



The Growth Fund – Expression of Interest (EOI)

Guidance on the EOI, how to complete and what comes next

What is the purpose of the EOI?

STAGE 0:
Social Investor expresses interest via EOI

STAGE 1:
Social Investor provides business case to Access (after being invited to apply)

STAGE 2:
Following JIC approval, due diligence of application by Access and BSC

STAGE 3:
Signing of all legal agreements

ONGOING:
Monitoring of activities

Invited to apply if eligible & suitable

1ST formal committee decision

2ND formal committee decision

Expression of Interest (EOI) form received

Initial consideration of eligibility of social investor by Access. If successful, invited to apply.

Business plan received

Review strategic fit with Growth Fund. Proposal to include: market gap; proposed solution; social impact; track record; risks; benefits to the market

JOINT INVESTMENT COMMITTEE (JIC) INITIAL ROUND

Assessment, Due Diligence

Amend application post JIC feedback; Validate info in application form and consider State Aid issues

JIC FINAL ROUND

Legals

Loan agreement signed between BSC & social investor; Agreement between Big Lottery Fund & social investor; Incorporate legal entity to manage funds

Ongoing Monitoring

Disbursing funds; Quarterly reporting; Course correction based on performance and experience; Portfolio reviews with JIC

Completing an EOI form is the **first step** in accessing finance from the Growth Fund. It's purpose is to understand more about the investor applying, your motivation for doing so and an understanding of the basics of your proposal.

IMPORTANT: The EOI is a pre-cursor to a formal application and should be treated as such in terms of the detail provided and time spent in completing the form. It is not expected that the full detail of the proposal would be known at this stage, but rather Access is interested in understanding whether the proposal could be developed into a more formal application.

The EOI form is completed online and accessed via the [Access website](#):

What does the EOI involve?

The EOI is divided into **3 main sections**:

1

INFORMATION ABOUT THE ORGANISATION (THE APPLICANT)

WHY? This helps Access to get a feel for the organisation applying and what matters to it

This section includes:

- An understanding of the organisation's social mission and objectives
- Whether the organisation is currently a social investor or seeking to act as such
- Whether the organisation is seeking to act in partnership with other organisations to deliver their proposal and who these partners would be
- An understanding of the legal forms and relevant registrations of the organisation (and any partners)

2

INFORMATION ABOUT THE ORGANISATION'S TRACK RECORD SUPPORTING CHARITIES & SOCIAL ENTERPRISES

WHY? This helps Access understand the knowledge of the organisation (or partnership) acting as a social investor

This section includes:

- An understanding of the organisation (or partnership's) knowledge of making loans and running a loan portfolio
- An understanding of the organisation (or partnership's) knowledge of running a grant programme
- An understanding of the knowledge of working with and supporting charities and social enterprises

3

INFORMATION ABOUT THE ORGANISATION'S PROPOSAL

WHY? This helps Access understand the proposal, including its aims, end beneficiaries and scale

This section includes:

- Why the organisation wishes to apply to the Growth Fund
- What types of charities and social enterprises the organisation wants to provide finance to, including an understanding of the end beneficiaries and the geographical focus of the proposal
- What types of products will be offered under the proposal
- The total value of loan and grant the proposal will seek to secure and how that split was determined (indicative at this stage)

Section 3 also asks the organisation to consider which of the three Growth Fund themes their proposal falls into:

EFFICIENCY

Social investors who can meet current demand from charities and social enterprises for smaller unsecured loans in an efficient way

NEW APPROACHES

Social investors who offer creative and relevant new products for charities and social enterprises, or new ways of delivering social investment to the sector

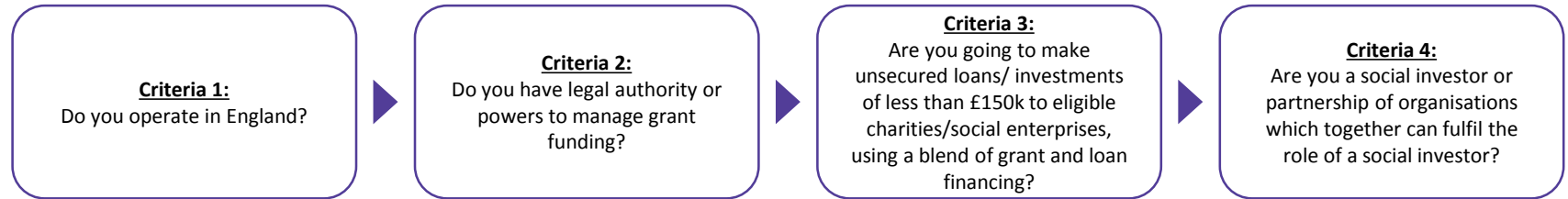
REACH

Social investors who can offer social investment to, and make it relevant for, groups of charities and social enterprises who have not been able to benefit to date

Note: These 3 themes are not mutually exclusive. An organisation should consider where their proposal best fits.

Understanding an organisation's eligibility

Before your organisation can submit an EOI, you need to confirm you have read and understood the **eligibility criteria**. These criteria are on the Access website at the bottom of the online EOI form and are shown below. An organisation needs to answer yes to each of the 4 questions in order to be eligible.



ELIGIBLE CHARITIES AND SOCIAL ENTERPRISES

Eligible charities & social enterprises must be serving communities in England and can be regulated or unregulated. Regulated organisations are charities, Community Interest Companies or Community Benefit Societies which pursue charitable objectives. Unregulated social sector organisations (such as CLGs, CLSs, and IPSs) may be eligible, if the business:

Mission lock and activities

- has a clear social mission which meets a charitable objective that addresses a social issue or need
- carries out trading activities in support of and which are causally linked to its social mission
- in the case of a sale of the enterprise, the directors make best efforts to preserve the social mission under new ownership.

Profit distribution and asset lock

- distributes less than 50% of post tax profits
- mainly reinvests surpluses into pursuing their social mission
- has a constitutional or contractual lock on its Social Objects, dividend policy and an “asset-lock”.

Public benefit and private gain, use of public funds

- offers its products and services for general public benefit without restrictions and barriers, such as affordability
- can be established that private gain is incidental and minimal as a result of Access’s support.
- no state aid issues identified (de Minimis may be used where appropriate)

Transparency

- articulates, evidences, measures and reports on its social impact and charitable purpose
- is open to undertaking an independent social impact audit.
- has remuneration and benefits policy which it is willing to make open, and which is reasonable and proportionate relative to the market practice for social sector organisations.

See Growth Fund – the Basics guidance for more on social investors and partnerships

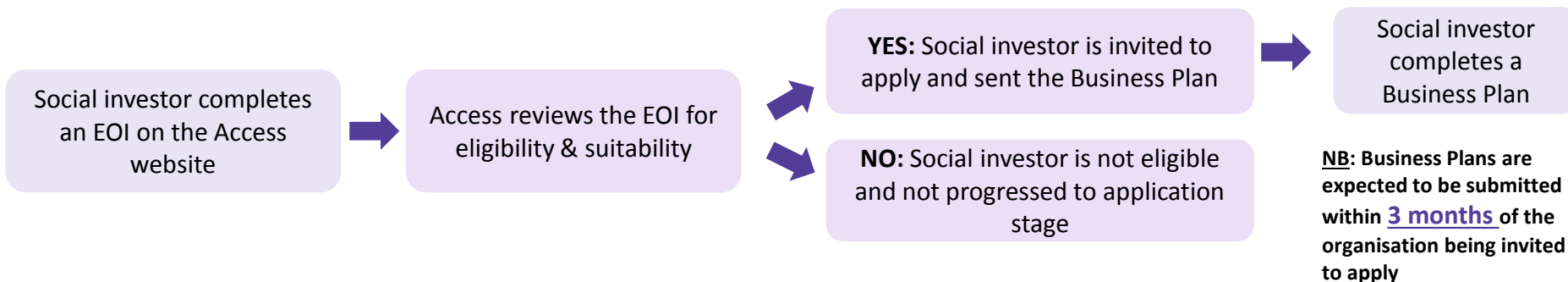
REGULATION?

A common question is whether an organisation needs to be FCA regulated in order to lend under the Growth Fund.

NO – this is because lending to incorporated charities and social enterprises (companies) is not a regulated activity in the UK. Lending is only regulated to consumers and not incorporated entities.

What happens once the EOI is submitted?

- ▶ The EOI is the first step in accessing funds from the Growth Fund and following a review of the EOI by Access, the organisation may be invited to submit a Business Plan and formally apply.



What makes for a compelling EOI which is likely to be progressed onto the application stage?

- 1 The organisation gives an indication how they (or the partnership) will deliver the aims of the Growth Fund, namely providing <£150k unsecured finance to charities and social enterprises
- 2 The organisation (or partnership) is a social investor or is looking to become a social investor through the solution they are proposing.
- 3 The organisation (or partnership) has some experience of investing in charities and social enterprises and/or running a grant programme. If not, they should expand on how they are able to overcome this lack of experience.
- 4 The organisation (or partnership) has given consideration to the quantum of funding they are seeking and is able to articulate how this figure has been arrived at.
- 5 The organisation (or partnership) meets the eligibility criteria

NOTE: Please see the Business Plan guidance for more on drafting the Business Plan if the EOI is successful