



THE CLOTHWORKERS' FOUNDATION

STRATEGY 2023-2027

The Clothworkers' Foundation
Registered Charity no 274100
www.ClothworkersFoundation.org.uk



CHAIR'S FOREWORD

I am delighted that The Clothworkers' Foundation is publishing its new strategy. Over 2022, we carried out a strategic review of our activities and identified some great strengths, as well as areas where we felt we could do more – or things we could 'do different' – to increase our impact, and maximise the value of our funding.

In many ways, this review continued a process that began in 2020 when, along with everyone else, the twin challenges of the COVID-19 pandemic and the resurgence of the Black Lives Matter movement provoked

new conversations within The Foundation, self-scrutiny, and action.

This action included a modernisation of our governance and innovation within our grantmaking to reach groups affected by structural inequalities, and to centre grantee needs. I am proud that we have been able to develop these themes further in our new strategy. I hope this document gives you insight into where we've come from and where we're headed.

Dr Lucy Rawson, Chair

DIRECTOR'S INTRODUCTION

The Clothworkers' Foundation was established in 1977, but is built on a history of philanthropic action that stretches back 500 years. We were founded, and endowed, by The Clothworkers' Company, one of the City of London's Great Twelve Livery Companies, to pursue social impact in its name, alongside The Company's own grantmaking. More than 40 years on, the two organisations continue to work closely together to pursue philanthropic aims, including via donations from The Company to The Foundation.



The Foundation has taken a strategic approach to its grantmaking for more than 20 years, distributing funds via our Open Grants Programme for capital projects, as well as our exploratory Proactive Grants Programme. Strategic reviews have been carried out every five years. However, we have not previously published a strategy. We are doing so now because we are committing to being more transparent and accountable. We believe that this helps us to be more equitable, enabling, adaptive, and collaborative – our four guiding values.

In particular, increasing our transparency makes us more accessible to applicants and grantees, as well as to any organisation pursuing an aligned mission. We know that our vision and mission overlap with those of many other grant makers and grant seekers. We want to be open about what we're trying to do and how, and the progress we're making; we believe this will generate useful learning for others, and fruitful partnerships.

This document introduces our strategy for the next five years – although it will be under regular review as we learn, and as the external context changes. Over the next three years in particular, we plan to improve the reach and accessibility of our Open Grants Programme and launch our Proactive Equity Programmes. This publication provides insight into our mission, our values, and the ways in which we are trying to put these into practice.

Jenny North, Director



VISION, MISSION, AND APPROACH

Vision – An equitable society where all can participate and thrive.

Mission – We support charities and social businesses that work with marginalised and disadvantaged people and communities, and those working towards a more equitable society.

Approach – We support organisations that are meeting urgent needs, creating future opportunities, and building better systems. We learn from these organisations, and we share what we learn.



ACHIEVED THROUGH OUR ACTIVITIES

GRANTMAKING

Open Grants – Application-based funding infrastructure needs for small- and medium-sized charities and non-profit organisations.

Proactive Grants – Strategic funding in key priority areas, such as our Equity Programmes.

Other Grants – Funding developed through long-term relationships and innovations.

INVESTING

Expanding Our Social Investments – Repayable finance to organisations where we are able to meet a clear need for organisations.

Managing Our Endowment – Investing for return to fund our activities in the long-term while creating increased mission alignment over time.



BUILT UPON OUR VALUES

Equitable – We work to promote equity in our grantmaking and organisation, and to identify and manage bias. We strive to increase participation and representation at all levels of our organisation to advance better decision-making.

Adaptive – We strive to be responsive to the needs of our grantees and to listen to them as experts. We learn from them, from our peers and from our own experience, to drive improvements in our work. We adapt to external change when necessary.

Enabling – We strive to provide funding and support that enables our grantees to be more impactful and sustainable, and which minimises burdens on them. We aim to empower our own team through flexible and trust-based ways of working.

Collaborative – We seek to work with other funders, research organisations, and networks. We do this to serve grantees more effectively, to learn, and to share our learning with others to maximise our joint impact.

OUR MISSION EXPLAINED

To articulate our vision, mission and values – the crucial starting points for our strategy – we had to look back at our recent grantmaking and identify the patterns in what we've funded. We saw, across both our open and proactive grantmaking, a long-term commitment to organisations which work with disadvantaged and marginalised groups, at both individual- and community-level. Even where we have funded thematically around the dramatic arts, it has been directed at increasing access for under-represented groups.

This commitment and focus is reflected in our **vision** of a society where everyone is included and where structural and individual barriers to that full inclusion and participation are dismantled.

Our **mission** expresses how we think about our contribution to that vision (which we know is shared by many): We are here to support the organisations that are skilled at helping those facing barriers – individual, community-level or systemic – to inclusion and participation. We are not the experts in every issue, but we seek to become experts at empowering those that are.

This means that we fund broadly and that won't change. However, we want to understand more about what we fund and the different routes organisations take to reducing disadvantage and marginalisation as well as promoting participation and inclusion.

We will continue to fund organisations that:

- Meet urgent needs for individuals
- Work with individuals to develop future opportunities and outcomes
- Build stronger communities and better systems

Going forward, we will be learning, and talking about, the balance of these types of work across our funding, and what we know about meeting organisations' funding needs.

Our **values** are the ways we want to work as a grant maker, as a place to work, and as a partner. We know we have some strengths across all four values, as well as areas where we want to do more to truly live by them. We strive to ensure our decision-making is guided by our values.

EVOLUTION OF OUR GRANTMAKING

OPEN GRANTS PROGRAMME

The **Open Grants Programme** reflects our belief that it's not only 'front line services' that allow charities to be effective and efficient. Capital funding for infrastructure is vital. Ours is intended to help organisations become more sustainable, engage (more) people more effectively, and to support staff and volunteers to do their work.

In 2022, we awarded more than £6 million in grants, helping more than 300- small and medium-sized organisations. We are committed to increasing the amount we give over the strategy period. We are also committed to making changes in eligibility and monitoring for greater transparency and accessibility for all.

As a result, we began to implement the following in 2023:

- The **DEI Data Standard**: a data collection tool to help us understand who applies for and who receives grants, and whether any of this is affected by the gender, ethnicity, disability, or geography of an organisation's leadership or those they serve. Our aim is to identify where our processes may disadvantage some communities and take action to address this. We're committed to sharing our learning from this to support other funders.
- Expanded **digital eligibility**: we recognise that software is as much a part of essential infrastructure for organisations today as hardware. Websites and CRMs can be transformative, and they come with development costs. We want to be able to support these essential items, and will change the eligibility of our Open Grants Programme to allow this.
- **Improved monitoring and learning**: we support hundreds of infrastructure projects every year, which gives us a unique insight into both the intended and the unexpected impacts of these investments, as well as the factors that could make them successful or not. We will introduce new monitoring that can provide these insights, without placing undue burden on our grantees. Sharing these insights may help charities planning infrastructure projects and make the case for more of this type of funding.

PROACTIVE GRANTS PROGRAMME

The Clothworkers' Foundation has nearly two decades' experience of implementing thematic funds that provide support for organisations over several years. These have included our Better Futures programme, supporting improved outcomes for people facing disadvantage, as well as programmes focussed on Care Leavers and on access to the Dramatic Arts.

For the next five years (2023-27), we are evolving this approach to provide multi-year, unrestricted funding to support organisations at a strategic level. Drawing inspiration from our vision, mission and values and building on the legacy of our work during COVID-19, we are launching **Equity Programmes**. Our first grants within this programme will focus on areas of **Racial Equity** and **Economic Equity**.

In each fund, we will work with and provide funding to partners that are addressing inequalities on an individual, community, or systemic level. This reflects the fact that successful interventions need to exist at every level to tackle inequity. We also expect to work with organisations of different sizes, and at different stages of development.

Each Equity Programme will aim to support grantees' capacity, sustainability, and outcomes over three to five years, and to contribute to wider societal goals around increased equity, and more funding for those supporting equity. We are also committed to using what we learn from these programmes to build an 'equity lens' into all our grantmaking, now and into the future. We will fund evaluation and learning partners to understand (and share) over time what helps initiatives to succeed or to undermine them. Beyond this, we will also continue to fund organisations from previous strategic initiatives, whose work is valuable.

OTHER GRANTS PROGRAMMES

We will continue to fund some organisations for the long-term, including several mission-aligned organisations in the 'grants for grants' space, allowing us to reach smaller organisations than we otherwise could, and even individuals. We are also able to fund in new areas that will deepen our understanding of certain issues and inform future funding.

EXAMINATION OF OUR INVESTING

SOCIAL INVESTMENT

The Clothworkers' Foundation has been making social investments since 2017. For our new strategy, we considered the role of for-return finance in our work.

We will remain an opportunistic investor, working in collaboration with other funders to support mission-aligned organisations where repayable finance can meet a specific need for them.

We want to work with existing grantees as they take on investment, but we also expect to support new organisations via this route.

Our social investment funding will be for return, but this will be balanced against the social impact of any project or organisation, and we expect to support some innovative or unproven work that may take some time to generate returns.

Returns will, over time, be reinvested in further social investments.

MANAGING OUR ENDOWMENT

The Clothworkers' Foundation is a 'perpetual' foundation, and this is enabled by our permanent endowment. This means we need to make a return to support our grantmaking without depleting our capital. To ensure that our grantmaking budget year to year is relatively stable and can increase over time, we apply the following spending rule: 3% of our total asset value over a moving three-year average. We want to preserve capital for the long-term, but this percentage will be reviewed during the strategy period.

As agreed at the latest Investment Strategy Review, we will **allocate 10% of our investment portfolio to Environmental, Social, Governance (ESG) funds**. We are committed to reviewing the performance of this allocation and increasing it during the strategy period. We are also committed to examining further what ethical investment means for The Clothworkers' Foundation and, following from this, exploring more mission-aligned opportunities for investment. As part of these efforts, we have supported the development of training by ACF to educate and empower ourselves and other foundations, and we will continue to invest in our own board members' and team's knowledge.

OUR AIMS FOR 2023-2027

Over the next three to five years, we have clear plans, as outlined above, to deliver new programmes and improve those we already have.

Beyond this implementation, we want to make sustained changes in how we work and deliver against our mission. In particular, we aim to:

- Make our values apparent in everything we do – including in expanding our reach and accessibility to all communities, particularly those that are more likely to be disadvantaged in securing funding.
- Improve and share our knowledge of how core and capital funding (for infrastructure) supports organisations, and demonstrate the impact our funding has had.
- Make collaborative working the norm for The Clothworkers' Foundation, in terms of funding partnerships and active participation in networks, but also in more equal and generative relationships with grantees.
- Work more transparently, including through sharing our funding data, explaining our decision-making, and publishing what we learn.
- Develop our approach to managing our resources in a way that secures our grantmaking future and aligns with our mission.



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