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FRIENDS  
PROVIDENT  
Foundation

# Friends Provident Foundation

Funding Landscapes  
November 2011

- Independent charity
  - established in 2002
  - Endowed in 2004
- Small corporate funder
- Overarching concern with the Right Use of Money
- Tightly focused programme
  - Addressing financial exclusion

- Subtle change – funder not grant-maker
- Trustee commitment to using all our resources in pursuit of mission
- In 2009 – 5% of endowment pledged
- Transformational tool or funding fad?
- CC14 revision

- Social Investments thus far:
  - Charity Bank
  - Social Impact Partnership
  - East Lancs Moneyline (Cymru)
  - Ethical Property Company

- Pros:
  - More money available for funding
  - Trustee engagement
  - Learning new skills
- Independent funders: Scaring the horses
  - Government take over
  - Scandal
  - Lack of social impact

# What is Big Society Capital?

**BSC is a financial institution whose role is to channel funds from Dormant Accounts and Merlin Banks to frontline organisations via intermediaries**



# Operating Principles

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HMG have defined 4 key operating principles for BSC

## INDEPENDENCE

- No direct government ownership
- No government representation on BSC Board

## TRANSPARENCY

- Full disclosure of financial results
- Rigorous social impact reporting

## SELF SUFFICIENT

- Returns sufficient to cover operating costs and any investment losses
- No erosion of base capital

## WHOLESALE

- Capital investments in Social Investment Finance Intermediaries, not in the “frontline”
- No grant support

# Key Objectives

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**BSC's mandate is to develop a sustainable social investment market in the UK**

- Create more financially robust Social Investment and Finance Intermediaries
- Support the development of new and innovative financial products
- Encourage and disseminate best practice across the Social Investment Sector
- Partner with mainstream banks and other financial institutions
- Support the development and consistent application of social impact metrics

## Next Steps in Implementation

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- Fully establish operating company.
- State Aid approval.
- FSA authorisation.
- Cabinet Office directive to release Dormant Funds to BSC.
- Handover of Investment Committee Big Society Investment Fund (BSIF) investment portfolio to BSC.

- Social investment and philanthropy can co-exist
- Real opportunities and real risks
- Key focus must be on ways of achieving better outcomes for beneficiaries and getting funds into underfunded areas.

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