



## Consultation on the design of our new blended finance programme (Growth Fund successor programme)

**14<sup>th</sup> February – 11<sup>th</sup> March 2022**

### **In this document:**

1. New programme consultation process and how to engage
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3. Investment Policy first draft (for consultation)

## Section 1: New programme consultation process and how to engage

The Growth Fund, a partnership between The National Lottery Community Fund and Big Society Capital delivered by Access through a range of social investor partners, was launched in 2015 to address gaps in the social investment market and support charities and social enterprises across England to grow and create social impact in their communities. That programme has so far made over 600 investments totalling over £40m and averaging £67k.

With the Growth Fund effectively coming to a close by the end of 2022, there is a need to ensure a continued supply of small-scale unsecured finance to grow and sustain the resilience of charities and social enterprises and to avoid the gap in availability of this type of finance which would otherwise emerge.

We are delighted that [Access will receive £20m from dormant accounts distributions](#) for this purpose. We are therefore preparing to launch a new programme (name TBC), which we expect to open to applications in April **from social investors** applying to deliver funds.

Over the next few weeks we are holding a consultation process to invite potential fund managers – as well as any potential co-investors or other interested parties who may wish to engage – to share your views to help inform the design of the programme.

The **consultation is open now** and will run **until Friday 11<sup>th</sup> March**.

There are three ways that you can engage with the consultation process:

### 1. Join the webinar

- We will be holding a webinar on Tuesday 22<sup>nd</sup> February, 3.30 – 4.30pm. [Please register here](#). We will share our initial thinking about the programme design and will answer your questions. Please submit any initial questions that you would like us to cover at the webinar by emailing us at the address below by COP on Monday 21<sup>st</sup>, although we will also try to cover any questions that occur on the day in the chat function. The webinar will be recorded and can be made available to those who cannot attend.

### 2. Provide a written response

- Please read the information provided and then send us your thoughts. We have posed a number of [key questions](#) which you can respond to some or all of, or any additional comments are equally welcome.

### 3. Speak to us

- We would welcome an individual conversation to listen to and discuss your feedback. We would encourage you to join the webinar and/ or read the information document before arranging a call. If you choose to speak to us you do not also need to provide a written response, although you are of course welcome to do both.

To submit questions for the webinar, share a written response or arrange a call please contact Helena – [helena.tuxworth@access-si.org.uk](mailto:helena.tuxworth@access-si.org.uk).

We anticipate that there will be a range of views expressed during the consultation so we will likely be unable to follow everyone's recommendations within the final programme design. However we will listen and give careful consideration to all comments received.

After the consultation period our Investment Committee will agree a final Investment Policy for the programme and then we expect to open to applications from social investors in April. We have intentionally designed this process to move quickly due to our aim to have funds open to charities and social enterprises by the end of this year when the Growth Fund finishes.

## Section 2: Key consultation questions

Key consultation questions are set out below. We would welcome responses to these as well as any other comments.

Co-investment: We are planning to invite social investors to apply to Access for a grant commitment/ in-principal grant commitment. The social investor will be in control of fundraising capital to use alongside the grant, choosing which lender(s) or other sources to approach and then negotiating terms directly (although Access will need to be satisfied with the source of capital and the overall financial model). This will be similar to the approach that Access has taken on our Flexible Finance and Emergency Lending programmes over the past couple of years, and is thus a different approach to the Growth Fund which offered bundles of grant and BSC capital through one single application. We would be willing to offer in-principle grant commitments before a firm offer of co-investment is secured – however those in-principle commitments will need to be for a fixed period of time to ensure that we can manage our pipeline effectively. Therefore the social investor should have a plan in place for raising co-investment before applying for grant.

We would like to see £60m+ of investment flow to charities and social enterprises through this programme. We have considered setting a target of a 2:1 leverage ratio at a programme level (£20m grant leveraging £40m investment). However we are conscious that the amount of money that flows to the frontline is not just a product of the amount of money in the programme, as higher proportions of grant can help enable significantly more capital recycling in some structures.

- **Question 1: Would social investors welcome this approach (of grant applications to Access and separate co-investment fundraising)? And/ or would there be a desire for Access to play a more active role in supporting social investors with fundraising – in which case how would you like us to help?**
- **Question 2: In your opinion should Access provide targets around the leverage ratios that we would expect to see in applications, for clarity and consistency, or is this too limiting a measure? In your view would a 2:1 target leverage ratio and/ or a  $\geq 2:1$  frontline investment to grant ratio be achievable?**

Use of grant: Whilst there will be some scope for innovation, we are assuming that most funds launched under this programme will want to use grant for broadly similar purposes to the Growth Fund's "Grant A" (operating cost subsidy), "Grant B" (fund level loss layer) and "Grant C" (direct grants to investees). We are assuming that this programme's grant will not be used for investment readiness support because social investors will be able to utilise the Reach Fund for this where appropriate.

- **Question 3: Are there any different ways in which social investors might want to propose using the grant, other than for operating cost subsidy, first-loss protection and/ or direct grants to investees? Are there any objections to us ruling out investment readiness support as a purpose for this grant?**

Supporting fund managers: It will be an explicit objective of this programme to help build strength and sustainability in the social investors who deliver it.

- **Question 4: How can we structure the programme to best achieve this aim (alongside the other aims)? As a social investor, which is most important to you: the way in which operating costs are funded during the deployment period and portfolio management period, or the potential to build residual capital/ balance sheet strength, or both? In your experience what has/ has not worked well in previous fund structures in this regard?**

Product design: We are assuming that products will be small-scale term loans (sometimes with grants alongside) with relatively simple repayment profiles. We are assuming that most, if not all, loans should be unsecured. We are considering moving away from the fixed £150k upper investment ceiling that the Growth Fund had but expecting funds to still achieve a median investment size of c.£60-80k.

- **Question 5: Should we continue to mandate that all loans be unsecured (as on Growth Fund) or allow security to be taken in some cases (by exception)? If the latter please tell us why this is needed.**
- **Question 6: How do you think Access should set parameters or guidance around upper investment thresholds and/ or average investment sizes at a programme level, in order to ensure that the programme continues to serve the small end of the market? Would a fixed upper-limit or continuously tracking an average be preferable? Are clear, fixed parameters helpful or too restrictive?**

In the first draft of the Investment Policy (see next section) there are a number of elements where we have indicated that we are willing to be flexible but for some we have also provided some example figures to indicate our assumptions (e.g. that we would not usually expect co-investors' returns to exceed 6%). We are aware that elements of the draft policy may currently therefore feel inconsistent or unclear as to the degree of flexibility available, and we expect to make the final version clearer.

- **Question 7: In the final guidance that we issue around fund design, would more figures and parameters be helpful or too restrictive?**

Whilst this programme is intended to continue the provision of a specific type of simple product, it is acknowledged that this type of finance cannot be made to be right for all organisations. The programme sits alongside our Flexible Finance programme which aims to fill the gaps by providing more flexible and adaptable types of finance with a strong EDI focus. However on this programme fund managers will still need to consider how their outreach, practices and partnerships are lowering barriers and achieving reach as far as possible and to monitor and report on EDI.

- **Question 8: Do you have any comments on the programme's approach to EDI?**

Fund size: From a £20m grant pot we are assuming that we may make in the region of 5-8 grant awards, probably towards the lower end of that range. We are assuming that average fund size will be larger than on the Growth Fund programme. Whilst not all funds will be England-wide and some may target certain outcome areas, we are not assuming that there will be very small or very niche funds within this programme.

- **Question 9: Do you have any comments on these assumptions?**
- **Question 10: If you were to apply for some of the programme grant, approximately how much might you ideally like to apply for? (We recognise that this will be very early/ rough estimate and we will obviously not hold you to this! But any indications of the range of application sizes that we might expect to receive would be helpful for our planning).**
- **Question 11: Do you have any other comments regarding this new programme not covered by the previous questions?**

## **Section 3: Investment Policy first draft – for consultation**

*The remainder of this section is a copy of the first draft of our Investment Policy for the new programme. This is provided for the purpose of consultation and therefore the information in it – including any figures quoted – is subject to change as a result of feedback. The final Investment Policy will be agreed by Access's Investment Committee after the end of the consultation period.*

*Please note that whilst Access has the mandate to determine most design features of this programme there are a few elements which are fixed due to the requirements of our upstream funding source. This includes the fact that funding must be restricted to charities and social enterprises in England only.*

### **Draft Investment Policy**

#### **Part 1: Overall Investment Objectives**

Through the provision of subsidy into fund structures, the programme aims to enable intermediaries to support charities and social enterprises which they would otherwise be unable to invest in due to barriers including risk and cost. At an ecosystem level the programme will build upon the Growth Fund's legacy and further demonstrate the efficiency of subsidy in small-scale investment.

The programme aims to hone the delivery models for this type of finance, building on the elements of the Growth Fund which worked well whilst also adapting in response to: a) the learnings from the Growth Fund (and Access's other programmes); b) the context of a pandemic and post-pandemic environment; c) our desire to ensure that EDI is more closely considered in everything that we do; and d) the different grant source for this programme.

Access to appropriate finance should increase the financial resilience of charities and social enterprises in order to enable them to better serve their communities by sustaining or increasing their social impact. The programme should serve those organisations which require small-scale, simple, subsidised finance products and for whom the larger, less-subsidised or more complex products in the wider market are unsuitable. The programme also aims to strengthen the social investors who will deliver the programme.

#### **Part 2: Aims & Objectives**

- **Overall Ecosystem goals**
  - The programme should maintain and increase the supply of small-scale blended finance. The use of grant by intermediaries should enable charities and social enterprises to access suitable small-scale capital where they would not otherwise be able to do so.
  - The programme will focus on supporting the capital needs of small and medium sized trading charities and social enterprises. These organisations will typically turnover less than £500k with fewer than 20 staff.
  - The programme aims to make up to 1,000 investments into charities and social enterprises
  - At a programme level finance should be available to charities and social enterprises located anywhere in England, but with a particular focus on reaching those in (or serving) areas of higher deprivation. We will aim for at least 50% of the fund to be invested in the most deprived 25% of neighbourhoods and at least 25% of the fund in the most deprived 10% of neighbourhoods.

- This programme does not have a focus on any specific outcome areas or beneficiary types. Individual funds may choose to specialise/ target their reach towards certain places or outcome areas, but funds should not be overly niche.
- The overall programme should make finance available to the sector from January 2023 (or earlier) to at least the end of 2025.
- Building on the knowledge base from previous programmes, this programme should seek to hone (rather than prove) the delivery model(s) for small-scale social investment.

- **Co-investment and leverage goals**

- The programme aims to achieve a leverage ratio approaching 2:1 and will aim to invest up to £65m into charities and social enterprises (including capital recycling)
- It is expected that social investors will apply for co-investment separately to the Access grant rather than as a package. Therefore, both the sources of co-investment and the interest/ fees fund managers are charged on that co-investment will likely vary. Levels of subsidy provided into individual funds should be appropriate to the need and should be mindful of the potential for competition and the risk of market distortion.
- The Access investment is anticipated to be provided to intermediaries as a grant and therefore is not expected to be repaid. It is however possible that some of this grant is made on the basis that it may be repayable. Where this occurs, the guiding principle will be to align incentives between Access, co-investors and social investors.
- The investment from Access is expected to offset risks sufficient to leverage repayable capital from external capital sources where capital could not otherwise be made available in this way.
- It is assumed that most external capital that is leveraged will be repayable back to co-investors, although this may not always be the case. It is possible that match may be in the form of other grant but only in so far as this achieves the overall objectives of the programme by using subsidy in the most efficient and effective ways. As such, subsidy – both ours and that from any other sources – should be used where it is needed and not where it is not.
- Repayable co-investment capital may generate a modest return for the co-investors, which we would not usually expect to exceed c. 6%, although the appropriateness of the return rate should be considered in the context of the leverage ratio, risk and other relevant factors.
- It is the aim that this programme plays a role in maturing the overall market and as such there is an expectation that sources of co-investment will vary to a greater extent than on the Growth Fund, with less overall reliance on BSC capital at a programme level (an ambition which BSC share). However, leveraging new and innovative sources of capital is not an explicit objective as it was on Flexible Finance, so there is no particular expectation that one source of capital will be deemed preferable to another. As such, our assessments will focus on the overall suitability of the capital to a greater extent than the source

- **Intermediary market goals**

- This programme aims to build on existing and experienced infrastructure by strengthening the fund managers who will deliver it. Therefore, consideration of how a fund will leave the fund manager stronger and more resilient will form part of the primary assessment.

- The programme will enable fund managers to offer small-scale loans by mitigating transaction costs to make this affordable
- The programme will enable fund managers to widen their reach and to support (although not exclusively) organisations which have been unable to access social investment before.
- This programme should be inclusive by design: borrowers and intermediaries will be expected to embed equality and diversity into their governance structures and to monitor/ report these areas.

- **Product goals**

- The programme is expected to predominantly provide investments of up to £150k, with no fixed upper limit (but an assumption that this would not exceed c.£250k) and a median size of between £60-80k.
- Loans will typically be repaid over a maximum of five years although some, particularly for cash flow needs, may be for a shorter period
- The programme will offer appropriately priced, affordable loans, with average interest rates expected to be in the region of 5-8%.
- It is expected that loans will include a degree of flexibility such as initial 12-month capital repayment holidays as well as post-investment flexibility when required without incurring significant additional fees.
- Some borrowers will receive direct grant alongside their loans where doing so makes the overall package most suitable and affordable.
- Fund structures/ operating costs will enable social investors to support their applicants and investees both pre and post investment. However the Reach Fund will be available for more formal or substantial pre-investment support so the grant should not be used for purposes which that programme can serve.

- **Impact on charities and social enterprises**

- The programme will seek to remove barriers to social investment that are often faced by smaller and/ or younger organisations
- Access to appropriate finance should increase borrowers' financial resilience to bring stability and growth (or earned income/ element being invested in) over the medium term, with the view to protect and where relevant augment the social impact of each organisation so that they can continue to serve the communities they serve both now and in the future.
- This programme should be inclusive by design: borrowers and intermediaries will be expected to embed equality and diversity into their governance structures and to monitor/ report these areas.

- **Impact on people and communities**

- We believe that more resilient organisations are better placed to deliver social impact and meet the needs of the communities that they exist to serve. Social investors will have good systems in place to assess and ensure that they are investing in socially impactful organisations, although we recognise that it is not always possible to draw a direct line of attribution from investment to specific impact outcomes.

## **Part 3: How will we achieve those aims?**

### **a) at a wholesale level**

#### **Fund sizes, length & composition**

It is anticipated that the Investment Committee will make in the region of 5-8 individual grant awards, to use up to a maximum of £20m of Access funding.

Fund sizes should ensure value for money and sustainability during the course of the programme. Therefore it is not envisaged that there will be very small funds (e.g. <£2m total fund size) under this programme. However, there is no explicit minimum fund size so the IC may decide to approve smaller funds if there is a compelling reason to do so. Similarly, there is no maximum fund size, although with any larger funds (e.g. >£12m total fund size) the IC should be comfortable that any risks relating to over-reliance on individual partners are appropriate.

It is envisaged that a minimum ratio of 50:50 grant to co-investment should apply to individual funds. However this ratio may be exceeded where there is a compelling reason to do so. The amount of capital being made available to the frontline should be a greater consideration than the amount of capital leveraged into the fund, recognising that fund structures which enable large volumes of recycling can be more cost effective than their leverage ratio alone might suggest.

This grant cannot be blended into existing Growth Fund funds alongside TNLCF grant. It is envisaged that this grant will be used purely to establish new funds, however we can consider requests to blend the grant into an existing (non-Growth Fund) fund structure if appropriate. The subsidy should be used to grow the small end of the market but not to the detriment of other areas of the market, so this should be an area of consideration if existing fund structures are proposed.

Individual funds' deployment periods may vary but should not initially be shorter than two years and should not initially extend beyond December 2026.

Access is open to different legal structures for funds and will not require the use of wholly owned subsidiaries, although some co-investors may require this.

#### **Fund Manager experience**

It is envisaged that the majority of proposals will come from experienced fund managers with proven track records of undertaking similar types of activity and who can demonstrate strong levels of customer satisfaction of the investment and support offered. Applicants who have managed a Growth Fund fund should be able to demonstrate how their proposal factors in the learnings which that generated. It is not a requirement that applicants have managed a Growth Fund, however any who have not should be able to demonstrate suitable alternative experience as well as an understanding of how the aims of this programme relate to the continuation of Growth-Fund style activity. This is in order to ensure that the programme builds upon the Growth Fund's tried and tested approach rather than seeking to re-invent the wheel.

Unlike when the Growth Fund was launched, bringing new entrants into the social investor market is not an explicit aim of this programme. New entrants may be considered by exception but would need to clearly articulate the gap/ need that they would be serving and why this would be unlikely to be met by other providers, and evidence their ability to deliver a social investment programme. Partnerships are welcome but should identify a Lead Partner, usually an experienced social investor,



to take overall responsibility for the application and the management of the fund and to act as Access's primary contact throughout.

### **Use of the grant in the blend**

The grant can be used in a number of different ways. Fund managers may wish to replicate some or all of the Growth Fund's "Grant A" (operating cost subsidy), "Grant B" (fund level loss layer) and "Grant C" (direct grants to investees) or may wish to structure funds differently. There is no specific requirement to innovate beyond the Growth Fund grant uses and fund managers will not be penalised for proposing similar or identical structures to Growth Fund funds if they consider those to be optimal already. However, fund managers are encouraged to build on Growth Fund learnings and propose improved structures where they believe these will better serve the needs of their investees and support their own resilience.

It is presumed that loss protection will be a major use of grant and we are open to social investors proposing the most suitable structures in this regard. This need not necessarily rely on a single subsidy:capital ratio across a fund's entire portfolio, however the principle should be around efficient use of the grant. On this basis we will discourage ringfenced mechanisms where first loss grant is set aside for individual deals.

It is expected that there will be a level of default (by charity and social enterprise borrowers) within the programme. The existence of grant enables social investors to invest with a higher level of risk, so if no defaults were to occur it would be a sign that the programme had not succeeded in reaching the smaller, higher-risk borrowers that it aims to serve. Individual funds' projected default levels should be evidence-based and might be expected to be within the 10-40% range depending on their target market and other relevant factors.

Some grant may be passed onto charity and social enterprise investees directly as grant. This need not necessarily be limited to grants at the point of investment – fund managers may make a case for providing an element of grant post-investment instead if this would best serve their investees' needs. However programme grant should not be used for purposes which Reach Fund grant can serve, as the programme will be supported by the Reach Fund and fund managers will have the opportunity to become an Access Point if they are not one already. Any direct grants to an investee (excluding any separate Reach Fund support) should be capped at the value of their repayable investment.

### **Fund managers' operating costs**

This programme seeks to improve upon the Growth Fund structure when it comes to operating costs, potentially by exploring ways to decouple operating costs from short-term deployment in order to avoid fee drag and difficulties for social investors by seeking to strengthen the sustainability of the model.

This programme aims to strengthen the fund managers delivering it, with a focus on "build not buy". It will be necessary to balance this objective – and operating cost mechanisms – with the need to ensure value for money and the continual flow of capital to charities and social enterprises. We are open to investing directly into intermediaries (as opposed to SPVs) should this help to achieve these goals.

## **b) at a retail level**

### **Capital need**

The programme is designed to serve charities and social enterprises who require small-scale, simple, subsidised finance products and for whom the larger, less-subsidised or more-complex products in the wider market are currently unsuitable.

### **Organisation eligibility**

Eligibility criteria for charities and social enterprises will match those of the Growth Fund and the Reach Fund (see Appendix 1 for full criteria).

Investees must be based in England and primarily serve beneficiaries in England.

This programme does not have a focus on any specific outcome areas of beneficiary types. Individual funds may choose to specialise/ target their reach towards certain outcome areas but should not be overly niche. Charities and social enterprises working in any eligible outcome area should be able to access finance at a programme level. Organisations which seek investment specifically for political campaigning or the advancement of religion are ineligible.

### **Deal Size**

The primary objective of this programme is to ensure the continued supply of small-scale blended finance at the level which the Growth Fund has provided in recent years. Growth Fund deals were capped at £150k (in most circumstances) and the programme achieved an average investment size of c.£67k. Whilst it is hoped that this programme will, on the whole, follow suit, we will not set a maximum deal size in order to enable flexibility in responding to the needs of the sector and to enable fund managers to offer occasional larger loan and grant blended deals where there is an opportunity to support the scaling of a proven intervention. However social investor applicants will be encouraged to propose their own maximum thresholds (which will likely not exceed £250k and in most cases will be much lower) and/ or targets for average deal size in-keeping with the aims of the programme and should provide clear justification for these (including in the context of the level of subsidy required). The majority of funds will be expected to target a median investment size of between £60-80k.

Fund managers should ensure that investments made through the programme necessitate the use of subsidised finance and that subsidy is not being duplicated elsewhere. Fund managers are welcome to invest in a charity or social enterprise alongside another investor as part of a co-investment, this should not be done for the purpose of making a larger investment than could otherwise be made through this programme alone. Where co-investments occur, the total investment size will need to be within any maximum investment cap that has been set at either a programme or fund level. Such caps include grant provided through this programme but exclude any external grant that the investee receives towards the same project.

### **Product & purpose**

We imagine that in most cases investments will be comprised of small-scale term loans with relatively simple repayment profiles. An element of grant may also be passed onto the charity or social

enterprise akin to “Grant C”. It is anticipated that investments will be used by VCSEs to support with general enterprise or growth and/ or to strengthen their medium-long term resilience.

We expect that in most cases the loans offered by fund managers to charities and social enterprises will be unsecured (as was required for all Growth Fund investments). It is not the intention of this programme for lots of larger, secured deals to be made. However, there may be instances where taking security is appropriate, by exception. Social investors' applications should specify whether they envisage requiring security in some cases and, if so, should justify why this is needed and how it will be determined.

The programme exists to serve those organisations which require small-scale, simple blended finance products and for whom the larger, less-subsidised or more complex products in the wider market are unsuitable. It is therefore the hope that the programme will reach a good proportion of first-time borrowers. However the programme is not limited to first time borrowers – those who have had social investment before are eligible, as are investees who may wish to return for a second investment under this programme, where appropriate. The subsidy should however always be used to benefit organisations which could not access suitable finance from other sources. This will be determined on a case-by-case basis at the fund managers' discretion – we will not require that applicants have been specifically turned down by a bank/ other social investor for funding, although fund managers may choose to require this themselves.

Charities and social enterprises may on occasion wish to access the programme in order to refinance existing debts. This should not, as standard, be the primary purpose for an investment, however there may be instances where this is an appropriate use of subsidy – particularly if the deal includes the refinancing of a small amount of existing debt as part of a larger deal such as where the organisation has taken on emergency investment during the pandemic and needs to consolidate. In any such cases there should be a clear rationale as to why that is an appropriate use of subsidy and does not constitute double subsidy, and the fund manager should have a process in place to make this assessment themselves. “Grant C” style grant provided through this programme should not be used (either in full or in part) to refinance deals made through any other Access programmes (including the Growth Fund).

### **Equality, inclusion and reach**

The overall programme should achieve good coverage across the whole of England, although individual funds may target specific geographies and reaching areas of high deprivation will be a programme priority. Fund managers should be able to demonstrate and report on active participation in the sector's efforts to address challenges and practices around EDI, by understanding and actively working to remove barriers to access. Fund managers will be expected to sign up to – and act upon – the Diversity Forum's manifesto.

Whilst this programme is intended to continue the provision of a specific type of simple product, it is acknowledged that this type of finance cannot be made to be right for all organisations. The programme sits alongside our Flexible Finance programme which aims to fill the gaps by providing more flexible and adaptable types of finance with a strong EDI focus. However on this programme fund managers will still need to consider how their outreach, practices and partnerships are lowering barriers and achieving reach as far as possible.

## **Appendix 1: Investee eligibility criteria**

*An eligible organisation is an incorporated voluntary, community or social enterprise organisation which serves communities solely within England and which is either:*

- (a) a charity, Community Interest Company or Community Benefit Society, registered with the relevant registry body; or*
- (b) an unregulated organisation which:*
  - i. has a clear social mission which, in the reasonable opinion of the Fund Administrator, is analogous to a recognised charitable purpose;*
  - ii. distributes less than 50% of post-tax profits and reinvests at least 51% surpluses into pursuing its social mission;*
  - iii. has a constitutional or contractual lock on its social mission, its dividend and surplus distribution policy and "asset-lock";*
  - iv. carries out, or has ambitions to carry out, trading activities in support of and which are causally linked to its social mission;*
  - v. offers its products and services for general public benefit without restrictions and barriers, such as affordability;*
  - vi. is open to undertaking an independent social impact audit;*
  - vii. has remuneration and benefits policy which it is willing to make publicly accessible, and which is reasonable and proportionate relative to the market practice for VCSEs;*
  - viii. in the case of a sale of the organisation, the directors make best efforts to preserve the social mission under new ownership;*
  - ix. can demonstrate that no private benefit will arise from the Grant; and*
  - x. no state aid/ subsidy control issues have been identified;*