

Foundation Practice Rating:
Criteria to Rate Foundations, Year Two (2022-23)
18th July 2022

1. Background

The Foundation Practice Rating (FPR) assesses UK grant-making foundations on their practices in diversity, transparency and accountability. The Year One results were published in March 2022, which assessed and rated 100 foundations. The FPR is led by [Friends Provident Foundation](#), and also funded by various other UK funders¹. [Giving Evidence](#) determined the criteria, created the rating system, and produces the research annually. Most of the included foundations are selected randomly each year, so the set of foundations included each year changes.

The FPR gives each foundation both an overall rating and also ratings on each of the three 'pillars' (diversity, transparency and accountability). The ratings range from A (highest) to D (lowest). Importantly, the FPR assesses foundations based only on their public materials (website and annual reports) because these are normally all that is available to a prospective grantee.

In Year One, the research was done in 2021 and the results published in spring 2022; for Year Two, the research will be done in 2022 and the results published in spring 2023.

2. How we determined the criteria which we used in Year One

As the FPR is partly about promoting transparency, we are open about the criteria on which we rate foundations. The criteria used in Year One came from various sources: first, other self-assessment, rating and ranking projects (UK and international); second, interviews with sector and rating experts; and third, suggestions from the sector, solicited via an open consultation.

The criteria were selected only if they were:

- *In scope:* The criteria must relate to our three 'pillars'. Some suggestions were about, for example, environmental sustainability but these are out of scope. AND
- *Observable:* The rating process uses only data in the public domain (via a foundation's website or the regulator's website). The evidence of whether a foundation meets a criterion must be observable from the outside, and not require (for instance) interviews with staff or insider knowledge. AND
- *Workable:* It must be possible to assess the criteria consistently across all the included foundations. For instance, criteria around whether a foundation publishes its salaries for jobs is unworkable as in order to assess this the foundation must have a 'live' job advertisement at the time of assessment.

We published the set of criteria before the research work commenced. Note that we published our 'starting criteria', i.e., the ones with which we were starting, fully expecting that some would turn out to be unworkable. We also published the eventual criteria which comprised the Year One rating: [here](#) and in [the report here](#) (bottom of the page).

¹Funders for 2021 included: [Barrow Cadbury Trust](#), [The Blagrave Trust](#), [Esmee Fairbairn Foundation](#), [John Ellerman Foundation](#), [Joseph Rowntree Reform Trust](#), [Lankelly Chase Foundation](#), [Power to Change](#) and [Paul Hamlyn Foundation](#).

3. Consultation on the criteria to use in Year Two

We are aware that the FPR is new and quite radical, and therefore wanted to give the sector a chance to provide feedback or suggestions for future iterations. We therefore ran a second consultation following the publication of the Year One results. That consultation ran from 23 March to 24 May 2022. It received only few responds: 14 in total. The suggestions were few.

- Several respondents asked us to add criteria which are in fact already included. For example, to assess whether foundations publish their “race pay gap data”, which we did already in Year One.
- Some responses were matters of opinion, (“I think you should do X”) though with no change in the underlying facts or circumstances – and not pointing out any error or omission. When we first designed the rating and criteria, we had to form our opinions (e.g., on whom to exempt from what – such as exempting foundations with small teams from reporting on their diversity). As a principle, we used rules and definitions from other systems where possible (e.g., on thresholds for staff numbers for reporting pay gaps, or requirements for investment policies). For some, we could find no external source so just had to decide. People may disagree with those decisions, and they may still do so. We will change our positions if there are either new data / resources to use (e.g., a workable definition of something materializes which hitherto lacked that) or a new argument, i.e., not just because somebody disagrees with our position.
- Some respondents suggested additional criteria in relation to diversity. These relate to:
 1. **Class or socio-economic status:** Suggestion to include criteria on foundations’ disclosure about the breakdown of their boards and/or staff on class or socio-economic status. In Year Two (2022), we will gather the information that foundations provide about this. There will not be a rating criterion about this in Year Two, though there may be in subsequent years.
 2. **Lived experience.** Suggestion to include criteria on foundations’ disclosure about relevant lived experience of their boards/staff. In Year Two, we will gather the data that foundations publish. Again, there will not be a rating criterion about this in Year Two, though there may be in subsequent years.

Both these two issues – socio-economic status/class and 'lived experience' – are difficult to assess. For instance, 'class' can be defined in many ways, e.g., parental occupation, highest level of education achieved. Hence we will look for existing accepted definitions, rather than creating one ourselves. This is consistent with our approach of pushing decisions away from ourselves and leveraging existing work wherever possible.

We have decided not to change any of our final criteria that were used in the rating in FPR Year One. This also maximises the consistency of information between Years One and Two, enabling comparisons between years.

4. Criteria for Year Two

The criteria for FPR Year Two are the same as for Year One, and are outlined in the table overleaf. This shows the pillar (accountability, transparency or diversity) to which each criterion relates. It also shows whether it or a similar criterion has been used in other rating or rankings, or included in self-assessment tools or guidance.

Some foundations are exempted from some FPR criteria – e.g., a foundation with no staff is exempt from criteria about whether it discloses staff pay gap data. The table also shows the rules for these exemptions.

For Year Two, we will change the exemption on publishing a diversity plan from 10 or fewer staff to 5 or fewer staff. That is mainly because, if you encounter a foundation with 10 staff who are all demographically identical, the chances that that is random chance is really low, and the foundation should have a plan for improving that. Indeed, the number of staff which a foundation can have, where, if they are demographically identical, that is from random chance, seems rather lower than 10. Five seems a better number.

	Exemption rule in Year One	Exemption rule for Year Two
Disclosing diversity	Exempt foundations with 10 or fewer staff	Exempt foundations with 5 or fewer staff
Publishing a diversity plan	Exempt foundations with 10 or fewer staff	Exempt foundations with 5 or fewer staff

Table 1.: The criteria by pillar and by provenance

Pillar	Criterion	Used in other ratings/rankings/self-assessment tools/guidance?
Transparency	The foundation has a website.	GlassPockets
Transparency	The foundation states how to apply for funding. ²	No
Transparency	The foundation publishes any information about its funding priorities.	GlassPockets & ACF Transparency & Engagement
Transparency	The foundation is explicit about what it will not fund. ²	No
Transparency	The foundation provides explicit mechanisms to ask questions about funding.	No
Transparency	The foundation publishes any eligibility criteria for what it funds. ²	GlassPockets & ACF Transparency & Engagement
Transparency	The foundation publishes any information about a time frame for funding decisions. ²	No
Transparency	The foundation cites a time frame in which it will disburse funds to a successful applicant. ²	No
Transparency	The foundation publishes any information on who or what it funded.	GlassPockets
Transparency	The foundation provides its data on awarded grants in a download-able (open) format that doesn't require payment to access (.xlsx, .csv, .jstor, or .txt)	No
Transparency	The foundation publishes success rates for its funding. ²	No
Transparency	The foundation publishes information about any grant reporting requirements for its grantees.	No
Transparency	The foundation publishes information about branding requirements for its grantees.	No
Transparency	The foundation provides contact information on its website.	No
Transparency	The foundation provides a mechanism to ask questions about funding.	GlassPockets & ACF Transparency & Engagement
Accountability	The foundation publishes information on who its staff are, including their biographies, on its website. ³	GlassPockets
Accountability	The foundation publishes information on who its trustees/board members are, including their biographies, on its website.	GlassPockets
Accountability	The foundation cites the criteria on which its funding decisions are made.	No
Accountability	The foundations says who makes the funding decisions in its organisation.	No
Accountability	The foundation offers accessible ways to get in contact (e.g., text relay, BSL or other).	No
Accountability	The foundation provides a mechanism for comments, complaints (feedback).	BBB Wise Giving Alliance, Standards for Charity Accountability
Accountability	The foundation publishes any feedback it receives from grant seekers and/or grantees.	GlassPockets
Accountability	The foundation publishes any actions it will take to address this feedback.	No
Accountability	The foundation provides a mechanism to report malpractice concerns (whistleblowing).	GlassPockets

²Exempt for foundations which only fund through invited proposals

³Exempt for foundations with no staff

Table 1.: The criteria by pillar and by provenance

Accountability	The foundation publishes any analysis of its own effectiveness.	GlassPockets / BBB Wise Giving Alliance, Standards for Charity Accountability
Accountability	The foundation publishes some information of what it is doing differently as a consequence of this analysis.	No
Accountability	The foundation cites any evidence that it has consulted the communities it seeks to support in determining its funding priorities.	No
Accountability	The foundation publishes its investment policy.	GlassPockets & ACF Transparency & Engagement
Diversity	The foundation's website can be navigated using only a mouse and the content is still visible/readable when a website is zoomed to 400%.	UK Government
Diversity	The foundation presents information about eligibility, funding priorities etc. in a variety of different formats, such as videos, PDFs to reach a wider audience.	Web accessibility in Mind, UK Government
Diversity	The foundation accepts proposals for funding in a range of different formats (online, video, by post, etc.)	UK government guidance on accessible formats
Diversity	The foundation publishes a breakdown of the diversity of its staff (with respect to gender, ethnicity and disability only). ⁴	GlassPockets / Racial Equality Index
Diversity	The foundation publishes a plan with targets improve the diversity of its staff. ⁴	Racial Equality Index
Diversity	The foundation publishes a breakdown of the diversity of its trustees (with respect to gender, ethnicity and disability only). ⁵	GlassPockets / Racial Equality Index
Diversity	The foundation publishes a plan with targets improve the diversity of its trustees. ⁵	Racial Equality Index
Diversity	The foundation publishes information on any pay gaps (gender, ethnicity, disability). ⁶	Racial Equality Index
Diversity	The foundation makes it possible to submit funding proposals in a range of different formats. ²	No
Diversity	The foundation has made a public commitment to be a Living Wage Employer. ³	No
Diversity	The foundation publishes its recruitment policy for board members.	No
Diversity	The foundation publishes its recruitment policy for staff. ³	No
Diversity	The foundations publishes its information in a Welsh language format if it funds in Wales	UK government: Welsh language standards

⁴Exempt for foundations with 5 or fewer staff

⁵Exempt for foundations with 5 or fewer trustees

⁶Exempt for foundations with 50 or fewer staff