4</sup>
- the five largest UK foundations by giving budget; and
- a stratified random sample of community foundations and charitable foundations. This year, there were 86 of them. They are taken from the relevant part of the list published by UK Grantmaking.

In other words, the cohort changes somewhat year-to-year. Each year, the cohort is organised to be representative by size: a fifth of the cohort is in the top quintile by size; a fifth in the second quintile, etc.

The 100 foundations assessed in Year Four collectively had:

- net assets of £48.6 billion, compared to £61.6 billion in Year Three (which is a further reduction on the £68.1 billion in Year Two);
- annual giving of £2.25 billion, compared to £2.0 billion in Year Three (and £1.8 billion in Year Two); and
- an average pay-out rate (i.e. the amount given annually as a proportion of assets) of 4.6 per cent, compared to 3.2 per cent in Year Three (and 2.6 per cent in Year Two).

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<sup>4</sup> One of those ten, Joseph Rowntree Charitable Trust, confirmed its continued funding for FPR after the main analysis was completed, and therefore is not included in the main cohort of 100 foundations.

## Composition of the Year Four cohort (of 100 foundations)

**Figure 5: Split of the Year Four cohort on various dimensions**

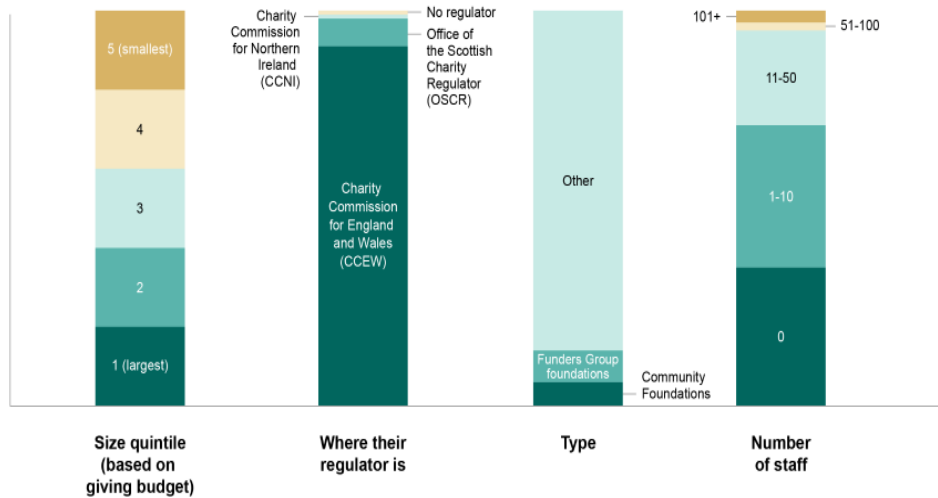
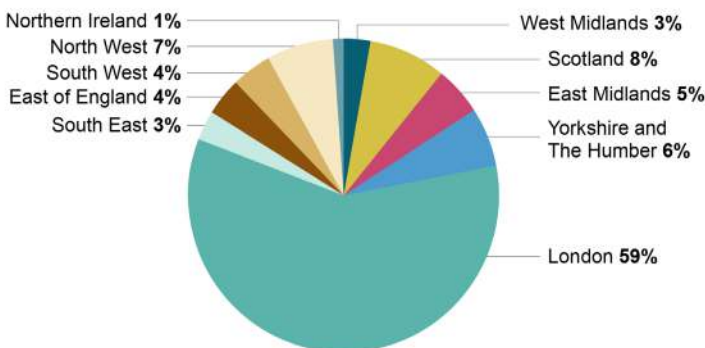


Figure 6 shows the location of the headquarters of the Year Four cohort. As in previous years, London was the most common location for foundations included (59, compared to 47 in Year Three). Eight are headquartered in Scotland (nine in Year Three), one in Northern Ireland (none Year Three) and none in Wales (one in Year Three).

**Figure 6: Location of the foundations in the Year Four cohort**



## A summary of the research method

The FPR uses only publicly available information,<sup>5</sup> because this is all that is visible to outsiders such as prospective applicants for grants or work. The criteria are determined as objectively as possible, drawing where possible on other rating systems (in the voluntary sector and also beyond), as well as the results of an annual public consultation.

To facilitate comparison, the FPR's method deliberately changes very little year-on-year. The change in sampling frame discussed earlier was an unavoidable exception. This year, the criteria around investment policies was slightly amended to align with the new guidance from the Charity Commission for England and Wales. Also, the number of community foundations assessed was stabilised at six, because fluctuations in the number of these foundations in previous years affected the performance of the cohort overall, which could be misleading.

Each included foundation was sent the information gathered about it, so that it could suggest corrections and point out anything that had been missed. They had at least three weeks to respond. The research team and sponsors ran three public webinars during this period, open to anybody and to which the included foundations were invited.

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<sup>5</sup> Material on the foundation's website or in its filings to its regulator.

# Feedback from foundations

There are many anecdotal examples of how foundations are using the FPR criteria to assess themselves, and how being assessed has focused foundations on these issues and sometimes to take new action. This is very heartening – particularly in combination with the emerging signs of improvement in sector practice from the data discussed earlier. The FPR was created and designed to influence behaviour, rather than simply as a research exercise. These are some examples of feedback received this year:

'It is such a helpful resource for funders and there is much that we can learn from reviewing the criteria further...The feedback has already proved to be invaluable for our future development.'

'We are really pleased to have been chosen for inclusion in the 2024/25 Foundation Practice Rating and even just from the process so far, have identified some areas in which we can improve our practices.'

'Thank you for the feedback and your review which was very helpful to see, and timely given ongoing discussions here to develop the openness of our work.'

'Your assessment of us [last year] was very fair.'

## Next steps

The Foundation Practice Rating will run again in 2025–26 (which will be Year Five). To inform that, and our understanding of the impact that the FPR is having, we welcome comments and observations. Please contact Friends Provident Foundation: [enquiries@friendsprovidentfoundation.org.uk](mailto:enquiries@friendsprovidentfoundation.org.uk)