Foundation Practice Rating:

Drawing the cohort of foundations for Year Six (2026/27)

June 2026

Context and data source

This paper explains how we draw the cohort of foundations for the Foundation Practice Rating (FPR) for the year 2026-27.

Each year, FPR analyses 100 foundations which include:

a) The UK's five largest charitable grant-making foundations, by budget given to organisations;
b) The foundations which fund FPR;
c) A random subset of the charitable grant-makers determined through the process below.

FPR uses independently-produced lists of foundations. For its first three years, FPR used the Foundations Giving Trends report, which was published annually by the UK's Association of Charitable Foundations (ACF). We also used a list of community foundations provided by UK Community Foundations (UKCF).

ACF ceased producing the Giving Trends report in 2024, requiring FPR to revise its method for determining the cohort. FPR now uses UKGrantmaking data. UKGrantmaking was launched in June 2024. UKGrantmaking is a collaborative project published by Funders Together. UKGrantmaking brings together a partnership of 360Giving, ACF, The Association of Charitable Organisations, UK Community Foundations, Pears Foundation, and London Funders.

For FPR's Year Six, we are using the current UKGrantmaking data, published in June 2026, which is based on data from 2024-25.

Our process in outline

There are two steps. First, we identify the subset of UKGrantmaking's list which is relevant to FPR. This is the sampling frame, i.e., the list from which we draw the cohort. Second, we select the cohort from that sampling frame. These steps are described below.

1. Creating the sampling frame

FPR is specifically concerned with UK charitable grantmaking foundations, which primarily support organisations, as distinct to supporting individuals. This is not every entity on UKGrantmaking, so we select those which are of interest. In this section, we describe the criteria applied to determine FPR's sampling frame.

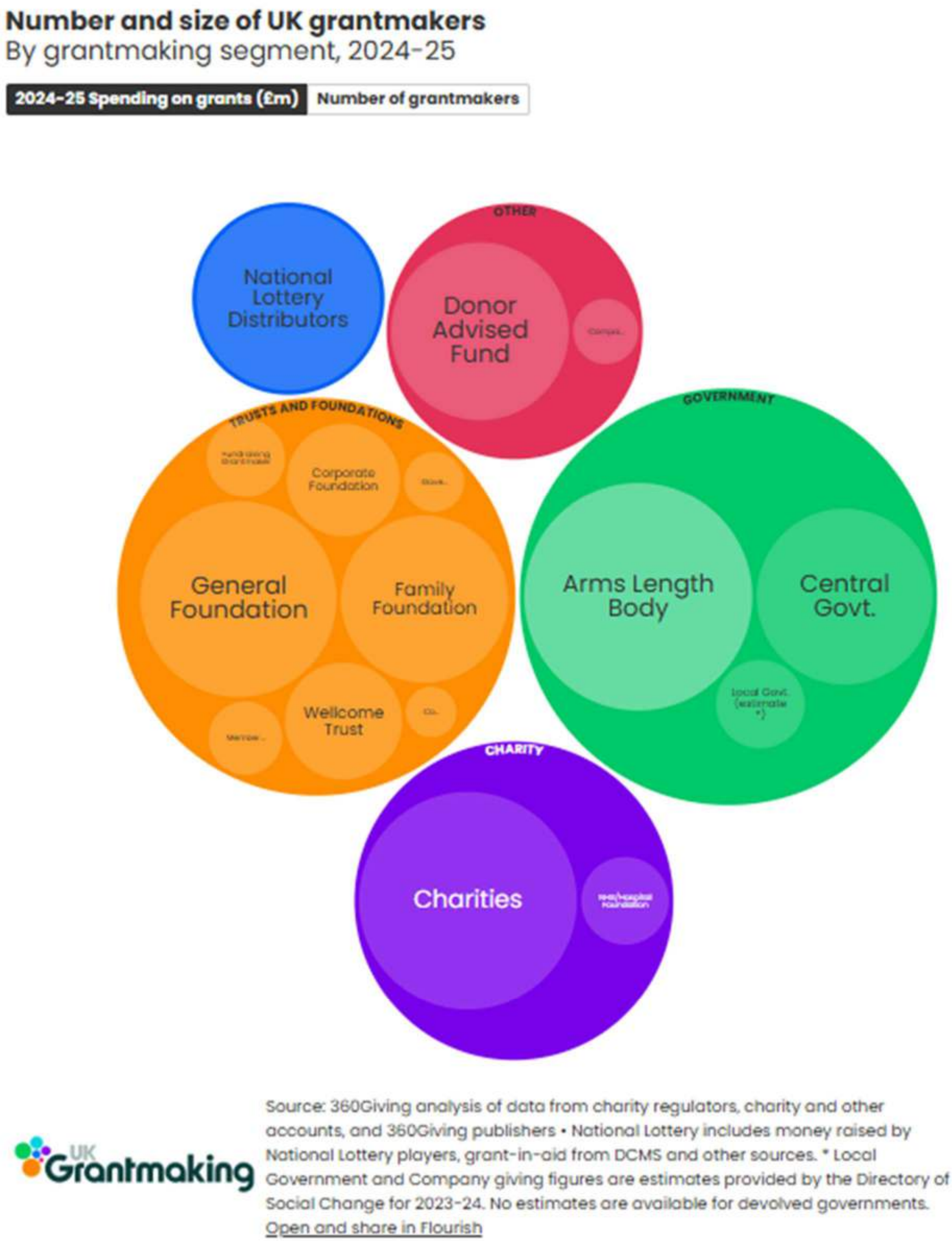
First, remove segments not relevant to the FPR

UKGrantmaking categorises the funders into five segments. Figure 1 below shows the relative size of the grantmaking segments in 2024-25, by spending on grants. Only the 'trusts and foundations' segment (the yellow circle) is relevant to FPR, so all other segments are removed from the list. Within the 'trusts and foundations' segment, we remove foundations endowed by government or lottery e.g., Education Endowment Foundation. (This reflects a rather complicated history. Some of these entities were originally not the independent grant-makers that FPR sought to analyse, and were also not on the ACF Giving Trends list so not in our sampling frame for Years One to Four.)

UKGrantmaking's segments are:

1. Trusts and foundations – including community foundations, family foundations, Wellcome, fundraising grant makers (e.g., BBC Children in Need), member/trade funded foundations (e.g., the livery company foundations), foundations endowed by government or lottery (e.g., Education Endowment Foundation), and general grantmakers
2. Charities – including NHS/hospital foundations and international aid agencies which transfer funds in the course of their work, e.g., AMREF
3. Government foundations – including central government, local government, devolved government and arm's length bodies
4. Lottery distributors, and
5. "Other" which includes donor-advised funds, and companies.

Figure 1: Number and size of UK Grantmakers, by segment, 2024-25



We exclude the following segments, which leaves us with the ‘trusts and foundations’ segment:

Table 1 – Criteria for excluding certain foundations from the long list of UKGrantmaking

Category	Description	Rationale for exclusion
Charity (shown in purple)	Charity	Defined as charities that conduct grantmaking alongside other charitable services or supporting a single cause/institution/or members only e.g. Save the Children, Oxfam, Multiple Sclerosis Society, Hospice UK, Whizz Kidz. They may make grants in the course of their work, but this is not their main activity. They aren’t fundamentally a grant-maker in the sense that FPR was set up to analyse.
Charity (shown in purple)	NHS/Hospital Foundation	These foundations mainly are attached to a single hospital (or other health facility) – which is a public body – rather than being a general grant-maker or funding outside the NHS.
Government (shown in green)	Arm’s Length Body, Central, Local, Devolved	These are not charities, they are government bodies.
Lottery (shown in blue)	Lottery Distributor	Defined as distributor of National Lottery funding. Also sometimes distribute government and other funds. These are not charities, but rather public bodies.
Other (shown in red)	Donor Advised Funds	Defined as a charitable vehicle whose main purpose is tax effective giving for a range of donors who direct the grantmaking. It includes donation platforms where the donor specifies the charity. One can argue that these should be included, and we may consider them in the future. But we have been excluding them

Category	Description	Rationale for exclusion
		so far to minimise changes from the previous years: they were not included in Giving Trends. Also, the legal board of the DAF may not be the actual decision-makers, so assessing the former may not aid transparency about the later.
Other (shown in red)	Companies	These are not charities.

Second, remove ineligible foundations from the "Trust and Foundation" segment

We then remove foundations which are not eligible for FPR:

Table 2 – Criteria for excluding certain grant-makers from the "Trust and Foundation" segment

Exclusion category	Description	Rationale for exclusion
Govt/Lottery endowed foundations	We remove all foundations belonging to the "Govt/Lottery endowed" segment	As above.

Exclusion category	Description	Rationale for exclusion
Any foundation that is not active or unknown status	All foundations for which the column titled 'Active' is 'No / False' or blank.	Inactive foundations cannot be held to account. (Note that this year, no grant-maker was marked as 'false' i.e., as inactive.)
Spending below FPR threshold or no information regarding spending	Spending budget on grantmaking to institutions is less than £1.2 million	This is about matching the foundation size to the set of foundations analysed in previous years. The smallest listed foundation on ACF Giving Trends reports had giving budgets of £1.17 million (in the 2023 report), £0.79 million (in the 2022 report). For consistency, we set the threshold for giving budget at £1million. For Year Six, we adjusted for inflation[i]. We used 2021 as base year for that as our start year (because that is when most foundations included in the most recent ACF report published the accounts on which that report is based) and look at inflation from then until 2024 (because the UKG data are for the FY2024-25). The Bank of England inflation calculator only has a whole year for that period. That gave us £1.2 million as the inflation adjusted value for £1 million.

Exclusion category	Description	Rationale for exclusion
Does not need a full audit[ii]	Income below £1 million or have gross assets below £3.26 million and income below £250,000.	FPR uses full annual reports, which are required by the Charity Commission for England and Wales only from charities that have income above £1 million or have gross assets above £3.26 million and income above £250,000. We remove any foundation which does not have audit requirements.
Any foundation with the word 'Benevolent', 'Chorister' etc. in the name		Not a general-purpose grant-maker: these make grants just for specific communities, and mainly for individuals. We removed these by finding foundations which had 'benevolent' /'benevolence' in their names. We then did a manual check: whereas last year, this identified several entities to be excluded, this year it did not.

Final sampling frame for FPR Year Six

Final sampling frame when all above criteria were applied had:

Table 3 – Final sampling frame

Grant making charities: community foundations (CFs)	36
Grant making charities: non-community foundations (non-CF)	513
Total	549

2. Drawing the cohort

Every year, for FPR we select a total of 100 foundations for assessment. This list of 100 foundations comprises:

(a) the UK's largest five grant-making foundations, and

(b) the foundations funding FPR; and

(c) a random sample of foundations from the sampling frame.

The cohort is organised such that a fifth is in the top quartile of foundations by giving budget (to organisations); a fifth in the second quartile; and so on.

Community foundations (CFs)

In FPR's early years, we put CFs in the same list as non-CFs and drew the cohort randomly from that combined list. Previous FPR reports have found that community foundations score better on average than other foundations, so the number of CFs influenced the overall performance of the cohort. To reduce this noise, we now ensure that the proportion of CFs in the cohort is the same as the proportion of CFs on the sampling frame. This is a probability proportional to size (PPS) sampling strategy and reduces those fluctuations.

To illustrate: this year, we have total 549 foundations in our sampling frame, of which 36 are CFs (see table 3 above). The proportion of CFs in the sampling frame is therefore 6.8%. Therefore, the cohort of 100 should have seven CFs (after rounding 6.55%).

We arrange the full set of CFs by giving budget; split that into quintiles (i.e., quintiles just of the CFs); randomly draw one CF from each quintile; and then, because we need seven in total, randomly draw two others.

Selecting the other foundations

We have 100 'slots'. In each quintile our slots must be filled by foundations in the relevant size quintile: 20 foundations which are in the top quintile of the sampling frame; 20 foundations in the second quintile; and so on.

First, we fill five slots in the top quintile with the five largest foundations (by budget given to organisations).

Second, we populate some slots (seven) with the selected community foundations; and fill some slots with the foundations funding the FPR. [Foundations funding FPR are all included automatically. One (Joseph Rowntree Reform Trust) is not a charity. It is nonetheless included because it is funding FPR. Friends Provident Foundation's giving budget was below the cut-off but is added back in for being a funder.]

For the remainder, we arrange all the foundations on the sampling frame largest to smallest by giving budget to organisations and stratify them into five quintiles. We select randomly from within each quintile until we have filled the 'slots' in the relevant quintile on our cohort.

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[i] https://www.bankofengland.co.uk/monetary-policy/inflation/inflation-calculator

[ii] https://www.gov.uk/guidance/prepare-a-charity-annual-return