



**Our 10 Year Strategy
2016-2026**

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We are Access – The Foundation for Social Investment

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OUR ROLE IS TO MAKE IT EASIER FOR CHARITIES AND SOCIAL ENTERPRISES IN ENGLAND TO ACCESS THE CAPITAL THEY NEED TO GROW AND INCREASE THEIR IMPACT.

You could say we work to **bridge the gap** between charities and social enterprises on one side and social investors on the other, to help make **social investment easier to find and more relevant** for charities and social enterprises.

To do this, we need to **change** the way social investment is delivered, so that it can **reach** parts of the charity and social enterprise sector who are yet to benefit.

A change like this can't happen overnight, and we are spending **ten years** working on it. Over that time we hope to help hundreds of charities and social enterprises increase the impact they can make, through being fuelled by social investment. We also hope that their example will encourage more organisations both to seek and to benefit from effective social investment.

WE DO THIS BY:

- Funding organisations to run grant and support programmes for charities and social enterprises;
- Funding organisations to make small loans to charities and social enterprises; and
- Sharing the learning from how these programmes work.

All of our **programmes are delivered through and in partnership with other organisations**. These partners include existing social investors, other charitable foundations, sector support organisations and grant administrators. We do this because those partners are much better able to work with the breadth and diversity of the charity and social enterprise sector than we could on our own. We also believe that helping others to deliver social investment in a different way will have longer term and more sustainable impact than what our programmes themselves could achieve on their own.

HOW ARE WE FUNDED AND GOVERNED?

Access was created by Big Society Trust (BST), working in collaboration with Big Lottery Fund, Big Society Capital and Cabinet Office, following extensive consultation with the sector. Each of these organisations shares the same vision to expand the reach of social investment, and each organisation brings its own resources and expertise to support Access in delivering on its mission. BST has a board made up of members with broad experience in the social and financial sectors. It is the sole member of Access and is the company which ensures BSC remains true to its social mission.



Why was Access created?

We were **launched in 2015** with the support of our partners the **Big Lottery Fund (BLF)**, **Big Society Capital (BSC)** and the **Cabinet Office (CO)** to address two specific gaps for charities and social enterprises trying to access social investment



SUPPLY GAP

Social investment products need to be better suited to what charities and social enterprises are asking for:

Evidence, from surveys such as SEUK's 'State of the Sector' ¹ and Big Lottery Fund's 'Investment Readiness in the UK' ², consistently show that the majority of Charities and Social Enterprises seeking investment are looking for amounts below £150,000. Often, they are looking for investment well below this figure:

"The message is a consistent one: the average amounts asked for are £100,000 or below."

'Prospecting the Future' ³, SEUK

However, research has also established that investments offered at this level were often unsuitable, or unavailable:

"Ventures often feel [repayable finance] is too risky or simply does not exist in a form which they would feel able to commit to (i.e. an unsecured loan)."

'Social Finance in the UK' ⁴, Design Council

If more smaller loans could be offered, and made affordable to social investors to offer, then many more charities and social enterprises could use social investment to grow sustainably. Therefore the Big Lottery Fund and Big Society Capital collaborated to establish The Growth Fund, in order to increase the supply of smaller loans.

Links:

¹ [State of the Sector](#)

² [Investment Readiness in the UK](#)

³ [Prospecting the Future](#)

⁴ [Social Finance in the UK](#)



DEMAND GAP

Many charities and social enterprises who could benefit from taking on social investment need support to be able to do so:

Managing repayable finance is a new proposition for many organisations in the sector. It requires business planning, systems and skills for managing impact and financial information, robust governance and strong leadership amongst many other things.

While the opportunities presented by taking on social investment have the potential to help many charities and social enterprises, many of those may need help to build those skills and capabilities.

Programmes such as the Investment and Contract Readiness Fund and Big Potential have established that grant funded support can help charities and social enterprises develop these skills and capabilities and therefore go on to secure investment and potentially also win contracts. However, the time-scale for these programmes is limited, with Big Potential due to come to an end in 2017. To secure longer term funding for such capacity building programmes, the Cabinet Office endowed Access with £60M to spend down over ten years on funding more of these sorts of initiatives. We believe that helping more charities and social enterprises to be investment ready in this way will increase the demand for and effective use of social investment from the sector.

Our Vision, Mission and Target Population

OUR VISION

Our Vision describes the world we want to see

Our Vision for charities and social enterprises is that: In order to achieve greater impact, charities and social enterprises are more financially resilient and self-reliant.

OUR MISSION

Our Mission summarises what we do to make that happen

To work towards this vision, we see the Mission of Access to be:

To build the capacity of charities and social enterprises to access social investment and to increase the supply of social investment appropriate to them.

OUR TARGET POPULATION

Our Target Population defines how we will target our work

Although we have considerable resources with which to deliver our work, we cannot support every charity or social enterprise who is seeking to raise investment. We therefore need to focus on a group with whom we feel we can have the most impact.

Therefore, for this initial strategy (2016-18), we will focus on charities and social enterprises, which are already established and working in England, which:

- Have the potential to grow or diversify their income and develop stronger balance sheets; **and**
- Are seeking investment below £150k, and may require capacity building support; **or**
- Are seeking larger investments and/or contracts, and require capacity building support.

Our Programmes

Capacity building (Demand gap)

Our approach to our capacity building programmes, aimed at supporting charities and social enterprises to take on social investment, has been developed out of an extensive consultation exercise we conducted during the second half of 2015. Our consultation resulted in a clear consensus in terms of what capacities and capabilities charities and social enterprises are likely to need to develop in order to take on social investment:

- **Leadership:** skills, confidence and 'thinking time'
- **Governance:** Knowledge and risk appetite of trustees, systems & processes
- **Impact management:** an organisation's ability to quantify, report on, increase and 'get paid for' its impact
- **Finance and business modelling:** skills, confidence, tools and time to develop proposition
- **Marketing:** market-testing new ideas and effectively selling them
- **Systems and use of data:** an organisation's ability to collect, analyse and respond to rich, relevant data in real time, through maintaining user-friendly and cost-effective systems

We also found a set of the design principles, methods and approaches were consistently suggested to be the most conducive to delivering effective capacity building support:

- **Plain Language:** consistently check for clarity and shared understanding
- **Starting Points:** 'social investment' as a term in the abstract is not compelling for charities and social enterprises. Our programmes must put this instead in the context of the organisation's mission
- **Peer Support:** using existing networks wherever possible, deliver key messages and invitations through people and organisations which SSOs identify with and trust
- **One to Many:** workshops/group discussions are cost-effective, encourage stronger networks, & provide a route to more bespoke, one-to-one support
- **Diagnosis and 'Triage':** through a variety of on-and offline means, quick and inexpensive processes to identify investment potential and support needs is fundamental to effective programme delivery
- **Openness and Transparency:** as a general expectation and attitude across all partners and investees, expressed through regular publication of high quality data, and demonstrated via responding to learning gleaned from such data.

We have used the outcome of the consultation to design our initial three programmes which we are launching in 2016.

The Growth Fund (Supply gap)

The Growth Fund is designed to provide **small scale affordable unsecured loans for charities and social enterprises**. The organisations intended to benefit are likely to be at early stages of growth or developing their trading income, and probably have not have taken on social investment before.

Access will manage the Growth Fund in a **wholesale capacity**. That means that **we will work through social investors**, who will apply to us and who will set up funds and make loans and other social investments to charities and social enterprises. Those **loans will be of up to £150,000** and may also include a grant for the charity or social enterprise.

Across its portfolio as a whole, the Growth Fund will seek to achieve a **geographical spread** of users and end beneficiaries across England, as well as support a **range of social issues**.

Previously this type of finance has not been readily available, mainly been because social investors have not felt able to afford to make these small loans. Those investors are usually borrowing money themselves in order to on-lend so they need to be confident they will get repaid. However lending of this type has seemed too high risk. The operating costs of managing a high number of small loans is also expensive. Therefore many of these investors have tended to only offer larger investments.

The Growth Fund **tackles this availability gap by blending loan and grant funding for social investors**. The grant allows those investors to offer these smaller loans because it:

- Allows them to be able to afford for some of the loans to fail;
- Helps to contribute towards the costs of making lots of loans; and
- Allows them to offer grant along side loans to charities and social enterprises.

The Growth Fund blends **£22.5m of grant from the Big Lottery Fund** with at least **£22.5m of loan funds from Big Society Capital**.

Our approach

Being a market champion

In our work we aim to be a **champion for the needs of smaller and medium sized charities in accessing social investment**. We will:

LISTEN AND CONSULT

Understand how to make social investment as relevant as possible for charities and social enterprises and continue to use this feedback to shape and evolve our programmes.

BE ACCESSIBLE AND TRANSPARENT

In everything we do, we want to express ourselves clearly and simply, using language which makes sense to the charities and social enterprises we have been created to support. In order to achieve this, we seek feedback, check for understanding, and look for opportunities to improve the ways in which we communicate.

FOCUS ON SHARING OUR LEARNING

Access is committed to building and sharing an evidence base from all of our programmes, producing our own analysis and inviting others to do the same. In order to be meaningful, we believe learning must be used to improve performance as we go, as part of a continuous cycle, rather than something which only happens at the end of a programme or activity.

USE AND SHARE DATA FROM OUR PROGRAMMES

We will be publishing data on all of our programmes regularly, via a 'dashboard' on our website, which will provide an easily understood overview of our work, with all of the underlying detail also made openly available.

BUILD THE EVIDENCE BASE

Where appropriate we will commission research, usually in collaboration with other funders, to further build the evidence base around the needs of smaller and medium sized charities in accessing social investment.

INFLUENCE, ADVISE AND COLLABORATE

Access has a fixed life, so for our impact to be sustainable we need to influence how other funders behave, including social investors and foundations, in the long term. This may be through telling the story of our work, or through collaborating with other funders on the programmes we run.

In all of our activities, we seek identify opportunities to influence and support the work of others, make connections, encourage collaboration, and invest in the development of infrastructure designed to be of benefit to the market as a whole.

Seeking Total Impact

Access will take a **total impact approach**. That means that we will **consider the impact of all of our activities**, such as our procurement, not just the delivery of our programmes. In particular we will manage our endowment to ensure that we balance our financial objectives, allowing us to maximise our grant expenditure each year, with social objectives, to contribute towards our mission as a charity.

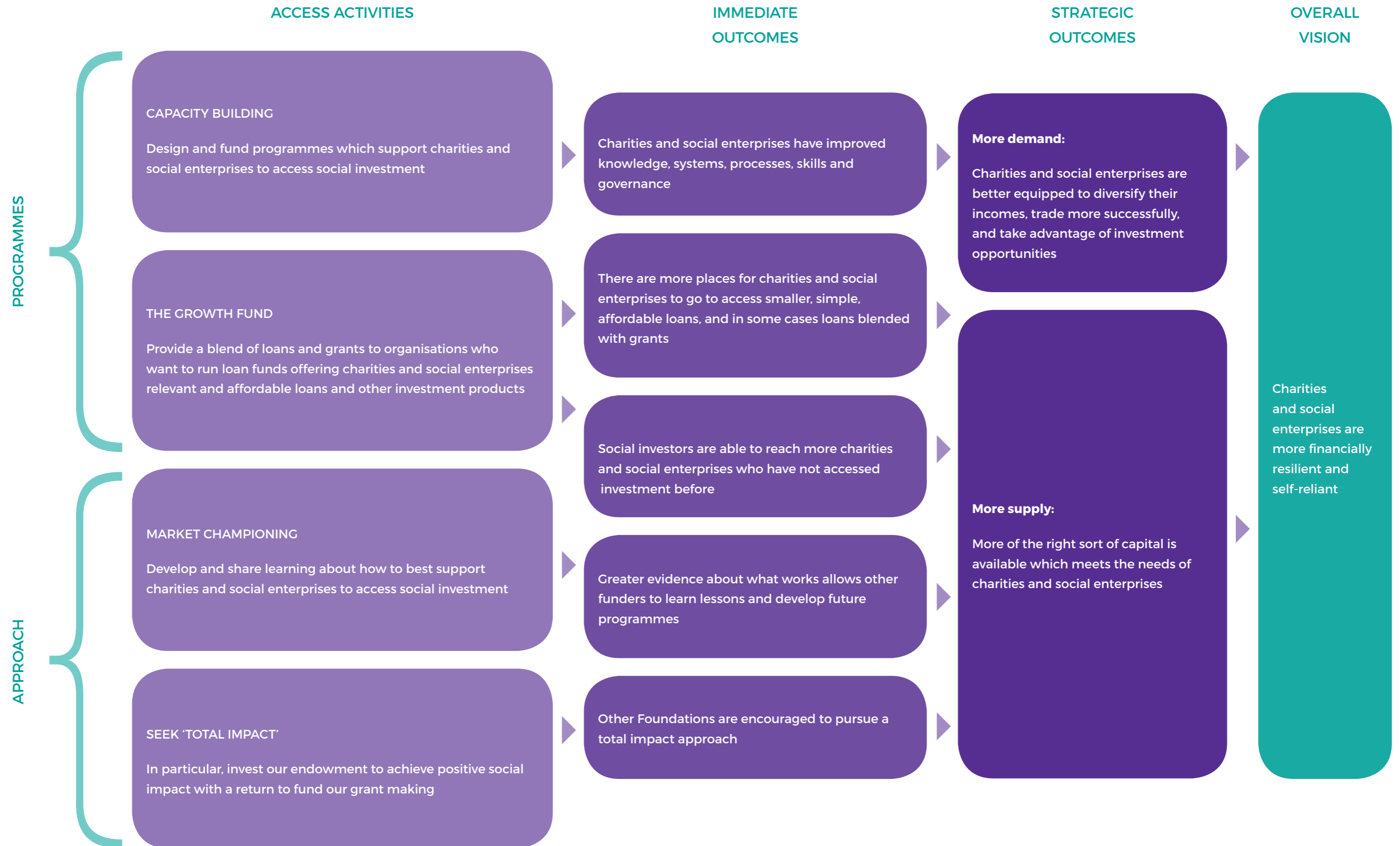
The Cabinet Office paper⁵ details this approach and provides examples from trusts and foundations. We will work with and learn from others who are considering or have adopted this approach and will share findings.



Link:

⁵[The Cabinet Office paper](#)

Our theory of change



Our Programmes: Priorities for 2016-18

Our plans for Capacity Building, 2016-18'

During 2016-18 we will **develop and fund three programmes** which support charities and social enterprises to build their capacity, skills and capability to be better able to access social investment.

THE REACH FUND

Providing **investment readiness grants** for charities and social enterprises seeking social investment.

The grants will be available via a range of approved social investors who will act as '**Access Points**' and will fund the delivery of an investment readiness project for the organisation. We will spend up to **£3.6m per year** on this programme **over the next few years**.

We have taken this approach because we believe that joining up investment readiness support with the investors will help make accessing social investment simpler for the charities and social enterprises. We also want to understand how this approach compares to models used by other investment readiness programmes.

The **programme aims** are to: increase the number of charities and social enterprises who are able to take on a loan, and are better informed about how social investment is relevant for them.

UP TO £3.6M PER YEAR

IMPACT MANAGEMENT

A programme which will develop a '**self-service**' pathway which charities and social enterprises can **use to define an initial impact management strategy**, with minimal external support; and also **provide support and expertise** to charities and social enterprises developing their impact management in order to raise an investment or bid for a contract. We will spend up to **£1.6m per year** on this programme **over the next few years**.

We have taken this two-pronged approach because developing impact management capabilities was a clear priority coming from our consultation exercise. The programme is intended to both support organisations with current investment and contract opportunities, and build infrastructure which makes it easier to get started with managing impact for investment. Similarly to the Reach Fund, we want to build on the learning from previous programmes such as the impact readiness fund.

The **programme's aims** are to: increase the number and value of investment raised and contracts won by charities and social enterprises and help make it simpler for charities and social enterprises to make a start on better managing their impact

UP TO £1.6M PER YEAR

INFRASTRUCTURE

Supporting the **social investment market's own infrastructure**.

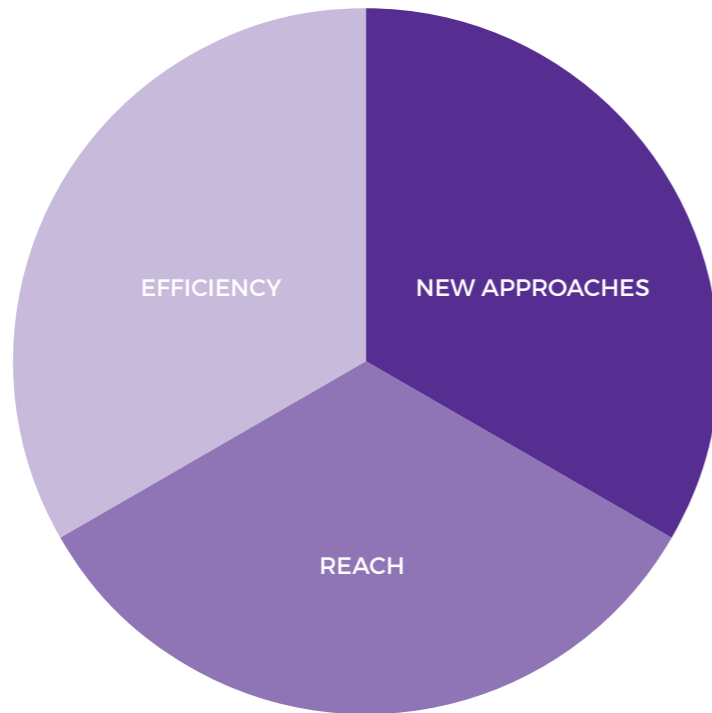
Over the course of 2016 we will **develop an approach to building the capacity of the social investment market's own infrastructure**, recognising that many fund managers, advisory service providers and other intermediaries are themselves social enterprises, and a sector whose functioning is vital to ensuring that charities and social enterprises can access the finance they need.

£TBC PER YEAR

The Growth Fund

During 2016-18 we will **make the majority of commitments of loans and grants into social investors**. As we develop the programme over this period we will focus on:

1 - Building a balanced portfolio across three strategic themes



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

2 - Improving our guidance, processes and the support we provide to make it easier for organisations to become social investors, or form partnerships to do so

3 - Work with our social investors to improve the experience for charities and social enterprises in accessing loans from the Growth Fund, and track that experience

WHAT DOES SUCCESS LOOK LIKE?

- Charities and social enterprises experience a simple and accessible process for borrowing from Growth Fund social investor
- Robust evidence base developing about the uses of grant in providing small loans to charities and social enterprises.



Being a market champion

As we build our role as a market champion we will **find the best ways to communicate and engage with our key stakeholders**, and seek to **build our reputation as a valued source of information** on how small and medium sized charities can best access social investment.

WE WILL:

- Continue to engage and consult **on how our capacity building programmes should evolve**, including our work in funding the sector's intermediaries and as other programmes come to an end.
- Support the development of **GoodFinance.org**, an education resource for charities and social enterprises seeking to take their first steps towards social investment. This programme is being developed in partnership with Big Society Capital, with a working group of key sector partners including NCVO, Locality, SEUK and others. Our working group will develop a series of prototype services, testing them as we go with potential users –drawn both from the membership of their respective organisations, and with others wishing to contribute. The process will be conducted 'in the open', hosted on the Beta site ⁶ with regular blogs and requests for feedback.
- Regularly **share the progress of our work**, especially through our blog and at relevant sector events.
- Publishing **regular dashboards of the performance of our programmes**, and in particular to **build the evidence base** around how grants most effectively help charities and social enterprises to access social investment.
- **Commission further research with sector partners** building on what we are learning, in particular around the demand for social investment, the experiences of charities and social enterprises in accessing social investment and what further support is needed to increase access to social investment.

WHAT DOES SUCCESS LOOK LIKE?

- Using the outcomes of our work to change the way social investment is delivered and to rebalance it so it is more useful for smaller charities and social enterprises
- Building a reputation as a valued source of information

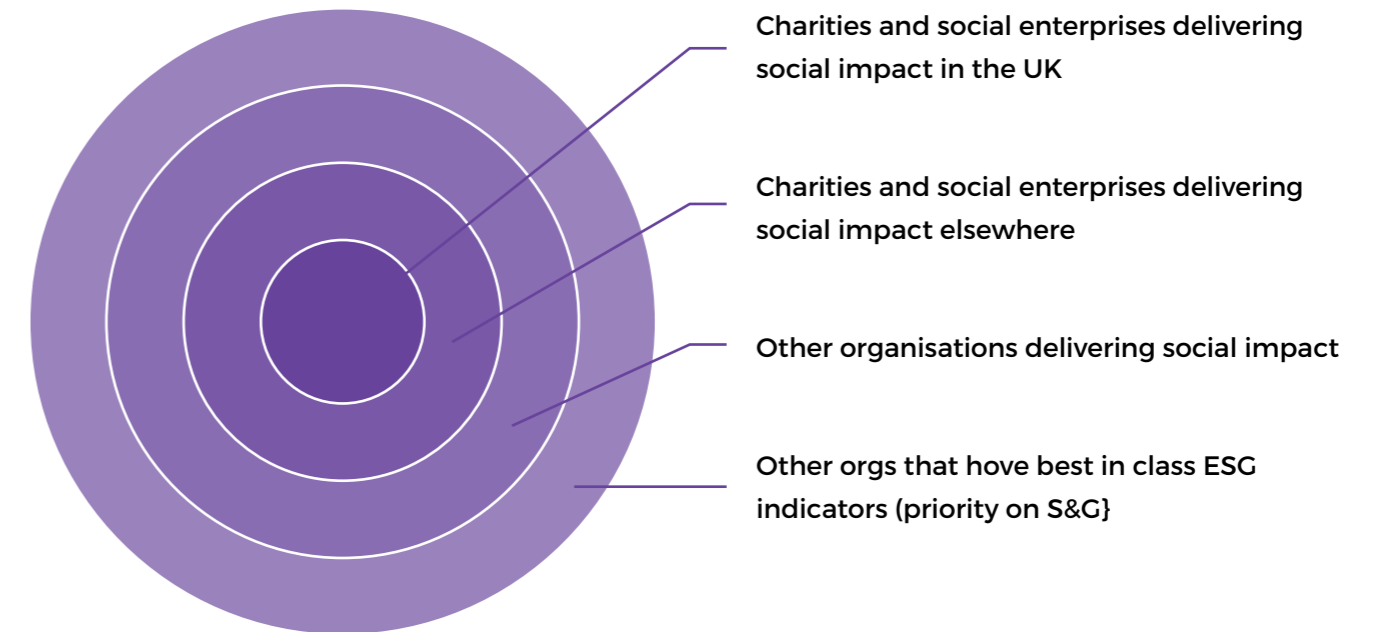
Links:

⁶ [Beta site](#)

Total Impact

We have appointed an asset manager who we have tasked with **maximising the social impact** delivered in the management of our funds **while achieving the financial returns we need** to be able to make grants over the ten years of our life.

OUR BULL'S EYE APPROACH TO MAXIMISING SOCIAL IMPACT



IN PARTICULAR, WE WILL FOCUS ON:

- Significant and growing proportion of our endowment being invested for impact (striving to invest a higher proportion in the bull's eye)
- Building and maintaining a positive relationship with our asset manager
- Extensive engagement with other foundations seeking to achieve impact through the management of their endowments
- Sharing our learning via the publication of our approach and presentations to various sector groups
- Continuing to build our social supply chain

WHAT DOES SUCCESS LOOK LIKE?

- Allocating the maximum proportion of our assets to achieve impact
- Sharing our learning with other Foundations

Phases of our life

WE HAVE A 10 YEAR LIFE

This strategy document outlines what we plan to do in the **first two full years of our work.**

A big part of what we will do in these two years is gather information from our programmes about what is working and what is not, and share that learning widely. We therefore can't say now what we will be doing for the whole of our ten year life, because we'll update our strategy based on what we learn and how the needs of charities and social enterprises change. However we have some ideas about how the following few years for Access might develop, and the questions we will ask as we think about what will follow this strategy.



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2016 -2018

- Develop our first grant programmes and test how effectively they work for our target population
- Make the majority of commitments through the Growth Fund
- Reflect on the strengths and weaknesses of our programmes and reassess our target population. Ask if other charities and social enterprises still receiving investment readiness support funded by others

2018 -2021

- Design and launch of second Capacity Building programmes.
- Manage the deployment of funds through our lending partners for the Growth Fund and share the lessons we are learning
- Understand what our role might be in securing further sources of blended capital to support lending to charities and social enterprises seeking under £150k

2021 -2026

- Continue to develop and deliver our capacity building grant programmes based on our learning, lessons from others and changes in what charities and social enterprises need
- Share the lessons from the Growth Fund and our expertise in blending capital to facilitate small loans



Our Partners

