# Dormant Assets Consultation 2025:

# Post-consultation report

## Summary of consultation feedback received and how it has influenced our Investment Policy

### Introduction

On 2 June 2025, the Government published its Dormant Assets strategy, setting out its intention to allocate £87.5m to Access from the 2024-28 Dormant Assets release. This funding will contribute to the delivery of the Community Enterprise Growth Plan (CEGP) – a plan developed and backed by a range of business organisations, voluntary sector and community representative bodies, enterprises and social investors.

On 3 June 2025, Access published our draft Investment Approach, setting out how we proposed to use the £87.5m to deliver on the Dormant Assets Strategy and the aspirations set out in the CEGP. We invited feedback from any interested stakeholders during a six-week consultation period while we awaited the Government's Spending Direction (which will formally commit that £87.5m to Access). We invited respondents to tell us which aspects of our draft Investment Approach they strongly agreed with, which they strongly disagreed with, and to highlight anything they felt was unclear or missing. We advised that if specific clauses were not mentioned, we would interpret this as general agreement or neutrality.

During the six-week consultation period, we:

- **Held two webinars** to talk through our Investment Approach and answer questions. Over 100 organisations attended.
- **Invited detailed feedback** through written responses or one-to-ones with a member of the Access team. 44 organisations responded.
- **Held seven focus groups** to hear from a range of stakeholders on specific topics. 53 organisations took part in one or more of these focus groups.

In total, we heard from **75** different organisations through individual responses and focus groups. These organisations spanned a wide range of stakeholder groups including social investors, grant-makers, charities, foundations, banks and other capital providers, sector networks, local and national government bodies, other local and national infrastructure organisations, VCSE support providers, other Dormant Assets wholesalers and more.

Across these groups, 22 were existing Access programme partners, 19 were partners of our partners, 31 were organisations we had some prior relationship with, and three were entirely new connections.

We are grateful to everyone who took the time to participate in the consultation. The broad range of views and perspectives has been invaluable. The views of all 75 organisations have been carefully considered by the Access team. We collated all responses (and focus group notes) and organised all of the comments by topic, which were all then carefully read by multiple Access team members to identify areas of broad agreement, disagreement and mixed opinions amongst respondents. We then discussed the feedback at length within the Access team (nine team members came together to do so) and made decisions informed by that feedback.

Sometimes that was easy – in some areas there was clear consensus from all or most respondents that we should either stick with, or change, our proposed approach. Where that was the case, we have made changes where possible, while ensuring that we fulfil the deliverables set out in the Government's Dormant Asset Strategy, the Dormant Assets Scheme and the Community Enterprise Growth Plan.

At other times it was difficult. Respondents had equally strong but often opposing views about what we should do in certain areas. In these cases, we have carefully considered all feedback and made the best decisions that we can. We want to be transparent about this, which is the purpose of this report.

Following those decisions, we have set out our final approach in an Investment Policy which has been published alongside this report (both the Investment Policy and this report were presented to our Board, who made the final decisions on their content).

- If you would like to understand **how** we intend to allocate the £87.5m and/ or determine whether you might be eligible to apply to partner with us (if you are a social investor, grant-maker or similar), please read the Investment Policy.

- If you would like to understand what feedback we received through the consultation and **why** we took the decisions that we have taken in the Investment Policy as a result, then we hope this report will be helpful.

**This post-consultation report is detailed and we do not expect applicants/ others to read it unless they want to.** Since many people gave thorough and thoughtful responses to the consultation, we felt it was important to provide a detailed summary and response for anyone interested. This report is organised by Investment Approach section and by topics within those to make it easy to jump straight to particular topics that you may have shared views on during our consultation, if you wish to.

Throughout the report, green text indicates where we are **proceeding as originally planned** and blue text highlights **the most material changes** following the consultation.

Please note that this report addresses the general trends and key topics in the consultation responses that we received. We outline where there was broadly consensus amongst respondents, and we explain areas where there were mixed views across numerous different respondents in various key areas, and we offer responses.

To protect the anonymity of individual respondents and to ensure that this report remains relevant to most readers, this report does not attempt to capture or respond to every single comment from each of the 75 organisations who fed into the consultation.

We have already followed up with some respondents individually to offer conversations or answers to some of their specific questions, and we will reach out to some more respondents over the coming weeks to do so. If you do not hear from us but would like a follow-up conversation, or if you have any questions on the content of this report, please feel free to get in touch via info@access-si.org.uk or any member of the team.

## 0. Miscellaneous

There were a few emerging themes across the consultation responses which did not relate to specific sections of our Investment Approach. We have captured and responded to those here.

| Topic | What we heard through the consultation | Our response |
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| **The amount of Dormant Assets money allocated to Access** | We heard significant concerns from multiple respondents about the amount of money allocated to Access for the sector and how this is not enough to achieve the Community Enterprise Growth Plan's ambitions or to sustain social investment, enterprise grant-making and enterprise support sector as needed.<br>• *"...Whilst Access have done an amazing job in securing this amount, it will not deliver the full aspirations that we or the CEGP have. This is likely to mean that the sector remains vulnerable."*<br>• *"Our underlying concern, shared by many in the sector, is that the overall allocation of £87.5 million to social investment falls far short of what is needed to meet the scale of demand..."*<br>• *"It is disappointing that Access has not been granted the whole amount requested in this Dormant Assets allocation... The level of funds committed this time around does not take advantage of the opportunity to grow the social investment sector further and attract funding from other sources but leaves the sector treading water."*<br>• *"The sector requires a longer-term plan for the sustained flow of capital from the Dormant Assets Scheme (or similar) to ensure that we can continue to deliver..."*<br>• *"...make a 'Plan B' to secure the future of the sector and of Blended Finance, including beginning to make the case for the next round of Dormant Assets."*<br>• *"We would continue to be supportive of Access revisiting a push for further amounts."* | We are grateful to have received £87.5m for social investment. However, we share respondents' concerns that this will not be enough to deliver the Community Enterprise Growth Plan in full.<br><br>We will continue to make the case for delivering the Community Enterprise Growth Plan, increasing the availability of affordable, patient and flexible finance that communities need to thrive.<br><br>Working with our partners, we will continue to engage with government and other stakeholders in the Dormant Assets Scheme to help inform and influence future funding decisions.<br><br>We are also increasing the time, resource and energy we dedicate to mobilising other sources of concessional and non-concessional finance. By working in partnership with combined authorities, foundations, investors, government, and public bodies such as the British Business Bank, we aim to unlock funding that directly benefits community-based charities and social enterprises.<br><br>We also continue to work closely with the Impact Economy Collective as they support the Government's emerging policy agenda in this space. Our work will be shaped by ongoing collaboration with partners. We will ensure that your insights, experience and priorities continue to inform how we operate and advocate for social investment and the broader social economy. |

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| **Respondents' aspirations/ application plans** | Many consultation respondents, alongside their helpful feedback on the Investment Approach, took the opportunity to tell us a bit about what they hope to apply for or to suggest specific initiatives that they would like to see us fund and/ or align with. | Whilst hearing of respondents' own plans was helpful – particularly in enabling us to start to gauge the possible scale of demand we might receive for this money – this was not the primary purpose of the consultation. Therefore we want to be clear that organisations who have already started to outline or pitch ideas/ partnership opportunities to us within their consultation responses will not be prioritised over those who have not.<br><br>We look forward both to picking up some of those conversations, and to speaking to other organisations who have not yet started to pitch ideas to us, once we officially open to applications.<br><br>Conversations, support and (if welcomed by the applicant) co-development of ideas will be offered to all eligible applicants with eligible ideas, regardless of whether or not those applicants are prior partners of Access or have already made us aware of their intention to apply via their consultation response. |
| **The Investment Approach document and consultation process** | There were well over a dozen comments about the clarity and nature of the Investment Approach document, which respondents described as *"detailed but clear"*, *"comprehensive and well-reasoned"*, *"well thought through, pragmatic and flexible"* and *"very thorough and thought out with a lot of detail and applying learning and input from across the sector"*. It was also noted that people *"felt listened to in its design"*. Respondents also appreciated "*the time and care taken by Access to engage with the social investment and social enterprise sector in the development of its work"* and *"the thoughtfulness that has clearly gone into the consultation."*<br><br>Only one respondent felt differently, suggesting that *"there is still work to be done on the lack of transparency implicit in complexity and accessibility of consultations like this and Dormant Asset Social Investment delivery approaches in general."* | We are glad that respondents found the documentation clear and helpful and we are very grateful to everyone for taking the time to participate in the consultation. The feedback gathered throughout the consultation has been invaluable and has played a significant role in informing our Investment Policy. |

## 1. Single pot approach

| What we set out in our draft Investment Approach | What we heard through the consultation | Our response and decisions |
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| **Overall single-pot approach**<br><br>In clause 1 of our Investment Approach we set out that we intend to treat the £72m (the amount remaining after carve-outs for Pathway Fund and for Access's operating costs) as a 'single-pot'. Noting that:<br>- We will indicate some broad expectations for different spend areas but these won't be fixed budgets.<br>- This will enable a single application process for applicants wishing to apply for money to deliver different types of product/ support. | 18 respondents highlighted the single-pot approach as one of the aspects of the Investment Approach which they most agreed with, whilst three highlighted it as something that they disagree with.<br><br>Reasons cited by those respondents who welcomed the *"bold and refreshing", "more strategic and holistic"* and *"less prescriptive"* single-pot approach included the *"greater flexibility"* that it would bring, as well as the fact that it would enable applicants to *"think strategically and consider their unique roles and experience, rather than fitting into a predefined remit"* and to *"develop flexible schemes that suit their geographies and markets"*.<br><br>Those who disagreed with the single-pot approach cited concerns that *"such approaches risk marginalising smaller, specialist organisations"* and that it risks *"encouraging bidders to over-extend their scope into areas where they do not have sufficient expertise, potentially at the expense of those that do"*.<br><br>Some respondents noted the importance of Access *"articulating its ultimate vision with sufficient clarity and detail to ensure that proposals are optimised to meet its objectives"*. | The vast majority of respondents were in agreement with our proposed approach, so we will **proceed as planned** to provide this flexibility to applicants.<br><br>To those who were concerned about organisations broadening their remit and over-extending their scope to the detriment of specialists, we would like to reassure you that we will not be penalising specialism in favour of generalist approaches. Whilst we are open to applicants proposing to deliver a range of products if they are well-placed to do so, we will require all applicants to demonstrate a strong understanding of, and ability to appropriately deliver, any products which they propose to deliver. We will assess all applicants' experience and track-records as part of the application process, with consideration to all products that they propose to deliver. We expect all elements of the single-pot to experience very significant over-demand. Therefore, increasing the amount requested as a result of broadening the scope of a proposal to incorporate different elements, particularly if not strongly justified, may not be in an applicant's interest. Applicants should be aware that in some instances a proposal may be approved in part but not in its entirety.<br><br>In our Investment Policy we have endeavoured to set out our vision and objectives in sufficient detail. We will work closely with applicants to provide further clarity and support as and when needed, including through the offer of a co-design process. |

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| | | To understand our thinking on youth outcomes, green/ nature-based finance and place-based work and how they fit within the single-pot approach please see Section 5 of this report. |
| **Pursuing additional themes within the single-pot approach**<br><br>We noted in our Investment Approach that from time to time we may still want to pursue particular themes which might better lend themselves to specific calls for proposals with specific timescales for applications and/ or a slightly amended process. | There were a couple of comments from people questioning the rationale/ feasibility of this, noting that moving goalposts can be "*challenging*". | We would like to clarify that if we were to need to pursue a specific additional theme (one not already outlined) at some point during the next four years it would be for one of two reasons:<br><br>The first reason being if Access were asked by Government to start directing some of the funding to a particular priority area (akin to their existing direction for us to ringfence some of the money for youth outcomes). In this instance, we would ask partners to contribute to this through their existing funding if/ where they could. Given the additional flexibility we intend to offer partners through the single-pot approach, we would hope for some flexibility from partners in turn if we needed it. However, we have no intention of forcing partners to direct their funding to particular outcome areas if this had not been agreed at the outset – we could put out a specific call for proposals around the new theme/ Government priority area if necessary, instead.<br><br>The second reason why we might want to pursue a specific theme is if there were a significant unforeseen macro event which the social investment and enterprise support sectors needed to respond to in order to support the charity and social enterprise sector – e.g. akin to the covid-19 pandemic back in 2020 or the challenge of steeply rising energy costs in 2022, both of which Access and our partners responded to through specific programmes. As occurred in those cases, we would look to work with partners to identify needs and opportunities to help, rather than Access mandating a solution.<br><br>We hope this helps to clarify and to reassure respondents who had any concerns around this. |

## 2. Area One – Provision of Finance to charities/ social enterprises

| What we set out in our draft Investment Approach | What we heard through the consultation | Our response and decisions |
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| **Provision of finance**<br><br>We set out that we want to ensure that Dormant Asset finance can be used to facilitate a broader spectrum of enterprise growth needs for charities/ social enterprises than it has in the past, with a diagram setting out a range of investment and support products.<br><br>In this diagram we suggested that general sector support (access to markets and social enterprise "education" (pre-enterprise VCSES) would, for the most part, be out of scope. Whilst targeted enterprise finance and support would be in scope, as would social investment products/ support – where funds will flow disproportionately highly. | Most respondents who commented on this were supportive, with some noting that they *"feel that this section articulates a clear approach to supporting the broad spectrum of needs within the sector"* and that *"the prioritisation makes sense"*, with several respondents agreeing that, with limited resource, *"it needs to be targeted to enterprise and investment"*. One respondent felt that we should go further and *"potentially should not include early-stage establishment (start up/ pilot/ market testing)"* which was the first sub-category in our 'targeted enterprise finance and support' section of the diagram, whilst another argued the opposite, suggesting that we should *"ensure that this early stage work doesn't cease as demand from existing and scaling enterprises increases"*.<br><br>One respondent sought additional clarity around the parameters (such as co-funding requirements) for the two sub-categories of 'social investment products/ support' – i.e. 'highly concessional blended finance products' vs 'less concessional blended finance products'.<br><br>A couple of respondents called for *"an explicit recognition that racialised and* (some other) *organisations often face deeper systematic barriers"* and a commitment to offer *"blended or concessional capital into* (these) *organisations"* via. | We are glad that the range and prioritising of products made sense to most respondents, so we will **proceed as planned**, using the same diagram in our Investment Policy as we did in our Investment Approach to demonstrate the range of things that we will fund.<br><br>Start-up/ pilot/ market testing will remain technically in scope, but only in very limited circumstances and with strong justification needed, as we had originally set out, and we will target our resource disproportionately highly to the other product/ support types further down the diagram as planned.<br><br>To the request for more clarity on highly concessional vs less concessional product requirements, we do not see there being a clear line of division between the two – rather they both exist somewhere in the middle of a spectrum which ranges from 100% concessional products (pure grants) to 0% concessional products (fully repayable capital products at a commercial interest rate). Therefore what is appropriate when it comes to co-funding and other parameters will need to be considered on a case by case basis rather than being pre-defined by binary definition. We will not ask applicants to categorise their products as highly concessional or less concessional, just to explain the product.<br><br>We recognise that there is inequity in the system and we will continue to work with partners to ensure that funding reaches those who need it most (please see EDI section on |

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| | *"blended finance models that meet charities where they are".* | p20 for further details). Our single-pot approach is designed to ensure a range of enterprise investment products, from highly concessional to commercial, which can be carefully targeted to ensure that they meet the unique needs of different charities and social enterprises, and part of that approach is to ensure that previously underserved groups can be supported more appropriately. |
| **Enterprise grants**<br><br>We set out a plan to extend the amount of enterprise grant-making in England, to complement the provision of repayable social investment, because we recognise that the business models of many organisations are too emergent, too uncertain or too risky to make strong repayable investment propositions.<br><br>We said that we would assume that any financial support of this type would be at the smaller end, perhaps max. £40k per enterprise grant, and that awards should be assessed with an "investment mindset". | There was strong support for our overall approach to enterprise grants, with several respondents encouraging us to go further and allocate more funding in this area.<br><br>However, there were a small number of responses that raised a concern that the establishment of a meaningful enterprise development programme might dilute the limited resources provided through Dormant Assets.<br><br>Feedback was mixed on which stage of enterprise development we should prioritise. A few respondents felt there was a need to support earlier-stage organisations to build the pipeline, though the majority agreed with a more targeted focus on later-stage enterprises that are closer to investment readiness.<br><br>There was no disagreement with an indicative upper threshold of £40k, however many respondents felt that enterprise grants could make a significant impact at the smaller end.<br><br>Respondents' views were mixed (with most being in agreement) on our suggestion that grants should be assessed with an 'investment mindset'. However we were urged to be cautious that "*the* | We are encouraged by the strong support for our approach to enterprise grants, and the recognition that this work is fundamental to the financial resilience of charities and social enterprises and, consequently, for the long-term health and sustainability of the wider social investment ecosystem.<br><br>We heard clearly that there is concern about the limited Dormant Assets resource and a desire to ensure that funding is effective in reaching where it is needed most. In response, **we intend to set an expectation that the vast majority of enterprise grants will be less than £30,000 (down from the £40,000 that we originally proposed)**. This recognises that even relatively small amounts of funding can make a significant difference, especially at early stages.<br><br>We also understand the concerns raised about using an "investment mindset" when assessing enterprise grants—particularly the risk that this could lead to overly detailed financial analysis or discourage the kind of ambition and risk-taking that enterprise development requires. Our intention is not to apply rigid investment-style due diligence, but to use this lens as a way of targeting limited resources to the early stages of enterprise establishment and growth—especially in cases where blended finance is not yet appropriate. |

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| | *grant assessment does not stray into detailed financial analysis that would disincentivise appropriate risk-taking needed for this product"*<br><br>Most responses were supportive of the flexibility of our approach to enterprise grant-making agreeing that *"trust-based, adaptable grants, linked to enterprise development and growth, provide charities to respond to real-world challenges".*<br><br>A few respondents raised that Match Trading was named explicitly as a form of enterprise grant in the CEGP and wanted us to be explicit about that in our Investment Approach. | We are keen to support a range of approaches to enterprise development. This can include incentivised grant tools (e.g. Match Trading) to help small enterprises grow in challenging areas. We have said this in our Investment Policy. **We do not, however, intend to prescribe or constrain what enterprise grant-making needs to look like** under our single pot funding model and acknowledge and we encourage a diversity of effective methods for fostering enterprise growth. |
| **Enterprise grants – delivery mechanism**<br><br>In the consultation, we sought views on how enterprise grants might be delivered. We explained that we did not intend to deliver enterprise grants through a centralised mechanism (like the Reach Fund) unless there were strong calls for us to do so. | There was some support for a centralised approach as it could offer clarity and consistency. It was also highlighted that smaller or specialist intermediaries would benefit from being included in any centralised system that was set up to deliver enterprise grants. However the majority of respondents were keen to see a plurality of providers in this space citing an ability to tailor products to VCSE need especially when working with underserved and Minoritised VCSEs, as well as retaining the intent behind a single pot approach. Furthermore it was felt that the delivery of enterprise grants required innovation, equity and sustainability and that a more centralised system *"could stifle innovation and make it harder to respond to different needs of charities and social enterprises".* | While there was some support for a centralised approach, it was not conclusive or strong enough to justify a shift in direction. In light of this, **it is our intention to continue supporting a plurality of provision for enterprise grant-making**.<br><br>We heard clearly that a more decentralised approach is valued for its ability to tailor support to the specific needs of charities and social enterprises—particularly those from underserved or Minoritised communities.<br><br>We are committed to a delivery model that supports a diverse range of products that are delivered in response to the diverse needs of charities and social enterprises wanting to grow their enterprise activity. |
| **Blended finance – fund investments** | There was broad support for our intention to continue with our Grant A/ B/ C uses, which we heard *"aligns well to meeting the different areas of* | We will **continue to use Grant A/ B/ C** terminology which is now familiar to many, although we will continue to be open to alternative grant uses that applicants may wish to |

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| In the Investment Approach we set out the key technical principles through which we will assess applications for blended finance subsidy. We said that we expect to toninue to deliver the majority of our blended finance subsidy into specifically modelled fund propositions, and that we intend to continue to use the typology of "Grant A", "Grant B" and "Grant C" (with other potential uses considered but requiring clear justification), and that we are open to proposals which request an ability to apply an award flexibility across these different grant types. | *grant required"*, and with our intention to sometimes allow flexibility between these A/B/C pots within individual funds, which *"will ensure that subsidy is used in the most appropriate way, and that learning is applied moving forward"*.<br><br>With regard to our statement that Grant B could be structured either as a first-loss layer or utilised as a guarantee against investments being made with capital from other sources, we were asked to provide more clarity on *"how/ when these will be used and any notional allocation of funding*".<br><br>A couple of respondents queried our lack of mention in the Investment Approach of the British Business Bank Growth Guarantee Scheme (GGS) and Community Investment Tax Relief (CITR), tools which give *"the potential for greater impact and market development when they are used together with e.g. Dormant Assets"* and asked for confirmation that we will welcome partners utilising such tools alongside our grant. Furthermore there were calls for us to *"develop criteria, frameworks or guidance around the use of them"*. | propose. We will proceed with our plan to consider flexibility between Grant A/ B/ C allocations for applicants who can demonstrate strong processes, controls and track-record.<br><br>With regard to utilising Access grant as guarantees instead of a first-loss layer, partners are welcome to propose this. We believe that there is currently no proven best approach when it comes to first-loss layers vs. guarantees, so we are open to either (or to combinations of the two). We will continue to encourage partners to design fund structures which deliver efficiency and value for money, and to consider the different possible ways of doing so. However what that looks like will vary by fund/ model, so we do not intend to be prescriptive or to set targets or limits for the amount of grant which could be utilised for guarantees vs. loss-layers.<br><br>Regarding GGS and CITR, we welcome – and actively encourage – the use of these tools where appropriate. The lack of mention of these in our Investment Approach was an omission which we have rectified in our Investment Policy. We are looking into how we might better support partners to explore or utilise these tools and will discuss this with applicants and partners in due course. |
| **Blended finance – balance sheet (organisational) investing**<br><br>In the Investment Approach we said that we are open to considering more flexible and long-term investments into an organisation's overall | Whilst sixteen respondents expressed support for this and only one stated that they disagreed with our plan, it was clear from a few of the supportive comments – and from some other/ neutral respondents' questions – that we had not explained our intentions here clearly enough, as some of the respondents who welcomed us offering this had interpreted the purpose or eligibility criteria differently to what we had intended for such investments. | In the Investment Approach we referred to these as "organisational investments" rather than "balance sheet investments" in an effort to avoid jargon, however this has clearly contributed to some confusion.<br><br>To clarify our intention here, this type of investment is not simply about strengthening an organisation or covering core costs, and it would not come without strings. Rather, it is an alternative, more flexible, way in which we could use some of our grant to support a social investor's social investment |

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| social investment activity rather than just into specific fund propositions, which could involve a larger single award to cover a range of uses. | Some respondents asked whether (or assumed that) investment of this type could be available for *"new and emerging social investors"* or *"smaller/ growing organisations"*, or even *"organisations which have a significant role in providing enterprise grants"* rather than social investment.<br><br>Some of those who had interpreted our proposal here as we had intended welcomed *"the proposal to consider more flexible and long-term investments into an organisation's overall social investment activity, rather than into a specific fund proposition"* and noted that this would allow social investors *"to flex and offer a range of products suitable for their clients' needs"* whilst working to "*strengthen core of intermediaries, long-term resilience, provide more flexibility, etc".*<br><br>It was cautioned by one respondent that, given the highly flexible nature of such investment, any social investor recipients *"must have a strong track record and be able to show that they are responsive and deliver their commitments to you as a funder"*. | activity, by putting grant onto their balance sheet rather than into one specific ringfenced fund structure. The primary intention being that injecting grant onto a balance sheet might enable some social investors to raise co-investment capital and recycle funds more efficiently, whilst enabling them to offer a wider range of social investment products and/ or to flex/ pivot their product offers more easily. It is hoped that such investments would also, by their nature, help build the balance sheet, and therefore the resilience, of the social investor in the long term. However the primary aim of balance sheet investments, as with our more traditional "fund investments", is to enable our grant to be used to leverage capital and deploy social investment in the most efficient and effective way – this would just be another way of doing so.<br><br>Therefore if/ when we do offer balance sheet investments, whilst the inherent flexibility of such investments will mean that there can be more inbuilt flex on things like co-investment leverage ratios and product parameters than on normal "fund investments", we will still seek to understand what that investment would enable the social investor to achieve by way of social investment and we will need to agree a clear mandate and some KPIs with any successful applicants.<br><br>Since the primary purpose of this is to enable social investors to raise co-funding capital and recycle funds more efficiently and to provide a broader/ more flexible array of social investment products, and given the much greater degree of flexibility that the money would come with, this type of investment will only be suitable for established, experienced social investors with strong track records – of both delivering social investment at scale and adhering to mandates – and those with close alignment with Access's |

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| | | mission in all areas of the business to be invested in. The bar for all of these things at the assessment stage will be very high. Given the nature of this and the limited amount of funding that we have overall, we expect to be able to support a very limited number of social investors with balance sheet investments. For most organisations looking to deliver social investment, what we refer to in the Investment Policy as "fund investments" will be more appropriate for us to consider.<br><br>For the avoidance of any confusion therefore, we will not be able to offer balance sheet investments to smaller/ newer social investors or to organisations whose primary mission/ activity is not social investment. This is not because they or their resilience are any less important. It is simply because this is not what this particular method of funding is designed for. |
| **Co-funding/ leverage**<br><br>In the Investment Approach we set out that regardless of the type of provision, Access will not expect to be the only provider of funding and hopes that at least £1.50 can be leveraged for every £1 of Access money across the £72m.<br><br>In the case of enterprise grant-focussed activity, we intended to aim for co-financing of at least £1 for every £1 of Access funding overall, which could be achieved by various possible | **Blended finance**<br>When it comes to blended finance, our co-funding ambitions were understood and there was almost complete consensus on the need for leverage, which we heard should be ambitious but proportionate and assessed on a case-by-case basis as we'd planned.<br>There were also some specific questions and helpful suggestions about ways in which Access could better support partners to find co-investment, which was also the topic of one of our consultation focus groups.<br><br>**Enterprise grants**<br>When it comes to enterprise grants however, we heard a clear message from several respondents that *"there are specific difficulties with setting a* | **Blended finance**<br>We will **proceed as planned** regarding blended finance co-funding/ leverage.<br>The thoughts on ways that Access can support social investors to identify and work with co-investors are helpful and we will discuss these further with social investors and potential co-investors in due course.<br>In response to questions about whether applicants can use their own money as capital co-funding, they absolutely can and Access has partnered with organisations who have done so in the past.<br>In response to questions about whether applicants can leverage other grant alongside Access grant and whether this would count as co-funding, the answer is yes. However all applicants will need to demonstrate why Access grant is needed and why it is needed at the proposed level/ ratio, |

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| approaches including applicants approaching other funders themselves as well as applying to Access, other funders approaching Access to leverage their own funds, or Access approaching other funders to try to leverage our funds directly.<br><br>In the case of blended finance, we shared our range of historical benchmarks and set out an ambition to achieve the highest leverage in this area. | *specific 1:1 co-financing goal"* and that this would be *"a real challenge"* and cause *"significant difficulties"*.<br><br>Some wanted us to scrap our co-funding ambitions here altogether, whilst others suggested that we just need to change our focus as to **how** this can be achieved: *"we strongly believe that the sector working with Access to raise match funding at wholesale level will have greater chances of leveraging more money in than individual intermediaries will have on their own".*<br><br>Across blended finance and enterprise grants, there were a couple of specific questions about what may or may not constitute co-funding. | and we will take into account the nature and source of all co-funding when making these assessments.<br><br>**Enterprise grants**<br>We have heard respondents' concerns about the feasibility and practicality of co-funding requirements in this area. However we have also heard - from many of the same respondents - that there is a need for significantly more money to flow as enterprise grants than Access ourselves have been able to allocate to this purpose. Furthermore, we have an ambition to quadruple the size of the enterprise grants sector to £10m per year, an ambition which is reflected in the Government's Dormant Assets Strategy.<br>**Therefore we need to change our approach** whilst ensuring that this overall ambition can still be met. Therefore, of the three potential routes for sourcing co-funding that we outlined in our Investment Approach, our thinking is now as follows:<br>**1.** *"Applicants may approach other funders themselves, as well as applying to Access"* – **We have heard that this is not feasible, therefore we will not require applicants to do this.**<br>2. *"Another funder wanting to effect change in their own market may approach Access to leverage their own funds and find a partner/s to deliver an enterprise-grant making programme"* – We would welcome being approached by other funders, although we recognise that we cannot rely only on this.<br>3. *"Access may approach another funders to try to leverage its funding directly"* – We will commit to actively pursuing this route so that the main onus for sourcing enterprise grants co-funding is on us, not on individual applicants. |

## 3. Area Two – Provision of Support

| What we set out in our draft Investment Approach | What we heard through the consultation | Our response and decisions |
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| **Provision of support**<br><br>This section covers Technical Assistance, Capacity Building and Demand Development.<br><br>We explained that whilst we see the value in such support both pre and post investment, the limited resource means that we expect to be able to support this to a proportionally lesser extent than our/ the CEGP's full aspiration. Therefore any activity in this area will need to be strongly integrated into the social investment sector as a whole.<br><br>We set out that we consider a) the building of financial literacy and stronger understanding of business models, and b) peer-learning opportunities, to be particularly impactful in our experience.<br><br>We indicated that supporting charity/ social enterprise leaders with personal support could be considered eligible under this strand, particularly for otherwise marginalised individuals, but | There was strong support for us funding Technical Assistance, Capacity Building and Demand Development activity.<br><br>There was significant pushback from a wide range of respondents on the amount of money we have allocated to capacity building and on the co-funding requirements that we had set out. (These and our responses to them are predominantly covered in Sections 6 (*Allocations between areas)* and 2 (*Co-funding/ leverage)* of this report respectively).<br><br>There was a broad range of views on what capacity building money should be spent on/ where there is most need. This included strong support for financial literacy/ stronger business models and peer-learning, which we had suggested we might be particularly interested in, and for personal support for charity/ social enterprise leaders, which we had suggested we might not be able to fund widely.<br><br>There were mixed views on "pre-enterprise start-up" activity, with some feeling that *"we agree with not supporting as much pre-start/early-stage activity, if grant is scarce"* but others emphasising the need for this *"critical"* | The two key facets of impactful capacity building that we had highlighted in our Investment Approach (the building of financial literacy and stronger understanding of business models and opportunities for charities and social enterprises to connect and learn directly from their peers) are referenced in our Investment Policy as there was strong support for these amongst respondents. Other uses remain in scope, however we would reiterate that due to resource limitations we are unlikely to be able to fund large numbers of different proposals in this area.<br><br>We have heard that partners feel that Provision of Support is very important and should receive a greater proportion of the pot than indicated, and we will take this into consideration when we are making commitments. Whilst at this stage we have not adjusted the indicative allocations to each area (which are only initial estimates in any case), it is quite possible that the balance between capacity building and enterprise grants might end up different depending on the volume/ strength of applications that we receive in each area.<br><br>With regard to post-investment support, this remains in scope although due to limited resource it is not something that we will be able to fund to the same extent as pre-investment support – at least as a stand-alone intervention. We recognise the importance of the ongoing support that social investors provide to their investees and the need to ensure that they are appropriately |

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| might be expected to be very selectively applied.<br><br>We indicated that we would expect at most a small proportion of the resource in this area to support activity which is entirely standalone rather than integrated into a broader proposal.<br><br>We stated that we do not expect to support much "pre-enterprise start-up" activity, and only within proposals with a strong need and justification for vertical, whole market solutions.<br><br>We also set out our initial co-funding/ leverage expectations, which we have covered and responded to under Section 2 of this report. | support, particularly in place-based contexts and when targeting youth outcomes.<br><br>A couple of respondents emphasised the need for post-investment support as well as pre-investment support. | resourced to do so, an element of which is often built into blended finance fund models/ operating costs. |
| **Investment readiness**<br><br>We set out that we were assuming that financial support for investment readiness will be provided differently from other types of support, in that our proposal was for there to continue to be a single route for its general provision – the Reach Fund – as the sector wants to see this continue.<br><br>We indicated that we remain open to approaches requesting the ability to build investment readiness grants/ support more directly into proposals | There was significant support for the continuation of the Reach Fund programme: *"We strongly support the continuation of the Reach Fund model", "Reach Fund is effective and accessible", "cornerstone of the social investment market", "very effective in mobilising the take up of social investment and facilitating links between the agencies involved i.e. the VCSE sector, social investors, SIB and the support provider", "we would be very happy to see Reach continue with SIB".* People also welcomed the fact *"that Access remains open to approaches that embed investment readiness support beyond the Reach Fund"* too. | We were pleased to see significant support for the continuation of the Reach Fund, which is consistent with the positive feedback that we have heard about the programme over the past few years. However we equally welcome the helpful comments and suggestions of things that Access and our Reach Fund partners can consider to further build on the programme's reach and impact.<br><br>The budget and contracts for what we think of as "Phase 3" of the Reach Fund are due to come to an end early next year, so we were already planning to:<br>- Retender (this Autumn) for an organisation to manage the next phase of the programme |

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| that cover other activity areas, but that we would expect strong justification for not using the Reach Fund in such cases. | Very few respondents disagreed with the planned continuation of the Reach Fund, however some suggested *"areas of improvement and development to further the effectiveness of the Reach Fund offer".*<br><br>Whilst a couple of those who were supportive of the programme's current format specifically called for *"the continuation of the Reach Fund both in terms of what it covers and the single route/ single approach to its operation",* three respondents suggested that the programme *"could perhaps use more than one delivery body to avoid market concentration and provide opportunities for slightly different approaches".* It was noted that this could be done by running *"two routes in parallel… to pilot an alternative second route"* which one suggested could trial a place-based approach and another suggested could *"better support people from Black and racially minoritised communities who are more likely to face challenges with investment readiness".* The latter respondent also noted that "*Any support through existing routes needs to consider how it engages diverse groups*". On a similar theme to the latter, another respondent asked *"Is there an equality impact evaluation of Reach thus far?"*<br><br>A couple of respondents called for *"investment training… to be delivered at scale rather than on a 1-2-1 basis"* and to be able to offer *"investment readiness to small peer groups"*. | - Commission (next year) an evaluation of the last few years of the programme, to help inform the next phase.<br><br>Through the consultation we have heard ways in which people think the Reach Fund process could operate better, including through the possibility of multiple providers. We will consider this during the tender process. We will also use the next phase of the programme to continue to target expanded reach, both to geographical cold-spots and to organisations with diverse leadership, which remain key priorities with each new phase.<br><br>To the question on whether this programme is delivering equality impact and the extent to which we know the answer to that, the Reach Fund has been evaluated twice in the past, with a strong emphasis on assessing diversity of leaders of applicants and grant recipients, but not with a specific equality impact lens. We plan to talk to the Equality Impact Investing Project to explore these questions further.<br><br>We do not intend to enable group support to be offered via the Reach Fund. We do see the rationale and potential benefits of this but it is something that we have considered and rejected in the past on the basis that the programme is designed to address late-stage investment readiness needs which, whilst there are common themes that arise, are still likely to be fairly bespoke in nature. However we are open to considering proposals for peer support to be offered outside of the Reach Fund if that is a delivery mechanism that applicants want to consider for broader 'Provision of Support' (see section above).<br><br>We also do not intend to change the requirement that charities/ social enterprises must be referred into the |

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| | One called for adapting the requirement for charities/ social enterprises to obtain a Reach Fund referral from a social investor by broadening this *"to include suitable non-investor organisations, such as infrastructure bodies, charitable foundations and local authorities"* on the grounds that these could be *"fully impartial and therefore a trusted source of guidance*".<br><br>We were also asked "(Reach Fund) *grants do not currently require any co-financing, will that still be the case?".* And whether the planned extension to the Reach Fund will *"align with that of the Dormant Assets allocation"* in terms of the four-year timescale. | programme by a social investor. The programme is designed to support organisations with a strong likelihood of being offered repayable finance to take the final step in their investment readiness journeys, so we believe that social investors are best placed (and well trusted) to make those determinations, with organisations having dozens of social investor Access Points to choose from. However we recognise and value the role that other organisations can play in helping to signpost charities/ social enterprises to the programme/ to social investors where appropriate. Additionally, during the next phase of the programme we do intend to further amplify the message that charities/ social enterprises who receive support through the Reach Fund remain free to shop around for social investment and are under no obligation to borrow from the social investor who acted as their Reach Fund Access Point if they do not wish to do so.<br><br>To the question on whether the Reach Fund will continue to be exempt from any co-financing requirements, we can confirm that it will continue to be exempt. We apologise for our oversight in not having made this clear previously.<br><br>To the question on whether the extension to the Reach Fund will align with the timeframe of the Dormant Assets allocation, yes it will. The Reach Fund will be extended to around 2029 in line with the Dormant Assets period. We expect to spend c.£10m on the Reach Fund during this period (of which £8m comes from the new Dormant Assets allocation and £2m comes from existing Access funds), which equates to c.£2.5m per year for the programme. |

## 4. Area 3 – Social Investment Infrastructure and Ecosystem Support

| What we set out in our draft Investment Approach | What we heard through the consultation | Our response and decisions |
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| **Infrastructure/ ecosystem support**<br><br>We set out an intention to use approximately £5m for social investment infrastructure and ecosystem support, to support a (relatively small) number of key projects to boost the collective strength of the ecosystem. | There was wide support for us setting aside some money for this *"much needed"* area, but some respondents were keen *"to see more detail on Access's vision for this funding pot".*<br><br>Several respondents mentioned ideas or areas which they would like to see this money fund, with three common themes being AI/data technology, EDI, and partnerships/ collaboration. | We recognise that there is a wide range of needs in this area, some of which respondents helpfully touched on. The three common priority areas identified by multiple respondents make sense and we imagine that we might spend some resource in some or all of those areas.<br><br>We are not going to be overly prescriptive upfront about what we are looking to fund however, because we want the sector to tell us what is needed. Assessment of need/ will inform our decisions (see below). However, due to the limited amount of money available for this, we do want to reiterate that we may only be able to support a handful of initiatives and we will therefore be looking to fund things that are key to the functioning of the market as a whole. We therefore don't imagine that we will be able to fund projects that are local or very niche in nature. |
| **Sector endorsement for infrastructure projects**<br><br>We explained that we want to ensure that proposed projects aiming to provide benefit to multiple partners or the entire ecosystem can demonstrate wider endorsement, and sought views on whether consultation respondents might see a role for the Social Investment Forum or similar to | Respondents raised concerns that the proposed approach of approval/ endorsement by one body could reinforce existing networks and reduce opportunities for participation by new and underrepresented voices. | We remain committed to ensuring that projects have broad support from across the social investment market, but we have heard the concerns raised. We will therefore **not pursue the idea of establishing a role for the Social Investment Forum** in this regard, however we will continue to consider the most appropriate mechanisms to support inclusive and meaningful participation in decision-making here, including through drawing learnings from the participatory decision-making that we are currently trialling within our blended finance evaluation work. |

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| endorse or approve certain types of projects. | | |
| **Good Finance**<br><br>We explained that we have ringfenced a modest amount of this pot for the Good Finance website and its associated activity. | There was strong support for our plan to continue to co-fund the "*very good*" work of Good Finance, which *"is a great resource for  sector"*.<br><br>One respondent felt that the amount allocated for this was too *"modest"* whilst one queried the prior ring-fencing of money to Good Finance "*without either other ringfencing or transparency*". | We know that Good Finance is a vital resource for the sector and we are pleased that this was recognised by many respondents.<br><br>With Access a co-funder, rather than sole funder, of Good Finance, the amount that we have allocated will not be the project's entire budget.<br><br>To the query on why we have ring-fenced an amount for Good Finance already, the decision to continue funding Good Finance (and the Reach Fund) has already been made by the Access Board following a process, and we included Good Finance's allocation in the Investment Approach precisely in order to be transparent about that. Other potential recipients of infrastructure finance have not yet been through a process and so will need to apply and be approved by our Investment Committee or Board. |

## 5. Parameters and areas of interest

| What we set out in our draft Investment Approach | What we heard through the consultation responses | Our response and decisions |
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| **Equity, Diversity & Inclusion**<br><br>We set out that any application for an award under any area will be required to explain how EDI principles and issues of reach into underserved markets have been considered. And that where specific solutions are proposed, we will expect to see genuine action and progress, with specific requirements or KPIs sometimes being set accordingly. And that Access may wish to stay more closely up to date with partners on this than we have in the past, and we'll be committed to providing help and support wherever we can. | There was strong support for our prioritisation of EDI, with a large number of respondents highlighting this as an area that they particularly agreed with: "(We) *strongly support this approach to ensuring EDI principles and issues of reach into underserved markets have been considered in design and planning delivery*", "*we welcome the inclusion of EDI principles…* (which) *enables delivery partners to capitalise on progress made in this regard over the last decade*".<br><br>Some respondents expressed concerns about the risks of a tokenistic approach if not properly followed up on: "*We believe that simply requiring applicants to explain how EDI (equity, diversity and inclusion) principles and issues of reach into underserved markets have been considered in design and planned delivery may allow for superficial responses, rather than making these considerations a central part of the application process and due diligence.*"<br><br>And others suggested what good practice in this area should look like: "*We strongly support the expectation that all partners demonstrate a clear commitment to equity, diversity, and inclusion. However, we recommend that the core objectives of the Adebowale Commission also be embedded within Access's approach. This should include assessing* | We welcome all the suggestions here. This work is fundamentally about addressing imbalances in power, perspective, and opportunity — and about building a culture of equal recognition and belonging by actively inviting the contribution and participation of everyone we work with.<br><br>We know we have much to learn, and we recognise that tackling injustice and inequality in all its forms is not a tick-box exercise. It requires sustained commitment, attention, and resources.<br><br>While EDI has been a key pillar of our application and assessment processes for several years now, the suggestions offered are a valuable prompt to reflect on where we can go further and how we can deepen our commitment in the areas respondents have highlighted.<br><br>When it comes to financing Black and Ethnic Minoritised-led charities and social enterprises, some of our programmes to date have performed better than others (overall 17% in our programmes since 2020, ranging from Flexible Finance 32% to date, to the Energy Efficiency Social Investment Programme 6% date). We will strive to achieve strong performance on this across all areas of spend going forward.<br><br>Two respondents challenged us on the extent to which our programmes are delivering equality impact and the |

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| | *partners past EDI track record, progress against previous targets, representation in decision-making structures, and the setting of clear, timebound, measurable targets. These elements are essential to ensuring that EDI is not just a principle, but a consistent, accountable practice across all investments."*<br><br>Some comments related to the eligibility of certain types of organisation, which we have responded to in the 'charity/ social enterprise eligibility criteria' row at the bottom of this section.<br><br>Two respondents challenged us on the extent to which our programmes are delivering equality impact and the extent to which we know the answer to that. | extent to which we know the answer to that. We are talking to the Equality Impact Investing Project to explore these questions further.<br><br>We agree with the respondents who highlighted how important language is. When discussing racial equity in social investment, we are now using the term "Black and Ethnic Minoritised-led". We recognise that this term lacks specificity, especially regarding how Black and brown people have been minoritised based on the notion of race. We understand that language is evolving and we are committed to developing an approach that better reflects the experiences and identities of those involved.<br><br>We encourage partners to consider this carefully and to use the terminology that they and their clients/ partners identify with or are most comfortable with. Access has aligned our language with the Pathway Fund and other leaders in this space. |
| **Youth Outcomes**<br><br>We explained that part of our mandate from Government is to ensure that at least £12.5m of the full £87m is used to support charities and social enterprises supporting youth outcomes, and that we planned to address this through the single-pot approach rather than through a discrete sub-programme, by asking all applicants to identify the extent to which they expect to contribute towards these outcomes and then closely monitoring that over time. | Through our Youth Outcomes focus group and individual consultation responses we heard mixed views on how we should approach this requirement.<br><br>We heard a desire from some for us not to be overly niche in how we define 'youth outcomes', but from others that they would like a clear definition.<br><br>We heard that branding or describing initiatives as youth-focussed can make a big difference to organisations' perceptions of whether this is *"for them"*. | In order to provide clarity and to align with policy frameworks such as the National Youth Strategy, **we have defined "youth" in our Investment Policy** as people aged 10-19, or those aged up to 25 with Special Educational Needs and Disabilities (SEND).<br><br>Rather than prioritising specific types of outcomes within "youth outcomes", we are prioritising support for the enterprise models within organisations that work to achieve outcomes for young people. Applicants are welcome to propose specific outcome focuses if they wish, provided that building support for enterprise models in the voluntary sector remain a primary consideration. |

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| | We heard from some in the youth sector that this funding presents an opportunity for us to build on work connecting learning about different enterprise models within the youth sector and the youth outcomes that they are delivering, urging us not to overlook this in our data collection. However more generalist social investors/ partners who also feel well placed to contribute to reaching charities/ social enterprises supporting youth outcomes cautioned us to avoid burdening partners with additional data collection requirements – particularly ones which may require specific youth business model expertise – as far as possible.<br><br>We heard that there are a wide range of business models in this sector, all of which need finance/ support but of different types. | On the basis of the consultation we can confirm that we **do not intend to put out a call for specific youth-focussed proposals**, however applicants are welcome to propose specific youth-focussed proposals. We equally welcome generalist proposals that can deploy an element of our overall youth outcomes funding allocation. We will not expect all applicants to contribute to this, however we will need to ensure that – across everything that we fund – at least £12.5m (plus commensurate co-financing) flows to this area. We have heard the benefit of youth-focussed interventions being described as such, so we will encourage partners to take this into account when marketing their social investment/ grant/ support funds where applicable.<br><br>We are mindful of the reporting burden on our partners so we **do not intend to require significant additional data collection in this area**. However we are also mindful of the opportunity that this thematic focus offers in terms of learning. As a compromise, we will endeavour to make youth outcomes/ youth enterprise models a strand of evaluation activity. |
| **Green & nature-based finance**<br><br>We set out that we do not generally intend to solicit proposals in any particular area, with one of two proposed exceptions being that we expect to encourage proposals within the area of green finance, specifically addressing nature-based markets, which Access feels is an area both currently underserved by subsidy (particularly at the smaller scale) and in need of a stronger | Stakeholders strongly welcomed the inclusion of green finance, but emphasised that success depends on early clarity and support. There was broad agreement that nature-based markets, particularly for community-led activity (e.g. land, energy, food) and retrofitting of community assets, are underserved. However, there is a lack of revenue models, technical capacity, and investment managers familiar with the space. Many noted the risk that without active support, green finance proposals could be crowded out within a single pot. Suggestions included early-stage funding, technical assistance, and | Given the clear and consistent steer in favour of the single pot approach, we will **proceed as planned**: green finance will sit within the single pot, without a separate programme or ringfenced funding allocation.<br><br>At the same time, recognising the strategic importance of this theme, we have made clear in the Investment Policy that proposals related to nature-based or green finance are encouraged. While we won't set a fixed budget or target allocation, we will include wording to prompt early conversations with prospective applicants to help shape suitable proposals. |

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| social economy response. But that this would still be within the 'single-pot' approach rather than a separate strand, without a specific allocation in mind.<br>We also outlined that we welcome proposals which can identify wider Just Transition contributions. | demonstrator models to build investor confidence and market infrastructure. Place-based intermediaries and frameworks were seen as helpful, and there was strong appetite for Access to play a convening and learning role.<br>Stakeholders also highlighted barriers like fragmented land ownership, regulatory hurdles, and limited access to subsidy for smaller projects. Ultimately, success was seen as supporting proven, replicable models that link nature and social outcomes, while avoiding fragmentation or superficial impact. | We will not be offering dedicated infrastructure support at this stage (as was available under Energy Efficiency Social Investment Programme) but will keep this under review and may revisit our position if a clear and coherent set of needs emerges. We will also continue to welcome proposals contributing to broader Just Transition outcomes, and we will aim to apply the same principles across other thematic approaches, such as place-based funding, to ensure coherence and fairness within the single pot. |
| **Place-based approaches**<br><br>We set out that we recognise the benefits that more localised social investment solutions can bring, having supported several in the past, so we remain very open to supporting place-based approaches which build local systemic capacity. However, with the limited resource available to us and the limited capital available in the market to sustain a widespread network, we suggested that what we can do in this area is likely to be limited. | There was broad agreement with the criteria we set out for place-based working—particularly the emphasis on using local infrastructure, working in partnership, and aligning with other investment and regeneration initiatives. Many respondents saw opportunities to partner with Combined Authorities (CAs), though noted that CAs should not be the only route to co-investment.<br>Whilst our intent to support place-based working was supported it was suggested that our guidance around our assessment could be clearer and specifically how applications will be assessed against others in relation to the criteria set out.<br>Our definition of "place" (ranging from smaller than local authority level up to regional scale) was generally well received though some respondents felt that 'place' should be consistent with Combined Authorities and/or English regions to ensure a scale that is attractive for co-investment propositions.<br>Respondents strongly argued for aligning our work with other initiatives such as the Community Wealth Fund and wider regeneration or enterprise | Given the limited resources available, **we will apply the criteria set out in our Investment Approach at the application stage**, though we heard concerns about geographic inequality, particularly where infrastructure is less developed and will be mindful of that. We will not be able to fund many place-based applications and we remain committed to targeting areas of higher deprivation—including rural deprivation—using tools such as the Index of Multiple Deprivation (IMD) to help guide our focus.<br><br>We will recognise the value of using local infrastructure, working in partnership, and aligning with wider investment and regeneration initiatives—particularly the opportunity to partner with Combined Authorities, noting that this should not be the only route to co-investment.<br><br>We also recognise the concern about the risk of creating sub-scale or overly fragmented local interventions. While we are keen to avoid approaches that are unsustainable or overly reliant on subsidy, we are equally mindful that enterprise activity is shaped by specific local conditions. Our aim is to strike a balance—supporting place-based |

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| | investment strategies. This was seen as a way to maximise impact and avoid duplication.<br>Some respondents expressed concern that place-based funds could result in sub-scale initiatives—either spreading resources too thinly or requiring significant levels of subsidy to be viable. It was felt that applying the learning from place-based approaches was critical in our assessment process.<br>There were also differing views about targeting "places with significant momentum", highlighting the risk of reinforcing geographic inequalities by favouring areas that already have infrastructure and capacity. | work where it is viable and impactful, without undermining the flexibility needed to respond to local opportunity.<br><br>We appreciate the call for greater clarity around how applications will be assessed against our criteria, and we have tried to improve the guidance we provide in our Investment Policy. |
| **Reach targets**<br><br>We said *"We will remain committed to continually pushing ourselves and the social investment sector on reaching underserved communities and organisations. Although the breadth of different approaches needed means that we would not propose to have blanket targets or requirements, all proposals will be reviewed on the contribution they would make to this aspiration. Access intends to also continually improve our own understanding and evidence of where cold spots are, and our approach to assessing success in this area, to ensure that we are considering a broad range of indicators (eg rurality, cold spots in geographic or sectoral terms, alternative measures of* | There was significant agreement for our approach here: *"strongly agree with this approach", "we agree with all of this, and supportive of transparency of data", "we welcome the decision to prioritise Equity, Diversity and Inclusion through… integration more widely across the scheme", "strongly agree with the commitment to ensuring all proposals will be reviewed on their intentions to reach underserved communities"*. One respondent pushed for us to go further: "*Avoiding blanket approach understandable but that does not preclude clearer more transparent standards/ guidance and ones that reflect established EII principles and standards that have already been developed in collaboration with investors and equality impact ventures/ networks."*<br><br>Whilst many respondents were supportive of Indices of Multiple Deprivation (IMD) as a form of data analysis, there was some pushback, including in one of our focus groups, on our intention to use it – with some feeling that it is an unhelpful metric | We are pleased that respondents share our desire to prioritise reach into underserved communities. We are talking to the Equality Impact Investing Project to explore the equality impact questions further.<br><br>On IMD, this will continue to be a key data point that we are interested in, but we recognise its limitations and it is not the only way that we analyse our reach. We have already started to explore urban vs rural reach and benchmarks across our past/ current programmes (which incidentally reveals that the reach into rural areas through our programmes is reasonably strong – although it doesn't in itself yet reveal any insight into deep rurality or relative rural deprivation) and we intend to build this into our standard data analysis going forward. We will not expect all partners to have specific rural reach targets, however we will encourage some partners to do so and we will monitor rural reach across the overall funding pot and encourage partners to actively target any cold spots. |

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| *deprivation, socio-economic background of leaders, intersectionality) alongside the metrics that partners will be familiar with Access mostly focusing on to date (diversity of leadership, Index of Multiple Deprivation)."* | and others feeling that it is valid but insufficient on its own. Some respondents felt that we should have a more explicit focus on measuring reach into rural areas.<br><br>It was also suggested that our Investment Policy should include targets around numbers of charities/ social enterprises to be reached. | To the point around overall reach targets, we have included the relevant targets for the Government's Dormant Assets strategy in our Investment Policy. |
| **Charity/ social enterprise eligibility criteria**<br><br>We indicated that it was our intention to maintain our current eligibility definition of a "Social Sector Organisation" although we indicated that we might re-word elements of it to make it clearer.<br><br>We indicated an aspiration to work with the Co-ops and Mutuals sector to achieve greater clarity on when cooperatives and mutuals can be considered to meet the eligibility requirements. | There were mixed views on eligibility, with several respondents calling for changes, more flexibility or more clarity in this regard, but others arguing that the current definitions are clear and should remain.<br><br>We heard that "*The definition of eligible investees has been well established through previous Access-funded programmes and is consistent with the approach used by other funders deploying public/philanthropic capital. Nonetheless it is useful to provide further clarity to minimise grey areas to manage the expectations of investees. Having said all this, there are occasional opportunities to make "programme related investments" (PRI) into organisations that do not comply with the definition above but can deliver against Access' stated aims. It might be interesting to explore whether these might be in scope in exceptional cases, in consultation with Access.*"<br><br>We heard that "*Whilst many* (of our members) *strongly agreed with and supported the current definition of charities and social enterprises and strict requirement for an asset lock, some felt they would like to be able to support small, profit with* | Access was created to increase access to finance for asset-locked charities and social enterprises. Our definition of social enterprise has always been a fairly strict one, based around the concept of a formal asset lock. It's not that we don't believe other organisations can create impact; many organisations set up for example as companies limited by shares are delivering remarkable things in communities around the country, it's just that our mandate is for the civil society sector.<br><br>Some responses suggested widening our eligibility criteria, and as this is such a fundamental issue, our Board gave this very careful consideration in their deliberations.<br><br>The scale of responses have highlighted the overwhelming demand we expect from civil society organisations for our programmes and this has reinforced our decision to **keep these criteria focused**. In light of this, we want to clarify our position. Some of this we can do now and further guidance in specific areas will follow in due course.<br><br>Given our mandate and strategic priorities we encourage applicants to focus on organisations with a |

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| | *purpose businesses which are delivering social impact within communities.*"<br><br>We heard that "*the eligibility criteria has created a grey area in relation to some co-operatives, and urge Access to work through this with specialists"* and that "*we welcome the intention to provide greater clarity around the eligibility of cooperatives*".<br><br>And we heard that "*Many Black and minoritised-led social purpose enterprises are set up as commercial entities, due to historic reasons and because setting up a non-profit is expensive. Given the asset-lock requirement in Dormant Assets legislation, the lack of funding into commercially incorporated social impact entities runs the risk of continuing the existing funding gaps, especially as the governing documents of these entities make it clear that they are community and social organisations*." And that "*while we fully understand that Access must operate within defined parameters, we would support any clarification that enables a broader and more inclusive approach, allowing funding to reach a wider range of mission-driven organisations. A more expansive understanding of eligibility, rooted in purpose and practice rather than form alone, would strengthen the reach and effectiveness of future investment*." | clear asset lock: incorporated charities of any form, CICs of any type and community benefit societies.<br><br>We also recognise that many companies limited by guarantee are established without charitable status but may have clearly established social aims which are themselves charitable, and solid asset locks written into their governing documents. In general, we would consider these organisations eligible.<br><br>Similarly, we do consider that in the main co-operatives are part of civil society, and many may be able to be interpreted as meeting the eligibility criteria. We will in due course commission specific advice on this from expert partners who can help advise our delivery partners once appointed on how to interpret our eligibility in this area.<br><br>Companies limited by shares that are not CICs will continue to be ineligible in most cases: these are not the organisations which Access was set up to support. However, we do understand that in exceptional circumstances you may come across CLSs which are in practice established like a CIC and have a mission which you firmly believe is in itself charitable. In such cases (which we imagine would be few) we will work with you to agree a process for assessing eligibility. As a minimum they would need to have equivalent full asset and mission locks as well as dividend caps as a CIC or non-profit CLG.<br><br>We also understand that some organisations may be on a journey towards adopting an asset locked legal form, transitioning from a for-profit form. In those cases you can indicate your willingness to invest if such a transition |

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| | | is completed, and support for this can be provided through capacity building or investment readiness support including the Reach Fund. However, this transition must be in the organisation's best interests, and there should ideally be no pressure to change legal form solely to access investment. |
| **Additionality**<br><br>We set out one of the rules governing Dormant Asset distribution, which is that it should not displace funding which might otherwise be provided by the public sector.<br><br>We also said that, due to our aspiration to encourage growth in the amount of concessional finance available for social investment beyond Dormant Assets, coupled with our limited resource, we may decide to widen Additionality considerations to explore why Dormant Assets finance is a necessary source of funding compared to any other potential source, not just from public bodies. | There was some slight confusion in some responses about what Additionality requirements are.<br><br>There was one specific question about whether Additionality requirements mean that our partners cannot use our money alongside Local Authority or The National Lottery Community Fund funding.<br><br>There was also some concern from a couple of respondents about the potential implications for broadening Additionality considerations: "*we understand the need for Access to ensure that Dormant Asset finance is used in a way that delivers the greatest possible impact and complements other funding sources. However, we are concerned that widening the scope of Additionality considerations in this way may risk creating a sense of shifting goal posts and introduce an unnecessary degree of subjectivity into the decision-making process. This could make it harder for applicants to assess their fit with the programme and potentially discourage organisations from applying, particularly those already navigating complex funding environments.*" | We will provide clear guidance for applicants, explaining how to address Additionality in their applications.<br><br>Partners can utilise Dormant Assets funding alongside public sector funding, such as Local Authority or TNLCF money. Dormant Assets funding simply cannot be used to <u>replace</u> such money.<br><br>On reflection we have decided not to widen Additionality considerations, but to continue with our existing approach for assessing this. However we will of course continue to ensure that we allocate Dormant Assets resource to where there is significant demonstratable need for this type of funding. |
| **Product investment sizes**<br><br>In our Investment Approach we said that we will continue to focus on the | There were some comments challenging the perception that "*the majority of investment sizes expected to remain below £250k. We feel that larger investment sizes are needed in some specific cases*". | Access will **continue to focus on the smaller end of the market**, as is our mandate. |

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| smaller end of the social investment market, and that "*Our various programmes to date have supported charities and social enterprises with a median turnover of around £200k, with finance provided to them being of median sizes ranging between around £70k on our unsecured debt programmes to between £150k and £250k on other mixed programmes. We expect these metrics to remain broadly similar overall in the future, before taking inflation into account.*<br><br>*However we understand that investments of all types and sizes can face viability issues and need subsidy, most notably Community Asset projects, and we therefore do not intend to set any specific upper limit… Nevertheless we would not expect overall investment packages/products of £1m or more to make up more than a very small proportion of the overall portfolio of the deals that our finance has facilitated."* | | However, would like to reiterate that our Investment Approach outlined an expectation that product sizes would broadly continue "*being of **median** sizes ranging between around £70k on our unsecured debt programmes to between £150k and £250k on other mixed programmes*". Therefore £250k is not an upper limit, it is an **indication** of roughly the largest **median** investment size that we might expect to see a partner targeting. As we said in our Investment Approach, we "*do not intend to set any specific upper limit on what partners can propose to us to use an award to offer in terms of products"*. This remains the case in our Investment Policy. We intend to focus on median investment size rather than setting strict upper limits in order to give partners the flexibility to make larger investments where they judge that this is needed/ a good use of subsidy. We will however track partners' median deployment size against any agreed median investment size targets, and we will expect partners to live up to their mandates in this regard.<br>We hope that this helps to allay any concerns in this regard. |
| **Other product parameters**<br><br>We said that: "*We are open to supporting any type of financial product, and in all cases will expect to see clear market demand-based justification for whatever is proposed. However we remain particularly* | Respondents noted that they *"agree strongly"* and "*very much welcome the open approach to meeting a diverse range of investment needs and differing financial products*."<br><br>Several respondents noted the need for "*engagement with prospective investees to determine appropriate levels of patience and flexibility*" both | We will **continue with our proposed approach** following the support received for this. As we have done in the past, Access will expect partners applying for funding to be able to demonstrate evidence of demand/ need for whatever products they intend to deliver.<br><br>To the ask around Grant C, we are mindful that we need to ensure that all partners understand the need to apply grant according to need, rather than ramping up any |

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| *interested in products which have some of the following features:*<br>*• Small scale finance, including micro finance*<br>*• High risk but unsecured finance*<br>*• Finance which is patient and flexible, reflecting equity-like features*<br>*• Products which bridge the wide divide which persists between entirely nonrepayable (grant) products and those that are fully (or almost fully) repayable."* | when designing products/ funds and identifying individual investee needs.<br><br>One respondent suggested "*On the final bullet point (the divide between grant and repayable finance) we would ask that Grant C funds available to partners and for specific borrowers are standardised, [otherwise] the partner with the most generous grant portion becomes the most competitive. For example, if grant portions of 50% are available to minority-led businesses through one partner, others should be able to match this, so that a level playing field can be retained and a genuine choice of providers is available to investees."* | direct-grant element of a blended finance product simply to outcompete their peers. However we do not believe that the answer to this is for us to standardise the proportion of grant that partners can apply, as this would go against our principles of flexibility and trust when working with partners, and also against our desire to see an increasing diversity of products. As Access will fund a broad spectrum of products across our £72m, including enterprise grants as well as blended finance, there will likely be a full spectrum of products ranging from those that are100% subsidy (pure grants) to almost 0% subsidy (blended finance with very limited concessionally). We want social investors to be able to put the right level of subsidy into each deal, and we will work with partners to encourage this thinking. |
| **Partner resilience**<br><br>We said that: *"In all of the awards we make to delivery partners we will be interested not only in the flow of finance or support that is being provided to charities and social enterprises but also in how the award is helping to support the development and resilience of the partner(s) themselves. We see our finance as "building", not just "buying"."* | There was strong support for our focus on partner resilience: "*Fully agree in the value of not just the flow of finance but also the how the award is helping to support the development and resilience of the partner – building not buying! Critical for the long-term health and sustainability of the* [social investment] *sector.*", "*Maintaining the long-term viability of existing partners is essential if we are to develop a strong social investment approach and the outcomes we target as a result of investment. We welcome therefore that Access recognises in the approach that there will be a need for longer term investment profiles to serve the social economy and ensure value for money and the resilience of partners."* | We will **proceed as planned**. |

## 6. How we'll allocate resource

| What we set out in our draft Investment Approach | What we heard through the consultation | Our response and decisions |
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| **Allocation sizes & partnership approaches**<br><br>We set out that we might not expect to make any awards under £250k (except in Area 3 – infrastructure/ ecosystem support) nor any (in total to any one partner) over £10m, but noted that very few awards in the past have been over £4m which might be a helpful guide, although should not be considered a benchmark as such.<br><br>We noted that we are conscious of the potential for our limited resource to drive the social investment sector towards sub-scale initiatives, particularly in terms of fund viability, and that we will aim to balance achieving the correct scale in reach case with a need for plurality of provision and equitable resourcing.<br><br>We noted that we will welcome and encourage partnership | Some respondents recognised *"the limitations of the programme which is funded by less than half the level* (of Dormant Assets allocation) *requested by Access"*, acknowledging that this will need to limit our allocation sizes somewhat as we had set out. Others voiced concern around the figures we had indicated as a result, noting as a *"general point, which you've already picked up, that doing similar with effectively less money won't necessarily deliver*".<br><br>A couple of respondents had mistakenly interpreted the £4m and/ or £10m figures as fixed "*maximum amounts*" or *"caps"*, asking for these to be increased or indicating that they intended to apply for *"the maximum"*.<br><br>A couple of others had sought clarification on whether we might expect to increase such *"limits"* in the case of partnership applications – either social investment models consisting of a lead social investor and numerous partner intermediaries, or place-based approaches involving social investors alongside a number of local partners.<br><br>We received some other comments around partnership working which are covered in section 7 below. | As some respondents recognised, we do not have enough funding to do everything that we would like to do, which will affect not only how many partners we can fund but what level we can fund some partners at. Based on the amount of interest we received in the consultation and on what some aspiring applicants have already indicated to us about their plans, we expect demand to be anywhere between two and ten times the amount of money that we have available to distribute. This will obviously be very challenging. We are actively working to try to secure additional sources of funding to enable affordable, patient and flexible finance to flow to communities, but in the meantime our Investment Committee will need to make some very difficult decisions over the next few years about how we allocate this money, striving to find the right balance between funding things at a viable scale whilst ensuring the need for plurality of provision and equitable resourcing.<br><br>We would like to reiterate that the £4m and £10m figures referenced in our Investment Approach were neither described as fixed upper limits nor intended as targets for most applicants to aim for. The £4m figure was an indication of the amount above which we have rarely funded in the past, which we included in order to explain what we would consider to be a very significant commitment to any one partner. Whilst the £10m was described as an amount over which "*we might not expect to make any awards".* We could consider larger awards, |

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| proposals where they can deliver economies of scale and avoid duplicating infrastructure whilst being beneficial to all partners involved. | | however – for the reasons set out above – the bar for doing so would be extremely high. We welcome and encourage partnership working and recognise the benefits of that, however in the event of a very large partnership bid we would expect significant sector support and strong justification for it, as us funding one such large bid would most likely mean us having to reject several other smaller bids in its place.<br><br>To help us make the difficult decisions about individual/ partnership allocation sizes, in our application forms we will ask applicants to explain whether there is a minimum viable award size for their bid and – in the event of a bid seeking a range of funding for a range of purposes – which aspect/s would be their main priority in the event that we were unable to provide the full amount of funding sought. We will also encourage those who are interested in applying to us not to rush to submit applications, but to make us aware of their interest early-on so that we can build an idea of longer-term pipeline in order to help inform our Investment Committee's short/medium-term decisions. |
| **Allocations between areas**<br><br>Whilst we do not intend to have fixed buckets within our single-pot approach, we set out some indications of roughly how we might expect to split the £72m between key areas. This consisted of £55m for provision of finance (of which £14m for enterprise grants and £41m for blended finance); £12m for provision of support (of which | Some respondents were broadly supportive here, including those that were *"very supportive of the overall approach"* and those who *"support the weighting of flow of finance more towards blended finance"*.<br><br>However several respondents argued strongly for increased allocations to specific areas. The main challenge being that these responses collectively pushed for more funding in every single area that we intend to support, with few suggesting which other buckets money could be taken from in order to achieve their asks. | We do not disagree with the fact that each and every one of these areas needs more funding than we have been able to allocate to it, and we will continue to advocate for more resource in the future.<br><br>Following the consultation feedback, the Access team spent significant time considering and debating possible adjustments to some of the indicative bucket sizes, particularly around capacity building and enterprise grants, as well as the possibility of merging or separating out some of the buckets into broader or more specific ones in order to provide further flexibility or clarity. However ultimately, after going back to our mandate and strategy, **we have** |

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| £4m for enterprise capacity building and £8m for investment readiness); and £5m for social investment infrastructure and ecosystem support.<br><br>We also explained in the Investment Approach that £12m of the £87m had been allocated to Pathway Fund, with this 14% of the total pot reflecting the proportion of UK social enterprises which are led by people from black and ethnically minoritised backgrounds. | We heard that more money is needed for enterprise grants (*"in the context of the total funding pot* [£14m] *is relatively modest"; "we suggest there is value in considering an increased allocation"*) and capacity building (*"we don't believe the proposed £4m is enough*"; *£4m is far too low an allocation for this area"*) in particular. But also social investment infrastructure/ ecosystem support (*"the monies allocated for social investment infrastructure seem somewhat small"*) and blended finance (*"the allocation* [of Dormant Assets money to Access for social investment purposes] *is less than was envisaged and will only take the sector so far"*).<br><br>There were also pushes for us to allocate more funding to specific themes/ areas within and across these categories, including place-based work and green and nature-based finance (as covered in separate sections of this report) as well as various other thematic and/ or specific product focusses (e.g. asset acquisition) that individual respondents suggested.<br><br>Additionally, a couple of respondents wanted to see more money allocated to Pathway Fund (*"given the historic and systemic nature of underfunding, we feel this amount is insufficient to create transformative change"*). | **decided to stick with the indicative amounts/ buckets that we set out in the Investment Approach**. We would like to reiterate that these are indicative, not fixed, but they represent broadly how we might expect the final split of resource to land across different key areas. This decision is consistent with our strategy which, on page 47, states that *"Although we want to see support for organisations at all stages of their journey, our resources and time are concentrated on enabling the ecosystem to work for those* [charities and social enterprises] *closer to taking on social investment."* We are hopeful that, as Access – The Foundation for Social Investment, our need to prioritise in this way will be well understood. However we are not lessening our ambitions regarding capacity building and enterprise grants and we will work to source co-funding to bolster money for these areas, as set out in more detail in Sections 2 and 3 of this report.<br><br>With regard to Pathway Fund, we would reiterate our statement in the Investment Approach that *"the existence of Pathway and potential new intermediaries does not mean that Access and its partners will cease striving for reach and diversity through our own flows of resources".* |
| **Allocations over time (and deployment timelines)**<br><br>We set out that, in order to balance the need for resource to | Some respondents noted that they *"welcome the phased approach to the commitment of resources"*, noting that it *"makes sense, as there is pent up demand for capital early on, but additional demand will materialise later as well".* | **Commitment timelines**<br>We intend to **proceed with the staggered approach to making commitments** that we outlined in the Investment Approach, as this was broadly welcomed by consultation respondents. However, the concerns of some respondents |

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| be available over the four year period with the need to manage the significant pent-up demand that has resulted from delays in this money being committed to/ flowing to Access, we intended to stagger the resource by committing **up to approximately** 50% in year 1, followed by (cumulatively) 70% by year 2, 90% by year 3 and 100% by the end of year 4. With this overall spread being (more loosely) applied to each indicative spend area too.<br><br>These indicative approximate figures referred to the speed at which funding would be committed by Access to partners, not the speed at which that funding would be deployed by partners to charities and social enterprises, which we said was expected to be throughout the four years and, in many cases, beyond.<br><br>We particularly welcomed views during the consultation as to whether this stagged approach would be helpful to applicants or whether it would lead to uncertainty or anxiety about “first come first served”. | However some remained *“cautiously mindful of the significant pent-up demand across the sector and the risk that this could lead to a rush of early applications once the programme opens”* and asked if there was more we could do to *“reassure* (applicants) *not to rush”* or to consider *“mechanisms that ensure a fair and phased approach to deployment…avoiding unnecessary pressure on applicants and deliver partners”.*<br><br>One respondent noted that applications in the later years of the period may be dominated by “top-up” requests.<br><br>One response cautioned us *“not to use speed of deployment as a measure of success, in order to ensure there is room for smaller actors and for initiatives that may be identified later on”*.<br><br>Whilst respondents understood that this proposed staggering of resource refers to when Access will commit money to partners, not when those partners must deploy it, we were asked to provide some further clarity on expected timeframes for the latter too. | with regard to an initial “*rush*” of applications has prompted us to further consider how we might manage that to avoid a first-come-first-served approach. As a result, we plan to:<br>- Make clear in our Investment Policy/ application guidance that our Investment Committee may, in some cases, delay a decision so as to better understand the emerging pipeline/ other emerging opportunities first.<br>- We will encourage aspiring applicants not to rush to submit an application before they are ready, but to let us know that they intend to apply (even if not for a couple of years) so that we have as much sight as possible on potential pipeline and can keep our Investment Committee informed as such.<br><br>With regard to using speed of deployment as a measure of success, our indicative figures for how much money we might commit in each year are approximate maximums, not targets. We will only ever commit money if there are applications of sufficiently high quality to enable us to do so. The indicative figures are intended to reassure applicants that they do not all need to rush to submit an application in year one. However, there is significant pent-up demand in the sector so it is right that we will still give consideration to funding some proposals that will enable money to flow to charities and social enterprises quickly.<br><br>To address questions on what “Year 1” means, we expect that this will be measured from the point at which Access is able to open to applications. We were unable to define this in the Investment Approach as until Government’s formal Spending Direction had been issued we did not know how quickly the money would flow to Access to enable us to do so. |

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| | | **Partner deployment timelines**<br>With regard to the timelines over which our partners can deploy this money/ support to charities and social enterprises, we indicated in the Investment Approach that this "*would be expected to be throughout the four years and (in many cases) beyond*". Given that we only intend to commit some of the funding in year four, we could not reasonably expect all of it to be deployed/ utilised by the end of year four. Furthermore, in the case of blended finance structures, we want to encourage fund structures which make efficient use of grant via recycling which often necessitates longer timelines. However, we also recognise that there is significant pent-up demand for this money now – both amongst social investors/ intermediaries and charities/ social enterprises. Therefore, given the pressures on the pot now, it will be difficult for us to justify funding funds where the money will not all be (at least initially, prior to any recycling) spent until significantly after the four-year period. All proposals will be considered on a case-by-case basis, taking fund structure into account. |

## 7. Who we will fund

| What we set out in our draft Investment Approach | What we heard through the consultation | Our response and decisions |
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| **Delivery partner eligibility**<br><br>We set out that we are open to working with delivery partners of any legal form. Our assessment process will not disadvantage for-profit providers, however those with a not-for-profit structure and a mission clearly related to ours may find it easier to demonstrate natural alignment with our aspirations and may be more likely to receive awards with elements of flexibility built in. This is consistent with our past/ current approach.<br><br>We set out that we are open to new entrants (those new to Access and/ or new to social investment) and expect to support some further diversification of supply, however this needs to be balanced against the fact that many existing providers are sub-scale and/ or not yet fully resilient and resource is very limited. Therefore applicants will either need substantial prior track record in delivery or, for new entrants, be able to demonstrate | The vast majority of comments on this section related to track record/ new entrants.<br><br>There was some push back on our suggestion that we will fund only a limited number of new entrants/ only in limited circumstances ("*continuing to fund organisations with an established track record risks stymying innovation*"). However there was also support for this approach, with several respondents emphasising that track record is vital ("*we believe that channelling the majority of resource to organisations with a substantial track record is the correct decision*") and one going as far as to suggest that we shouldn't fund any niche, sub-scale fund management all.<br><br>On this topic, respondents' views closely corresponded to their own levels of organisational experience, as those who saw themselves as having strong track records advocated strongly for us to fund organisations with strong track records, whilst those who saw themselves more as new/ innovative advocated strongly for us to fund organisations who are new/ innovative. | Some respondents acknowledged in their comments that this is an area where they would struggle to be objective. With very limited resource compared to the scale of need, Access will need to make some difficult decisions about what we can and cannot fund. We completely understand that respondents are advocating for a variety of approaches here, but **overall we continue to feel that our approach requiring a strong track record in the vast majority of cases is the right one**.<br><br>However, we do wish to emphasise that we see significant opportunities for newer/ smaller/ more specialist organisations (whilst not excluded from applying in their own right) to consider playing supporting roles through partnerships. Partnership approaches mean that individual organisations can all play to their strengths. Please see 'Partnership working' section further down for further detail on this.<br><br>To a specific question received, we can confirm that applicants do not need to have received Access funding before in order to be able to demonstrate a strong track record. Applicants who have delivered very similar types of product/ support working with different funders will be well placed to demonstrate a track record in many cases. However, the specificity of the track record will still be important. For example, having delivered generic grants in the past is not necessarily a demonstration of |

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| that they understand and can occupy an important niche (perhaps targeting a still underserved market) in the existing social investment ecosystem. | | ability to deliver **enterprise** grants or blended finance products going forward. All track records will be assessed on a case-by-case basis alongside a number of other relevant factors (which will be detailed in our application forms/ guidance). |
| **Equity, Diversity & Inclusion**<br><br>We set out that the existence of Pathway and potential new intermediaries does not mean that Access and our partners will cease striving for reach and diversity through our own flows of resource.<br><br>We set out that partners will need to demonstrate a commitment to EDI within their own organisations, be a signatory to the Diversity Forum Manifesto and make ongoing action and progress towards that. | There was very strong support for the embedding of EDI across our and our partners' processes. (*"Agree in the strongest terms", "we support a commitment from applicants for provision to be as inclusive as possible", "we welcome the decision to prioritise Equity, Diversity and Inclusion"*)<br><br>A couple of respondents suggested that our approach could be strengthened with consideration to equality impact investing.<br><br>Several respondents were "*strongly supportive of sign-ups to Diversity Forum manifesto, and on evidencing/reporting on action*". A couple asked for our support in connecting with the Diversity Forum team of signing up to the Manifesto.<br><br>**Pathway**<br>We mentioned in the Investment Approach that Pathway Fund would receive an allocation of £12m, 14% of the £87m. Several respondents noted that they *"strongly welcome the allocation of £12m to the Pathway Fund ensuring there is dedicated access to Dormant Assets for Black and Minoritised-led social enterprises"* and a couple felt that £12m was an insufficient amount (see Section 6).<br><br>The majority of respondents who mentioned Pathway Fund had questions about Pathway Fund | We are pleased that respondents agree with the emphasis on EDI.<br><br>We are discussing equality impact investing with the Equality Impact Investing Project team to explore this.<br><br>We are always happy to help partners connect to the Diversity Forum team. We have followed up with these respondents individually and would encourage other partners/ potential applicants to reach out if we can be of assistance here.<br><br>**Pathway**<br>Pathway Fund and Access are working closely together. The two organisations co-hosted a focus group to explore our respective roles as part of Access's consultation.<br><br>Pathway Fund are currently working on their own strategy which they will share in due course, after which Access and Pathway Fund will endeavour to provide further clarity to applicants about our respective roles. However, the main guidance is that if applicants wish to deliver something that fits within Access's strategy/ Investment Policy, they can apply to Access. Whilst if applicants fit within Pathway Fund's eligibility criteria and strategy, once published, they should apply to Pathway Fund. |

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| | and Access's respective roles or suggestions about how to differentiate. | |
| **Data collection**<br><br>We set out that all partners will need to support Access in our collection of high-quality beneficiary data on a quarterly cycle. | The need for high-quality data collection was well understood, with no objections (*"We welcome a strong approach to data collection. This can ensure that the entire social investment sector can benefit from understanding areas of strong demand, success and failure…")*<br><br>A couple of respondents had suggestions for ways that they would like to see us continue to enhance our data collection frameworks through ongoing collaboration, including through continued alignment with BSC's Enterprise Level impact data (*"use of proceeds/ purpose – plus growth/ resilience"),* and by *"measuring success based on community benefit, youth voice and racial equity – not solely financial returns"*. There was further discussion around the opportunities that the Youth Outcomes strand of funding could bring regarding data collection during our Youth Outcomes focus group, with some advocating for us to collect data on enterprise models/ outcomes in the youth sector whilst others cautioning us against layering on burdensome additional reporting requirements. | We are pleased that respondents recognise the value and opportunities around data collection.<br><br>We will continue to feed the data we collect into BSC's Enterprise Level Data, which is a valuable resource for the sector.<br><br>Our data collection already includes metrics on outcomes/ beneficiaries, EDI and VCSE resilience alongside financial metrics, and will continue to do so. We will continue to focus our data collection primarily on VCSE resilience over community/ end-beneficiary outcomes. We know that stronger charities/ social enterprises can better sustain or increase their social impact, so it is that increased organisational resilience that we focus on.<br><br>We recognise the learning opportunities that the Youth Outcomes strand of our work will bring, but we do not want to over-burden partners with significant additional data collection requirements. We will need to use data collection to monitor the amount of money flowing to charities/ social enterprises that are focussed on youth outcomes, but for the most part we will seek to use evaluation activity, rather than expanding our standard data collection, to generate learning on the relationship between different enterprise models and specific youth outcomes. However, if any partners wish to collect additional data, beyond our standard requirements, that would of course be welcome. |

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| **Other expectations of delivery partner**<br><br>In addition to EDI and data collection expectations, we set out that partners will be expected to deliver on key aspects of their proposals as set out in their applications, comply with Subsidy Control regulations, demonstrate high standards in relation to bullying, harassment and safeguarding protections. And will furthermore be encouraged to contribute to the overall health of the ecosystem in a variety of ways including engaging in peer activity and participating in evaluation and learning activity. | Several respondents noted that they "*welcome the recognition that applicants must demonstrate integration within the social investment ecosystem*". Some respondents suggested specific additional expectations that we could set around this.<br><br>One respondent suggested *"Worth considering other ESG screening / criteria"* as an additional requirement. | The examples we gave for ways in which partners could contribute to the health of the ecosystem were just examples. The additional suggestions that we received were helpful ideas and have been noted, but we do not intend to mandate any of them.<br><br>We considered the suggestion of ESG screening in due diligence, but we feel that this could be disproportionate/ overly-burdensome given the scale of most of the awards that we intend to make. This is not to say that these things are unimportant or will not be considered where appropriate, just that we do not intend to role out a formal ESG framework. We will follow up with the organisation who suggested this as we would be interested to learn more about their approach here. |
| **Partnership working**<br><br>We set out that we welcome either singular or collaborative/ partnership proposals and we do see an increasingly important role for partnership proposals. | There was much support for the encouragement of partnership working, with respondents noting that this can exist in a variety of forms. There were calls from some for Access to be clearer about our expectations and to play a role in facilitating partnerships. It was also noted that strong partnerships take time to develop and should never be forced.<br><br>*"we think Access should encourage informal as well as formal referral arrangements to be developed among programme providers, so that applicants can be more easily directed to the types of finance most suited to them (including enterprise grants where appropriate), regardless of which provider they might first approach."* | As outlined in the 'delivery partner eligibility' section further up, we will require applicants to be able to demonstrate a strong track record in the majority of cases. However, we see significant opportunities for newer/ smaller/ more specialist organisations (whilst not excluded from applying in their own right) to consider playing supporting roles through partnerships.<br><br>We strongly agree with respondents that there are significant opportunities for partnership working, and we have made clear in our Investment Policy that partnership bids are welcome.<br><br>We have heard that people are looking for us to be more proactive and to play more of a convening role. We will |

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| | *"agree that significant opportunities exist for partnership. We believe there is strong potential for providers to adopt both formal and informal referral arrangements"*<br><br>*"we see the opportunity to maximise success being based on partnerships and collaboration rather than competition".*<br><br>*"Relatively few organisations have been able to reach a meaningful scale, creating limitations for some on their ability to build the capacity to robustly deploy social investment capital. Are there innovative ways that some of the larger, more established market actors could be enlisted to build the capacity of smaller, more fragile organisations - or to provide some shared services in terms of credit, portfolio management and financial management?"* | work with applicants and partners to explore how we can do that most effectively. |

## 8. How we will progress applications and make decisions

| What we set out in our draft Investment Approach | What we heard through the consultation | Our response and decisions |
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| **Application process & co-development**<br><br>We proposed four formal types of application to our Investment Committee – Initial enquiry; Stage 1; Stage 2; Top-ups. With initial enquiry and Stage 1 able to be skipped when not applicable, although applicants will be encouraged to seek early feedback to get an indication of likely support or rejection before undertaking significant work for a later-stage proposal. And the top-up phase being open to existing partners wishing to extend existing Access-funded funds.<br><br>We also proposed to offer (but never mandate) a co-development approach with applicants while they work up proposals, which would involve our staff team working more closely with partners to ensure that we better understand the strategic aspirations of | There was no disagreement from respondents on our investment stages, several of whom specifically welcomed *"the option to consider extending initiatives if success and additional demand can be evidenced.*<br><br>There were a couple of calls for us to be clearer about timelines and potential resource constrains: "*Consultation briefings outline the timelines for consultation closure and then an expected opening date for applications clearly. However, it is not clear if there are any constraints on the timing for consideration or development of stage 2 applications, given the 'co-development' approach and the limited human resources that Access have*."<br><br>There were also a couple of questions about co-financing requirements at different application stages, seeking *"clarity on the match required for the application stage, and if this match has to be secured prior to allocation of Dormant Assets"*<br><br>Partners also unanimously welcomed our intention to offer a co-development approach, noting that this *"feels pragmatic, flexible and open"*, *"makes perfect sense"* and is *"very welcome"*. | We are pleased that the application process/ stages sound sensible and **will proceed as planned**.<br><br>We do intend the top-up stage to be a more streamlined way for existing partners to apply for top-ups, and we note that this has been welcomed by many. However we do want to manage expectations that we will not be able to top-up all, or indeed most, of the funds that we have funded in the past. This application stage will be more light touch, but not too light touch. The bar will be as high as for other stages of application, and partners will need to demonstrate that the extension of their fund would contribute strongly to the aims of the CEGP/ our new Investment Policy rather than simply demonstrating that a previous programme's mandate has been achieved. Furthermore, whilst partners will have the option of applying for a top-up through this process, we will encourage those who intend to apply for a top-up plus other Access funding to consider rolling those into a single application (although it will be the partner's choice whether to do so).<br><br>With regard to co-financing requirements, usually at Stage 1 we would expect applicants to have clear and realistic plans for where co-funding might come from, and at Stage 2 we would generally expect applicants to be able to very clearly point to expected sources of co-funding and to tell us what stage those conversations are up to – co-funding conversations should at this stage at least be in progress, with in-principle interest, not just hypothetical. We do not |

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| applicants and to enable the development of proposals which play to partners' strengths whilst still finding alignment with the Community Enterprise Growth Plan. | | expect co-funding to have been secured before you apply to us – in most cases we will be happy to make provisional grant commitments first, to help applicants then get co-funding commitments secured, provided we are satisfied that there is a reasonable likelihood of that further fundraising being successful. We appreciate that securing co-funding can take time, and we will be understanding and flexible where we can. However, our grant commitments will usually come with a condition that co-funding is secured and the fund launched by an agreed upon future date. Whilst we can flex deadlines if the need arises, if would not be fair to other applicants for us to extend those indefinitely, so if fundraising falls significantly behind schedule then the grant offer may be decommitted to enable us to consider other ready proposals, meaning an applicant may need to reapply to us if our initial grant offer has lapsed.<br><br>We appreciate respondents welcoming our co-development offer. We will seek to build strong relationships with applicants and to build a shared understanding of what co-development will look like in each case, based largely on the applicants' own preferences. But from Access's perspective we will always emphasise to applicants that co-development does not guarantee success. We will support applicants to put forward the strongest case they can to our Investment Committee, but our IC will not be able to fund everything. We will be honest with applicants about what we think the chances of success are and about whether we think a finished proposal scores highly enough to be recommended, which will sometimes involve difficult conversations. All decisions to accept or reject proposals will be taken by our Investment Committee who may ultimately take a different view to that of Access team members. |

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| **Development costs**<br><br>We explained that we understand that a significant amount of work goes into developing proposals and we are open to providing some development grant to go towards the costs of putting proposals together. We said that these would normally only be expected to be available for those invited to submit a Stage 2 proposal, and would be limited to a maximum of 1% of the eventual anticipated award. | Several respondents said that they "*welcome the recognition of the costs incurred in compiling a proposal for fund development and the approach to support this financially*", describing this as *"vital"* and *"sensible and a good learning from previous processes"*.<br><br>A couple of respondents asked for more clarity around the criteria for this. One suggested that 1% of the eventual anticipated award might not be appropriate as a benchmark given the different scales of different proposals. A couple of respondents pushed for support for earlier-stage proposals too, rather than just Stage 2. | We want to support applicants with proposal costs, however with limited resource we cannot cover all costs at all stages so this will need to be applied selectively. We will therefore retain the approach of generally only considering making contributions to costs for Stage 2 proposal development only, as Stage 1 will be lighter-touch anyway. In very selective cases it may be possible for applicants to seek earlier-stage development costs from our Infrastructure/ Ecosystem Support bucket (see Section 4 of this report) but there will be significant demand for that money for a range of other uses too.<br><br>Some examples of what we imagine Stage 2 development costs could contribute to include: financial modelling of complex investment funds; legal advice related to fund structures and unusual or innovative investments; additional market research where products would be breaking new ground; costs relating to the raising of co-investment (where this is clear and targeted rather than speculative).<br><br>Having heard the point around the 1% figure alone, **we have said in our Investment Policy that any contributions to development costs will not usually exceed £25k or 1% of the total anticipated award, whichever is the higher**. |
| **How we'll make decisions**<br><br>We explained that all decisions will be made by our Investment Committee, which is comprised of Access trustees and external members. IC dates will be provided to applicants, but earlier conversations and sharing of draft proposals will | There was broad agreement to this section, with respondents commenting that *"the key parameters in the decision making look sensible"*, *"the criteria look sound"*.<br><br>A couple of respondents asked about the diversity of our Investment Committee, one noting that: "*We appreciate the important role of Access's Investment Committee in overseeing the allocation of Dormant Asset finance. As the investment landscape* | We welcome the questions about our Investment Committee and agree that we should be scrutinised on this in the same what that we scrutinise our partners' own decision-making structures. We are recruiting for additional Investment Committee members to broaden the expertise and diversity of our IC further, in recognition of the IC's expanded mandate (what was previously our Blended Finance Investment Committee has become the Access Investment Committee and will have oversight of the vast majority of the £72m Dormant Assets money, as well as many of our |

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| be encouraged. We will endeavour to be as flexible and responsive as possible while supporting applicants. And we set out some indicative assessment criteria, explaining that we will explain that fully in the Investment Policy/ application documents. | *continues to grow and diversify, there's an opportunity to further enhance the committee's breadth by incorporating a wider range of perspectives, particularly in terms of lived experience, diversity, and practical sector insight. These are the same expectations rightly placed on intermediaries, social trading organisations, and others across the ecosystem, and it's important that decision-making structures reflect those shared standards of inclusion and representation."*<br><br>One respondent also asked about charity/ social enterprise voice in decision making. "*It's unclear if there is a requirement for this to come through as part of the application process, via case studies or if existing relationship with Access demonstrates* [investee] *voice is implicit."* | existing programmes). The membership of our Investment Committee can be found on our website here, which will be updated once new members have joined.<br><br>In addition to our current recruitment for additional external IC members, Access is also about to conclude the recruitment process for a new trustee who may also join the Committee, who we hope will bring additional charity or social enterprise leadership experience to the Board and IC. |

## 9. How we will work with partners

| What we set out in our draft Investment Approach | What we heard through the consultation | Our response and decisions |
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| **Trust and flexibility**<br><br>We set out that we will continue to aspire to be a funder that operates on principles of trust and flexibility and that we will aim to take a relationship-based approach. | Respondents were supportive of this approach. "*We welcome and support the commitment to building trusting relationships and maintaining an open dialogue.*" | We will **proceed here as planned**. |
| **Communication and support**<br><br>In the Investment Approach we set out how we intend to communicate with and support applicants and partners. | What we had set out was welcomed. Co-investors have also welcomed our intention to more proactively engage with them too.<br><br>Respondents particularly encouraged us to utilise our convening power. | We will **proceed here as planned**. |
| **Potential for residual funds**<br><br>We set out that "*In most if not all cases we will expect to provide for partners to be allowed to automatically retain and repurpose any residual funds*", with some limited restrictions to ensure that residual funds are spent in accordance with Access's (broad) charitable objectives and to avoid more than incidental private benefit from accruing. | Respondents either welcomed this approach or asked for further clarity around what we mean by residual funds. | We will **proceed as planned** regarding residual funds. We have tried to define this more clearly in the Investment Policy and below.<br><br>Residual funds, or 'residual grant' as we have sometimes referred to it on past programmes, refers to money left over at the end of a blended finance fund once the social investor has repaid their co-investor/s, paid their own operating costs and received all money that they expect to receive in charity/ social enterprise repayments. There will not always be residual funds, as it is always unpredictable how investment funds will perform. Sometimes a fund will return insufficient income to repay investors what they are expecting in full. If a fund overperforms it may cover all of its costs and repay all of its investors their maximum return and still have fund income left over. We refer to this as "residual funds" and sometimes as "residual grant". |