



## **Invitation to Tender**

### **Strategic Partner – Grant Management Services**

Access is seeking a strategic partner to deliver grant management services for the Enterprise Development Programme and other potential programmes over the four year remaining period of our current strategy and potentially beyond.

**June 2019**

## **Introduction:**

Access – The Foundation for Social Investment, was set up in 2015 by the UK Government, National Lottery Community Fund and Big Society Capital.

Access works to make charities and social enterprises in England more financially resilient and self-reliant, so that they can sustain or increase their impact.

We do this through supporting the development of enterprise activity to grow and diversify income, and improving access to the social investment which can help stimulate that enterprise activity.

Access will be around for a decade, but the need for this work will continue well beyond that. So our approach is to work through others to create partnerships which can outlive us, test and learn from new approaches, and generate knowledge which improves the work of others seeking the same goals.

We are one year into the second phase of Access's ten-year life. We learned a great deal from our first few years, and we are making a significant and ambitious commitment to commit the majority of our endowment over this main middle phase of our life.

Over the five year period from 2018-23 we have three strands to our work:

1. Providing £40m to support a broad range of enterprise development activities in partnership with other foundations, social investors, sector infrastructure bodies and enterprise advisors. This support will help charities and social enterprises to earn more of their own income and specifically develop business models which can be further supported through utilising social investment.
2. Managing and promoting blended finance models which bridge the gap between charities and social enterprises on one side and social investors on the other. These models help make the social investment easier to find and more relevant for charities and social enterprises, and help social investment reach parts of the sector which are yet to benefit.
3. Learning from our programmes and listening to the changing investment needs of the sector in order to influence our future work and that of others who support charities and social enterprises; and building systems which make that knowledge easier to understand and use for the long term.

## **Introduction:**

Access is seeking a strategic partner to support the foundation's work with essential grant management services.<sup>1</sup> This role will predominately be to deliver grant management services for the Enterprise Development Programme (EDP) over the next four years. However as our programmes evolve we expect our strategic partner to play a flexible role in working with Access to deliver other programmes and support as may be developed. Should the EDP be extended beyond the current strategy we may also seek to extend this contract period, subject to performance, up to a maximum of a further three years or until the funding for Access's capacity building programmes are exhausted, due to happen in 2026.

This ITT should be read in conjunction with Access's strategy for 2018-23 which is published on the Access website. The strategy contains essential information regarding Access's role, the context for the programme, the products which we are using to support charities and social enterprises, the way the different elements of our enterprise support offer will fit together, and how we hope the programme will evolve. In responding to this call for proposals you should pay particular attention to the section under the heading Theme One: Enterprise Development which is on pages 16-21: <https://access-socialinvestment.org.uk/wp-content/uploads/2018/03/Strategic-Plan-2018-23-final.pdf>

Additional information is also available elsewhere on the Access website: <https://access-socialinvestment.org.uk/enterprise-development/>

## **Background to the Enterprise Development Programme**

The EDP provides a broad range of support to help charities and social enterprises make a transition to new enterprise models, or grow existing ones, with a focus on the models which are best enabled by access to finance, and on enabling organisations to utilise the tool social investment as part of that transition.

This support is built on a foundation of growing the information and knowledge base across the sector, and in specific sub-sectors and places, about what enterprise opportunities really look like, how they grow, who the customers are, how profitable different activities can be, what the impact on the organisation might be, and crucially the financing requirements of those enterprise models.

On that foundation we are building a suite of support products which can be accessed both through existing sector networks and a central enterprise development function. Support will include peer mentoring and learning opportunities, grant support at various stages of the journey and professional advice where required.

The EDP is designed as a collaborative endeavour, working with a broad range of other foundations, sector infrastructure bodies, peer networks, social investors and advisors. Charities and social enterprises, and sector specific infrastructure bodies,

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<sup>1</sup> We are planning to select one strategic partner, but reserve the right to select more than one partner should different bidders highlight different and complementary strengths.

will play a key role in designing the support and the hope is, as it evolves over time, in governing the programme.

Rather than describing this support as “investment readiness” as has happened in the past, the programme focuses on enterprise development. This is because it is the growth of earned income which allows charities and social enterprises to be more resilient and self-reliant, and social investment is a tool which can help to achieve that.

## **The Pilot Phase**

Two year-long pilots of the Programme were launched in September 2018 for charities and social enterprises working in the Youth and Homelessness sectors. These sectors were chosen owing to significant untapped potential for enterprise development and therefore a latent requirement for social investment. We have been working with Homeless Link, The Centre for Youth Impact and UK Youth as our sector partners on the programme. Support for these two sectors will continue for at least a further 18 months, and discussions are currently underway with those sector partners about ongoing roles in the programme.

Organisations supported in those two sectors have benefitted from £1.85m of enterprise grants (administered by Social Investment Business) split between feasibility and development grants. The current round of grants is now closed to new expressions of interest.

Organisations have also benefitted from enterprise learning, a leadership peer-learning initiative offering business support and expert guidance to 40 leaders of charities and social enterprises, run by the School for Social Entrepreneurs. Two cohorts started in early 2019 and they will run for the remainder of the year.

In addition work has been undertaken to develop other aspects of the menu of support including building a knowledge base about the business models in the homelessness sector, and developing peripatetic finance support to help organisations transition to enterprise.

## **Grant products**

During the pilot two grant products have been available.

Feasibility grants are small grants of around £5,000-£10,000, principally for internal capacity, provided for organisations to investigate and develop an enterprise proposition from the very earliest stage into a proposed delivery plan. The objective of the grant is for charities and social enterprises to be better informed about their options in developing enterprising activities and earned income, test the viability of specific propositions and to develop clear implementable actions plans for establishing such activity.

Enterprise Development grants are more substantial grants of c. £30k (but flexible responding to need up to £50k), for organisations which have an enterprise proposition which requires further development or scaling and where there is a potential requirement for investment. These grants can be spent on a mixture of internal capacity and external expertise, to develop, test and refine a proposition. They may also directly fund the starting or growing of trading activities. The objective of the grant is to support charities and social enterprises to significantly increase their potential to generate earned income through trading or other enterprising activity, and to better understand the role that repayable finance might play as a catalyst to further stimulate the growth of earned income.

## **Growing the Programme**

While a fuller evaluation of the pilot will follow next year, we feel that we have gathered sufficient learning to further develop the programme:

- The sectoral focus of the programme has been beneficial, allowing for organisations within that sector to feel it is designed for them, while enabling learning across sectors. We will therefore continue with the sectoral approach, and look to bring two new sectors on board each year and integrate them into the partnership. These will be selected after crowdsourcing ideas from current delivery partners across all of our programmes, including Growth Fund partners. This will include more proactive action on equality and diversity as we choose new sectors/partners.
- Our experience of the different levels of development and pace of change in the two existing sectors means that, in future, sector partners should have more opportunity to shape and design the different elements of the programme with us to suit their particular sector needs.
- With our strategic partner, we wish to relook at the grant products on offer as currently the grant products appear to be performing quite differently from each other. The smaller feasibility grants appear to be attracting higher quality applications and a more diverse range of organisations and ideas. The quality of applications for the larger development grants have at times been somewhat disappointing. We consider there to be significant opportunity to reshape and evolve the grant products over time.
- While bringing on new sector partners we will continue to support charities and social enterprises in the homelessness and youth sectors for a further 1-2 years.

Access is currently working with the current EDP partners and delivery partners across our other programmes to identify other sectors who could most benefit from participating in the EDP. It is expected that two new partners will come on stream in mid-2019, and two more in early 2020. We hope to re-open grant windows for the existing and new sectors in September 2019.

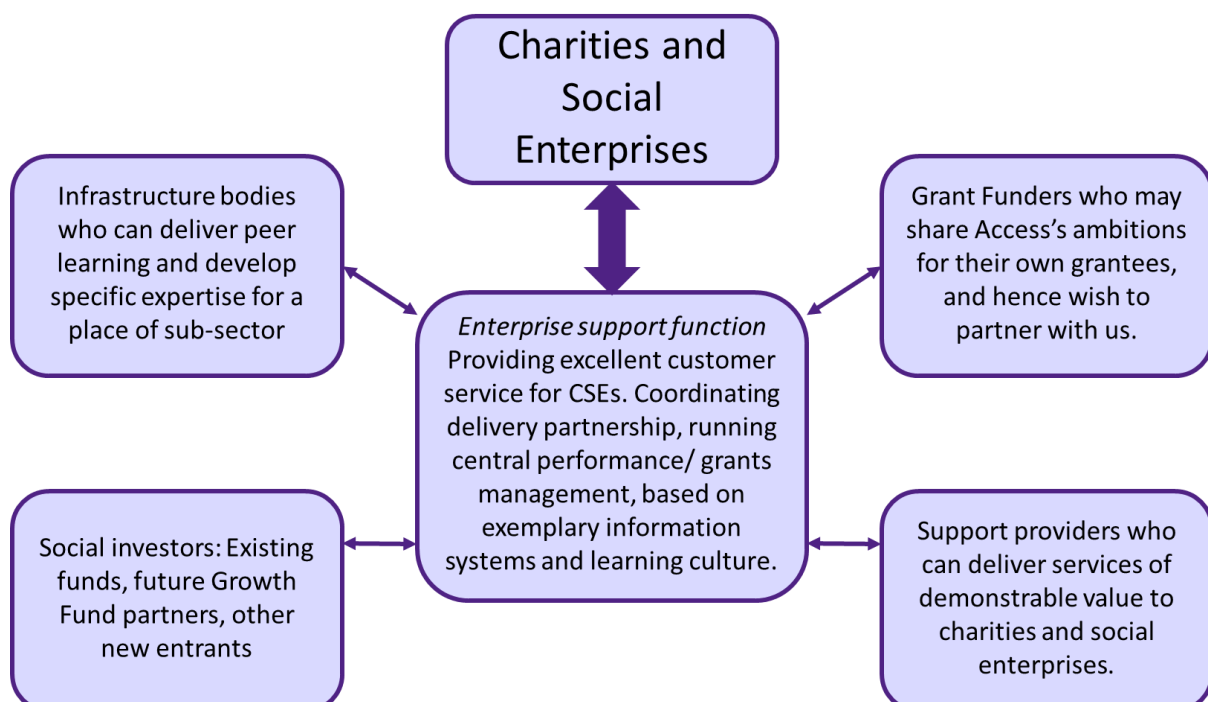
## Building an ecosystem of support

Grants are one part of a broader ecosystem of support, as outlined in the strategy. Navigation for charities and social enterprises throughout that ecosystem is essential. In your response you should set out, based on your knowledge of the market, how you would plan to support that navigation and joining up of support across the different elements of Access's work and beyond to other sources of support for charities and social enterprises. In particular your response should outline how you would feed into work being undertaken to:

- Build a clearer knowledge base about the enterprise models which are working in each of the two chosen sub-sectors; and
- Support peer learning opportunities to broaden experience and knowledge of enterprise models and activity.

Access works closely with lead representative bodies in each of the sectors benefitting from the EDP. These partners support the design of various elements of the broader programme, including the grant products, will provide peer learning opportunities, and will help market support and grants through their networks. You will be expected to work closely with these sector specialist networks in the design and delivery of the programme.

Over the longer term these partnerships may formalise with shared governance, and a key role for charities and social enterprises within that governance. Once we become clearer on which elements of this support are best devolved, and which may be best centralised (such as grant management, advice lines, etc.) we can start to define how this partnership can be structured in the long term, and how it might meet the needs of other funders, not just Access. This might look something like this:



Access's strategic partner should also support us in facilitating and cementing the partnership as it grows. We are very conscious of our role as a fixed life organisation and we are keen to work with a partner who is closely strategically aligned and who may wish to play a role in continuing to support the sector in this way beyond Access's own life.

### **Relationship to Access's other programmes**

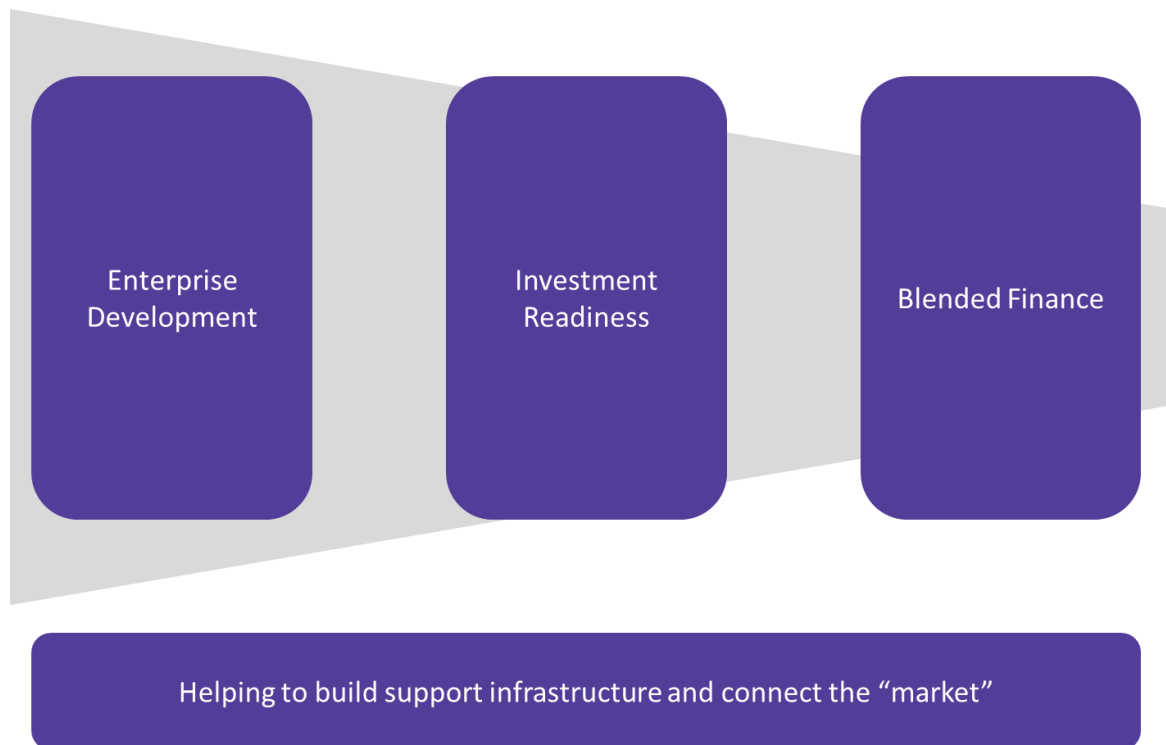
The EDP is one of a number of programmes which Access funds. It provides support to organisations who are at a relatively early stage of developing their trading income.

The [Reach Fund](#) provides investment readiness grants to organisations who are in contact with a social investor about potentially taking on social investment, but who need some specific support to be able to do so. The programme is delivered in partnership with Social Investment Business who won a tender to deliver the programme in 2018.

Access has two blended finance programmes, the [Growth Fund](#) and [Local Access](#). The Growth Fund has invested £50m of grant (from the National Lottery Community Fund) and debt (from Big Society Capital) into 16 social investment funds which are making small (under £150k) unsecured loans to charities and social enterprises in England. Local Access is currently in development, and over the course of the next year will invest around £25m in programmes focused in five places around England with a blend of grant (from dormant accounts) and debt (again from BSC) in for lending to the sector. A further £8m from Access's endowment will support enterprise development and investment readiness activity specifically in those places.

Barrow Cadbury Trust manage the [Connect Fund](#) in partnership with Access, which supports the development of infrastructure to support charities and social enterprises to better engage with social investment.

The below diagram places those programmes on a spectrum of the development of enterprise activity in an organisation.



Our strategic partner should be able to effectively engage with the delivery partners of Access's other programmes and ensure that charities and social enterprises are being directed to the most appropriate support for their stage of development.

**The specification:**

Access is seeking a strategic partner to manage grant programmes, specifically but not necessarily exclusively relating to the EDP. The strategic partner is expected to undertake the following roles:

Working strategically with Access and EDP Partners:

- Work with Access and the sector partners involved in the programme to design relevant grant products, based on feedback about the needs of that part of the sector and based on extensive knowledge about how different grants best meet the needs of organisations at different stages of development. This is likely to involve a broader variety of grant products than the two which have been available during the pilot, and could also include some use of repayable grants or other products akin to risk finance.
- Play a central role in the EDP partnership, contributing ideas to the further development of the programme both in relation to grant products and also in relation to other aspects of the programme as appropriate. Support Access in convening and facilitating the partnership and develop ideas alongside Access for how the EDP might outlive Access's own life.
- Support the EDP partnership in how best to facilitate easy navigation for charities and social enterprises through the menu of support and to other relevant source of support.



Promoting the programme and managing applications:

- Design and deliver appropriate marketing strategies in partnership with sector specialist networks, and which are consistent with the messaging around enterprise development for resilience which is at the heart of Access's strategy.
- Advise on the best approach to managing demand and attracting high quality applications via either open application periods or specific windows.
- Manage the end to end customer journey for applicants and grantees, setting clear expectations about timescales for decisions and feedback and the work involved.
- Design and provide a simple and proportionate online application process for each grant product with support from Access's learning partner, with associated online guidance, which allows for simple integrated data collection and processing.

Decision making:

- Develop and operate a proportionate and robust decision making process for each grant product, minimising turnaround times for decisions and setting clear expectations for applicants.
- For unsuccessful applicants, provide feedback on how their application can be improved and /or signpost to other relevant sources of support.

Awarding and managing grants:

- For successful applicants, undertake appropriate due diligence checks to ensure appropriate use of public money, and provide relevant grant documentation for the charity to sign, establishing necessary milestones and with clear reporting requirements.
- Manage payment processes of grants in tranches as appropriate to grantees. Draw downs from Access would be made against a quarterly forecast of expected grants to be made to grantees.
- Gather monitoring information and data from grantees to ensure compliance with grant terms and conditions and to facilitate learning about the programme, and make this information and data available to Access, our learning partner and other EDP partners.
- Make data and information about the performance of the grant programme available to be published.
- Ensure adherence to all relevant laws, regulations (including State Aid), requirements upon Access (as per our grant agreement with DCMS) and best practice for grant making.
- Ensure high levels of customer service and respond to feedback from charities and social enterprises, as well as other stakeholders, about the programme.

### **Anticipated volumes and scope of work:**

We are seeking a flexible partner. Below we outline what we anticipate to be a realistic minimum volume of work which would be delivered through this contract

over at least the next four years. However we also wish to be able to work with our strategic partner to deliver further work above and beyond this minimum and therefore we also indicate a maximum potential volume of grants which could be managed through this contract.

Minimum volumes:

We anticipate the minimum volume of activity under this programme to be to manage the grants made under the enterprise development programme until 2023, which we forecast to be a total of £10,250,000. Note that this is not a guaranteed volume of work.

While the exact grant products will evolve, we anticipate this being comprised of a range of lower value feasibility type grants, and larger development grants. We forecast the following profile over the following years (April to March):

	2019/20	2020/21	2021/22	2022/23	Total
# feasibility grants	35	90	90	90	305
£ feasibility grants	350,000	900,000	900,000	900,000	
# development grants	30	70	70	70	240
£ development grants	900,000	2,100,000	2,100,000	2,100,000	
<b>£ Total</b>	<b>1,250,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>10,250,000</b>

Potential and maximum volumes:

These minimum volumes of grant may be increased by the contract being extended beyond 2023 for further years until Access's funds for capacity building are exhausted (currently scheduled to happen in 2026).

Should this happen our current forecasts suggest that this would be at the following volume each year:

	2023/24
# feasibility grants	20
£ feasibility grants	200,000
# development grants	60
£ development grants	1,800,000
<b>£ Total</b>	<b>2,000,000</b>

The minimum volumes may also be increased through integrating other aspects of the menu of support into this contract. These different elements of work may differ from the specification for enterprise development grants as outlined above, and

may involve a lesser role on terms of attracting applications and making decisions. This may include a combination of the following areas:

#### Match Trading Grants:

As part of the current EDP pilot, participants on the Enterprise Learning programme are receiving [Match Trading](#) grants of up to £10k. Match Trading is an innovation in grant making from the School for Social Entrepreneurs which pound-for-pound matches an increase in trading income.

Depending on the outcome of a co-design process for how EDP should work in each sector, the enterprise learning programme may continue to be delivered as it is now (with Match Trading grants being delivered by SSE) or there may be an opportunity for these to be delivered by our strategic partner.

Our forecasts for volumes of match trading grants are:

	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>Total</b>
# match trading grants	8	18	18	18	9	<b>71</b>
£ Match Trading Grants	100,000	300,000	300,000	300,000	150,000	<b>1,150,000</b>

#### Peripatetic Support:

Also as part of the EDP pilots, Access is currently working with Charity Finance Group to place interim part time senior finance managers into charities and social enterprises who could benefit from that additional support in order to increase the organisation's ability to manage enterprising activity. Grants will be made to the relevant charities and social enterprises for them to employ the finance professionals. Should this pilot be successful we intend for this to be an offer for each new sector. Our strategic partner for grant management would be well placed to manage these grants, however the role here is more likely to be simple administration of grants rather than the end to end specification we have outlined above. We anticipate volumes as being:

	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>Total</b>
# placements	9	24	24	24	12	<b>93</b>
£ placements	70,000	300,000	300,000	300,000	150,000	<b>1,120,000</b>

#### Local Access:

Access has committed £8m of our endowment to support enterprise development and investment readiness activity in each of the five places around England in which we will be supporting a blended social investment fund.

At this stage each of the shortlisted places applying to the programme are developing their plans for what capacity building is needed in each place and their plans for how this should be delivered. It is likely that some of this will be best delivered directly in each place but some functions, such as the management of grants, may best be delivered centrally by our strategic partner.

We imagine that the maximum amount which would be delivered centrally could be as much as outlined below:

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	TOTAL
# Local Access EDP-type grants	6	60	80	80	75	35	10	<b>346</b>
£ Local Access EDP-type grants	83,000	910,000	1,241,000	1,241,000	1,148,000	527,000	207,000	<b>5,357,000</b>
# Local Access Devt grants	5							<b>5</b>
£ Local Access Devt grants	450,000							<b>450,000</b>

#### The Reach Fund:

The current contract with Social Investment Business for the Reach Fund expires in 2021 although it may be extended. Should Access choose not to extend that contract and integrate investment readiness grant making into the work of our strategic partner, volumes for grants made during that period are forecast to be:

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	TOTAL
# Reach fund grants			55	90	45			<b>190</b>
£ Reach fund grants			700,000	1,200,000	609,000			<b>2,509,000</b>

Therefore, potential total maximum volumes for grants to be managed via this contract could be as high as £22.8m within the funding which Access currently has at its disposal.

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	TOTAL
EDP Grants	1,250,000	3,000,000	3,000,000	3,000,000	2,000,000			<b>12,250,000</b>
Match Trading	100,000	300,000	300,000	300,000	150,000			<b>1,150,000</b>
Peripatetic support	70,000	300,000	300,000	300,000	150,000			<b>1,120,000</b>
Reach Fund			700,000	1,200,000	609,000			<b>2,509,000</b>
Local Access EDP-type grants	83,000	910,000	1,241,000	1,241,000	1,148,000	527,000	207,000	<b>5,357,000</b>
Local Access Devt grants	450,000							<b>450,000</b>
<b>£ TOTAL</b>	<b>1,953,000</b>	<b>4,510,000</b>	<b>5,541,000</b>	<b>6,041,000</b>	<b>4,057,000</b>	<b>527,000</b>	<b>207,000</b>	<b><u>22,836,000</u></b>

Should Access's strategy further evolve or further funding be made available for Access to distribute then it possible that further work may be delivered via this strategic partnership and therefore these figures should not be considered absolute maximums.

**Your response:**

To respond to this ITT, please provide a proposal of how you would deliver the required specification for enterprise development grants as outlined above.

Your response should also address how you would be able to provide the necessary flexibility to incorporate additional elements of Access's broader strategy however you do not need to provide extensive detail of how you would deliver those elements of the programme at this stage.

Your response should be no more than 40 pages long. It should also specifically address:

- How you will contribute to the aims of the wider programme, including expanding the reach of support and social investment to organisations who have not benefitted from it before, and how you will bring your track record,

knowledge and experience to bear on the design and delivery of the grant programme.

- Your thoughts on the design of the grant products; how charities and social enterprises should best be supported to use the grant products to achieve the best outcomes, and how you would work with the sector partners to refine the design of the grant products.
- Your proposed approach for making data and learning useful and available to Access, our learning partners, and the wider sector.
- How you will support Access in building and facilitating the EDP partnership and how you envisage a long term role developing for your organisation in supporting this work beyond Access's own life.

### **Pricing:**

For us to assess proposals please provide a price to deliver the enterprise development grants as per the **anticipated minimum volumes** defined above for the four year period 2019-23, including any grant monitoring which may be necessary beyond that date.

Please provide a breakdown of the price year on year and against relevant budget lines.

Please outline any VAT which may be payable clearly and separately.

Please also provide a price for a further year of enterprise development grants for 2023-24.

For the avoidance of doubt, fees for grant management are in addition to the grant budgets quoted above so should not be deducted from those budgets.

### **Pricing for additional work which may be delivered through this contract:**

As outlined above, there are a number of potential additional elements of work which we would intend to be run through this contract. We are seeking a flexible partnership based on trust where additional elements of work can be fairly priced.

We would therefore like to adopt an open book approach to pricing additional elements of work. This would likely include establishing clarity on day rates for relevant staff.

Please outline in your response how you would approach this process of pricing for additional elements of work. We will seek to define the process for pricing additional elements of work prior to contract signing.

While we may wish to add some of these elements and thus extend the contract as described above, Access reserves the right to contract with another provider to deliver any of the elements of work referenced above.

Note that Access also reserves the right to appoint more than one bidder to deliver elements of the specification in the event that bidders provide responses with differing and complementary strengths. Should such arrangements be considered

by Access then relevant negotiations will be entered into with those bidders prior to award.

**Assessment criteria:**

Your proposal will be scored against the following weighting:

<b>Criteria</b>	<b>Scoring</b>
Demonstrating understanding of Access's role, and aims of the enterprise development programme and the role of the grant programme within that	10
Track record of running similar programmes and evidence of robust systems and processes for managing grant programmes and associated risks	30
Added value, and creative ideas about how the programme can best operate and how you will support the EDP partnership	10
Knowledge and experience of key staff	20
Price of the minimum specification	25
Defined approach to pricing for the additional pieces of work	5

To respond please email a proposal of no more than 40 pages to [applications@access-si.org.uk](mailto:applications@access-si.org.uk) by noon on Friday 9 August 2019.

Access may hold clarification meetings with shortlisted bidders following the submission deadline.

Questions on this ITT may be addressed to [applications@access-si.org.uk](mailto:applications@access-si.org.uk)

Responses to frequently asked questions will be published alongside the ITT on the Access website during the response period.