



REVIEW OF LOCAL ACCESS PROGRAMME: PLACE SELECTION PROCESS

JULY 2020

Executive Summary

Local Access is a **place-based investment** programme which looks to blend grant and investment capital, as tools to support the development of local social economies. This is to be achieved by **supporting charities and social enterprises** to become **more financially resilient**, through developing enterprise support initiatives and providing access to blended social investment.

Local Access will blend £10m from dormant accounts with around £15m of repayable finance from Big Society Capital to create investment funds, with a further £8m allocated from Access' endowment for enterprise support. Since December 2018 Access, BSC and an Advisory Board have undertaken a process to identify places to invest in, reducing a long list of 38 to a final selection of 6 who are now working up detailed plans. At all times Local Access has aimed to allow maximum flexibility in the interpretation of the overarching programme aims, in order to ensure local aspirations can be met.

Although the programme is still in the development phase, this document outlines some of the **process design choices** and the impact of those decisions on the programme and place participants to date. It also outlines some **recommendations** for those looking to support the charity & social enterprise sector using a place-based approach, including:

- Be **patient** with timelines
- Assess the strength of **partnerships**
- Engagement requires **funding capacity**
- Choices made by funders impact **partnership dynamics**
- Define a level of comfort around **relinquishing control**

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Background to the Local Access Programme

Local Access is a joint funding programme established by Access and Big Society Capital in 2018. It aims to support the development of stronger, more resilient and sustainable social economies in disadvantaged places.

The ambition is that this programme will help places to grow larger and more resilient social economies and enable collaboration between charities, social enterprises, investors and other actors in order to reduce inequality within and between places. This will be achieved through providing better access to advice, support and flexible capital to support the early generation and establishment of enterprise models for charities and social enterprises in a place.

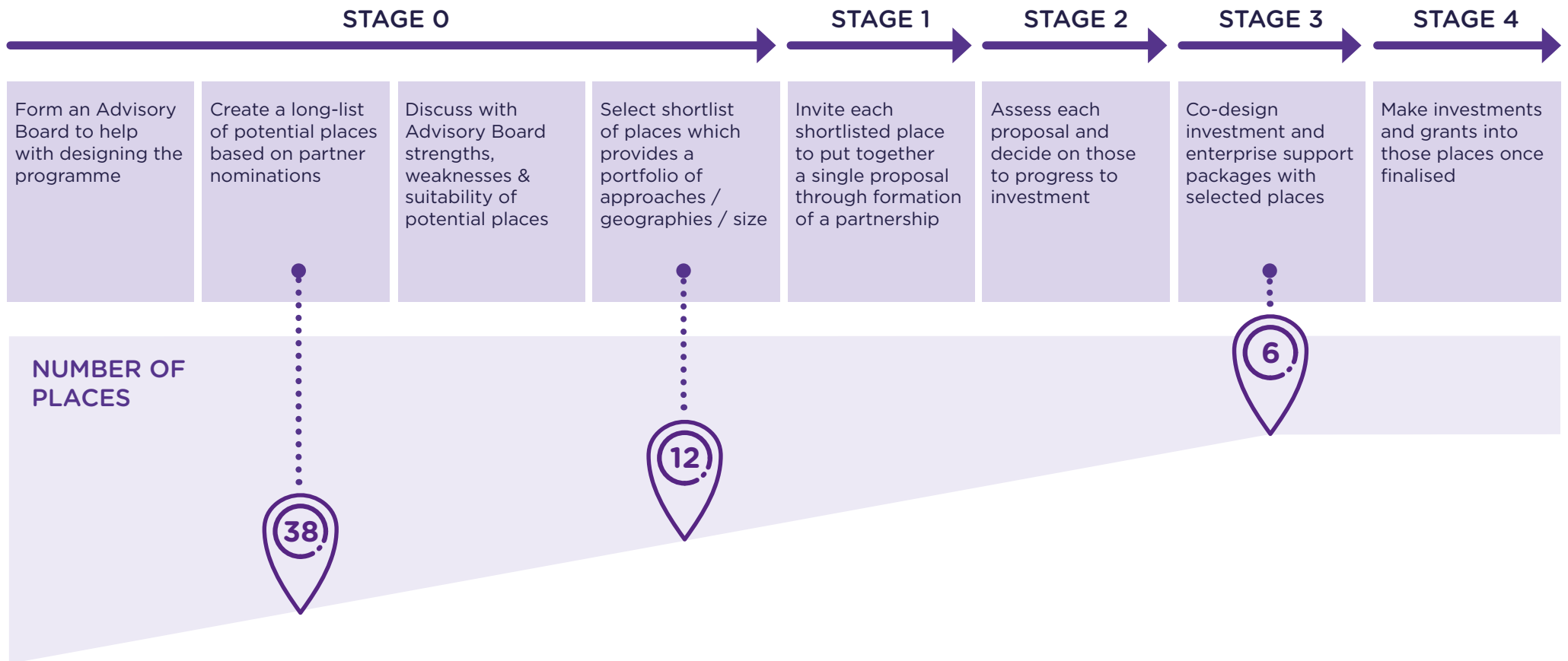
Local Access is financed by £10m of dormant accounts money allocated to Access and around £15m of repayable finance provided by Big Society Capital. This is supported by £8m from Access' existing endowment to support enterprise support activity.

Local Access is a ten-year learning programme. Access and Big Society Capital believe that supporting the long-term sustainability and resilience of charities and social enterprises is enhanced through working with the wider ecosystem in a place to support the growth of the social economy. Therefore, we are committed to learning about the place-based approach to working, and feeding this learning into successive future years of programme delivery.

An Advisory Board with significant experience of place-based approaches informed the design of the programme at an early stage. Big Society Capital and Access gratefully acknowledge the help and advice of Esmée Fairbairn Foundation, Joseph Rowntree Foundation, Lloyds Bank Foundation, Local Trust, Locality, National Lottery Community Fund, Power to Change, and Social Enterprise UK.

The Local Access programme looked to support a range of places (5-7) with the various funding available, to build plans around the development of enterprise activity in the social sector and creating appropriate social investment products to support the growth ambitions of organisations in those places.

Overall Planned Programme Process



The Timeline for Places

STAGE 0:

December 2018 –
March 2019

- Access & BSC established an Advisory Board of various national funders & sector bodies to help identify a shortlist of places, where funding provided through the Local Access programme could potentially support existing ideas and initiatives around building the social economy in those localities

STAGE 1:

March 2019 –
April 2019

- Shortlisted places were approached by the Local Access team and invited to engage as part of the programme, with a detailed brief provided as to the objectives and process
- Places were encouraged to identify local organisations and form partnerships, to submit initial ideas around their collaborative visions for what they aimed to achieve through the Local Access programme
- Shortlisted Places: Bradford, Bristol, Calderdale, Coventry, Dover, Gainsborough, Hartlepool, Leicester, Greater Manchester, Plymouth, Southwark, Wigan

STAGE 2:

May 2019 –
January 2020

- Places then worked with their local partnerships to further develop their plans for how Local Access funding could be used in order to achieve those aims. They were required to submit detailed proposals that addressed the initial brief provided by Local Access, covering four areas: vision for their social economy, broad and inclusive partnership structure, enterprise development plans and investment aspirations.
- Partnerships were provided with up to £10k in grant to facilitate and provide capacity for local organisations to engage and participate in the process and were brought together as a cohort of programme participants in July, to discuss and share ideas
- As part of the assessment process members of the Local Access team (comprising BSC & Access staff and external advisors) visited each of the places, spending a day with the local partnerships to understand their plans and meet some of the key organisations
- Based on the various assessments and with consideration of how to best allocate the funding and in further consultation with the Advisory Board, decisions were then made by Access & BSC as to which places to support and take to the next stage

STAGE 3:

February 2020 –
December 2020

- The selected six places were brought together as a cohort to share their ideas, before then continuing to develop their individual plans.
- This specifically involved putting together budgets and action plans for supporting enterprise development and developing fund models for investment. Places were provided with a grant of up to £100k to support with this process, which would involve staffing costs and procuring relevant expertise where needed. In addition the Local Access team would help support the local partnerships through the process to finalize their plans
- Selected Places – Bradford; Bristol; Greater Manchester; Gainsborough; Hartlepool, Redcar & Cleveland; Southwark

STAGE 4:

December 2020 –
March 2021

- Final enterprise development and investment plans would be brought to an investment committee to determine the viability and suitability of those plans. Given the involvement of the local Access team in their development, any concerns and objections raised by the Investment Committee would look to be resolved through various iterations of the plans, until the IC felt comfortable in approving the planned funding
- Agreements & contracts would be drawn-up with the local partnerships, with the funding starting to flow and continuing over the potential 10-year life of the programme

Approaching the Design of a Place-Based Programme

OBJECTIVE

How do we best select a diverse range of places that will achieve a range of learning objectives for the Programme?

APPROACH

Work with national partners with existing knowledge of places to identify a limited number of potential places and invite them to apply.

DECISION & RATIONALE

With limited funding the programme would only be able to support a handful of places, so an open process could lead to wasted resource with a large number of unsuccessful applications. Utilising the existing knowledge of place-based funders provided an opportunity to potentially work in some places with less developed social economies, but strong potential & innovative ideas, who might otherwise be disadvantaged by the lack of established initiatives within their locality, with which Local Access could partner and support.

OBJECTIVE

How do we invite a 'place' to engage with Local Access in a way that ensures local plans developed are representative of the whole sector within a place?

APPROACH

Select a recommended local partner and approach them with the instruction to initiate (but not necessarily drive) the process of forming a broad and inclusive partnership and putting together a single application from a place.

DECISION & RATIONALE

We were aware of the potential creation of power dynamics by approaching one partner who could then be inferred as "lead", but our messaging reinforced the need to form an equitable partnership. With limited insight into local relationships, approaching multiple partners in an effort to force a partnership could risk creating conflict within a locality. Alternatively that approach could create a lack of clarity around the responsibility for progression of an application. Ideally being able to engage with grassroots organisations at the start of the process would ensure they felt suitably empowered to influence the programme design; but with limited reach into communities, Local Access was reliant on local partnerships fostering those connections.

OBJECTIVE

How do we create a process that allows for the emergence of innovative ideas but still ensures that these ideas align with the aims of the Programme?

APPROACH

Provide each place with a detailed briefing document outlining the questions they needed to answer by the end of Stage 2, but not create a standardised scoring criteria or prescribe a template assessment document

DECISION & RATIONALE

Providing template assessment documents from the outset of the process would provide clarity to places as to the expectations of what detail was needed around investment & enterprise plans at the end of Stage 2, and ensure that each place was consistent in its approach. However there was the risk that this would limit the design of local programmes to fit within the constraints of already existing programmes on which those templates would be based. In order to foster innovation we provided detail to places around the broad areas that would need to be evidenced in applications at the Stage 2 process, however did not stipulate the process local partnerships should go through to get answers to those questions.

OBJECTIVE

How do we best assist places in developing their plans, but not influence their direction to ensure the individual plans are still place-led?

APPROACH

Create a peer-learning opportunity for all the shortlisted places to come together and share ideas during their idea development phase, whilst also making members of the Local Access team available to check-in with places on a periodic basis to support where required

DECISION & RATIONALE

Given the unique nature of place-based working, we expected that many places would face the same issues and challenges in developing their applications – and therefore providing a setting for the places to share and discuss with each other could increase the quality of the applications overall. By providing places with direct ongoing access to members of the Local Access team but not formalising an ongoing review process, we felt that places that felt comfortable developing their plans without input would be able to do so without being influenced by funders' perspectives.

OBJECTIVE

How do we ensure the place partnerships involve and encompass the range of views of the local communities they are looking to support?

APPROACH

Provide sufficient time for partnerships to develop and form, by building flexibility into the timelines (i.e. up to 6 months if needed for the Stage 1-2 process). In addition each place was provided with a £10k grant to assist where there was limited capacity within organisations

DECISION & RATIONALE

Given the limited time and resource capacity in the sector, we were aware that it could be a challenge to get key local organisations to engage in the process unless capacity was freed up through providing some funding up-front; however given the limited overall pot and the expectation that not all shortlisted places would be successful, we did not want to use up too much of the budget at this stage. Also by building flexibility into the timelines, this acknowledged that not all places were at the same stage of development and some may take time to form those partnerships, whereas more developed places might have pre-existing networks to utilise

OBJECTIVE

How do we ensure that the selection of places is not biased towards those have previous experience of bidding for place-based funding programmes with pre-existing evidence bases?

APPROACH

Create an assessment process involving visiting the places and meeting the local partnerships that had formed, with specific priority given to assessing the strength of the partnership and the alignment of its vision with the programme objectives

DECISION & RATIONALE

We were aware that a selection process that was solely dependent on the submission of a written application proposal could be biased towards those places who had experienced bid-writers. To counter this the assessment process also involved visits to each of the places, to gain a better understanding of the partnership dynamics. In addition, given that areas of the assessment process would benefit those with existing evidence around investment demand and enterprise support initiatives, the vision aspect was more heavily weighted to allow less developed proposals to express the unrealised ambitions for their places

Reflections on the Process so Far

The Local Access programme is currently in the development phase as the six selected places are developing plans, ahead of investments being committed and funding flowing out to organisations on the front-line. However there are some initial lessons that have been gathered around the process to date based on the experience of the Local Access team. In addition, an independent evaluation was commissioned to assess programme participant's experience of the process over Stages 1 & 2 (contained within the appendix).

Key Observations

Partnership dynamics are impacted by choices funders make:

By approaching a single partner as an entry point into a place, this often ensured that broad and functional partnerships could be efficiently formed, but in others may have created the perception of a "lead partner" leading to difficult power dynamics especially regarding the involvement of smaller front-line organisations

Providing longer timelines was key to the success of some places:

Providing more time for the initial development allowed some places to expand their partnerships and seek the meaningful involvement of frontline organisations. Setting a 10-year time horizon also allowed places to unlock their ambitions set out in their visions

There is a constant tension between giving up control but

providing support: Trying to balance a programme being place-led, yet still having overriding centralised aims and objectives is a constant challenge. Most places appreciated this flexibility and used it creatively without drifting away from the programme's purpose, but in some instances where places took the opportunity to develop their places independently, this resulted in plans that did not align to Local Access objectives, and potential wasted time and effort

Pursuing innovation can result in a lack of clarity which can

either be liberating or discomforting: Whilst some places thrived with the ability to create ideas from scratch, some desired further guidance around the types of ideas that Local Access was aiming to see, in order to direct their attention to developing those aspects

Recommendations for Future Place-based Funders

For organisations that are looking to take a place-based approach to support the charity & social enterprise sector, below are some recommendations

Be patient in setting timelines

Longer time horizons allow places to develop ambitious plans, but also allow partnerships to foster deeper & stronger relationships

Make decisions on the basis of the strength of partnerships

It is important to assess who is around the table and not just the ideas brought to it. Operating a place-based approach takes time and ideas will continue to change during the period – however the key organisations will remain throughout and partnerships will be fundamental to the successful delivery of a programme

Engaging front-line organisations requires funding capacity

Frontline organisations are constantly stretched. In order to allow them to meaningfully engage and influence a process, additional resource is needed to provide them with that capacity

Be aware of the impacts of each decision made as an external party

Every decision an external funder makes around organisations, from who is first approached, to who receives funding, can impact local partnership dynamics. Disseminating information across partnerships and directly to all organisations, helps remove potential power imbalances around “key partners”

Define from the outset your comfort with relinquishing control

There will be constant tensions between wanting to exercise control over the direction of ideas in a centralized manner, balanced with the concept of places retaining authority and control over a process. Be clear from the outset about your level of comfort on that scale



INDEPENDENT REVIEW OF LOCAL ACCESS PLACE-SELECTION PROCESS

TI GROUP

Independent Review of the Process (Stage 1 & 2)

Purpose:

An independent party (TI Group) were commissioned to **independently capture some of the learnings** from the Stage 2 of the process after longlisting (12 places invited) and before shortlisting (choice of six), through facilitating feedback from the individual places that participated in the programme.

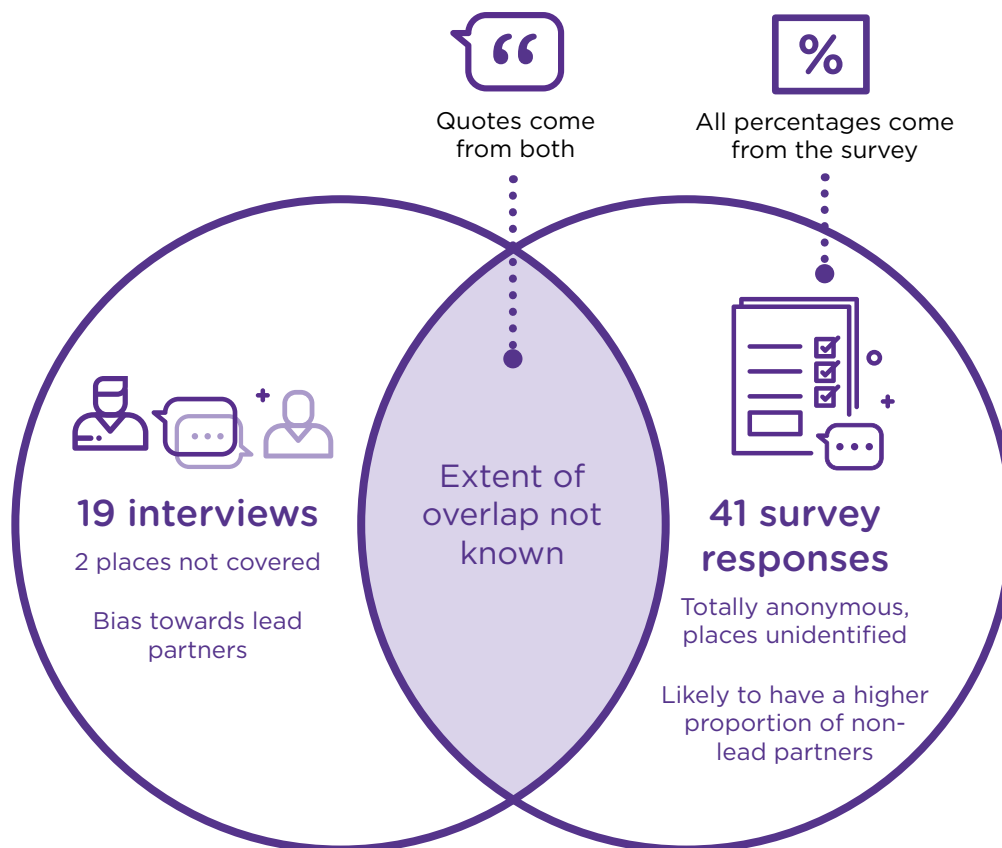
This was with the aim of helping Access & BSC **understand what worked well** about the process as a result of the design choices, both **to influence the future direction** of the programme and to share with other place-based funders to **inform decision-making** when thinking about programme design.

Methodology:

The findings in this review are based on interviews and surveys with partners in at least 10 of the 12 places. Interviews and surveys were conducted in December 2019 and January 2020, before shortlisting of six places. The partners involved in each of the places comprised of individuals from front-line charities & social enterprises, social investors, local authorities & other sector related organisations.

Findings:

The findings produced by the TI Group identify perceptions around the Stage 1 & 2 process, from organisations involved. These highlight the impacts of the design choices, both intentional and unintentional, on respective place's experience of the programme.



FINDING 1:

The extent to which places embraced and thrived in the process depended on their starting point.

- **Experience of other grant processes** affected the perceptions places and partners brought to Local Access. Most partners were used to more closed, rigid processes so the freedom was seen as unusual.
- **Personality** was at play. Some people are more comfortable with ambiguity while others “like it in black and white”.
- The **maturity** of local partnerships varied, with some places required to do more relationship building work than others.
- Some places are **better or worse resourced**. It’s a unique opportunity and high stakes for some, compared to desirable but one of several opportunities for others. The development grant, which offered the same support to all places, was not designed for this.

“

Most of us involved in bids are so used to parameters and checking criteria, fulfilling points on a brief.”

“

The social economy in [this place] has stayed fairly static – reluctance of charities to move out of relying on grants.”

“

...compared to grants we go for or EU development funding – it’s very different, so it requires us to think differently about it.”

“

There is a regional culture of grant dependency.”

“

The different groups – the galvanisation of these was a lot of work.”

“

I am very much ‘live in the moment’ so it didn’t massively unsettle me (but) I suspect there were others who found it difficult to manage.”

“

By definition, it’s often the most dysfunctional places are in most need of support and ability to make decent proposals.”

FINDING 2:

While there were many challenges, people's experiences of a mostly unfamiliar process were resoundingly positive.

- **The process was well regarded overall.** All survey respondents said that it was a somewhat or very positive experience (3.3/4 average). None said that it was negative.
- **Partners praised the Local Access team** as helpful, open and responsive. A minority saw team members as London-centric.
- **The amount of time and support was seen as about right**, although there was a range of views here. The opportunity cost was noted as significant (particularly for frontline VCSEs) and greater than the development grant. The timing over the summer made it challenging for some partners to get people together.

“

Most potently creative funding opportunity we've seen for a few years.”

“

The guidance we received during the process has been clear and any queries have been dealt with quickly.”

“

The [Local] Access team have been open and honest. It was made clear this was a new process to everyone so we'd do our learning along the way.”

“

Still a sense that visitors (from Local Access) - are well educated young London professionals a little isolated and insulated from regional left-behindness”

“

Though honorariums were offered, the large geography meant travel time and expenses were high.”

“

Unfortunate timing over summer (with) holidays, Ramadan, Eid. Not everyone is around who you need to collaborate.”

“

Officers have explained and supported it well.”

FINDING 3:

The openness of the process was double-edged, unleashing creativity and anxiety alike.

- Most places found that the open-ended process **enabled their creativity**. 90% of respondents felt **empowered** to shape it around the needs and priorities of their place. 75% said that it **helped them think differently**.
- However, this **open-endedness was double-edged**. 25% of the sample felt anxious, uncertain or even paralysed – perhaps because they weren't sure if they were really designing for their own or the funder's preferences.
- A detailed briefing on the aspirations of the programme and the process was provided at the beginning. However, many respondents said they would have appreciated **greater clarity** about the mechanics of the process (what, when, etc.), e.g. 'a simple 1 side of A4' or 'A set of 10 examples and instructions'.
- Uncertainty led to a **desire for clearer criteria** for assessment.
- Many respondents felt they needed more **specialist knowledge on social investment** to be able to write their proposal. Some participants wanted more information on **terms and conditions** – such as interest rates – to inform their design.

“

The process has been innovative and different from traditional models... The approach was very refreshing and gave us the scope to develop and co-design with communities.”

“

Be very explicit about the Ts & Cs of the money.”

“

If I had a pound for every time a funder funded me for what [we] wanted to do, I'd have a pound.”

“

...terrifying free rein to do whatever we wanted...”

“

[The brief was] open enough to fit in with existing initiatives and grow them, saves reinventing the wheel.”

“

Scarily open-ended. Led to submitting a bit of [a] hybrid proposal...”

“

We had hoped for more guidance [on social investment] from the advisers from Local Access than we got”

FINDING 4:

The mixture of collaboration and openness with a competitive process led to some confusion and concern.

- **People were concerned they didn't know the criteria for selection.** Sometimes they weren't sure when they were being assessed or not – when was sharing ideas or presenting part of making a judgment?
- **The day the places spent together in Birmingham was not so well-received.** There was uncertainty as to the purpose of the day and whether it was an assessment. Partners were uneasy about sharing information or experiences with other areas due to competition. Several saw the day as a **potentially missed opportunity** to share learning. On the other hand, feedback on the day was positive.
- Overall, **assessment moments were ones of tension.** There is evidence to suggest that organisations found the **switch from a personable, collaborative mode with the funder to one in which they were being judged jarring.**

“

I am a bit concerned that the evaluation criteria remain a bit unclear.”

“

[We] didn't realise the final selection would also be about a diverse range of places, i.e. an element of randomness”

“

It was clear you [the funder] had some criteria you were working to that is not clearly articulated. This may be a result of a “we'll know it when we see it” approach but suggests a lack of clarity in your ambitions for the project from the outset.”

“

Well, that was as clear as mud”

“

Still the idea that [we] shouldn't share too much in front of others...”

FINDING 5:

The process enabled stronger relationships, shared knowledge and a common vision within places.

- **The process consistently enabled the broadening and strengthening of relationships within places.** This was perhaps the greatest strength of the process. Many respondents were positive about the prospect of these relationships continuing.
- The **shared base of research/knowledge** that the process compelled places to build was an important outcome. People considered new data about localities they were previously unaware of and learned from each other.
- Some participants perceived the process to have led to greater clarity and buy-in to a **shared vision** for their place.
- There were some **behind-the-scenes conversations** including with social investors.
- **Relationships between places were less significant**, with some positive signs but not a consistent feature. This might relate to the tension between competing and collaborating, explored further below.

“

Local relationships were the shining star of [the] process.”

“

Some of the relationships – who knows what those may lead to. Enormous value.”

“

We would never have had a reason to work with these people if not for this.”

“

Relationships will definitely be [the] legacy.”

“

That process in itself has strengthened relationships. So much so that we had a [social] night out!”

“

[It] didn't feel like [we] were meeting to serve a funding bid, it felt like [we] were meeting to design something important.”

“

[We] have already been part of a partnership but this has been more tangible and meaningful”

“

Little external relationships [were created] with most of them local [relationships].”

FINDING 6:

Reliance on a lead partner can create difficult power dynamics.

- The experiences of lead partners differed compared to other partners. For **frontline and smaller organisations** less heavily involved in the partnerships...
 - Working at one remove **increased uncertainty** and made the process less coherent. Programme updates were typically sent only to the lead partner, who was expected to cascade it, but this didn't always happen consistently.
 - The perceived lack of guidelines from the Local Access team created some **stressful situations** compounded by the **time demands** on smaller, often overstretched organisations.
- **Lead partners' power may not have always been used well.** One participant felt that the selection of lead partners in their place had led to friction amongst others and created fallout. A few others hinted that the final form and vision was not fully shared across the partnership.
- It was **hard to get partnerships off the ground in a few places.** Arguably this was the 'test' of stage 2, but it is likely that the lack of resources and infrastructure in some places negatively affected the quality of the bid.

“

The two tier partnership has meant that at times I have not felt as clear about the objectives, process and expectations of the Local Access Programme.”

“

In hindsight... some major fallout in the local environment [with relationships] was because of local authority program and their selections [of partners]. Why [was] local council [chosen as lead partner] in some areas and not others?”

“

How far has the process created networks, or just loose alliances of self-interested organisations?”

FINDING 7:

Raised aspirations can survive a funding setback, but not in all cases.

- When asked what would happen if they were not selected for the main programme, some partners were optimistic that they could implement their proposals in full or in part. Others saw no possibility of this.
- **The relative importance of the money varies from useful to essential.** Some places have existing thriving social economies whereas the stakes are higher and opportunities scarcer in others.
- **There is some scepticism about repayable finance** – its value, the risk involved and the associated language of the market. Increasing familiarity with the idea of repayable finance looks set to be important in the next stages.

“

If we're in the no pile, there's not another funder out there who will want to do this”

“

Don't design one-size-fits-no-one.”

“

[Our bid is] designed, intentionally, to be able to run with even if Access don't fund it”

“

No point us borrowing money if it's not right [for what we want to do]”

“

Maybe get the group together again to reflect as a team/group before designing the legacy.”

“

There was a degree of scepticism with grassroots organisations due to the repayable finance parts as some social enterprises couldn't see the value and may withdraw from the process.”

“

[Our place] is not a market, it's a place of need.”

“

...find a partnership of funders to back the whole thing by jig-sawing the supply-side, rather than atomising the bid.”

“

Issues with local people not wanting to get involved with the level of risk that the size of investment means”

