

Civil Society Strategy

**Response to the engagement exercise led by the
Department for Digital, Culture, Media and Sport**

From the Association of Charitable Foundations

May 2018

The Association of Charitable Foundations is pleased to respond to the government's engagement exercise to inform its Civil Society Strategy. ACF is the membership body for UK foundations and grant-making charities, established in 1989. Driven by a belief that foundations are a vital source for social good, our mission is to support them to be ambitious and effective in the way that they use their resources. We do this through the provision of policy and advocacy, research and information, and a wide-ranging programme of events and learning. Our 350 members collectively hold assets of around £50bn and give more than £2.5bn each year.

Charitable trusts and foundations have always been, and will continue to be, at the heart of civil society. They are ideally placed to take a long term view and respond creatively to change and emergent need, preserving social good when it is under threat and catalysing it where it is absent. In the context of what has been described as a 'shrinking space' for civil society, many foundations are looking again at aspects of their practice; seeking to amplify the voices of those they support, provide platforms for them to be heard, and put pressure on decision-makers to listen and respond.

Foundations are also increasingly striving to be more open in their practices, while a number are considering a systems change approach, or are actively working to be more integrated in the places they work and connected to the people, initiatives and causes they support.

We look forward to working with the government to realise a strong, adequately resourced, independent, inclusive and diverse civil society.

ACF would be pleased to facilitate discussions between our members and government to inform the development of the strategy.

Key points made in our response:

1. Government should recognise and draw upon foundations' expertise, knowledge of, and longevity of support for civil society when developing and delivering policy and legislation.
2. Government should champion the role of civil society, and be proud of its own contribution to it.
3. Government funding of civil society should move away from contracts, and towards grants as the most common form of financial support.
4. Government at all levels can play a key role as both funder and enabler of civil society infrastructure and good governance.
5. Government should not seek to constrain, resist or prevent advocacy, campaigning or opposition, but see this as an essential part of a healthy democratic society.

CIVIL SOCIETY

What are the strengths of civil society today? You might consider its mission and motivation, services for the public, difference to quality of life or economic and/or social impact.

The organisations and people who comprise civil society are distinctly those who, as their primary objective, aim to create public good. They are values and mission-led, not primarily aiming to create private wealth or profit. They care deeply about the people, places and initiatives they support and are often experts in the place in which they work: Responsive to local needs, conscious of its history, and attuned to its culture. They are embedded within networks, operate across sectors, seek to reach beyond silos, and connect people rarely listened to with those in positions of power. They often engage in advocacy and campaigning, usually to support unpopular causes and those who are most marginalised. Civil society takes pride in its independence – separate from the state, from party politics, from a drive for profit.

How can government help to increase the impact of civil society?

A key role for government is as a champion of civil society, promoting its contribution, expertise and worth. Collaboration is essential to ensure government is fully informed by a breadth of people affected by its actions – and should actively seek to engage civil society in policy formation, meaningful partnerships, and legislative change.

To increase civil society's impact, government should:

- Set an appropriate regulatory framework, to ensure that those working in civil society are able to celebrate and utilise their distinct and independent status, while remaining legally compliant and financially robust.
- Ensure that civil society is adequately resourced to enable it to be its very best, and fund it in a way that is fair and proportionate, wherever possible through the flexibility of grants, and not in a way that is harmful and exclusionary.
- Ensure that civil society is consulted on government policy and legislative plans.
- Support civil society running costs and infrastructure, in addition to direct service funding.
- Encourage philanthropy through promoting the value and impact of giving, by creating an enabling regulatory and tax environment, and offering a collaborative approach to working with philanthropists and foundations.
- Serve as a convener between civil society and potential contributors to it, such as connecting charities with business and public services.
- Champion the contribution it makes to civil society and the value of civil society's contribution to its own work.

How can public trust in civil society be built and maintained?

Civil society is at its best when it is inextricable from the public. The further removed it becomes, the lower the level of public trust. Civil society (including charitable foundations) must not be complacent – it must continually make the case for its form and function, consider its relevance, review its performance, and check its legitimacy. It must defend its collective and individual values, missions and independence, and not become a delivery service indistinguishable from business or the state.

Transparency is essential, including a willingness to pursue excellence in the face of financial pressure, reject ineffective practice even when it may be lucrative, and robustly defend spending decisions that enable best practice (such as on safeguarding and impact). Good governance should be the first principle of civil society – not an add-on, but the centrepiece – from which all else flows.

Government, employers and philanthropy should all be willing to encourage, champion, and invest in governance, support its delivery and promote its worth.

How can civil society be supported to have a stronger role in shaping government policy now and/or in the future?

It is essential that civil society is able to play a meaningful role in shaping society. This includes having opportunities to initiate, contribute to, influence and challenge government policy and

action. Foundations can play a key role in ensuring that this activity is resourced, independent and expressive.

Government should not seek to constrain, resist or prevent advocacy, campaigning or opposition, but see this as an essential part of a healthy democratic society.

As policy and practice is increasingly devolved to regional and local entities, civil society has to adjust its positioning accordingly. This presents a challenge to civil society to have an impact on a 'national' basis, but many more opportunities to affect change at a local level (where civil society is often at its best). The localism agenda makes the need for infrastructure support all the more essential – to ensure a joining-up of national and local, sectors, silos, issues, communities and places.

Government at all levels can play a key role as both funder and enabler of civil society infrastructure (including community foundations, and regional and national bodies such as councils for voluntary service (CVSs)).

We interpret civil society as inclusive of all those outside of the public sector, who share the mission of building a stronger society and improving lives, regardless of traditional sector boundaries such as charity or private and for profit or not. What are the advantages of using this interpretation in developing this Strategy?

We disagree with this interpretation.

It is true that no one sector has a monopoly on good ideas, integrity, morality or ethics. Private sector organisations are often at the heart of communities, and working to create public good as well as private wealth. They can bring expertise in financial processes, generating income, enterprise, opportunism, new ideas, optimism and energy.

However, although statutory services and business and companies that operate for profit often make an important contribution to civil society, they should be considered to be distinct from those who pursue, as their primary purpose, achieving public good.

What are the disadvantages of using this interpretation in developing this Strategy?

The organisations and people who comprise civil society are distinctly those who aim to create public good as their primary objective, and use any surplus income to further this aim.

They are values and mission-led, not aiming to create private wealth or profit. Widening the definition of civil society to include profit-seeking companies and public services renders the very notion of civil society meaningless, and merely serves to illustrate that there are many ways that people and institutions can 'do good'. This is not the same as a distinct 'civil society', whose principal purpose is to achieve public good, and it is essential that funding intended for the voluntary sector and civil society remains solely accessible by not-for-profit entities.

PEOPLE

Enabling more people to play an active role in society

Reflecting on your own experience or examples you are aware of in the UK or abroad, how have people successfully taken action to improve things for themselves and their communities? Please tell us why it has worked well.

It is essential in a healthy civil society that people have a say in what happens in their local communities. How they do this may include participation in democratic processes, volunteering, organising, delivering services, campaigning and fundraising. Many give their time and expertise to serve as volunteers in local charities (including trusteeships).

Many foundations and other funders of civil society support organisations and initiatives that enable people to engage directly with their communities, such as:

- **UK Community Foundations'** national network of members is '*dedicated to working locally and inspiring people to give. We help people and organisations to invest in local communities where it is most needed and where it will make most impact*'. [Read more](#).
- **Tudor Trust** particularly wants to help '*smaller, community-led organisations that work directly with people who are at the margins of society: organisations that support positive changes in people's lives and in their communities*'. [Read more](#).
- **Big Lottery Fund's** Awards for All programme has the requirement that projects '*involve your community in the design, development and delivery of the activities you're planning*', with an aim of: '*Bringing people together and building strong relationships in and across communities; improving the places and spaces that matter to communities; and enabling more people to fulfil their potential by working to address issues at the earliest possible stage*'. [Read more](#).
- **Esmée Fairbairn Foundation's** funding priority on the environment states '*that people are the key to tackling the environmental challenges we face today. We fund organisations who can move, engage and inform people, and connect with the bigger picture of policy-making, social justice, or quality of life*'. An aspect of this work is '*Connecting people with nature and environment issues*' in a way that: '*Excites and inspires people to get involved in nature or environmental issues and take action to make a difference; Makes environmental issues relevant to people's everyday lives and what they care about; and Enables groups that may be disconnected from nature, for example in urban areas, to become more engaged*'. [Read more](#).
- **The Robertson Trust** is the largest independent trust in Scotland and has '*a vision to improve the quality of life and realise the potential of people and communities in Scotland*'. Within its strengthening Communities strand it supports work that '*benefits those who have been disproportionately affected either economically, or due to the marginalised nature of their peer group. We also recognise the value of building on local assets and wish to support*

organisations and communities which come together to create meaningful, sustainable solutions to address local need'. [Read more](#).

- **Barrow Cadbury Trust** aims 'to bring the voices of marginalised and disadvantaged people to be heard in the 'corridors of power'. The Trust works with think tanks, campaigning organisations and the media to increase informed public dialogue about some of the difficult issues of our age. We provide opportunities for grantholders to influence policy makers and also for them to come together and share learning'. [Read more](#).

WORKING IN PARTNERSHIP

Reflecting on your own experience or examples you are aware of in the UK or abroad, how are partnerships across sectors improving outcomes or realising new potential?

Many foundations see their role as one of partnership formation, brokering and collaboration. They are increasingly seeking ways to work with one another, and across sectors, to achieve shared goals. There are many ways that foundations have approached this, and some of these are highlighted below.

Pooled funding to finance a joint initiative where charitable funders each contribute an amount into a single pot, often administered by one organisation

- **The Listening Fund**, 'a £900,000 pooled fund to invest in learning and scaling practice at an organisational level that enables young people to be agents of change, listens to and responds to their needs, and analyses the difference this makes. The Fund is shared across 22 youth-focused organisations in England and will promote creative mechanisms – from new technology and research to board positions for young people – to make sure young people's voices are heard' (Blagrave Trust, the Big Lottery Fund, Comic Relief, and the Esmée Fairbairn Foundation. [Read more](#)).

Aligned funding where individual grants are awarded and managed by each funder, within a framework or single strategic objective

- **CSEFA**, 'a group of charitable funders who are aligning resources in order to bring about a step change in how Child Sexual Exploitation (CSE) is dealt with across the UK. The overarching aim of their strategy is to position CSE as an integral part of mainstream safeguarding activity. The strategy comprises three work strands: Development of a Hub and Spoke model of specialist service provision; Promotion of the meaningful involvement of children and young people in their own care, and in service delivery and development; and Creation of a knowledge hub to share knowledge about CSE and the evidence base for good practice' (12 foundations. [Read more](#)).

Match-funding where funders agree to contribute a proportion of the total costs of a project or initiative, and the public/government/statutory agencies support the remainder

- **Corston Independent Funders Coalition** (in its first iteration from 2008-12) was established when more than 20 independent philanthropic foundations formed the CIFIC to challenge the government to implement the Corston Report. This called for an end to putting non-violent women offenders in jail and moves towards placing them in far more effective community solutions. Achievements included: Match funding with the Ministry of Justice to support an expanded network of women's centres offering alternatives to custody; instigating a new national body supporting women's centres – Women's Breakout; with sector partners, securing the commitment of the Prison Minister publically declaring that he would reduce the number of women in prison by the supporting a network of women only community provision. In its current iteration its focus is on supporting leadership capacity within women-specific charities working in the criminal justice system. [Read more.](#)

Collaboration and co-design There are many examples of foundations co-designing and co-commissioning projects, either with other foundations or with the state. This is often to ensure that the burden on grantees is reduced (a single application and reporting process), that resources go further (administrative burden and duplication is lower), or to seek to bring different attributes to the partnership (e.g. foundation that has issue-specific knowledge with one with greater resources).

- **Kurt & Magda Stern Foundation** supports an innovative project that seeks to divert 18-25 year olds away from the criminal justice system. The young adults receive a conditional caution from the police, part of which is a referral to a specialist local charity. It is funded in partnership with Hampshire Police, Southampton City Council, and the Police and Crime Commissioner for Hampshire, and is subject to an ESRC-funded research project led by Southampton University.

Emergency response funding where foundations form a rapid time-limited response to a crisis or emergency, such as terrorist attacks or natural disasters

- **The possible not the perfect** *'In response to three different emergencies during Summer 2017 (the Manchester Arena bomb on 22 May, the attacks in London Bridge and Borough Market on 3 June, and the Grenfell Tower fire on 14 June) funders dispensed with 'business as usual' in order to provide urgent support to community organisations and services'.* [Read more.](#)

Campaigning and research where foundations undertake their own research in partnership with other organisations about a particular issue where they are seeking policy or practice change

- **Joseph Rowntree Foundation** *'is an independent social change organisation working to solve UK poverty. Through research, policy, collaboration and practical solutions, we aim to inspire action and change that will create a prosperous UK without poverty, where: More people want to solve poverty, understand it and take action; everyone has a decent, affordable home in a good place; everyone has a good living standard and prospects; more people find a route out of poverty through work; and more people find a route out of poverty through a better system of social security'.* [Read more.](#)

Foundations delivering programmes for others Some foundations deliver funding programmes on behalf of others, including the state or other charities. This might be because foundations have processes and networks in place to deliver an effective grants programme, or in-house expertise on an issue.

- **Access Foundation** *‘The Impact Management Programme provides support for charities and social enterprises seeking to grow their ability to quantify, report on, increase and ‘get paid for’ their impact. Delivered on our behalf by a partnership led by NPC, it has been co-designed by the sector to ensure it is user-friendly and reflects organisations’ needs’* (Access Foundation is a partnership of the Department of Culture, Media and Sport, Big Society Capital and the Big Lottery Fund. [Read more](#).

Voice in governance and funding processes Some foundations are seeking to incorporate the voices of the organisations they support (and the people grantees serve) into decision-making (e.g. grants committee representation, trustee boards)

- **Lankelly Chase Foundation** has a trustee board which includes people with experience of multiple and complex needs, either as individuals or as service providers. [Read more](#).

Match trading where funders commit to grant support for social enterprises where funding is matched to the trading income of the enterprise.

- The Match Trading Taskforce (which is chaired by ACF's chief executive) notes that: *“We are interested in how social-sector organisations can increase their income from trading. The Match Trading Task Force is leading a cross-sector exploration of Match Trading grants, a new type of grant-funding developed by the School for Social Entrepreneurs. Match Trading™ is grant-funding that pound-for-pound matches an increase in income from trading. By rewarding sales growth, Match Trading incentivises social organisations to develop their trading base, so they can build stronger futures’*. [Read more](#).

The funding and financing environment

Reflecting on your own experience, or examples you are aware of in the UK or abroad, what does an effective pool of funding and financing as well as income opportunities for the voluntary and community sector look like?

Civil society requires a broad and diverse funding ecosystem in order to thrive. Currently, organisations that comprise civil society utilise a variety of funding types, including grants, contracts, donations, social investment, loans, and commercially generated income. Income derives from the general public through donations and gift aid, government and EU grants and contracts, the private sector and self-generated income.

In recent years, there has been a sharp decline in grant income to much of civil society, particularly affecting small and medium sized charities. In contrast, a far higher proportion of government funding has been delivered through contracts, which have often proved more costly, overly

restrictive in activities, unresponsive to changing circumstances, and frequently excluding of all except the largest charities.

NCVO's 2018 [UK Civil Society Almanac](#) reported that voluntary sector organisations had an annual income of £47.8bn (2015/16), £22.3bn of which was from individuals and £15.3bn from government (split equally between central and local government). Government spending on the voluntary sector is £15bn, 2% of total government spending, 81% of which is awarded through contracts. According to [ACF's research](#), foundations have increased spending every year since 2013 but demand on trusts and foundations continues to rise. Foundations are themselves vulnerable to fluctuations in the market and global economy. For example, annual real-terms spending by foundations has only recently returned to a level of spending equivalent to that immediately before the 2008 global financial crisis.

Grant funding is the principal way that foundations support civil society. Foundations' annual spending power often punches far above their weight. It is equal to 0.5% of UK government expenditure, but at £6.5 billion foundation grant-making is equal to 43% of total government spending on the voluntary sector. This independent grant funding enabled foundations to back causes that may otherwise struggle to gain attention, offer long-term support, work independently of short-term political cycles, respond creatively to immediate need, and find long-term solutions.

Within grant funding, there is an enormous diversity of approaches, such as:

- One-off grants for small capital projects;
- Large, long-term heritage projects;
- Core, unrestricted funding over multiple years; or
- Targeted, restricted funding for a piece of research over a short time.

According to the NCVO [2017 Almanac](#), *'for over a decade, there has been a trend of income from government being provided through contract rather than grants. The switch from grants to contracts began 2003/04, when grants peaked at £6.2bn, over half of all income to the voluntary sector from government. Since that time contracts have grown in importance as grants have become less common. In 2014/15 grants made up 19% of income from government (£2.9bn)'*. The [Grants for Good](#) campaign [forecasts](#) that, at the current rate of decline, government grant funding may cease entirely within the next three years.

The [House of Lords Select Committee on Charities](#) found that the move to contracts has *'disadvantaged smaller charities, which struggle to bid for services at scale, and constrained the valuable innovation that charities can bring to service delivery'* (p. 3). We would like to see a reversal of this trend, where a majority of government spending on the voluntary sector is through grants. As the Committee found: *'While acknowledging the increasing financial constraints that public sector bodies are under, we emphasise the important role that grant funding plays in ensuring the sustainability of charities, particularly with regard to innovation'* (p. 57).

Core funding and restricted funding: Most charities value core, unrestricted funding the most – enabling them to make their own choices about how they best fulfil their mission. This is usually secured via public donation, as it is nearly impossible to secure from government and can be difficult to secure from trusts and foundations.

Funding Plus: Many foundations offer support and contributions that are non-monetary. This can be described as ‘funding plus’:

“Most funding plus activity is described as ‘capacity building’ (training, consultancy, support) aimed at developing the skills of individual grantees and/or organisations. However, we have also found that many funders work to achieve influence and change through ‘plus’ activities, such as convening, networking or brokerage.

“For a small number of foundations, the distinction between ‘funding’ and ‘plus’ is consciously and deliberately blurred. We have described this practice as ‘high engagement funding’, a term that better reflects the phenomenon than ‘grants plus’ or ‘funding plus’, which imply a simple ‘add on’ to basic monetary transfers’.

“This degree of engagement – where going beyond the money may be automatic and is an expression of values and beliefs – is still relatively rare. Indeed, at the other end of the spectrum, going beyond the money might just not be the right thing. And, whilst there’s no shame in that, we do encourage all funders to engage in debate and discussion about the use of their assets as part of a wider consideration of what it means to be a responsible funder” ([Read more](#)).

Where is there the potential for changes to the funding and financing environment to better support the work of the voluntary and community sector, for example increasing the use of new models of funding, use of technology and/or changes to current funding practice?

Protecting funding for civil society post-Brexit: The [Directory for Social Change](#) reported in 2017 that ‘A large amount of EU funding is at stake, which is vital to the charity sector: We estimate that the total EU funding from which UK charities benefitted in 2015 to be at least £258.4 million’.

DSC found that, so far, there have been only piecemeal statements on maintaining funding after Brexit:

- In October 2016 the UK government provided a guarantee to continue to support projects which are agreed up to the point at which the UK departs the EU. However, funding will be guaranteed only for those projects which are ‘good value for money’ and ‘in line with domestic strategic priorities.’
- The 2017 Conservative Party manifesto outlines the plan to ‘use the structural fund money that comes back to the UK following Brexit to create a United Kingdom Shared Prosperity Fund.’

There are a range of actions the government should take as a matter of urgency (as identified by DSC):

- Clarify the level of funding that will be maintained throughout the Brexit process, including a definition of the conditions under which present funding will be guaranteed (i.e. What

specific criteria will be used to judge whether a project is 'value for money' or 'in line with domestic strategic priorities' for projects awarded pre-Brexit?)

- Provide a credible commitment on how EU funding will be replaced in full after the UK's departure from the EU, and a clear timetable for this
- Consult with the charity sector and the wider social sector in developing the potential UK Shared Prosperity Fund, including: What the strategic purpose, aims and priorities of the fund will be, how will it be administered and support critical social causes?

Encouraging philanthropy: Charitable trusts and foundations are charities themselves, and must comply with the regulatory and legal requirements overseen by the Charity Commission. Government has an important role to play in developing a regulatory and tax system that encourages philanthropy and enables it to thrive.

Initiatives such as Gift Aid and not applying VAT on grants are essential for civil society and should not be curtailed. The value of such measures is enormous and goes far beyond their literal monetary value, encouraging donors to give (including small amounts) as it increases the financial impact of their gift.

When introducing new financial policies and practices, government should consult foundations who are ideally placed to comment, and anticipate pitfalls and unintended consequences (e.g. the Common Reporting Standard).

Social investment and **intentional investment** are discussed below.

New investment models

Reflecting on your own experience or examples you are aware of in the UK or abroad, how are new investment models unlocking new potential and partnerships?

Social investment: A minority of foundations are increasingly engaging in social investment, a way of supporting civil society with financing that requires a return (as opposed to a grant that is in effect a nil-return gift with conditions). Many foundations have endowments that are invested in the market in order to generate an income. Often, an endowed foundation's grant budget will be determined by the income that their investments make. Others spend their capital over a set period of time until it is used up. Some will spend both income and capital to increase their impact in the short-term or meet immediate need. Social investment, like intentional investment (described below) is a way for foundations to utilise their endowments (rather than their grant funds) more deliberately in line with their mission. Social investment can include:

- **Direct issuing of interest free loans**, or investing in companies that offer ethical or low interest loans (e.g. [Charity Bank](#));

- **Social impact bonds** (e.g. where an up-front investment by a foundation is repaid (e.g. by government) if an outcome is achieved, e.g. [Peterborough Prison SIB](#));
- **Social investment funds**, where several investors will pool funds in order to invest collectively in a range of mission-aligned ways (e.g. [Big Issue Invest](#));
- **Ethical property investment** (e.g. that is rented to charities at a lower than commercial rate rent, e.g. [The Foundry](#)).

Foundations are also investing in creating the infrastructure for a marketplace to enable social investments to be traded (e.g. [Ethex](#)).

Venture philanthropy is, as described by the [European Venture Philanthropy Association](#) (EVPA), 'a high engagement and long-term approach to generating social impact' through three practices:

- Tailored financing: Using a range of financial instruments (including grants, debt, equity and hybrid financial instruments) tailored to the needs of the organisation supported;
- Organisational support: added-value support services that are offered to investees to strengthen their resilience and financial sustainability by developing skills or improving structures and processes;
- Impact measurement and management: Measuring and managing the process of creating social impact in order to maximise and optimise it.

Intentional Investing: In the UK, charity trustees are obliged to use their resources in ways that best meet their charitable objectives. They are not obliged to pursue investment returns at the expense of their charitable mission, their organisation's reputation, or in ways that could alienate donors or beneficiaries.

ACF advocates for "intentional investing", which means that foundation trustees have thought about the management and use of their charity's assets so that their approach supports the delivery of their charitable aims. They will be able to explain their approach and, as far as possible, anticipate and review the impact of their decisions in terms of their mission and values, beneficiaries, and supporters.

[Research in 2015](#) found that the majority of charitable foundations (59%) had or planned to implement a mission-informed investment policy, up from 29% in 2009.

Previously, it was sometimes argued that intentional investment is in tension with maximising returns. While many believe that any financial shortcoming is far surpassed by a far higher rate of social return, it is also now common for ethical investments and funds to financially out-perform others in the marketplace.

Foundations with endowments are increasingly seeking to avoid investments that are counter or harmful to their mission, and are taking care to pursue ethical and screened investments. Many foundations already avoid munitions and tobacco companies. Some funders are [divesting](#) in fossil fuels and investing in renewable energy, others are selecting shares in distinctly ethical companies, while others see [share action](#) as a more effective approach to make a difference – taking up their

right as shareholders to ask challenging questions of boards, often in collaboration with others and through investment managers.

Associations can help members think this through, and also consider where the boundaries might lie – for example, a foundation that has interests in reducing health inequalities may divest in alcohol companies, and want to go further – such as companies that produce high-sugar products.

Foundations are increasingly seeking to use ‘all their assets’ – their independence, convening power, advocacy, institutional memory – as well as their money. This goes beyond funder-plus, and moves towards a “total mission” approach. Examples of this would include:

- Investing and residing in ethical property that is carbon neutral or that makes a contribution to civil society through subsidised tenancies
- Selecting supply chains that pay the Living Wage and contribute towards a social good.
- Using catering companies that source locally and minimise harm to the environment
- Ensuring that their boards and staff teams are inclusive and diverse
- Putting a defined allocation of the endowment to work through social investment (such as interest free loans)

Friends Provident Foundation described becoming a ‘new creature’ as a result of implementing this ‘transformative’ culture shift: *“We changed the narrative: we moved our attention from a focus on our marginal spend (grants) to our whole capital base and this is now how we evaluate our impact – we are a capitalised charity not a grant-maker”* ([Read more on p32](#)).

Responsible business

Reflecting on your own experience or examples you are aware of in the UK or abroad, how are businesses unlocking new partnerships and potential within civil society? Please tell us how this is different to other types of organisations.

Corporate Foundations: ‘Corporate Foundation’ is a general but not technical term used for foundations established and funded by the corporate sector, through company endowments, covenants or annual gifts. While many companies donate to good causes directly (and such gifts are currently worth £420 million), some establish foundations to carry out their philanthropic activities more independently, and some give in both ways. UK corporate foundations are the fastest growing part of the foundation sector. They represented 9% of the top 300 foundations giving in 2015/16 (at £269m), comparable with the US, where they represented 11% of foundation giving (pp 18-19 of [Giving Trends 2017](#)).

Campaigns and supply chains: Many foundations are involved in business-facing campaigns to create social good and deliver social justice.

The Living Wage Foundation campaign has resulted in many corporations signing up and committing to paying the real living wage. An aspect of this campaign is the [‘Friendly Funders’ network](#), where foundations commit to only fund roles in charities that pay at least the real living wage, and support grantees to become real living wage employers. Many

foundations are also working with businesses in their supply chains to encourage them to become real living wage employers, or are selecting suppliers who are already doing so.

PLACE

Devolution/localism

Reflecting on your own experience or examples in the UK or abroad, how have local people, businesses, voluntary and community organisations, and decision makers worked together successfully to break down barriers in our communities and build a common sense of shared identity, belonging and purpose?

Many foundations are increasingly interested in pursuing their missions through the lens of place (e.g. [Baring Foundation](#)). This may be in terms of how they fund (such as local innovation and pilot projects (often within a national framework), replication, having a geographical focus in a regional or local area (e.g. a borough, city or region), or in terms of how they seek to influence and engage partners (e.g. a focus on devolved authorities, system change, movement building, community resolution). Examples of each of these are outlined below.

Local innovation and pilot projects within a national framework

- **Making Every Adult Matter Coalition (MEAM), which has a vision** *‘that in every local area people experiencing multiple needs are: Supported by effective, coordinated services; and Empowered to tackle their problems, reach their full potential and contribute to their communities’* (funded by John Ellerman Foundation, Lankelly Chase Foundation, Garfield Weston Foundation, Calouste Gulbenkian Foundation, Big Lottery Fund; see <http://meam.org.uk/>)

Replication

- **Realising Ambition** *‘is a UK-wide £25m Big Lottery Fund programme replicating 25 services aimed at preventing children and young people from entering the criminal justice system. Launched in 2012, the five year programme is providing grant funding and specialist support to 22 organisations to refine and build the evidence base of their services. Realising Ambition aims to: Improve the evidence base of what works, for whom and why in avoiding pathways into offending; promote learning about what it takes to replicate evidence-based interventions; help commissioners to ask the right questions about evidence, practice and impact’* (funded by the Big Lottery Fund. [Read more](#)).

Geographical focus

- **Trust for London** aims *‘to tackle poverty and inequality in London and we do this by: funding voluntary and charity groups – currently we make grants totalling around £8 million a year and at any one time we are supporting up to 300 organisations; funding independent*

research; and providing knowledge and expertise on London's social issues to policymakers and journalists'. [Read more](#).

- **Trafford Youth Trust** is 'a place-based funder committed to supporting youth sector partners to deliver activities and opportunities to Trafford's children and young people. [It] exists to deliver against three core objectives, to: Invest funding into youth services through grants and contracts; Raise additional investment to benefit Trafford's youth sector and the young people they service; and Support the VCSE youth sector to collaborate for the benefit of children and young people'. [Read more](#).
- **Mountsorrel Relief in Need Fund** 'is a part of the Mountsorrel United Charities which was set up in 1874 and exists to help residents of Mountsorrel who find themselves in need, hardship or distress. The fund is able to help in a variety of ways with electrical household products, [garden maintenance](#), decorating, carpeting, [chiroprody](#), mobility equipment (that is not supplied by Social Services), i.e. mobility scooters, hospital travel expenses and many of other areas of need'. [Read more](#).

Systems change

- **Lankelly Chase Foundation** 'builds partnerships across the UK to change the systems that perpetuate severe and multiple disadvantage. We develop and support action inquiries into the changes that are needed. We don't think any one person or organisation has all the answers, and so we aim to make these inquiries as collective and collaborative as possible. Through years of working with people tackling issues such as homelessness, drug misuse, violence, mental ill health and poverty, we've observed that the systems which are effective in responding to severe and multiple disadvantage have some common qualities. We call these qualities systems behaviours. Our action inquiries therefore aim to create the conditions within which these system behaviours can be tested, understood and promoted'. [Read more](#).

Supporting small charities and community based practice

- **Lloyds Bank Foundation** offers 'long term funding for core and development costs. We work with charities on the ground to tackle disadvantage and understand their work, helping us improve the impact and quality of what we do. Through this process we support charities through a journey of development, allowing them to concentrate on those most in need. By building partnerships and championing the role and impact of small and medium charities, we aim to become a trusted and respected voice both nationally and regionally'. [Read more](#).

Investing in 'tech for good'

Many foundations are supporting technological innovation that can increase social impact and support civil society. There are several foundations that are well equipped to identify and fund capacity and projects in this area, such as those that take part in the Tech for Good initiative. Many others (like much of civil society) will need support to help them improve their digital confidence.