

The Oversight Trust

Assets for the Common Good

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THE OVERSIGHT TRUST RESPONSE TO QUADRENNIAL REVIEW OF ACCESS -THE FOUNDATION FOR SOCIAL INVESTMENT

Overview

The Oversight Trust (OT) commissions Quadrennial Reviews as part of its oversight of Access – the Foundation for Social Investment (Access), by appointing an independent Review Panel to assess Access’ effectiveness in delivering against its objects. This statement sets out OT’s response to the Report of the Independent Review of Access. In summary, the key points are:

- OT welcomes the report from the Review Panel (“the Panel”) and would like to thank all those involved in its production.
- OT agrees with the Panel’s conclusion that Access has had a significant positive impact on the Charity and Social Enterprise (CSE) sector’s infrastructure and investment by providing subsidy into blended capital, via intermediaries, to small CSEs and developing enterprise capacity and resilience among CSEs.
- OT notes that Access’ activities have strong CSE sector support and are delivered through an effective, agile organisation that demonstrates its values and approach are aligned with the sector it serves.
- OT recognises the importance of Access having a legacy and therefore the need to capture its experience and learning.
- OT welcomes the positive and engaged response from Access and the detailed outline of how it is addressing the issues raised by the Review.

1. Introduction

OT’s role is to oversee the operators that receive funding under the English allocation of monies under the Dormant Bank and Building Society Accounts Act 2008 (Dormant Accounts Act) with the aim of ensuring that those four operators remain true to their objects. These operators are Access – the Foundation for Social Investment, Big Society Capital, Fair4All Finance and Youth Futures Foundation. This oversight regime includes commissioning a quadrennial independent review of the effectiveness of each organisation in delivering against its objects. The first such review, which was of Big Society Capital, was published in July 2020.

The Terms of Reference for the second such review, the Access Quadrennial Review, were to carry out interviews with stakeholders and Access staff, issue a call for evidence and review background

information in order to produce a brief, high level report highlighting achievements in relation to Access' objects and raising issues for further consideration. The Terms of Reference did not include the production of recommendations in relation to addressing those issues.

OT is very grateful to the many stakeholders, from charities and social enterprises and intermediaries, social investors, shareholders and policy makers, who gave generously of their time and thoughts. We would also like to thank the Access team and the Access Trustee board for their support for, and active engagement in, the process.

OT would also like to thank the Panel members for their flexibility and their insights into the complex and evolving social investment sector.

2. The Quadrennial Review

It would not be appropriate for OT to reprise the content of the Review, and a Summary is included in the Report (pages 1-2). Instead, we encourage all interested parties to read the report and reflect on the issues raised in relation to the need for blended finance and enterprise development grants targeting the CSE sector.

It is worth noting that Access' role is that of a wholesaler, so it deploys its resources through partners and intermediaries, which play their part in the total impact achieved.

OT is pleased to see the positive findings of the Panel on the catalytic impact of Access' activity. Key successes cited in the Report include:

- Over 500 investments through the **Growth Fund**, representing some 20% of the social investment market deals done in 2019. The average investment of £66,000 is close to what Social Enterprise UK reports as the median amount of finance sought by social enterprises, and investments have been heavily concentrated in more deprived areas in England.
- More than 600 grants have been awarded from the **Reach Fund**, with an average size of under £14,000, and reaching smaller CSEs. Grantees feel in control of the support they received and social investors report that the fund is effective in growing the market they can serve. Early indications from an evaluation indicate that circa 40% of grantees go on to secure investment, and these are heavily skewed to more deprived areas.
- The pilot of the **Enterprise Development Programme** demonstrated that Access' support overwhelmingly accelerated the development of beneficiary organisations' enterprise activity. More than 200 organisations have now participated in the programme across four sectors (Homelessness, Youth, Mental Health, Equality).
- To date £3.6 million has been committed in **COVID19 emergency grants**, to help make loans viable, leveraging £10 million in loans to 47 organisations.
- Access has published '**5 lessons from 5 years**' with details of its various programmes and learnings.

Importantly, the Review identifies the value of blended finance in investing in and supporting small CSEs, the vital role of subsidy in achieving such investments, and the need for this to continue.

Linked to this, Access was set up with a ten-year life, to run until 2025, which is a critical factor in considering the future of the delivery of blended finance and Access' role in this.

The Review raises a number of specific issues which Access has responded to under the six headings identified by the Review. These headings are split into issues for the leadership of Access (1-3) and those for the broader sector (4-6) where Access can convene debate and actions.

3. Access' response to the issues raised by the Review

OT very much welcomes the positive and constructive tone of Access' response to the Quadrennial Review, and we look forward to further discussion of Access' plans and progress over the coming months. We suggest that we establish checkpoints to review developments and see where OT can offer appropriate advice and support.

Without going into unnecessary detail ahead of these future conversations, we would expect them to be guided by the six main headings of the report.

1. Sustainability of Blended Capital

Ultimately, we recognise that responsibility for providing subsidy rests outside Access' control and we would expect to discuss Access' influencing and contingency planning.

And while much of the focus will rightly be on successors to the Growth Fund, it would also be helpful to understand Access' views on successors to the entire portfolio of funds and activities in supporting the development of CSEs.

2. Social Investment Ecosystem

We note the Panel's observations on complexity and that this is more than just a matter of communication. We are supportive of Access' plans to ensure its future programmes, and the development processes for them, should be simplified and be less complex for intermediaries and CSEs to navigate. We would also encourage Access to consider whether there are alternative, more flexible options to achieve the objectives of the various programmes, which would also inform its longer-term legacy.

We also welcome Access' intentions in relation to supporting the market infrastructure and would encourage a continuing conversation about how their operating model supports and relates to that.

3. Access as a Lean Organisation

We agree with Access' comments about the need to avoid building an organisation which competes with existing elements of the ecosystem.

However, there is a cost to others in the sector of Access running such a lean model. Given the amount of data and know-how gathered from Access' experience to date, we would be keen to discuss how this will translate into learning strategies, their dissemination and how these should be resourced.

4. Equality, Diversity and Inclusion (EDI)

We agree with the premise that EDI considerations should run through every element of work rather than being an add-on and that EDI is best acted upon then talked about. Given Access' partners, networks and programmes we believe it is well placed to work with them

and act as convenor to ensure that EDI is championed within the sector. We would encourage consideration of this approach alongside ensuring EDI is developed both within Access and through the work of the intermediaries.

5. **Advocacy**

We welcome the recognition of Access' positive relationship with Government and appreciate that the Access role in advocacy has been limited by design hitherto. However, given Access' connectivity with the smaller end of the CSE sector, there now seems to be an opportunity to establish how this relates to the Government's stated priorities for the sector, including the Levelling-up Agenda.

We agree that this would also be a good time for Access to have a discussion with partners across the CSE sector to establish the core influencing themes, the evidence-driven approach and the main routes to influence decisions, and we welcome Access' plans to invest resources in this area.

6. **Legacy**

Both Access and OT need to keep legacy issues under review because Government decisions can be expected to define the space for our decisions, and we recognise how critical is it for the CSE sector that we avoid the risk of a stop/start in 2025.

Access is thinking ahead in having established a Legacy Group and we endorse their comments on the key dates, and it may be helpful to regularly review the timeline to 2025 between our two Boards over the coming years.

On the specific issue of evaluating options for successors to Access, this is likely to be for Government to commission analysis but we intended to discuss how further work by Access and OT, such as the definition of the evaluation task, could be used to catalyse action in a timely fashion.

4. OT learnings from the Access Review

This is only the second independent review carried out on OT's behalf. It reflects significant learnings from the first review which in itself was a new process for all involved. A key point which has emerged from both is the efficiencies and increased reach made possible by remote communication, both internally and by enabling contact with a larger number of consultees that would have been possible had meetings been in person. We suspect this also made it easier for those individuals to contribute. So, what initially appeared to be a concern, had positive results. It has also proved possible to engage in this way with the organisation under review, though ideally a more blended model of in person and remote communications would work better for the longer term.

We will take stock of what has worked well and what could be improved and commit to enhance future annual review processes, ensuring that the experience from these Quadrennial Reviews will also inform future ones.

Signed:



Sir Stuart Etherington (Chair)