

# Strategy 2022-25



# Our story

Our story begins in 2015, following a realisation that sustained efforts to grow the social investment market had not resulted in meeting the needs of many charities and social enterprises.

Typically, the type of finance that is suitable for most charities and social enterprises has not been readily available either because there was too much risk, or the size of investment was too small.

Equally, support for charities and social enterprises to grow their enterprise models and access investment was patchy, under resourced, under developed and uncoordinated.

And so, Access was created to grow the reach of social investment. Designed to 'disrupt' the existing social investment market and widen its reach into places and communities that were previously excluded.

## We have focused on two strategic themes since our inception:

**Demonstrating the value of blended finance** - By combining grants with repayable finance into a blended package, we enable intermediaries to provide smaller scale, higher risk, more patient and flexible, and affordable finance that meets the needs of a broad range of charities and social enterprises, particularly smaller organisations or those working in disadvantaged areas.

**Championing enterprise development** - By supporting charities and social enterprises to develop enterprise models, we help organisations to find a more secure financial footing and build a more sustainable and resilient sector, better placed to meet the evolving needs of communities.



# Our vision

We want to see **an investment eco-system that works for all** charities and social enterprises, helping to **create stronger communities.**



# Our mission

We work to make sure that charities and social enterprises can **access the finance they need to sustain or grow their impact.**

We target those most in need of patient and flexible investment through:

- **Funding** enterprise development and blended finance programmes in England.
- **Sharing** knowledge and data and translating it into practical insight that others can use.
- **Mobilising** others who share our goal of making capital work for communities.



# The problem Access exists to address

## In Summary:

- Charities and social enterprises can struggle to find the finance they need to sustain or grow their impact.
- Too often it is the groups most in need of investment who find it hardest to access it.
- Access has been working to address these challenges, but our fixed life creates the risk of progress being lost.

## In more detail:

The social investment ecosystem should offer charities and social enterprises who need capital the ability to access the type of finance they need when they need it. However, in too many communities, often the most disadvantaged, charities and social enterprises delivering valuable impact lack the resilience which could come from being more enterprising and accessing finance.

Access has been working with partners across the ecosystem to understand and meet some of that need, and through our programmes we will deliver more over the next few years. However the problem will return and grow in the absence of strategies to ensure the continued supply of blended finance and enterprise support.

There are a number of causes of this problem, including:

- There are few social investment intermediaries in a position to meet the demand for smaller scale, higher risk, more patient and flexible, and affordable finance. Those there are need more resilience.
- There is a constrained and time limited supply of subsidy to underpin a more widely available blended finance offer to intermediaries that would help them meet that market need.
- Philanthropic and investment institutions that could transform the supply of enterprise support and blended finance are insufficiently engaged with the need and opportunity.
- The national offer of support for charities and social enterprises to develop enterprise models (that support finance) is under-resourced patchy, uncoordinated and underdeveloped. It is also not sufficiently inclusive and leaves too many communities (of interest and geography) behind.
- There is insufficient understanding across the ecosystem of what works in a) helping impactful charities and social enterprises increase their resilience and impact through developing enterprise models; b) taking on social investment; and c) mobilising private capital into investing for impact through blended finance in UK.

# Our solution

**We will know if we are succeeding if we see the following changes in the ecosystem as a result of our programmes and advocacy**

## In Summary:

Through securing the long term supply of grant for blended finance, more investment flows to organisations who would not otherwise be able to access appropriate finance, helping to make them more resilient. A growing proportion of these organisations work in the most deprived communities or led by people from protected groups.

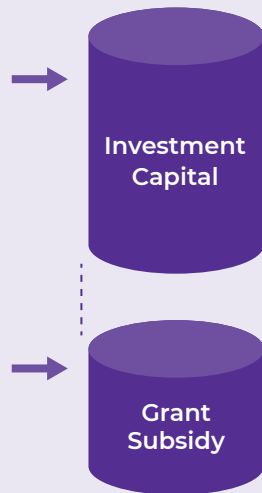
## In more detail:

An investment eco-system that works for all charities and social enterprises needs to deliver...

### Access to capital...

Blended finance is the tool we use to increase access to capital. We aim to grow the field of blended finance. In doing that we will see:

- More investors committing their capital into blended finance structures
- In particular more foundations are investing their assets for impact than in 2020
- And crucially sufficient sources of subsidy for blended finance are secured for the foreseeable future



- **More investment flows, particularly to organisations who would not otherwise be able to access appropriate finance**

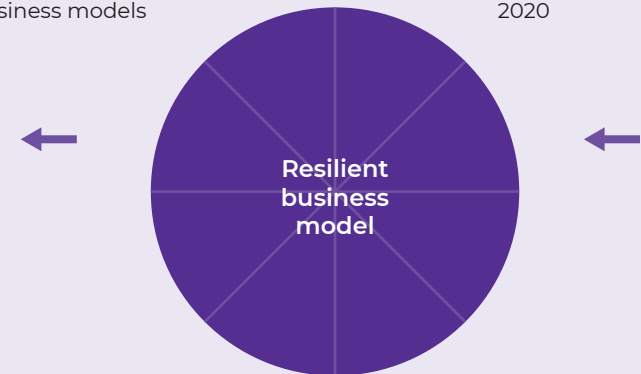
Overall through our work to build a social investment eco-system that works for all charities and social enterprises:

- **The organisations supported by our programmes will be more resilient than they were before / or would otherwise be**
- **Proportionally more of our money is flowing to deprived places and to protected groups**
- The intermediaries who drive the ecosystem report that they are more resilient than they were in 2020

### ...and support for resilient enterprising business models

Through delivering effective enterprise development programmes and building the field of enterprise grant making we will see:

- Charities and social enterprises feeling more confident in describing their business models



- More foundations engaging with and supporting enterprise development than in 2020

# Theory of change

## The problem

The social investment ecosystem should offer charities and social enterprises who need capital the ability to access the type of finance they need when they need it. However, in too many communities, often the most disadvantaged, charities and social enterprises delivering valuable impact lack the resilience which could come from being more enterprising and accessing finance.

Access has been working with partners across the ecosystem to understand and meet some of that need, and through our programmes we will deliver more over the next few years. However the problem will return and grow in the absence of strategies to ensure the continued supply of blended finance and enterprise support.

## Caused by

There are few social investment intermediaries in a position to meet the demand for smaller scale, higher risk, more patient and flexible, and affordable finance. Those there are lack resilience.

There is a constrained and time limited supply of subsidy to underpin a more widely available blended finance offer to intermediaries that would help them meet that market need

Philanthropic and investment institutions that could transform the supply of enterprise support and blended finance are insufficiently engaged with the need and opportunity

The national offer of support for charities and social enterprises to develop enterprise models (that support finance) is under-resourced patchy, uncoordinated and underdeveloped. It is also not sufficiently inclusive and leaves too many communities (of interest and geography) behind

There is insufficient understanding across the ecosystem of what works in a) helping impactful charities and social enterprises increase their resilience and impact through enterprise models; b) taking on social investment; and c) mobilising private capital into investing for impact through blended finance in UK

## Access seeks to provide a solution through our programmes...

Provide grant funding enabling the development of blended funds and fund pre-investment support.

Support the capacity and resilience of key partners, including their capacity to innovate. Stimulate partnerships to grow and be increasingly independent of Access

Support Local Access places to champion the role of the social economy through delivering enterprise support and blended finance, and build the case for more support

Develop and disseminate deeper and wider understanding of revenue models in different sectors. Build understanding of and make the case for enterprise grant-making and support.

## Access's goals for the organisations we support

Organisations who have been supported through our programmes are more financially resilient than they were before / would otherwise be

Proportionally more of our money is flowing to deprived places and to protected groups

## ...And through our advocacy

Make the case for the provision of long-term subsidy for blended finance

Support the development of the blended finance ecosystem and the flow of capital into blended structures

Working with others to encourage and persuade foundations and other asset owners to align management of their assets with their impact and mission

With key partners help build the movement of enterprise grants and help foundations value the role of enterprise in supporting resilience

## Access's goals for the ecosystem

Sufficient sources of subsidy for blended finance are secured for the foreseeable future

More investment flows to charities and social enterprises who would not otherwise be able to access appropriate finance

There are a greater number of co-investors in blended finance structures

Intermediaries we work with report that they are more resilient than they were in 2020

ACF data shows that more foundation assets are invested for impact than in 2020

More foundations are engaging with the enterprise taskforce and actively supporting enterprise activity than in 2020

Charities and social enterprises feel more confident in describing their business models

## Resulting in our vision being realised

The ecosystem delivers access to finance

An investment eco-system that works for all charities and social enterprises, helping to create stronger communities

The ecosystem delivers support for developing resilient enterprise models

# KPIs and measuring success

Goal	Measured by	Target	Timescale
<b>Primary goals</b>			
<b>More investment flows to charities and social enterprises who would not otherwise be able to access appropriate finance</b>	Access programme MI vs Deal Level Data, SEUK biennial state of the sector survey, showing amounts invested through blended finance and wider market, and highlighting differing characteristics in organisational size	Year on year increase in total being invested through blended finance while clear gap remains between the market being served through blended finance and rest of social investment (in terms of turnover and assets)	Annual assessment when DLD is published
<b>Organisations who have been supported through our programmes are more financially resilient than they were before / would otherwise be</b>	Established process in place to monitor resilience via a number of financial indicators over time. Data gathered from MI and published accounts	75%* are more financially resilient or maintain their resilience	Assessed through regular programme evaluations
<b>Proportionally more of our money is flowing to deprived places and to protected groups</b>	Postcode analysis of beneficiary organisations from MI against IMD data. MI on demographic data on board/SMT of beneficiary organisations	50% of our money into top 3 deciles by IMD, with IMD decile 1 receiving the most  Proportion of our money going to BAME led, women led, LGBTQI+ led, and disability led organisations is increasing year on year (excluding early programmes where we don't have this data)	Annual reporting of MI to the board  Targets on reach to protected groups to be revised after one year
<b>Sufficient sources of subsidy for blended finance are secured for the foreseeable future</b>	Market assessment, information from key stakeholders	Subsidies committed from government/foundations/others worth at least £10m per year for a 5 year time horizon	Annual assessment via legacy assessment sheet (see appendix)
<b>Secondary goals</b>			
More foundations are engaging with the enterprise taskforce and actively supporting enterprise activity than in 2020	Market assessment from key stakeholders and potential surveying of foundations	More than previous year each year, compared to 2020 baseline	Annual assessment via legacy assessment
Charities and social enterprises feel more confident in describing their business models	Perception survey – methodology TBC	Baseline established and follow on survey 2 or 3 years later	TBC
There are a greater number of co-investors in blended finance structures	Market assessment, information from key stakeholders	Number growing year on year	Annual assessment via legacy assessment sheet (see appendix)
Intermediaries we work with report that they are more resilient than they were in 2020	Analysis of the finances of intermediaries, balance sheet and AUM	Baseline established for 2020, annual increase in balance sheet strength and AUM	Annual when annual reports are published
More foundation assets are invested for impact than in 2020	ACF annual survey data of members	Annual growth from 2020 baseline	Annual



# Mapping our work on the ecosystem

**COMMUNITY FUND**

Government and dormant assets

Department for Digital, Culture Media & Sport

**Reclaim Fund Ltd**

**Triodos Bank**

unity trust bank

Capital Providers

impact investing institute

**BIG SOCIETY CAPITAL**

school for social entrepreneurs

Match Trading

Good Finance

Enterprise support organisations

Eastside Primetimers

UnLtd

Social Investment Business

## Charities and social enterprises

GMCVO

Social Enterprise

GM Social Investment

resonance

Social Investment Fund Managers

**BIG ISSUE INVEST**

Key Fund

Social Investment Business

LARCH

**CityFunds**

Place based investors and partners

**GMCA** GREATER MANCHESTER COMBINED AUTHORITY

Association of Mental Health Providers

Homeless Link

navca

Equally Ours

THE UBELE Initiative

THE CENTRE FOR YOUTH IMPACT

NCHO

Social Enterprise UK

LLOYDS BANK FOUNDATION

ACF

Esmée Fairbairn FOUNDATION

Foundations and their networks

Barrow Cadbury Trust

COMIC RELIEF

UK COMMUNITY FOUNDATIONS

# Mapping our work on the ecosystem



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With key partners help build the movement of enterprise grants and help foundations value the role of enterprise in supporting resilience

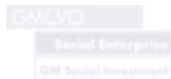
Triodos Bank



Make the case for the provision of long-term subsidy for blended finance



Working with others to encourage and persuade foundations and other asset owners to align management of their assets with their impact and mission



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Develop and disseminate deeper and wider understanding of revenue models in different sectors. Build understanding of and make the case enterprise-grant making and support.



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