

# 10 PILLARS OF STRONGER PRACTICE



**FOR CHAIRS OF  
CHARITABLE  
FOUNDATIONS**

**STRONGER  
FOUNDATIONS**

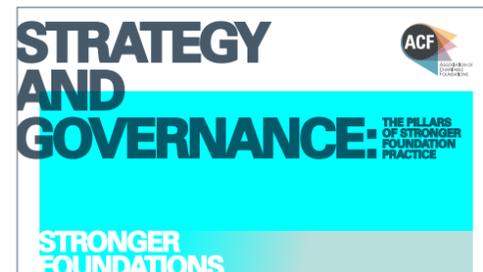
# INTRODUCTION

Over a two-year period, more than 100 foundations have taken part in ACF's Stronger Foundation initiative, which aims to help grant-making charitable foundations identify and pursue excellent practice. The culmination of this member-led effort, the largest foundation engagement programme of its kind in the world to date, was the production of six thematic reports. These reports are set out below.

In each report, we highlighted the 'pillars of stronger foundation practice', based on the evidence gathered and the views expressed, with a total of 40 pillars proposed.

This short paper highlights ten pillars we think are of particular relevance to chairs of foundation boards. We hope that these serve as a useful entry point into the more detailed reports, and support chairs, trustees and staff to begin conversations, develop plans and take action to be even more ambitious and effective with all their resources. A chair of trustees has a key leadership role in any charity, from ensuring that all of the charity's resources are deployed in pursuit of its objectives and its mission, to overseeing the charity's finances, governance and accountability.

As the Charity Commission for England and Wales notes, the duties of the chair are wide-ranging, and include taking the lead on ensuring that trustees comply with their duties and the charity is well governed, acting as a spokesperson for the charity, acting as a link between trustees and staff, and line managing the chief executive on behalf of the trustees (CC3: ["The essential trustee: what you need to know, what you need to do"](#), p 37).



# BACKGROUND

## **At their best, charitable foundations are the most transparent, intentional and efficient way of transforming private wealth into public benefit**

Foundations are an immense source of public good, awarding more than £6bn every year in the UK to individuals, causes and communities. They are motivated by an incredible range of passions, from enabling scientific discovery to giving voice to the most marginalised, from restoring historic buildings to increasing access to education. Most are unconstrained by political or market cycles, independent of the state, able to think in the long-term and agile to respond to emerging need.

## **Given their freedoms, resources, powers and privileges, it is right that they are subject to scrutiny and critique**

At a time when funding for civil society is increasingly scarce and in demand, it is right that questions are asked of foundations such as: Are they making the most of their potential? Are they using all their assets to maximum effect in pursuit of their mission? Do they use the whole toolbox available to them? Are their strategies informed by people with relevant expertise? Are their decisions based on evidence?

## **Between 2018 and 2020, ACF led the largest foundation engagement initiative globally to date, examining what it means to be a stronger foundation in 2020 and beyond**

'Stronger Foundations' involved more than 100 foundation representatives drawn from across the UK, and 50 external experts and critics, offering perspectives that are both grassroots and global. Through six member-led working groups, ACF facilitated 42 sessions of inquiry on issues including diversity, transparency, governance, funding, impact, and investment.

## **The products of this initiative are a series of reports showcasing the 'pillars of stronger foundation practice' in six aspects of their work**

These pillars set a high bar for aspirational foundation practice. While examples of every pillar can be found somewhere in the UK foundation sector, every foundation will have room for improvement, and in some areas a foundation will be at an early stage of its journey.

# BACKGROUND

**By pursuing the pillars of practice, all foundations can become more effective and achieve greater impact – no matter their size, remit, history, source of income, geography or resources**

Being a stronger foundation is not an event or a destination, but an ongoing journey, and the pillars themselves will continue to evolve. By embedding this approach in everything that a foundation does, it will ensure it is not only fit for purpose, but confident of its mission, and realising its potential.

**Although each working group was tasked with exploring a distinct area of foundation practice, a range of cross-cutting themes emerged**

Mission, knowledge, power, accountability, and connection. These themes align closely with those of the independent [Civil Society Futures Inquiry](#), which proposed a 'PACT for civil society' – focusing on Power, Accountability, Connection and Trust. The resonance between Stronger Foundations and the Inquiry not only reinforces the role of foundations as integral partners within civil society, but highlights how much all organisations comprising civil society have in common, as well as our shared and collective challenges.

**The challenges we all face are immediate and existential**

The climate crisis and Covid-19 are having an unprecedented short and long-term impact on society – locally, nationally and globally; on institutions, communities and individuals. Civil society is looking to foundations to help ameliorate the damage and enable the recovery, as well as address the challenges that Covid-19 has laid bare.

**Now is a time for foundations to be more ambitious and more effective than ever before in how they use their individual and collective resources for public good**

We look forward to working with our members and supporting all of them in this individual and collective endeavour.

# 10 PILLARS

## OF STRONGER PRACTICE FOR CHAIRS OF CHARITABLE FOUNDATIONS

These ten pillars of stronger foundation practice have been selected as those particularly relevant to chairs of foundation boards, from the 40 pillars identified in the six Stronger Foundations reports. The bullet points below each pillar in this summary indicate some of the ways that each one could be implemented in practice. These points are described in more detail in the thematic reports.

# 1

### HAS A DEEP UNDERSTANDING OF ITS VISION, MISSION AND VALUES AND ARTICULATES THEM PUBLICLY

- ▶ Knows why it exists, what it is trying to achieve and who the charity exists to serve
- ▶ Regularly reviews whether its board and staff team has sufficient breadth of expertise and diversity to deliver its mission
- ▶ Has considered what the are most useful ways to measure the foundation's impact
- ▶ Periodically reviews its time horizons

▶ STRATEGY AND GOVERNANCE

# 2

### MAKES ITSELF ACCOUNTABLE TO THOSE IT SERVES AND SUPPORTS

- ▶ Invites, seeks and actively facilitates feedback from grantees and applicants about its practices
- ▶ Consults people who are directly involved in the foundation's areas of interest when undertaking strategic reviews and in development and delivery of grants programmes
- ▶ Offers opportunities for challenge, feedback and appeals

▶ DIVERSITY, EQUITY AND INCLUSION

# 3

## **BELIEVES THAT EVERYONE IN THE ORGANISATION HAS A ROLE IN THE PURSUIT OF IMPACT AND ENABLES A CULTURE OF LEARNING**

- ▶ Embeds the pursuit of the charity's mission within every role at the foundation
- ▶ Has determined that impact and learning should be facets of all roles, from the board to funding staff to operations staff to leadership roles, irrespective of whether the foundation has staff whose roles specialise in impact and learning
- ▶ Demonstrates a clear commitment to learning through the board and leadership team
- ▶ Seeks and enables outside voices and expertise to support the foundation to identify its blind spots

▶ IMPACT AND LEARNING

# 4

## **PROACTIVELY SEEKS TO UNDERSTAND HOW ITS OPERATIONS AFFECT OTHERS, AND SEEKS TO AVOID AND REDRESS HARM**

- ▶ Lives out its values when it comes to pursuing its mission, and ensures that all its resources are allocated in ways that align with it
- ▶ Ensures that its processes are proportionate and conducive to the impact it seeks to have, and are not inadvertently exclusive or discriminatory

▶ IMPACT AND LEARNING

# 5

## **HAS A DIVERSE TRUSTEE BOARD AND STAFF TEAM, BOTH IN TERMS OF DEMOGRAPHICS AND EXPERIENCE**

- ▶ Applies diversity, equity and inclusion practices to its approach to recruitment and retention, and monitors and reviews outcomes
- ▶ Regularly reviews and seeks to enhance the diversity of its board and staff teams
- ▶ Continually strives to strengthen its governance, particularly in terms of diversity, and offers tailored support to trustees

▶ DIVERSITY, EQUITY AND INCLUSION

# 6

## RECOGNISES THE IMPORTANCE AND IMPLICATIONS OF TIME

- ▶ Develops strategy with short-, medium- and long-term time horizons
- ▶ Has considered time in the context of trustees and staff, both in terms of governance and institutional memory
- ▶ Takes account of the foundation's history, and considers both the legacy it seeks and its potential end game

▶ STRATEGY AND GOVERNANCE

# 7

## IS AWARE OF THE EXTERNAL CONTEXT AND ITS ROLE IN THE WIDER ECOSYSTEM

- ▶ Considers political, financial and social contexts in its strategic thinking
- ▶ Is conscious of its blind-spots, and is informed by a variety of perspectives, including those with lived experience
- ▶ Seeks to identify others already working on similar areas, thinks collaboratively, and considers how it can add value rather than duplicate

▶ STRATEGY AND GOVERNANCE

# 8

## UNDERSTANDS THE IMPORTANCE OF TRANSPARENCY AND ENGAGEMENT, AND ARTICULATES ITS APPROACH

- ▶ Has an understanding among both trustees and staff of the foundation's approach to transparency and how it seeks to engage external stakeholders
- ▶ Regularly reviews who its stakeholders are and seeks to address their information requirements
- ▶ Communicates its approach to transparency and engagement as an integral part of its mission and values

▶ TRANSPARENCY AND ENGAGEMENT

# 9

## UNDERSTANDS THAT RESPONSIBILITY FOR ITS INVESTMENTS SITS WITH EACH AND EVERY MEMBER OF THE TRUSTEE BOARD

- ▶ Recognises that each and every trustee has equal responsibility for investments as a core function of charity governance
- ▶ Empowers trustees to participate in big picture discussions on investments and how the foundation's investments relate to its wider goals
- ▶ Ensures investment discussions are demystified and jargon-free

### ▶ INVESTMENT

# 10

## IDENTIFIES AND SELECTS FUNDING PRACTICES THAT ARE MOST LIKELY TO FULFIL ITS MISSION, AND DESIGNS ITS PROCESSES IN ACCORDANCE WITH ITS VALUES

- ▶ Has a board and staff team that has a deep understanding of the foundation's vision, mission and values, and has developed its funding practices and processes accordingly
- ▶ Understands and clearly articulates what its causes and communities of interest are and designs its approach to funding to best meet need
- ▶ Is transparent and accountable about its funding processes and can explain its decisions to others
- ▶ Has applied considerations of diversity, equity and inclusion to its funding practices and processes, enables diverse views to inform its decision-making and acknowledges its blindspots and works to address them
- ▶ Considers the whole funding 'toolbox' when identifying and selecting funding practices, and is cognisant of how its choice of tools complement and relate to the wider funding ecosystem

### ▶ FUNDING PRACTICES

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