

# A year of change

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Dawn Austwick, Chief Executive

This has been a year of change for the Foundation. We, like everyone else, have experienced a shift in the tectonic plates of the financial world. Whilst we were braced for a downturn, the ferocity, scale and unpredictability of events made for an unsettling and disturbing few months.

In 2008 the total return achieved on our investment portfolio was -17.6% compared to +5.7% in 2007. This could have been much worse and the economic and financial outlook remains uncertain. However we remain committed to a long term perspective both in our investment choices and our grant-making.

Notwithstanding such major external upheaval, we have made several significant changes of our own as a result of the strategic review we carried out in 2007. The most notable of these has been the introduction of a Main Fund through which the majority of our funding now runs, with specialist funding strands sitting alongside it. And we have not just made changes to our policy and funding practice. We are now located in the newly developed Kings Place, just up York Way from Kings Cross station in central London. We were attracted to Kings Place by its mixed use facilities (combining commercial offices with concert halls and galleries, gracious public spaces and places to eat), the sustainable design of the building, and its key role in pioneering regeneration in this part of London. This mix of cultural, environmental and social factors is a close fit with our own areas of interest.

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*The most significant change has been to our funding approach.* The Main Fund now offers us the opportunity to respond more easily to the needs and priorities of those we fund. Whilst we could not have foreseen the deterioration in the economic climate, our new responsive approach gives us the flexibility to react to external changes and adjust our funding choices accordingly. We will see in 2009 whether the more hostile external environment leads to a significant change in the nature and type of applications we receive.

2008 has been a year of experimentation, of finding our feet with the new approach, and exploring with applicants the wider boundaries of our funding. It has opened up new areas of funding for us – support for refugees and asylum seekers being one, and for new work in national arts companies being another – as well as raising interesting questions about policy. For example, we have been testing the approach to funding locally, and how as a national funder we could be best placed to do this - one route we have taken here is to pilot a small grants programme with the South West Foundation.

As we move through 2009 we will undoubtedly have to consider the balance between supporting the development of new ideas and approaches and ensuring that existing practice and delivery is maintained in difficult circumstances.

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In the future we hope to be able to develop further our understanding of the impact of our grant-making decisions and use such knowledge to inform our thinking about this and other issues that we face.

*Whilst we have seen a lot of change, we remain fundamentally the same organisation, operating in the same areas, and many of our grants this year are familiar territory for us. They represent the continuity of values and philosophy that remain at the heart of what we do. The stewards of this philosophy are our Board of Trustees and in 2008 we said goodbye to our four longest serving Trustees: Ashley Down, John Fairbairn, Jeremy Hardie, and Martin Lane Fox, two of whom (John and Jeremy) are also past chairmen of the Foundation. Their knowledge, wisdom and humour will be much missed by all of us.*

Dawn Austwick,  
*Chief Executive*

