



Friends Provident Foundation
Annual Report 2014–15

A review of the year

CHAIR'S INTRODUCTION

Each year Friends Provident Foundation works hard to find fresh and effective ways to contribute to the changes we want to see happen. This year has been no exception as we continue our focus on **Building Resilient Economies**.

The Foundation funds projects that will **contribute new thinking and evidence or test approaches** to building an economy that is more resilient, sustainable and fairer than currently. In particular, we are **pressing for change** to the inadequate and short-term assumptions and behaviours in the financial system that became so painfully apparent during the crash of 2008.

It is heartening to receive grant applications that confirm there is a plethora of **new ideas for tackling these issues**. However, fundamental change is still needed in the broader economy. There is some concern that another crash may be building, and the United Kingdom is ill prepared to respond in a way that would not cause damage and fall-out across the economy, with further disadvantage to the poorest, most vulnerable and least resilient members of society.





Some of our earlier grants in the Building Resilient Economies programme are now beginning to produce fruits – you can **read summaries and reports of their work on our website** (www.friendsprovidentfoundation.org/building-resilient-economies/resilient-economies-publications/). There are reports on developing more resilient local economies, the prospects for local banking and on ultra-local economies, a frequently overlooked aspect of ‘people-powered prosperity’.

A valuable contribution the Foundation can make is to use our ‘power to convene’ to set up **networking and connections**. On a hot day early in July 2015 we organised a half-day seminar of researchers, groups and projects working on local economic resilience. This drew together many strands of the work we are funding, helped projects and people keep up to date with each other and generated opportunities for cross-boundary creative exchange. A parallel day on systems change was equally successful in November 2015.

In 2014/2015 we put time aside to consider how the Foundation's resources can best be used to optimise our contribution to building resilient economies. The review of our investment strategy that we reported last year has led us to create a new post of **Investment Engagement Manager**, a staff role that will help us to address our responsibility as holders of ethical investment funds and put more beneficial clout into our relationships with corporates and networks; we hope this will add further strength to our voice for change.

Trustees appreciate the vital contribution our staff and their work make to the process of change. Change will be led through the engagement of clear and incisive minds, caring hearts and resources actively deployed with skill and imagination.

As our new Trustees have settled into their role, our awayday in April 2015 encouraged us to be **effective in managing the volume of our business**. With this in mind, a governance report surveying how similar foundations manage their workload was received with interest at the final Trustee meeting of 2014/2015. We are therefore asking how we can be even more effective in managing our workload, and we expect to report back on this next year.

Against this background of gradual changes to the Foundation's structure and ways of working we are maintaining our **focus on grant-funding projects**, the purpose for which we began in 2004. The projects we fund are the main source of our inspiration, an essential conduit for ideas and approaches. Together, the Foundation and its projects continue to demonstrate that our financial system can be systematically challenged for the better, to work more fairly and sustainably for all members of society.

*Joycelin Dawes,
Chair of the Board of Trustees until 31 December 2015*

Building community

DIRECTOR'S REVIEW

Community – a word used so frequently and with so many meanings that it often loses credence and clarity. This is particularly the case when it is commandeered to justify interventions designed to bring about social or economic change that may not be as grounded in democracy or legitimacy as the term would suggest. Governments, local 'leaders', charities and funders all tend to apply it, as a blanket term, to anything larger than an individual and smaller than a city. This is one of the reasons we have avoided the use of the word 'community' as a frame for our programmes Building Resilient Economies and The Right Use of Money.

However, this year, despite our eschewing the label, **a community has begun to emerge from our work.** It is a community of mutual interest and enterprise, of both common and distinct objectives.



What they share is a focus on understanding and making meaningful contributions to the ways that money, activity, work, the environment, assets and ideas are valued, captured and shared in our economy. Our first cross-programme event, Building Local Economic Resilience, was held in July 2015. The team at the Foundation brought together grant-holders, Trustees, other funders and stakeholders to share lessons and learning from their work, and make wider connections. Despite tube strikes and a very full agenda, the event was well attended and buzzing with ideas and networking. Formal and informal feedback suggests that organisations have continued the conversations after the event; further seminars focusing on interventions designed to address macro-economic problems as well as exploring what is meant by local banking came out of the event.

This new and emergent community of which we are a part is one we will devote resources to **supporting and growing** in the coming year in the development of our communications strategy, including on social media, and via our quarterly newsletter and a re-vamped website. In the next year we will put effort into ensuring we are good stewards of the Foundation's resources through the creation of a unique post – Investment Engagement Manager – that will work on strategic change objectives spanning our funding programmes, direct mission-connected investments as well as our mainstream investment portfolio.

This year '**community**' entered our **Foundation lexicon**; next year we hope to support this burgeoning collection of partners in our programmes to build a fruitful and stimulating springboard for effective collective and individual action.

Danielle Walker Palmour, Director

Our activities and achievements in the past year

The Foundation's objectives for 2014–15, as set by Trustees, were:

1. **The Foundation's staff and Trustees will efficiently and effectively support key projects with the potential to bring about change. The Foundation's aim is to be the key UK foundation in work on economic resilience and financial systems.**

Ongoing: Staff and Trustees continue to learn and develop this expertise. We have attended numerous related events as a group over the course of the year. Informal indications are that the Foundation is seen as a key funder in the 'alternative finance' sector.

2. **The Foundation will identify key areas for intervention from its mapping of grants and social investments, with a view to commissioning work to fill gaps.**

Not achieved: The mapping paper was not taken further in this year, as an upturn in applications removed the urgency of commissioning. We will continue to look at areas for potential commissioning in 2015–16.



3. **The Trustee group will complete its review of investment objectives, approach, advice and managers.**

Underway: A strategic review of the role and function of the investment portfolio was undertaken by the Trustee-led Investment Strategy Review Working Group, with full consideration by the Board of Trustees at the 2015 Away Day. The work to further refine the strategy and investment beliefs continues in 2015–16.

4. **Trustees will recruit and induct new Trustees on to the Board by March 2015.**

Achieved: This was completed for all four new Trustees that joined the Board in 2014–15.

5. **(a) Trustees will review the relationship of the General Purposes Committee (GPC) to the full Board of Trustees.**

Achieved: The initial legal review and consideration of the terms of reference of the GPC was undertaken in December 2014. At the Trustees' Away Day the GPC was tasked with ongoing governance and resource reviews in support of further strategic development.

5. **(b) To continue to define and clarify the fitness for purpose of Foundation governance arrangements.**

Achieved: This was undertaken in 2015, with a review of governance arrangements of other relevant foundations presented in a report for Trustees' discussion in September 2015; further work to consider refining our model of working will be taken forward by a working group of Trustees and staff – the Better Grant Making Group – through 2016.

6. **The Foundation will continue to consolidate and further improve its administrative, grant-making and direct investment systems.**

Achieved/ongoing: Work was undertaken to review our website, improve the social investment administrative system, review our financial procedures and ensure Foundation policies are up to date.

Our giving programmes

Building Resilient Economies

The main focus of this programme of grants and investment is to help build an economic system that distributes social and economic goods and services more fairly, balancing short-term and long-term needs more effectively.

We aim to support work at two levels:

1. **Systems Change:** We wish to support ‘disruptive innovation’ that will actually change the ways that financial goods and services are delivered and valued. We want to explore and inform changes and innovation in regulation, policy and ways of working that will contribute to a more resilient economic system.
2. **Local Economic Resilience:** Our work at the local level will focus on local or small-scale initiatives that build economic resilience through diversity, flexibility and building capabilities. We wish to support effective local practice, particularly focusing on local financial infrastructure and approaches.

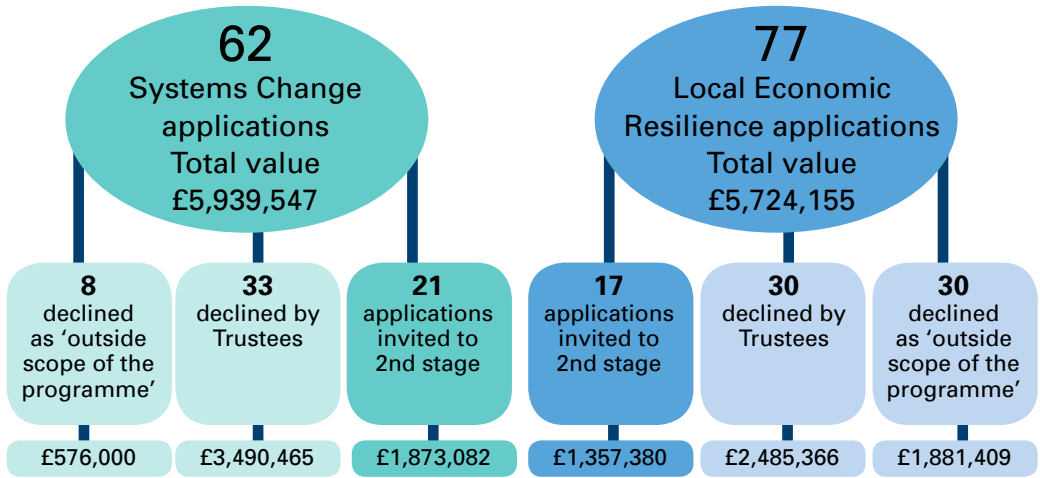
The diagrams on pages 9 and 10 show the patterns of first stage (or ‘outline’) applications and second stage applications for the Building Resilient Economies programme.

The Right Use of Money

Trustees regard this strand of our giving as an overarching concern in our work. The central questions that animate the Foundation relate to how financial systems can create and sustain social harmony whilst also delivering economic goods and services; our main giving programme, Building Resilient Economies, brings this even more centrally into our work.

Alongside the Building Resilient Economies programme, the Foundation will continue to explore the Right Use of Money by supporting a small number of projects focused on ethical issues in the financial system.

First stage (outline) applications for the Building Resilient Economies programme, 2013–September 2015



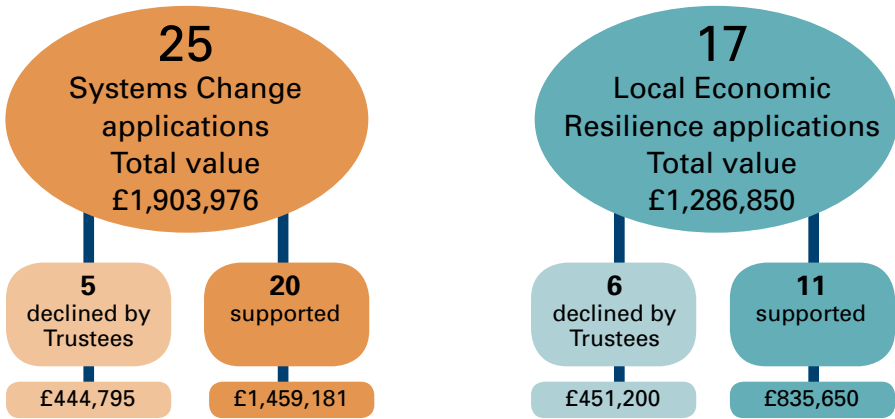
Grants awarded during the year

In 2014–15 the Foundation received 52 outline applications from 50 different organisations, seeking around £5.4 million in total. This represents a drop in the number of applications compared with last year, but there was a period in the current year during which Trustees indicated that they would temporarily not be awarding any new funding and this may have discouraged potential applicants.

Trustees made a total of **16 new grants** against the Building Resilient Economies and Right Use of Money themes, with new financial commitments amounting to nearly **£1.3 million**, once increases to existing grants are taken into account. This represents a 45 per cent increase on the previous year's giving.

Read more about the grants awarded on the individual cards behind this review.

Second stage applications for the Building Resilient Economies programme, 2013–September 2015



Publications

A number of projects reached their conclusion, and the following outputs were published. These are available from the Foundation’s website, www.friendsprovidentfoundation.org

Systems Change:

Financial System Resilience Index: Building a strong financial system, New Economics Foundation.

Local Economic Resilience:

Community Chest: A national network of independent local banks would benefit the UK, Demos.

Co-operative Housing: Cluster solutions, Radical Routes.

Developing Resilient Local Economies, IPPR North.

People Powered Prosperity, New Weather Institute.

One project from the Financial Inclusion programme (now closed) published a further output:

Financial Inclusion Annual Monitoring Report (2015), CHASM, University of Birmingham.

The wide dissemination of funded work is a key element of ensuring that our work contributes toward the Foundation’s charitable aims and public benefit objectives.

Our financial resources and how we use them

Ethical investment policy

The Foundation's investment policy reflects its continued commitment to ethical investment. Our resources are in ethically screened funds to ensure that activities such as tobacco, armaments and gambling, and investments in companies and products that could harm civil society or adversely impact the name and reputation of the Foundation, are avoided. Furthermore, as more opportunities arise to pursue a positive ethical investment approach that delivers market rates of return, the Foundation will consider such investments as appropriate, balancing the need for diversification and minimising management fees.

Trustees, taking into account the cash flow requirements, potential investment funds, the cost of fund management and their decision to invest ethically, invested the Foundation's portfolio in a range of funds managed by F&C Management Limited: the Stewardship Ethical Bond Fund, the Stewardship UK Growth Fund and the



Stewardship International Fund. The Foundation maintains a facility to deposit cash it does not immediately require for operational purposes with Triodos Bank NV, thereby seeking to ensure the ethical management of the Foundation's cash as well as its investments.

Trustees instituted a review of our investment policy and approach over the course of the past two years, creating a panel of Trustees and reviewing the Foundation's approach to investment, the fees currently paid and its place in the operational and governance structures of the Foundation. We have been supported in this through the Charities Responsible Investment Network, which is a project of ShareAction UK supporting a growing number of trusts interested in being more effective stewards of their resources. We are also members of the Church Investors Group, supported by investment managers, CCLA.

Social investment policy

In 2013 Trustees agreed that up to 10 per cent of the investible funds could be invested into instruments to which the Foundation's general charitable objectives and specific programme aims could be applied.

The primary aim of social investments is to pursue the Foundation's broad charitable objectives and focused programmatic objectives using financial instruments other than grants. The secondary aim of social investments is to produce a financial return.

Trustees are prepared to consider accepting a higher level of risk or a lower level of financial return than the market norm, especially for those social investments that are closely aligned with the Foundation's specific programme aims. For investments that generate broader positive social impact and meet the Foundation's general charitable objectives but without specific alignment with programme aims, Trustees might look for levels of risk and return that are closer to the benchmark for that asset class.

[Read more about our social investments on the information card behind this review.](#)

Objectives for 2015–16

1. The Foundation will establish a new strategic approach to integrate grant-making, internal operations, programme-related and mainstream market investment activities on a thematic basis, supported by the new Investment Engagement Manager.
2. The Foundation will determine three key themes to be pursued arising from our programmes of grants and social investments.
3. The Trustee group will continue its review of investment objectives, approach, advice and managers.
4. Trustees will consider proposals from the Trustee-led group reviewing our grant-making on how to improve the Foundation's practice.
5. The Foundation will review its social media presence and website, for the implementation of a communications strategy.
6. The Foundation will continue to consolidate and further improve its administrative, grant-making and direct investment systems.



Financial results

In 2014–15 the market value of the Foundation's investments increased from £29.9 million to £30 million. Investment income fell to £925,512. Expenditure on external grant commitments and associated support costs increased from £1,137,600 in 2014 to £1,377,339 in 2015.

Charitable activities to 30 September 2015

	Total 2015 (£)	Total 2014 (£)
Costs of generating funds	7,432	8,675
Support for grant-making programmes	1,501,680	1,100,649
Governance costs	33,651	28,291
Total	1,542,763	1,137,615

Balance sheet as at 30 September 2015

	2015 (£'000)	2014 (£'000)
Investment (market value)	30,612	29,959
Intangible assets	0	–
Equipment	2	9
Net current assets/(liabilities)	(117)	350
Long-term creditors	(465)	(390)
Total funds	30,032	29,928

Trustees of Friends Provident Foundation

Jennifer Barraclough (resigned 31 December 2015)

Joycelin Dawes (Chair until 31 December 2015)

Paul Dickinson (appointed 1 April 2015)

Joanna Elson (appointed 1 April 2015)

Jim Gilbourne

Rob Lake

Nick Perks (resigned 12 December 2014)

Hetan Shah (appointed 1 January 2015) (Chair from 1 January 2016)

Jenny Shellens (resigned 12 December 2014)

Aphra Sklair (appointed 1 April 2015)

Raj Thamoatham

Whitni Thomas

Our purpose

Friends Provident Foundation is a grant-making charity controlled by its Trustees and independent of its original donor, the Friends Life group of companies. The Foundation was established in 2001 as part of the demutualisation of Friends Provident Life Office and the public listing of the company. It was endowed with unclaimed shares for the purpose of pursuing general charitable objectives. The Foundation provides grants and social investment in support of its objectives as well as actively engaging in policy and practice initiatives to bring about change in its fields of interest. The Foundation disseminates its findings widely through meetings and seminars with policy makers and practitioners, media work, publications and our website: www.friendsprovidentfoundation.org.

Further information

The Foundation website (www.friendsprovidentfoundation.org) includes:

- ☰ information on current grants and how to apply for funding;
- ☰ pdfs of all our published summaries and full research reports;
- ☰ the full annual accounts for 1 October 2014 to 30 September 2015;
- ☰ a list of staff and Trustees.

Contact us

The Administrator

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**FRIENDS
PROVIDENT
Foundation**

Friends Provident Charitable Foundation

Registered Charity No: 1087053

A company limited by guarantee.

Registered in England and Wales. Company No: 4228843



www.friendsprovidentfoundation.org

Our strategy 2016–18

The Foundation strives to help build a just and sustainable world where everybody can live meaningful lives, with respect and care for ourselves, each other and the planet. We believe that the purpose of money and the economy is to enable and serve human flourishing and a healthy environment, and that currently they do not. We therefore seek to create a fairer economy that serves us all – ‘a fairer economy, a better world’.

A new strategy for a new economy

This year the Foundation made some big decisions about our long-term strategy. We plan to use three tools to help us contribute to a fairer economy and a better world:

1. Giving **grants** and **direct investments** in line with our programme and our mission.
2. **Using our endowment** to ensure our mainstream investment strategy is aligned to our change goals, and that our other **operational practices** (contracts, procurement, etc.) are in line with these.
3. **Convening, collaborating with, influencing** and **communicating with** others.

We will enhance these tools by working our resources even harder using the following approaches.

Using our resources – spending down

We believe that the challenges facing the world and our society are formidable. Creating a responsive and resilient economic system to face these challenges will require all our effort and resources. In light of this, Trustees have decided that the Foundation will spend its capital as well as its income in pursuit of our mission.

A new approach to grants – core funding

Alongside our responsive grants and social investment programme, we will develop a more strategic approach to core funding under our main grants programme. The aim is to empower organisations working in our area of interest to work flexibly and provide them with the capacity to respond effectively to changes in the external environment.

Aligning our investment and operations – investment engagement

The Foundation is developing a new function – investment engagement – that will integrate both our investments and our programme-related activities. We are developing a number of key themes to underpin and focus our proactive work, drawn from what we have learned so far or key developments in our programme areas.

Differences you will see

We will be working hard to transform how we work in line with this strategy. Changes you may notice in the Foundation are:

- Additional staff resources to support key functions such as grants, social investment, investment engagement and communications.
- Support for radical solutions to economic problems, and active support for collaborative approaches.
- Key themes in which we are pursuing specific change objectives.
- Hosting or supporting more seminars and events relating to our main areas of interest.
- Active engagement with the companies, social enterprises and funds in which we are invested on the issues of particular concern to us.
- A strong public and social presence as our programme develops.

There are likely to be other changes as we go forward – we will chart our progress on our website.

Activating local alternative economies across the UK

Centre for Local Economic Strategies



‘An economy must be the means to better social and environmental outcomes.’

What is the issue?

While the need for a new narrative of local, place-based economics is growing, those working on it are currently too dispersed to make a significant impact and their work is often hidden from view. The patchwork of innovations and pioneering practices that are forging a vision of a new local economy need to be joined up into a comprehensive approach that will guide cities as they move towards greater local powers.

Aims of the project

The project will work with local activists and stakeholders in 10 UK cities to create a strong collective understanding of local, place-based economics, and to build ‘local resilience coalitions’ in each city. Within the project, *New Start* and the New Economics Foundation will hold a one-day conference in each city to unite local partners. For each city, an edition of *New Start* will be published which will report on the outcomes of the conference, detail local innovations, and identify the most equitable approach for that place. A final ‘compendium’ will draw together practical examples of locally-led economic development and policy recommendations for the creation of more resilient places. The first city edition of *New Start* was published in May (manchester.newstartmag.co.uk).



Of interest to...

- Community **activists** working to develop economic resilience in their locality.
- **Council officials and members**, and those building a civic and social economy.
- Voluntary sector **professionals** and local business **stakeholders**.

Grant-holder Centre for Local Economic Strategies
Funding £35,000
Timescale May 2015–2016

Why the grant was made

Funded under the Foundation's Building Resilient Economies programme, which aims to help build an economic system that distributes social and economic goods and services more fairly, and balances short-term and long-term needs more effectively.

Advocacy for financial system resilience

New Economics Foundation



‘The limited reforms put in place since the financial crisis are already being rolled back in the face of bank lobbying. A strong civil society counter-weight is needed to bring policy-makers to account and lay the groundwork for future reforms to truly fix our banking sector.’

What is the issue?

A resilient financial system requires a banking sector that is diverse and focused on sustainable and economically productive lending. Post-crisis reforms have not gone far enough to deliver this, and serious structural problems remain. Indeed, with memories of the crisis fading and the banking lobby as strong as ever, existing reforms seem more likely to be weakened than strengthened. There is an urgent need for scrutiny of policy and regulatory developments, credible proposals for real reform, and work to build a strong constituency for change.

Aims of the project

Outputs of the project will include four policy briefings, one major policy report and several events and roundtables with relevant stakeholders. The project will also involve action to convene and mobilise change agents around proposals for reform, including parliamentarians, campaigners and media.



Who this project will interest

- **Policy-makers, regulators, researchers and civil society organisations** with an interest in banking and financial system resilience.
- **Local authorities** wanting to increase local financial resilience.
- **Challenger banks** and alternative finance practitioners.
- **Small and medium-size enterprisiers** and other users of banking services.

Grant-holder New Economics Foundation
Funding £120,000
Timescale October 2015–17

Why the grant was made

Funded under the Foundation's Building Resilient Economies programme, which aims to help build an economic system that distributes social and economic good and services more fairly, and balances short-term and long-term needs more effectively.

Better land-based economies

Shared Assets Ltd



‘This project is helping us to understand the contribution that food-growing social enterprises make to local economic resilience and the challenges they face securing new land for growing.’

What is the issue?

Community food enterprises are one of the success stories of local collective action, and have the potential to contribute significantly to local economic resilience. Despite this, they still face systemic problems. Very low food prices make it difficult to increase their income. In response, many projects are focusing on reducing the costs associated with growing; however, they often find that local authority policies and practice fail to recognise their contribution to local economies.

Aims of the project

The project will work with three leading community food enterprises to explore their contribution to local economic resilience by focusing on reducing costs rather than increasing prices and incomes. It will explore specific barriers that such enterprises experience when seeking to acquire land, including land use, planning and procurement policies. It will develop resources to support local authorities to join up and adapt local policies across a range of departments and directorates in ways that support the development of local resilient, sustainable and low-impact food production.



Of interest to...

The resources developed under this project will be available on the Shared Assets website. They will be of interest to:

- **Community enterprises, and the organisations that fund and support them**, with an interest in how to manage such projects at the local level, and how other enterprises have developed.
- **Local authorities** looking for guidance in reviewing and assessing planning applications relating to community food enterprises.
- **Central government and policy makers** involved in developing national policies relating to local economic resilience.

Grant-holder Shared Assets Ltd
Funding £95,000
Timescale August 2015–17

Why the grant was made

Funded under the Foundation's Building Resilient Economies programme, which aims to help build an economic system that distributes social and economic goods and services more fairly, and balances short-term and long-term needs more effectively.

Building economic resilience in the housing co-op movement

Radical Routes



‘We want to see a world based on equality and cooperation, where people give according to their ability and receive according to their needs. Radical Routes is working towards making it easier for people to find structures to take control over key aspects of their lives – particularly housing – and work together in an effective network.’

What is the issue?

Several problems are currently restricting the housing co-op movement. In particular, there is a problem of mature co-ops demutualising and ‘carpet-bagging’, where individuals personally profit from commonly held equity. A further problem is that only a very limited range of properties can be made to provide a business plan that will be supported by mortgage lenders (usually multi-roomed buy-to-let style properties), despite the fact that a wider range of housing is needed by those who would prefer to live in housing co-ops, and could be made financially viable with seed capital. In the context of the current housing crisis, these issues become more pressing, as the housing co-op movement could help a huge range of people take control of their housing, providing affordable rent and social engagement.

Aims of the project

The project will explore a range of possible solutions to these problems. It will host a roundtable event with specialists in housing, co-operatives and law, to scope the viability of the ‘co-op cluster’ model and other alternatives. A preliminary report into the resilience of the housing co-op movement, and possible models to support and improve it, will be produced.



Of interest to...

- **Housing co-ops**, and those looking to start new housing co-ops.
- The **Students for Co-operation** movement.
- **Established co-ops** (e.g. large retail and worker co-ops) looking to find ways to safely invest in growing the co-op movement.
- People with an interest in increasing the range of **equitable housing**.
- People locked out of the property market by high prices, dealing with high market rents or looking to put their own property into common ownership.
- **People in existing housing co-ops** wanting to lock in common ownership.

Grant-holder	Radical Routes
Funding	£10,000
Timescale	March 2014–2015

Why the grant was made

Funded under the Foundation's Building Resilient Economies programme, which aims to help build an economic system that distributes social and economic goods and services more fairly, and balances short-term and long-term needs more effectively.

Building the tax foundations of a resilient economy

Tax Research LLP



‘Tax is now one of the biggest issues in politics but it’s not all about scandal – tax is really about how we shape the society we want to live in, and that’s what this project is about.’

What is the issue?

There is an ongoing lack of tax justice in the UK and internationally that needs to be addressed if we are to have the stable, sustainable and resilient economy we need. Issues that must be tackled include: a shift of the tax burden from capital to income; a lack of transparency; tax avoidance and evasion by some business; a failure to collect tax owing; a lack of sustainability; and a lack of constructive debate about tax issues.

Aims of the project

The project aims to inform other organisations working on tax-related issues by focusing on how tax reform can be used to build strong and vibrant resilient economies. It will explore how tax revenues can be raised fairly, and how the money can be used to build long-term sustainability and to create wealth, alongside other social and economic aims.



Of interest to...

- **NGOs, politicians** concerned with tax transparency and its relationship to national economic health.
- **Accountants, the tax profession, tax authorities** considering tax reforms.
- **Economists, environmentalists, and civil society organisations** who want to better understand the positive impact of effective tax policy on society.

Grant-holder Tax Research LLP
Funding £80,000
Timescale September 2015–2017

Why the grant was made

Funded under the Foundation's Building Resilient Economies programme, which aims to help build an economic system that distributes social and economic goods and services more fairly, and balances short-term and long-term needs more effectively.

Clare Social Fellowship

Clare Social Leadership Programme



‘As my journey with the Clare Social Leadership Programme evolves, I continue to be amazed by how quickly I am growing in confidence, skills and belief in my own abilities.’ (Clare Social Fellow)

What is the issue?

The lack of opportunities for leaders to develop their skills is one of the most serious challenges facing the social sector. This is being compounded by the current economic climate. The Clare Social Leadership Programme is a ground-breaking opportunity to build leadership capacity at a time when the challenges and complexities of leadership in the social change sector continue to grow. The Clare Social Fellowship is open to ambitious and influential individuals pioneering social change in the UK and internationally, whether working in charities, community organisations, social enterprises, co-operatives, social landlords or housing associations.

Aims of the project

The Clare Social Leadership Programme identifies the UK’s most promising social leaders and give them gold-standard training, skills and opportunities. The Programme invests in Fellows’ leadership potential so that they can transform their communities, organisations and the world around them. A Friends Provident Foundation Specialist Fellowship has been offered in the 2014, 2015 and 2016 cohorts for an aspiring leader with an interest in developing practical ways of building an economic system that is fairer and more sustainable.



Of interest to...

- **Aspiring leaders** working in the social sector.
- Those **working with communities** to stimulate local economic growth and resilience.
- **People and organisations** interested in practical ways in which civil society organisations might influence change at the systemic level to increase transparency, long-term thinking and a more equitable distribution of resources across the UK.

Grant-holder Clore Social Leadership Programme
 Funding £105,000 over three years
 Timescale 2014–16

Why the grant was made

Funded under the Foundation's Building Resilient Economies programme, which aims to help build an economic system that distributes social and economic goods and services more fairly, and balances short-term and long-term needs more effectively.

Image: Clore Social Leadership Programme.

CORE: Teaching economics as if the last 30 years had happened

Department of Economics, University College London



‘This is a great time to be an economist. It is time we made it a golden age for students of economics.’

What is the issue?

There is a growing dissatisfaction with the economics curriculum among teachers, employers and especially students in the wake of the financial crisis of 2008. The economics curriculum has become narrow and neglects central issues of instability, inequality and environmental sustainability. In order to change the way economics is understood and used in practice, it is necessary to change the way it is taught.

Aims of the project

The CORE project aims to change what is taught to students when they begin the study of economics at university. The CORE project's current challenges are in three key areas. The first is to produce *The Economy 1.0*, its free ebook, in September 2017. The second is to make CORE attractive to teachers by producing teaching and learning materials and running workshops with new and potential adopters. The third is to contribute to the creation of communities around economics teaching and learning.



Of interest to...

- **Students, teachers and lecturers** of economics and related social sciences.
- **Non-governmental organisations and community groups** with an interest in economics and resilient economies.
- Economic and financial **journalists**.
- Potential **employers of economics graduates** in the private and public sector.

Grant-holder University College London
Funding £180,362
Timescale June 2015–2017

Why the grant was made

Funded under the Foundation's Building Resilient Economies programme, which aims to help build an economic system that distributes social and economic goods and services more fairly, and balances short-term and long-term needs more effectively.

Image: CORE in the classroom.

Democratising pensions

Fairshare Educational Foundation
(operating as ShareAction)



‘As millions more savers build up assets in capital markets through pensions auto-enrolment, now is the right time to build a more accountable and resilient system that has a positive impact on people’s lives.’

What is the issue?

Institutional investors are not accountable to pension savers. Pension savers’ rights to information are very limited, creating a vicious circle of disengagement. As millions more savers, many of them young and from low-income backgrounds, join the pensions market through automatic enrolment, a more accountable system is required.

Aims of the project

ShareAction aims to achieve the introduction of policy measures to make UK pension providers long-term oriented, socially responsible and more accountable to savers. It will aim to introduce best practice by pension providers on the substance and reporting of responsible investment.



Of interest to...

- **Investors** and **pension fund professionals** interested in responsible investment.
- **Civil society organisations** working for economic justice.
- **Policy makers** and financial sector **regulators**.

Grant-holder Fairshare Educational Foundation
(operating as ShareAction)
Funding £91,839
Timescale February 2014–2016

Why the grant was made

Funded under the Foundation's Building Resilient Economies programme, which aims to help build an economic system that distributes social and economic goods and services more fairly, and balances short-term and long-term needs more effectively.

Image: Savers meeting with Scottish Widows. Credit: ShareAction.

Development of a maximum pay ratio

High Pay Centre



‘Are pay ratios a way to tie the fortunes of those at the top more closely to the rest of the workforce across the UK economy? The aim is to present the arguments and data to encourage future governments to take this approach to reducing income inequality.’

What is the issue?

Growth in pay over the past 10 years has accrued principally to the top 1 per cent of the income scale, with wages for everyone else stagnating. Business leaders are being rewarded disproportionately for success that is created by everyone in their company. This has led to a strong feeling of unfairness on the part of the wider workforce and a growing lack of trust in business. The taxpayer subsidises working people on low wages with £4bn a year in tax credits and benefits. This has fuelled a political debate about living standards and a growing feeling that businesses are run for the benefit of a wealthy elite.

Aims of the project

The High Pay Centre will look at how rewards could be spread more evenly throughout the workforce by analysing the development of pay ratios – the pay structure from the CEO down – within FTSE 100 companies. The project will examine whether a benchmark ratio can be set across the corporate sector, or whether this should be done on an industry-by-industry basis. It will also look at how a benchmark ratio could be incorporated into the corporate governance code.



Of interest to...

- **Shareholders.**
- **Corporate remuneration committees.**
- **Unions.**
- **Policy makers.**

Grant-holder High Pay Centre
Funding £50,000
Timescale 2015

Why the grant was made

Funded under the Foundation's Building Resilient Economies programme, which aims to help build an economic system that distributes social and economic goods and services more fairly, and balances short-term and long-term needs more effectively.

Echo (The Economy of Hours)

Echo Ventures CiC



‘Echo brings together local people and local organisations – like businesses, charities, councils and leisure centres – to create a community-wide economy of hours where the more you put in, the more you get back.’

What is the issue?

Our interest-based financial system encourages society to monetise more and more activities that were once carried out within familial or social groups locally through non-monetary exchanges. When there is disruption to a monetised system, the resulting lack of connectedness leaves little local economic (or social) infrastructure to fall back on.

Aims of the project

Echo, or the ‘Economy of Hours’, is a trading network of over 500 organisations in east London that uses time as the currency, rather than money. It is a marketplace that fosters co-support and collaboration, fulfilling both community and commercial needs and developing strong local relationships based on trust and reciprocity while also saving money and developing their businesses. This project aims to develop and refine the infrastructure for local, sustainable Echo systems at a national scale.



Of interest to...

- **Policy makers, academics** and other enterprises interested in 'collaborative currencies'.
- **Local organisations** that would like to use time as currency in particular instances (e.g. homeless charities/mental health support groups).
- **Voluntary sector** organisations looking to develop current or new programmes.

Grant-holder Echo Ventures CiC
Funding £140,000
Timescale November 2014–2016

Why the grant was made

Funded under the Foundation's Building Resilient Economies programme, which aims to help build an economic system that distributes social and economic goods and services more fairly, and balances short-term and long-term needs more effectively.

Image: Echo Ventures CiC

Enabling a democratic, responsible and fair financial system

WWF-UK – Finance Innovation Lab



‘Our focus is to empower positive disruptors who are enabling a more democratic, responsible and fair financial system. We do this by helping them to grow as leaders, building influential communities and supporting them in scaling their work. Our main activities include our incubation programmes, advocacy work, and communications. Our core values are collaboration, empowerment and action learning.’

What is the issue?

To meet today’s complex challenge of financial system reform, civil society needs to be more strategic and collaborative. The rules of the system must be inspired by values that serve the interest of both people and the planet. How we cultivate change is just as important as what we focus on – collaboration is essential to address complex challenges, especially those that exist in finance today.

Aims of the project

The project aims to build the collective impact of civil society to transform the financial system. It will work to build new social norms for the functioning of the financial system that are supported by the public and media, which influence institutions and the financial mechanisms to include profit, people and the planet.



Of interest to...

- Civil society **activists and change agents**.
- **Policy makers** looking to find ways to diversify the finance system.
- Alternative **financial service innovators**, such as peer-to-peer platforms, community banks or impact investment funds.
- **Academics and researchers** interested in a fair, responsible and democratic financial system.

Grant-holder WWF-UK – Finance Innovation Lab
Funding £155,000
Timescale November 2014–2017

Why the grant was made

Funded under the Foundation's Building Resilient Economies programme, which aims to help build an economic system that distributes social and economic goods and services more fairly, and balances short-term and long-term needs more effectively.

Financial innovation today: toward economic resilience

Bauman Institute, University of Leeds



‘We aim to educate parliamentarians and policy makers on the positive impact new financial innovations can make.’

What is the issue?

Organisations operating in the alternative finance arena (including models such as crowdfunding, peer-to-peer lending, and community debenture schemes) suggest that these can each be inclusive instruments of social change, contributing to sustainable business growth and prosperity which can in turn foster greater social cohesion and tackle rising inequalities. There is an urgent need to understand the viability and desirability of these schemes, their potential social and ethical impact, and their possible benefits.

Aims of the project

The project will analyse alternative finance with specific regard to local economic resilience. It will explore the motives of ‘democratic finance’ companies, and how they see the relationship between their economic activities and their social impact. These findings will be compared with wider evidence, in order to assess the extent to which these models are successful in achieving their aims. The viability and desirability of each of these models for building local economic resilience will be tested, and examples of good practice will be identified.



Of interest to...

- New and established **small and medium-sized enterprises** with a commitment to social responsibility.
- **Parliamentarians, think tanks**, and local and national **policy makers** striving to create a fairer, more inclusive and resilient economic policy.
- **Third sector organisations** dedicated to creating more resilient local communities.
- **Academics and researchers** interested in contributing to an alternative understanding of economic life.

Grant-holder University of Leeds
Funding £30,000
Timescale July 2015–December 2016

Why the grant was made

Funded under the Foundation's Building Resilient Economies programme, which aims to help build an economic system that distributes social and economic goods and services more fairly, and balances short-term and long-term needs more effectively.

Helping Scotland to flourish sustainably

Scottish Environment LINK



‘We are working to enhance the voice of the Scottish environmental NGOs on the fundamental connection between the environment and our economy (and well-being). Recognising that people are an integral part of our environment and our reliance on it, we are using this debate to bridge gaps between public, private and voluntary sectors, promoting a shared vision of sustainable development, which seeks to improve well-being, within the bounds of a healthy environment through environmentally sustainable economic activity.’

What is the issue?

The continuing primacy of gross domestic product (GDP) and economic growth as the main measure of national success (in Scotland) drives policy and expenditure decisions. By default, the focus of measure becomes the focus of attention and the over-reliance on GDP makes it difficult for politicians to back policies that are good for society or the environment but might hamper economic growth. The limitations and vagaries of GDP are well catalogued, and the subject of current debate.

Aims of the project

The project aims to influence the Scottish Government to move away from gross domestic product as its primary measure of success, and to include and rely on other indicators too, including those for environmental sustainability and well-being. It will also promote the more effective use of an improved National Performance Framework as a tool to inform long-term decision-making for sustainability and for improved sustainable development scrutiny by the Scottish Parliament.



Of interest to...

- The **voluntary, business and public sector**, across the policy spectrum.
- Members and committees of the **Scottish Parliament**.
- **Scottish Government** departments and agencies responsible for future use of the National Performance Framework at national and local levels.
- **UK-wide commentators** interested in exploring additional economic indicators.

Grant-holder Scottish Environment LINK
Funding £104,000
Timescale September 2013–2016

Why the grant was made

Funded under the Foundation's Building Resilient Economies programme, which aims to help build an economic system that distributes social and economic goods and services more fairly, and balances short-term and long-term needs more effectively.

How could, and should, Britain create regional banks? Testing the local lender hypothesis

Demos



‘Providing clear and reliable evidence to underpin the debate on regional banking.’

What is the issue?

There have been calls for the banking system to be reformed to improve the supply of affordable credit to households and small businesses. Cross-party political interest has been shown in local banking as a way to achieve this and to contribute to local economic resilience.

Aims of the project

The project aims to make a tangible contribution to an existing local initiative – the Bank of Salford – through the development of an evidence base for the project. It will also draw out lessons for other place-based coalitions looking to build local financial institutions in the UK, and aims to inform national policy making on banking reform more generally, and local banking policy in particular.



Of interest to...

- **Organisations and practitioners** who are either considering or already involved in establishing local banks in the UK.
- Local and national **policy makers** interested in banking reform and the establishment of local banks.
- **Opinion formers** interested in national and local banking reform.

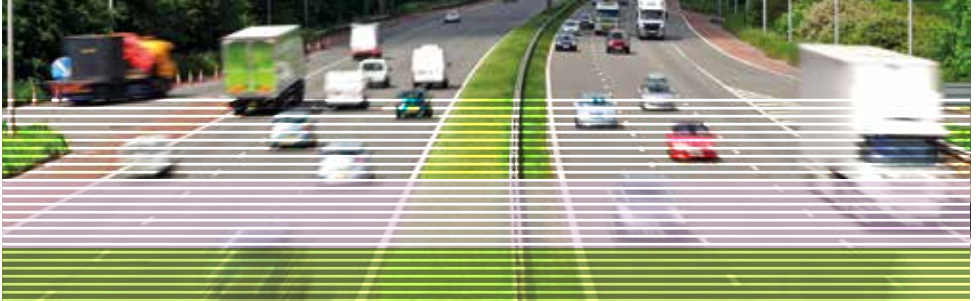
Grant-holder Demos
Funding £56,000
Timescale April 2014–2015

Why the grant was made

Funded under the Foundation's Building Resilient Economies programme, which aims to help build an economic system that distributes social and economic goods and services more fairly, and balances short-term and long-term needs more effectively.

Planning resilient local economies: the role of local enterprise partnerships

Institute for Public Policy Research



‘To identify ways in which local enterprise partnerships can develop local economic resilience within their strategic economic plans, and share learning on local resilience initiatives.’

What is the issue?

All local enterprise partnerships (LEPs) have already developed ‘growth plans’, which set out their priorities for economic growth. More recently, Government has challenged LEPs to transform these into ‘strategic economic plans’ with a more extensive remit and some clearer criteria for their assessment. However, the government has not defined the content of these plans prescriptively. Therefore, there is substantial variation in the approaches adopted in LEP areas, including how far each has focused on issues of resilience and local sustainability.

Aims of the project

This project will identify ways in which LEPs can develop local economic resilience within their strategic economic plans, and share learning between LEPs on local resilience initiatives.



Of interest to...

- **Economic development policy makers and practitioners**, both within central government and in LEP areas.

Grant-holder Institute for Public Policy Research
Funding £54,750
Timescale January 2014–2015

Why the grant was made

Funded under the Foundation's Building Resilient Economies programme, which aims to help build an economic system that distributes social and economic goods and services more fairly, and balances short-term and long-term needs more effectively.

Platform for growth: scaling up community energy with standardised packages of support

Pure Leapfrog



‘Our mission is to ensure that community energy becomes a significant part of the sustainable energy mix in the UK.’

What is the issue?

In the community energy sector there is a large demand for the development of template and model legal documents to support community energy groups in the completion of community energy projects. Local groups often spend money on professional advice to create documents that have already been created elsewhere, which is a waste of valuable time, resources and capital.

Aims of the project

This project aims to reduce the barriers to entry for anyone interested in community energy. It will develop a toolkit containing a series of resource packs comprising standardised documents, including legal guidance notes and template contracts. The models will be released to community energy groups via a licensing platform to ensure support exists for the groups and projects, and so that the sector can feel confident that they are using up-to-date knowledge and best practices for all types of projects.



Of interest to...

- **Community energy groups.**
- **Community partners.**
- **Professional service firms.**

Grant-holder Pure Leapfrog
Funding £80,000
Timescale March 2015–2017

Why the grant was made

Funded under the Foundation's Building Resilient Economies programme, which aims to help build an economic system that distributes social and economic goods and services more fairly, and balances short-term and long-term needs more effectively.

Promoting, supporting and coordinating student campaigns for economics education reform

Post-Crash Economics



‘Fuelled by the financial crash and widespread feeling amongst society that the current status quo is grossly unjust, students have decided to take charge of their own future. We are in a unique position to do this.’

What is the issue?

Every year over 10,000 economics students graduate from UK universities and fill the worlds of finance, business, policy making and regulation. These students are taught one economic perspective as if it were a universally established truth. Critical and independent thinking is discouraged and there is little or no history, ethics or philosophy. As a result, a new generation is not being given the tools or the training it needs to address the serious social and economic challenges it faces and to discover alternative futures. Society needs better, broader and more engaged economics and economists to flourish.

Aims of the project

This project will develop ‘how to’ guides, resources for organisers and training. It will run meetings and workshops to bring student groups together, share knowledge and plan strategy. Post-Crash Economics will also support local groups to gain media attention and campaign for change on a national level. It will develop a marketing strategy to make more economics students aware of the shortcomings of their education and that better economics education is possible.



Of interest to...

- Economics **students and academics.**
- **Economists.**
- **Policy makers.**
- **Civil society.**

Grant-holder Post-Crash Economics
Funding £95,000
Timescale February 2015–2017

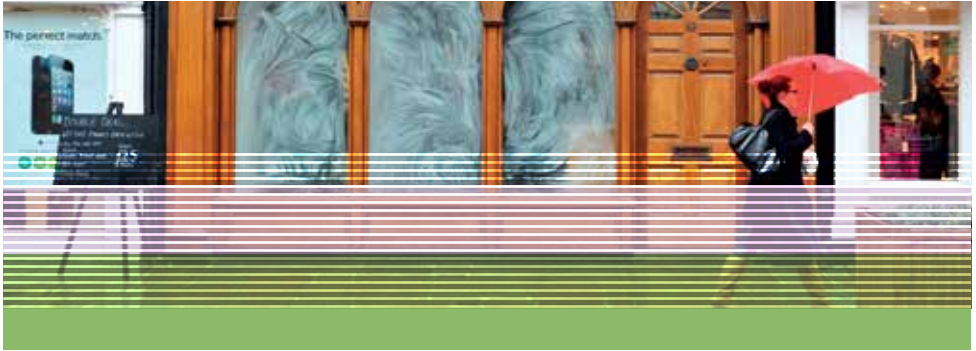
Why the grant was made

Funded under the Foundation's Building Resilient Economies programme, which aims to help build an economic system that distributes social and economic goods and services more fairly, and balances short-term and long-term needs more effectively.

Image: Post-Crash Economics.

Strengthening communities through encouraging diversity in community-led enterprises

Wessex Community Assets



What is the issue?

Throughout the UK many people have experienced decline within their communities – from lost community assets such as public transport, shops and pubs, to high housing prices and low opportunities forcing families and individuals to move away from established social networks. This makes communities less supportive, and consequently less resilient.

Aims of the project

This is an action learning project. It seeks to gain a deeper understanding of how community-led asset owning organisations such as the Community Land Trusts (CLTs) evolve; the motivations behind them; what is the most appropriate support or intervention required to ensure that the community organisation genuinely brings about community resilience; and how this can be measured. The project will support four pilots to work towards taking on other assets in their community, and will document how this happens. It will produce recommendations for how this process can best be supported by a catalyst organisation such as a CLT support project.



Of interest to...

- **CLTs and other community groups** interested in the potential of taking on multiple assets in their community.
- **Professionals** working with CLTs and community asset owning organisations.
- Those interested in CLTs, their economic impact and their evolution, including **academics, practitioners, advisers**, and those working in community development (with special regard to asset based development).

Grant-holder Wessex Community Assets
Funding £93,080
Timescale March 2015–2017

Why the grant was made

Funded under the Foundation's Building Resilient Economies programme, which aims to help build an economic system that distributes social and economic goods and services more fairly, and balances short-term and long-term needs more effectively.

The Financial System Resilience Index

New Economics Foundation



‘Bank reforms aren’t going far enough to tackle the root causes of the economic crisis. We need to establish a more stable, sustainable and socially useful banking system.’

What is the issue?

It is now almost seven years since the collapse of Lehman Brothers triggered a global financial crisis. The impact of that crisis is still being felt in countries across the world, from the loss of economic output and employment to the resulting sovereign debt crises and austerity programmes. The question of whether we can expect another financial meltdown, and how the system will cope if one does occur, is of huge public policy importance. The term ‘resilience’ is gaining currency with financial policy makers and regulators, but there is no clear common understanding of what this means or how we can measure it.

Aims of the project

This research set out to develop a framework for assessing and measuring financial system resilience over time and between countries. The researchers identified seven key domains affecting financial system resilience, with indicators for each domain. These indicators were calculated for G7 countries over several years and then combined into a composite index. The utility of the framework for assessing future policy and market developments within the UK was explored by considering the potential impact of different scenarios on financial system resilience.



Of interest to...

- **Policy makers** interested in progress towards greater diversity and improved resilience of the financial system.
- **Civil society organisations**, which can use the index to hold policy makers to account for delivering this aim.
- **Academics** studying systems resilience.

Grant-holder	New Economics Foundation
Funding	£55,000
Timescale	September 2014–May 2015
Outputs	Summary, 'How resilient is the UK's financial system?', and report, <i>Rethinking Resilience: The Financial System Resilience Index</i> , published May 2015

Why the grant was made

Funded under the Foundation's Building Resilient Economies programme, which aims to help build an economic system that distributes social and economic goods and services more fairly, and balances short-term and long-term needs more effectively.

The potential for money to be created for the common good

Positive Money



What is the issue?

Many economists, politicians, central bankers, in the finance sector, businesses, academia, think tanks, and civil society organisations have little understanding of how the current monetary system works. There is little understanding of the problems that this monetary system causes. And few people have considered proposals for how to change the current system.

Aims of the project

- Ensuring policy makers and central bank regulators pay increased attention to the problems with the current money system, most urgently the contradiction of using rising personal debt as a 'solution' to a crisis caused by excessive indebtedness.
- Informing civil society organisations about how the monetary system acts as a barrier to them achieving their goals, and engaging them in ways to change monetary policy.
- Making economists and opinion formers aware of the need to challenge and transform the current monetary system.
- Supporting a public movement that significantly raises the profile of the alternatives to the current money system.



Of interest to...

- Economists, **policy makers**, politicians, representatives from the **finance sector**, regulatory bodies, the Bank of England.
- **Civil society organisations** working in economic justice including NGOs, unions, think tanks and faith groups.
- People working in **housing, inequality, debt, economics instability, the environment and democracy**.
- The **general public**.

Grant-holder Positive Money
Funding £182,480
Timescale December 2014–17

Why the grant was made

Funded under the Foundation's Building Resilient Economies programme, which aims to help build an economic system that distributes social and economic goods and services more fairly, and balances short-term and long-term needs more effectively.

The REconomy project

Transition Network



‘We are here to help build the capacity of Transition Initiatives, and other similar community groups, to transform their local economies.’

What is the issue?

Today’s economy is highly globalised, damaging to the environment, deeply unequal and increasingly unstable. Communities need to develop a new approach that helps build resilience, and offers new jobs and opportunities, and a system of trade and exchange that is more sustainable, equitable and anchored in well-being, rather than economic growth at any cost. However, many communities lack confidence in taking on this work.

New kinds of enterprises are emerging that need help, but the current business support services are not geared towards community enterprise, and do not prioritise ecological sustainability and social equality. Nor does today’s investment marketplace meet the financing needs of most community enterprises.

Aims of the project

This project will find new ways to build the capacity of community groups to develop local economic resilience. A targeted communication strategy, in partnership with similar organisations, will raise the profile of alternatives to the current economic system in the mainstream. Two pilot communities will develop new models of community-based support and investment for emerging enterprises, unlocking local assets and resources rather than relying on external or inward investment. A mapping of investment and financing options for community enterprises will be compiled, and gaps will be identified, on an ongoing basis.



Of interest to...

- People involved in **Transition Initiatives**.
- **Community groups and organisations** interested in improving the resilience, sustainability and equality of their local economy.
- **Entrepreneurs**.

Grant-holder Transition Network
Funding £169,900
Timescale December 2013–2016

Why the grant was made

Funded under the Foundation's Building Resilient Economies programme, which aims to help build an economic system that distributes social and economic goods and services more fairly, and balances short-term and long-term needs more effectively.

The role of the Financial Conduct Authority in ensuring financial markets work well for everyone

Institute for Public Policy Research



‘A resilient economy is one in which as many individuals and families as possible are protected against shocks. How can the Financial Conduct Authority ensure that the most vulnerable in the UK get a better deal from financial markets – improving access and absorbing risk?’

What is the issue?

The Financial Conduct Authority’s current approach to regulation is based on the assumption that enhancing competition in financial services is the best way to deliver value to consumers. However, certain financial services fall into the category of goods and services for which there should be universal access; and enhanced competition does not guarantee this outcome. Retail financial services should meet the needs of the population as a whole and the industry’s regulator should be tasked with ensuring this outcome.

Aims of the project

The project will develop a set of recommendations for action by government, the Financial Conduct Authority (FCA) and the financial services industry. These recommendations will focus in particular on the remit of the FCA and its approach to regulation, and set out how the regulatory framework should be changed to ensure the most vulnerable in the UK get a better deal from financial markets so as to increase their resilience to shocks.



Of interest to...

- **Ministers**, shadow ministers and their advisers.
- The **FCA**, which has said that it is open to receiving views on its approach to regulating the financial sector, and in particular on its competition objective.
- **Consumer groups** such as Which? and Citizens Advice, and **charities** such as StepChange Debt Charity.
- The **financial services industry**.

Grant-holder Institute for Public Policy Research
 Funding £54,500
 Timescale December 2013

Why the grant was made

Funded under the Foundation's Building Resilient Economies programme, which aims to help build an economic system that distributes social and economic goods and services more fairly, and balances short-term and long-term needs more effectively.

Ultra-local approaches to regeneration: utilising people-powered prosperity

New Weather CiC



‘The trouble with economic recovery is that someone else always has to do it – the bankers, investors, industrialists or mandarins. What about the rest of us – and what about the places where we live? Are there no economic levers we can pull to improve our lives?’

What is the issue?

The emerging ultra-local economics sector, dedicated to helping neighbourhoods regenerate using existing resources, has the potential to both ‘rebalance’ the economy, and to provide UK cities with effective economic levers. But traditional economic policy makers are unfamiliar with the sector, and national policy is not always structured in a way that would support its development. This needs to be addressed, not just to create economic resilience but also to enable a more effective localism.

Aims of the project

This study attempts to fill the evidence and theory gaps that exist between national policy making and local economic activity. It sets out an intellectual framework to improve communication and understanding between national policy makers (including HM Treasury and the Department for Business, Innovation and Skills) and those working at the local level. It is intended to enable local entrepreneurs and local authorities, urban and rural, to begin to build a body of effective economic solutions that are backed by appropriate support at the national level.



Of interest to...

- People from **the ultra-micro economics sector**, in community banking, community energy, local regeneration and new kinds of money.
- Frontline politicians, Whitehall **civil servants**, especially at the Treasury and the Department for Business, Innovation and Skills.
- **Local government officials**, especially in disadvantaged areas, who need to be able to couch their ambitious local economic solutions in terms that can convince Whitehall officials.

Grant-holder	New Weather CiC
Funding	£25,752
Timescale	June 2014–February 2015
Outputs	Summary, 'Ultra-local approaches to regeneration: utilising people-powered prosperity', and report, <i>People Powered Prosperity: Ultra-local Approaches to Making Poorer Places Wealthier</i> , published February 2015

Why the grant was made

Funded under the Foundation's Building Resilient Economies programme, which aims to help build an economic system that distributes social and economic goods and services more fairly, and balances short-term and long-term needs more effectively.

B Corporations: a certification system for impact businesses

B Lab UK



‘The B Corp movement is a critical part of the shift to a more inclusive and purpose-driven economy, which is unquestionably needed.’ (Paul Polman, CEO, Unilever)

What is the issue?

The social and environmental impact of businesses is becoming increasingly important across the UK economy, with customers, start-ups and existing businesses. However, there is no certification that identifies those companies whose commitment and social performance creates positive and social impact. This is preventing the transformation of our economy into one that has long-term value creation at its heart.

Aims of the project

B Lab UK is a British charity set up to support the development of B Corporations – for-profit companies that are certified by B Lab UK to meet rigorous standards of social and environmental performance, accountability and transparency, and that have changed their company articles to treat the interests of all stakeholders equally. The project funding will support B Lab UK’s business engagement, certification support, awareness building and thought leadership.



How B Lab works...

B Lab drives systemic change by:

- Building a **global community** of B Corporations that meet the highest standards of verified, overall social and environmental performance, public transparency, and legal accountability.
- Promoting **mission alignment** using innovative corporate structures like the Benefit Corporation to align the interests of business with those of society and to help high-impact businesses be built to last.
- Helping tens of thousands of businesses, investors, and institutions **measure what matters**, by using the B Impact Assessment and B Analytics to manage their impact – and the impact of the businesses with whom they work – with as much rigor as their profits.
- **Inspiring** millions to join the movement through story-telling by B the Change Media.

Grant-holder B Lab UK
Funding £20,000
Timescale August 2015–2016

Why the grant was made

Since 2004 the Foundation has been committed to exploring aspects of the ethics of the financial system: can it sustain greater social harmony while creating economic goods and services? The Foundation pursues this ongoing priority through projects like this one, in the Right Use of Money programme.

Status: **ongoing**

www.friendsprovidentfoundation.org

Core funding for a non-profit ethical investment club

Ethex Investment Club Ltd



‘Ethex makes positive investment easy to understand and easy to do.’

What is the issue?

A growing number of individuals wish to invest positively, for social and environmental returns as well as financial. With grant money now harder to find, this can be an important source of finance for charities and social enterprises. However, as yet no properly functioning marketplace exists for people to browse, choose and compare the full range of positive investments, invest directly, and build their own positive investment portfolio.

Aims of the project

Ethex is a non-profit ethical investment club, which has both ethical investors and ethical businesses as members. Through collaboration and the pooling of resources, it aims to promote and encourage businesses that have both social and commercial goals. It is building a not-for-profit exchange for both primary and secondary trading of social investments as an alternative to the commercial exchanges. It also aims to raise the profile of investing for positive social and environmental benefit with a wide public audience and to develop a common standard and expectation for positive investment returns and reporting.



Of interest to...

- **Individuals** with an interest in making positive investments.
- **Professional organisations in the social investment sector** that want to understand how they grow the sector, particularly with a retail audience.
- **Social businesses** looking to raise capital.

Grant-holder Ethex
Funding £75,000
Timescale July 2014–2017

Why the grant was made

Since 2004 the Foundation has been committed to exploring aspects of the ethics of the financial system: can it sustain greater social harmony while creating economic goods and services? The Foundation pursues this ongoing priority through projects like this one, in the Right Use of Money programme.

The Foundation is also an investor in Ethex.

Ethical Money Churches

Ecumenical Council for Corporate Responsibility



‘Corporate and investor responsibility is a key issue for people of faith, who evaluate companies by their long-term impacts on human dignity, our communities and the integrity of creation.’

What is the issue?

The need for a structured approach to enable worshipping communities to learn more about ethical investment has been recognised for a long time. Faith communities are engaging more in these issues, not least at a national level when it comes to ethical investment and ‘good money’. However, there is not, as yet, a strong and coordinated grassroots involvement.

Aims of the project

The Ethical Money Churches project will build a community of people in UK churches who are seeking to align their faith and the stewardship responsibilities with regard to the way that their money, savings and assets are used either by them as individuals and/or on their behalf as members of church denominations. The project will harbour and generate grassroots involvement through training and development of materials and support networks to help faith communities understand the issues and develop appropriate responses and practical action as a vital part of their discipleship and mission. A key initial step has been the launch of the Your Faith, Your Finance website (www.yourfaithyourfinance.org).



Of interest to...

- **People** who want to understand more about the context of their faith in relation to their finances.
- **Members of Christian churches** in the UK.
- **Faith communities** and **other denominations** wishing to participate or learn more about the approach.

Grant-holder Ecumenical Council for Corporate Responsibility
Funding £69,706
Timescale October 2013–2016

Why the grant was made

Since 2004 the Foundation has been committed to exploring aspects of the ethics of the financial system: can it sustain greater social harmony while creating economic goods and services? The Foundation pursues this ongoing priority through projects like this one, in the Right Use of Money programme.

Image: Maranda St John Nicolle/ECCR

Status: **ongoing**

www.friendsprovidentfoundation.org

The Future-Fit Business Benchmark

3D Investment Foundation



'Business as usual' is not an option.'

What is the issue?

Our global economic system is failing to meet the needs of hundreds of millions of people around the world and is degrading the planetary resources upon which we depend. Whilst awareness of these issues is at an all-time high, companies are never likely to make much headway in tackling them until we can first answer one simple question: *What does a sustainable company actually look like?*

Aims of the project

The project will develop a set of goals and key performance indicators to define how a company must address the most critical environmental and social issues in order to be truly sustainable. Known as the Future-Fit Business Benchmark, it will enable any company to measure the gap between where it is now and where it needs to be to contribute positively to society as a whole – to be *future-fit*.



Of interest to...

- Company **employees** who want to understand how to make their business truly sustainable (*future-fit*).
- **Investors** seeking to understand the impact of their portfolios on the planet and society.
- Sustainability **experts** who can help make the benchmark complete and fit for purpose.
- Individual **consumers** who want to buy genuinely sustainable products.


Grant-holder 3D Investment Foundation
Funding £100,000
Timescale March 2015–2016

Why the grant was made

Since 2004 the Foundation has been committed to exploring aspects of the ethics of the financial system: can it sustain greater social harmony while creating economic goods and services? The Foundation pursues this ongoing priority through projects like this one, in the Right Use of Money programme.

The purpose of the corporation

Frank Bold Society



‘We are at a moment in history when we need our corporate businesses to help us cope with the challenges ahead. We, as a society, though, need to be clear in our understanding of the basis upon which we grant the privileges that accompany the modern corporate form.’

What is the issue?

Modern corporate governance is heavily reliant upon a number of misguided assumptions. These include that shareholders own corporations, company directors are their agents, directors are legally obliged to maximise shareholder value, and that this strategy provides better returns to shareholders, is better for the corporation and is in the best interests of the economy. These assumptions are not based in law and have many unintended consequences, including excessive focus on short-term profits, inequality, and social and environmental externalities (e.g. the global financial crisis and climate change).

Aims of the project

This project aims to re-open the discussion about the purpose of the corporation. It is engaging the business community through a global roundtable series uniting experts and practitioners. It will develop explanatory notes linking corporate governance to their areas of work, consult with NGOs to obtain feedback regarding the desired outcomes of corporate governance for these specific issues and host workshops to build capacity and coordinate strategy. It will engage in EU-level policy discussions on the role of business in society, and will work closely with affiliated organisations in London to encourage this process in the UK.



Of interest to...

- **Civil society activists** and change agents.
- **Policy makers** looking to find ways to diversify the finance system.
- Alternative financial service **innovators**, such as peer-to-peer platforms, community banks or impact investment funds.
- People and organisations with an interest in **responsible business**.
- **Business leaders and investors** focused on creating long-term sustainable value.

Grant-holder Frank Bold Society
Funding £45,000
Timescale June 2015–2016

Why the grant was made

Since 2004 the Foundation has been committed to exploring aspects of the ethics of the financial system: can it sustain greater social harmony while creating economic goods and services? The Foundation pursues this ongoing priority through projects like this one, in the Right Use of Money programme.

Monitoring progress towards inclusion

Centre on Household Assets and Savings Management, University of Birmingham



‘Keeping a watching brief on financial inclusion, ensuring future policy and practice has a sound evidence base.’

What is the issue?

HM Treasury’s Financial Inclusion Taskforce achieved a great deal in its time (2005–11), not least in reducing the number of people who were ‘unbanked’ and in increasing access to affordable credit. But the current economic situation is placing pressure on household budgets, which looks likely to increase financial exclusion and insecurity. There is therefore a need to continue monitoring levels of financial inclusion to highlight areas of concern and feed into policy and practice debates about ways of maintaining, if not increasing, levels of financial inclusion.

Aims of the project

A series of five annual monitoring reports will measure changing levels of financial inclusion in Britain from 2013 to 2018.



Of interest to...

- **Policy makers** with an interest in financial inclusion.
- **Financial services providers.**
- **Voluntary sector** organisations working with people vulnerable to financial exclusion.

Grant-holder University of Birmingham
Funding £150,000
Timescale January 2013–December 2018

Why the grant was made

Funded under the Foundation's Financial Inclusion programme (2004–12), which aimed to 're-balance' the financial services market in favour of low-income consumers.

The long-term impact of money advice on low-income households

Warwick Institute for Employment Research,
University of Warwick



‘A study to achieve a more nuanced understanding of the impact of debt advice and the realities of living with debt in low-income households in the UK.’

What is the issue?

There is a considerable literature and empirical evidence regarding debt but there are two particular gaps in our knowledge: first, the long-term impact of money advice and, second, the consideration of debt as something that affects people over time rather than being a relatively short-lived experience.

Aims of the project

This longitudinal study aims to: investigate the long-term impact of money advice on low-income households; identify the aspects of money advice that are most helpful, and whether these change over time; understand the impact of debt over time, and its relationship with issues such as health and employment; identify the key factors (money advice or others) that enable people to move out of debt, or the reasons why households get further into debt; and provide a more nuanced and sophisticated understanding of the experience of debt, moving beyond simplistic distinctions.



Of interest to...

- **Policy makers** concerned with indebtedness.
- **Money advice providers.**
- Public and private sector **organisations and companies** with an interest in debt.
- **Researchers** working in this field.

Grant-holder University of Warwick
Funding £180,000
Timescale September 2009–15

Why the grant was made

Funded under the Foundation's Financial Inclusion programme (2004–12), which aimed to 're-balance' the financial services market in favour of low-income consumers.

Social investments

Friends Provident Foundation makes a proportion of its funds available to social enterprises in the form of direct investment. The primary aim of social investments is to pursue the Foundation's broad charitable objectives and focused programmatic objectives using financial support other than grants. The secondary aim of social investments is to produce a financial return. Trustees work closely with investees to achieve our shared aims.

Affordable Homes Rental Fund

resonance.ltd.uk/funds/community-land-trust-rental-housing/

The fund invests through loans providing long-term affordable rental housing for local people. The structure of the fund is specifically designed from the fund manager's work with Community Land Trusts and aims to address barriers they face in obtaining debt financing. The fund is investing in: refinancing, conversion, empty homes, new builds and self-builds within the affordable housing sector.

Funding/timescale A commitment of £250,000 was made in August 2014 toward an nine year investment in the Community Land and Finance CIC, controlled by Resonance Ltd.

Charity Bank www.charitybank.org

Charity Bank is working for a fairer society. Its mission is to finance charities and other community organisations that address the needs of the most vulnerable in our communities. By supporting organisations that are unable to access finance at all, or on affordable terms, it helps to transform their capacity to deliver vital services, and takes them towards sustainability.

Funding/timescale £250,000 subordinated loan at 4% per annum over 10 years made on 1 October 2007.

Community Share Underwriting Fund

resonance.ltd.uk/funds/underwriters-club/

The fund was established to address the problem of the lag that often occurs between the issuing of community shares to purchase or create community assets and raising sufficient funds to develop them. This fund 'underwrites' the community share offers by providing an interest only loan that can match the amount raised in the share offer, up to 50 per cent of the target. If the underwriting loan needs to be drawn down, the project can then proceed and repay the loan once the project is operational.

Funding/timescale £100,000 investment in a six year fund period from September 2014 structured as a loan to Community Land and Finance CIC, wholly owned by Resonance Limited.

Ethex www.ethex.org.uk

A non-profit ethical investment club with a membership of ethical investors and ethical businesses. Through collaboration and the pooling of resources it aims to promote and encourage businesses with both social and commercial goals. It wants to make financial services more affordable and more available to ethical businesses and to ethical investors.

Funding/timescale £50,000 in the form of a loan.

Ethical Property Company www.ethicalproperty.co.uk

A well-known and well-established social enterprise. Its primary activity is to buy properties and develop them as centres that bring social change organisations (charities and social enterprises) together under one roof where they can share skills and ideas.

Funding/timescale £127,500 investment in shares made on 22 July 2010.

Social Impact Partnership

socialfinance.org.uk/impact/criminal-justice

The Social Impact Partnership aims to reduce recidivism by an estimated 3,000 short-sentence male prisoners leaving HMP Peterborough over what was planned to be a six-year period. The success of the programme will be monitored, and investor payments will be made on the basis of reduced conviction events. The first validated data on re-offending rates were released in September 2014. Although the rates were not sufficiently low to trigger an early payment to investors, it is expected that the report for the second cohort is on track to indicate a much reduced rate of re-offending. The funding for the programme will be taken over by the Ministry of Justice from 2014 as a precursor to the changes to contracting arrangements relating to the implementation of government policy.

Funding/timescale £100,000 investment in a Limited Partnership approved by Trustees on 15 September 2010. The investment was made in instalments.