**Enterprise Growth for Communities**

Application Form for Full Proposals

(V1.1 April 2022)

If you have not already submitted an Expression of Interest (EOI) form and discussed your plans with Access, please do so before completing this application form.

Please refer to the Investment Policy and Application Process Guidance documents when completing your application. Both documents can be found [here](https://access-socialinvestment.org.uk/blended-finance/enterprise-growth-for-communities/).

**Applicant’s details**

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| Organisation name |  |
| Primary contact person name |  |
| Total grant amount you are applying for |  |

1. **Target market**

Please complete the following table about your target market:

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| Will the fund be England-wide or cover specific regions? If applicable, please state which regions |  |
| Will the fund be open to all charities and social enterprises or target specific sectors/ outcomes? |  |
| How many organisations will be reached/invested in?  (by no later than 31 Dec 2026) |  |
| What do you anticipate will be the average turnover (or turnover range) of your investees? |  |

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| **Please tell us about your target market, addressing the questions below:**   * *How would you describe the target market for your fund?* * *If you delivered a Growth Fund are there any differences between your target market in that fund and this one?* * *Please include one or more brief example(s)/ case study to illustrate a typical investee. Please include reference to the type of organisation, their plans/ revenue profile and the investment they might receive.* * *How will the fund contribute to the programme’s aim to achieve a strong reach into areas of higher deprivation?* * *What research / intelligence has formed your understanding of demand?* * *How advanced is your potential pipeline currently and how do you plan to market the fund/ achieve its intended reach?* |
| *(Please type your answer to the above questions here. Please expand answer boxes as required).* |

1. **Product parameters**

Please complete the following table about the product that you intend to offer:

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|  | ***Figure(s)*** |
| ***Investment size*** *(inclusive of grant)*   * ***Min*** *(if applicable)* * ***Max*** *(not to exceed £200k)* * ***Average*** |  |
| ***Term***   * ***Min*** *(if applicable)* * ***Max*** * ***Average*** |  |
| ***Interest rate***   * ***Min*** *(if applicable)* * ***Max*** *(if applicable)* * ***Average*** |  |
| ***Other fees*** *(including upfront fees and any potential restructure fees)* |  |
| ***% Direct grant to investees*** *(****%*** *of an investees’ investment that will be provided as direct grant)*   * ***Min %*** *(if applicable)* * ***Max %*** *(not to exceed 50% of total investment in any deal)* * ***Average %*** |  |
| ***Any other features of product*** *(e.g. upfront capital repayment holiday. Please specify whether features are standard or available according to need)* |  |

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| **With regard to the information in the table above, please tell us:**   * *Why have you selected the maximum investment size and average investment size that you have chosen?* * *How do your product features (particularly interest rate) strike a balance between affordability/ market need and the risk of market distortion?* |
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| ***IF you plan to provide any direct grant to investees (akin to Growth Fund “Grant C”) please tell us how you will approach this, addressing the following questions:***   * *What primary role(s) will this grant be playing?* * *How will you describe the purpose and function of this grant to applicants?* * *Do you intend to provide this in a standard loan : grant ratio or to vary the proportion for each investee? If the former, please tell us why you have taken this approach and how you have arrived at the proposed ratio. If the latter, please tell us why you have taken this approach, how you have arrived at the proposed average ratio and how you will decide how much grant to include in an individual deal.* * *Do you plan to provide all of this grant alongside loans (i.e. deploying it at the same time), or do you propose to deploy some (a minority) of this grant to investees post-investment? If the latter, please tell why this is needed and how you will make these decisions?* |
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| **Will you want to consider taking security by exception on the basis outlined in the Investment Policy? If yes, please tell us:**   * *How and why will you make the decision to take security on an investment?* * *How will you manage/ mitigate against any potential risks/ downsides for the investee?* |
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| **Might you, on occasion, want to consider deals that included an element of refinancing of existing debt? If yes, please tell us:**   * *How will you assess whether this is an appropriate use of subsidy and ensure that it does not constitute double subsidy? (Please note “Grant C” style grant must not be used to refinance deals made through any other Access programmes including the Growth Fund.)* |
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1. **Fund size & structure**

Please complete the following table:

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| ***Total Access grant sought*** | *£* |
| ***Breakdown of Access grant by purpose***  *(e.g. £x operating cost subsidy; £x loss later; etc.)* |  |
| ***Total co-investment raised/ to be raised*** | *£* |
| ***Breakdown of co-investment by source and status***  *(e.g. £x investor 1 secured; £x investor 2 provisional)* |  |

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| **Please tell us about the practicalities of how you intend to drawdown and manage the grant, addressing the following questions:**   * *What is the legal entity that Access would be putting grant into and how does this entity relate to the fund structure as a whole?* * *If the grant is being used for multiple purposes, will amounts for each purpose be ringfenced or fungible?* * *How would you want to profile and drawdown the different elements of grant from Access into your fund structure?* |
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| **Please tell us more about the role(s) that the grant will play in your fund, addressing the following questions**: (please note that the delivery of direct grant to investees is covered in a separate question)   * *What role(s) is the grant playing? What is the justification for the precise use(s) and amount(s) of grant?* * *Describe the interrelationship of grant with the co-investment* * *Describe the flow of funds from your fund structure to investees* |
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| **Please tell us more about your co-investment, addressing the following questions where applicable:**   * *If co-investment has already been secured: What are the terms of this capital? How quickly are your investors able to proceed if Access makes you a grant offer? Are there any other conditions/ requirements of the capital which Access should be aware of?* * *If your proposal contains contingent fundraising: Where are the likely sources of capital and how advanced are discussions? What are the range of possible terms/scenarios for this capital (to establish parameters within which any condition precedent could be met)? What is the timeline for securing all of the necessary capital?* |
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| **Please tell us about your leverage/ deployment ratio, addressing the following questions:**   * *For every £1 of grant that Access provides to your fund (in total) how much investment will flow to charities and social enterprises (once co-investment and recycling etc. are factored in) – please provide an answer based on deployment up to the end of the deployment period or the end of 2026, whichever is sooner.* * *How does this proposal contribute to Access’s programme level goal of enabling £20m of grant to result in £60m+ of investment flowing to charities and social enterprises by the end of 2026*? |
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1. **Financial model & scenario analysis**

*Please complete the following table using your financial model. Please provide a copy of your base case financial model to us alongside this application form.*

*For each of the downside/ upside columns, please model a scenario which you consider to be sufficiently cautious yet realistic.*

*For the downside deployment scenario this could be a reduction in total deployment or it could be a change to the deployment profile (e.g. less deployment in the first year and more pushed back to the final year) – what you choose to model should be determined by what you consider the biggest risks to deployment and what effect those would have.*

*Please use the final column to model the potential impact of what you consider to be the next biggest risk factor (other than deployment rate and default rate) if applicable.*

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|  | ***BASE CASE*** | ***Downside deployment scenario*** | ***Downside default scenario*** | ***Upside default scenario*** | ***Downside scenario of other key risk factor (if applicable)*** |
| ***Deployment period length (yrs)*** |  |  |  |  |  |
| ***Run-off period length (yrs)*** |  |  |  |  |  |
| ***Total investments deployed:***   * ***£*** * ***#*** |  |  |  |  |  |
| ***Deployment per year (£):***   * ***Yr 1*** * ***Yr 2, etc.*** |  |  |  |  |  |
| ***Co-investor return***   * ***IRR*** * ***MM*** |  |  |  |  |  |
| ***Operating costs***   * ***Total*** * ***Annual (av.)*** |  |  |  |  |  |
| ***Expected default rate (%)*** |  |  |  |  |  |
| ***Residual grant remaining at end of fund*** |  |  |  |  |  |

1. **Fund delivery**

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| **Please tell us about your operating costs, addressing the following questions:**   * *How have you arrived at your operating cost figure(s)?* * *In what ways will operating costs be funded (e.g. grant subsidy; investees’ interest/ capital repayments; subsidy from elsewhere; etc.)* * *Are there any risks associated with operating costs (e.g. potential cash shortfalls if deployment falls behind schedule or defaults are higher than expected)? If so, how will these be mitigated/ managed?* |
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| **Please tell us how you will support applicants and investees, addressing the following questions:**   * *How would the customer journey be described: from sourcing pipeline, to support, to assessment and to decision making?* * *Do you plan to access the Reach Fund for pre-investment support?* * *What post-investment support and/ or flexibilities will be available to investees who encounter difficulties?* * *How will you ensure that you are investing in socially impactful organisations?* |
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| **Please tell us about the people who will be involved in the delivery and decision making, addressing the following questions:**   * *Who are the key people who will deliver and oversee this fund and what is their background? What knowledge and experience do they bring specific to this proposal? Will any new team members be recruited?* * *Who are the people who sit/ will sit on your Investment Committee? Do any IC members have experience of blended finance and (if relevant to your proposal) grant making?* * *Beyond Access and your co-investor(s), do you have any partners (formal or informal partnerships) who will support you with this fund (e.g. marketing/ reach; delivery; portfolio monitoring; learning; etc.) or will everything be done in house?* |
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| **Please tell us how you will ensure compliance with your mandate and relevant legislation, addressing the following questions:**   * *How will the grant mandate be secured through your fund’s Investment Policy?* * *How will you assess investments against the new (2021) Subsidy Control rules?* |
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1. **Equality, diversity & inclusion**

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| **Please tell us about your organisational composition and activities in relation to EDI, addressing the following questions:**   * *What are the existing EDI practices within your organisation and who is responsible for them? What competencies exist in the team to deliver against equalities and reach aspirations? What potential deficiencies have been identified and what is being put in place to address this?* * *What is the current diversity make-up/statistics of the IC and the investor at different levels (board, senior leadership, wider)?* * *Do you have/ plan to have any partners in relation to Equalities practice?* * *Is your organisation already signed up to and actively working towards the Diversity Forum’s manifesto? If not, what is your timeline for doing so?* |
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| **Please tell us about how you will ensure that your fund reaches and is accessible to underserved groups, addressing the following questions:**   * *How will you ensure that you remove barriers for underserved groups in order to achieve a diverse reach?* * *What targets will you have in place around EDI and reach?* |
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1. **Social investor track record & ambitions**

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| **Please tell us about your organisation’s experience and track record, addressing the following questions:**   * *What is your organisational track record, both in general and in terms of the specifics of this proposal?* * *If your organisation previously delivered a Growth Fund: What have you learned from delivering the Growth Fund and how have these learnings informed your proposal/ plans? What do you feel went well on your Growth Fund fund and how do you intend to continue this success? What do you feel went less well on your Growth Fund fund and what do you intend to do differently as a result?* * *If your organisation did not deliver a Growth Fund: What attracted you to the Enterprise Growth for Communities programme? Are you familiar with the Growth Fund and/ or any similar initiatives if so has that knowledge informed your proposal/ plans in any way? How different will the Enterprise Growth for Communities programme be to anything that your organisation has delivered before?* |
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| **Please tell us about how you hope this programme will strengthen your organisation, addressing the following questions:**   * *How will delivering this proposal benefit your organisation’s capacity and sustainability and build legacy?* * *How would any residual grant be used to strengthen your organisation and enable the continuation of this type of activity? If you have already structured your fund to continue beyond December 2026, what does this look like?* |
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| **Please tell us about how you would hope to embed and utilise learning during the delivery of the fund, addressing the following questions:**   * *How will you capture, utilise and share learnings arising from the delivery of this fund?* * *What would your organisation bring to and/or hope to gain from a programme learning cohort?* |
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| **Please tell us about the key success factors and risks of your proposal, addressing the following questions:**   * *What do you consider to be the Key Success Factors of the proposal?* * *What do you consider to be the biggest risk factors for the delivery of your fund?* |
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1. **Readiness to proceed: timelines & next steps**

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| **If this proposal is approved, how quickly would you expect to be able to launch your fund?** |
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| **To what extent would/ could this fund be scalable:**   * *If at some point in the future Access were to have a programme underspend, could your fund scale up to absorb more grant? How easy/ attractive might this be for you?* * *If Access is unable to offer you the full amount of grant that you have requested in this application, could your fund be viable at a smaller scale? Is there a minimum viable amount that you would need from us in order to proceed?* |
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| **Is there anything else that you would like to tell us?** |
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