

Local Access programme and LARCH – Local Access in Redcar, Cleveland & Hartlepool



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Funders



Access works to make charities and social enterprises in England more financially resilient and self-reliant so that they can sustain or increase their impact.

We do this through supporting the development of enterprise activity to grow and diversify income, and by improving access to the social investment, which can help stimulate that enterprise activity.

<https://www.access-socialinvestment.org.uk>



Big Society Capital aims to improve the lives of people in the UK by connecting investment to charities and social enterprises that are creating social change.

We do this by bringing together our investment capital, our expertise and our network of partners.

<https://www.bigsocietycapital.com>

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What is the purpose of Local Access?

We want to take a **place-based** approach to working with **charities and social enterprises** because we believe they can be vital in:

- tackling local issues
- strengthening communities
- contributing to resilient and inclusive local economies

We believe the **long-term sustainability and resilience of charities and social enterprises** is vital to the growth of the social economy.

Local Access intends to support this process by helping to **meet the financing and support needs** of charities and social enterprises.

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Taking a place-based approach



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Selection of places



12 areas were originally in the running and the final 6 selected are:

- Bradford
- Bristol
- Gainsborough
- Greater Manchester – 4 boroughs
- Hartlepool/ Redcar & Cleveland
- Southwark

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What the funders are looking for

We envisage strong proposals to cover:

- A **partnership built around place-based working**
- A defined place/geography to work in
- A **vision** for your programme that **supports the place** you're working in
- An **understanding of the specific support requirements** of local charities and social enterprises in your place, as well as the **financing needs** of those organisations
- A clear **role for enterprise support**
- A **proposed solution** for those financing needs utilising blended social investment
- **Evidence of demand** from front-line organisations for both **enterprise support and investment**

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Funding available for Local Access

£33m to deploy over 10 years across 6 places:

- **£10m** from Access to provide the grant subsidy for the blended social investment (sourced from Dormant Accounts)
- Around **£15m** of matching repayable finance from Big Society Capital for the blended social investment
- **£8m** from Access' existing endowment to support enterprise support activity (grant money)

LARCH have been allocated £1.6 million of enterprise development funds from £8 million pot.

Plus investment £1.2 million grant and £1.2 million repayable finance – a total finance package of £4M

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Process so far

- **Stage 1** – Expression of interest April 2019
- **Stage 2** – Work up full proposal from the area – early work on partnership development, enterprise support and blended finance – application deadline October 2019
- January 2020 – found out we were selected
- **Stage 3** – further development stage till late 2020/ early 2021
- Late Feb/ March – meetings to plan stage 3 development plans
- Mid- March 2020 – Covid 19 – activity paused
- May 2020 – LARCH activity re-started – formation of three working groups and Interim Management Board
- June 2021- partnership and enterprise develop plans submitted to Local Access
- July 2021 – funding confirmed from Local Access

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Vision & Values

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VISION

- "We will enable local people and communities to THRIVE through a vibrant, inclusive, resilient and economically productive social enterprise and community ownership sector."
- **LARCH will enable local people and communities to "Thrive" through:**
 - Deep engagement
 - Nurturing aspiration
 - High quality education
 - Excellent training, work and enterprise opportunities
 - Shifting our social & economic culture toward social enterprise and community ownership

LARCH will build on the enormous community assets of Redcar & Cleveland and Hartlepool, including its:

- Rich heritage
- Local loyalty and sense of community
- Passion to bring about positive change

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VALUES

- **KEEP IT SIMPLE**
- **BE TRANSPARENT** and take an honest, pragmatic and accountable approach.
- **BE INCLUSIVE** Identifying and supporting those least likely or able to get assistance from other sources
- **BE FLEXIBLE AND INNOVATIVE** A range of different options for organisations at different stages
- **KEEP IT LOCAL** Keep focusing on Social Value for the respective towns - and be outcome focused. Local Wealth Building (keeping as much of the money as possible within Hartlepool and Redcar respectively)
- **FOCUS ON CREATING POSITIVE SOCIAL IMPACT** in every possible way, for example being CARING, KIND AND COMPASSIONATE.
- **EQUITABLE** Wanting to use all processes, actions and investments to empower and enable local people - learning, enterprise and employment
- **LOOK FOR EVERY LEARNING & WORK OPPORTUNITY** Maximise every opportunity to learn and create jobs
- **BUILD COMMUNITY OWNERSHIP CULTURE** Wanting to nurture a community ownership culture / "sharing" economic models and community-based support for the project and its investment
- **BUILD COMMUNITY RESPONSIBILITY (e.g. repayment)** Linked to this - the importance of repayment to ensure an enduring fund
- **LEVERAGE EVERY POUND** Wanting to use this funding to leverage in other mixed funding and investments

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Enterprise development support

Who?

The Local Access programme can support VCS organisations & social enterprises and some other organisations:

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 - Regulated/ registered organisations - charities, Community Interest Companies or Community Benefit Societies which pursue charitable objective(s).
 - Unregulated social sector organisations (such as CLGs, CLSs and IPSs) may be eligible, if the business fulfils the following criteria:
 - Mission lock and social mission
 - Profit distribution and asset lock
 - Maximises public benefit, private gain is incidental, no state aid issues
 - Transparency on social impact and social/ charitable purposes



- Sole traders/ partnerships
- Commercial organisations
- Private businesses

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Enterprise development support

Where?

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 - Supported organisations need to be based in Redcar & Cleveland and Hartlepool
 - There may be some scope over time to support other organisations who have a significant presence or projects based in the two areas
 - In real life/ virtual???



- Organisations based outside of Redcar & Cleveland and Hartlepool

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Enterprise development support

What?



- Engagement, learning, networking opportunities
- Support to develop ideas
- Support to create action plans to develop enterprise idea
- Enterprise development support packages – bespoke to the needs of each organisation and the stage that they are at – early stage, enterprise/ business plan development, growth/ scale up, getting ready for investment
- Ongoing support



- Open grants/ funding programme
- One size fits all approach

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Enterprise development support

When?

- Funding approved early July 2021
- July-September – work through legal agreements, funding agreements, staff recruitment, recruitment into governance structures
- Launch of LARCH enterprise development programme September/ October 2021
- Plan for the enterprise development programme to run for 5 years until 2026

How?

- Events, workshops, training, pitching events, networking
- Hunter gatherer groups – identify needs and enterprise opportunities
- Challenge groups- support engagement with specific target groups/ communities
- Review groups – develop your ideas and identify the best package of support with you
- Small grants for organisational time/ enterprise development activities
- Peer support/ mentoring and professional/ technical support/ guidance
- Ongoing support

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Blended Finance

Blended finance is when social investment (repayable) is blended with grant funding to make social investment more affordable and accessible to a broader range of organisations through smaller loans, greater flexibility and part grant/ part loan to organisations or reduced interest rates

LARCH is working with Key Fund to develop our blended finance model

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Blended Finance

Who?

LARCH is working with Key Fund to develop our blended finance model

What?

Fund Priorities:

- Working Capital
- Asset Finance (Buildings, Equipment)
- Overdraft facility

Underpinning Principles

- Competitively priced, not artificially cheap
- Prioritise grant to client over interest rate

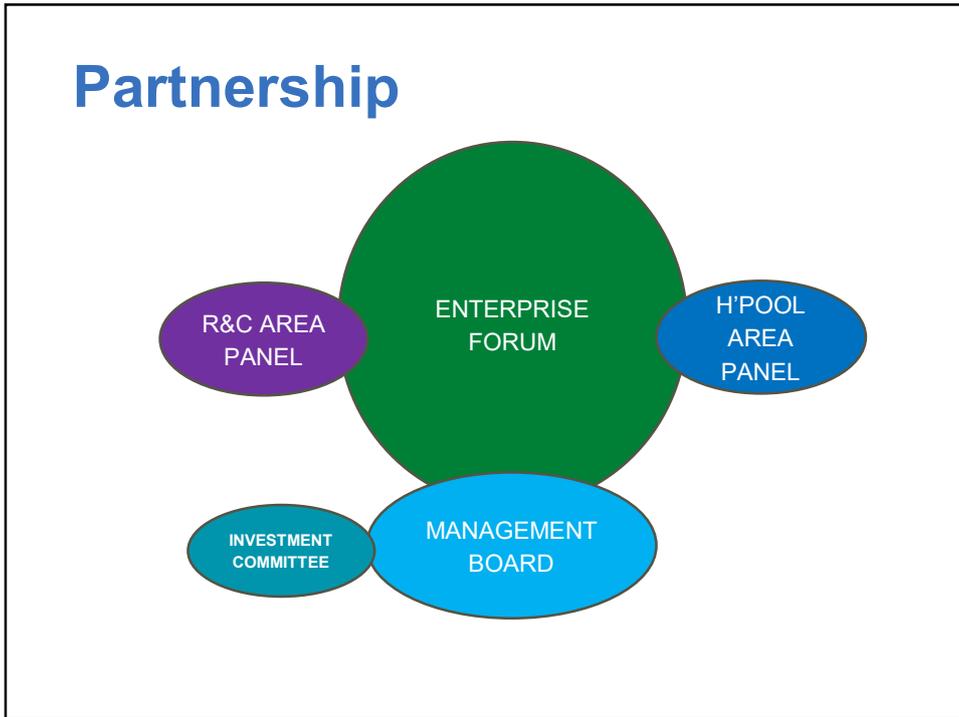
When?

We're in final stages of developing the model to be approved by Access Foundation & Big Society Capital by December 2021

How?

Organisations will have to apply for blended finance support, a process which will be supported by enterprise development work, and further support from Key Fund

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Partnership

Community Enterprise Forum
Wide engagement with a broad range of organisations to develop learning, sharing, making connections, inputting into how the programme develops over time

Local area panels
To oversee the operational functions of LARCH and delivery of the Enterprise Development plan in each area. Will make decisions on small grants & support packages. 6- 8 organisations from each area.

Strategic Management Board
Setting the strategic direction and overseeing the LARCH programme – accountability to funders etc.

VONNE as independent Chair, LA representatives, Key Fund and 3 organisations form each area

Other ways to engage:

Hunter gatherer groups	Challenge groups
Review panels	Peer support/ technical support

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Case studies 1

CURRENT REAL BUT ANONYMISED EXAMPLES OF POTENTIAL SOCIAL ENTERPRISES

CASE STUDY A

Organisation A have an idea for a green business capable of creating low skilled employment and training opportunities

They have a strong concept of the idea and early indications that the business could be profitable but are currently exploring the appropriate scale of the business to achieve profitability given some of the disposal issues

They need funding to identify someone with sector specific expertise and connections to both gather the evidence and information they need as well as strengthen their request for significant social investment (c. £100 – 150k)

CASE STUDY B

Organisation B already have some skills and expertise in the digital sector they have a new idea for.

They believe their concept could be revolutionary within their sector and that the potential interest from both individuals, institutions and corporations give the idea a broad base for success

The idea would address a serious social problem, provide work and training opportunities and the profits would be used to support other free services to local people

They need funding to develop a branded pilot as well as ensure the idea is protected from easy duplication.

The pilot would be used to demonstrate to funders the value and potential of the idea so as to secure longer term funding to role the idea out nationally

Both of these case studies would be benefitting from the generic aspects of the project as well as a specific budget

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Case studies 2

ENTERPRISE GROUP PATHWAYS

ORANGE PATHWAY- NEW TO LARCH	YELLOW PATHWAY- PRE-IDENTIFIED	PURPLE PATHWAY- HUNTER GATHER GROUP
Find out about LARCH from college lecturer & check our web site	Organisation already involved in LARCH comes forward with their digital idea	Hunter Gatherer Group identify commercial cleaning opportunity & approach local charity
Friends from social care course attend Social Enterprise Basics Session	Invited to take part in Panel review including Partners from relevant fields – Complete Review Questions (diagnostic)	All invited to take part in Panel review including Partners from relevant fields – Complete Review Questions (diagnostic)
Excited by possibilities they enter Dragons Den type competition with social care enterprise idea – doesn't win but invited to Panel	Review Panel, agree package of support and development including research, financial planning & mentoring	Early stage support package agreed to carry out extra research and planning as well as all encouraged to attend Ideas into Action / other workshops
Invited to take part in Panel review including Partner from relevant fields – Complete Review Questions (diagnostic)	Trustees engaged in Social Enterprise Basics workshop	Research & Planning very positive, contracts available. Panel agrees Grant application for equipment and working capital - awarded £18k (dependent on satisfaction of grant conditions)
Early stage support package agreed to carry out extra research as well as encouraged to attend Ideas into Action workshop	Second Panel Review discusses progress and agrees £3000 grant to support full funding application for additional grant & loan finance – subject to grant conditions (Key involved throughout)	Commercial Cleaning Social Enterprise begins trading
Research very positive, Panel meets again and agreed Business Planning and Coaching Support package	Application to Key Fund for £45k – grant & loan Approved subject to conditions	
Grant application for branding and digital support given positive outcomes from planning stage awarded £4,500 (dependent on satisfaction of grant conditions)	Application successful. Subject to certain conditions	
Social Care Business Begins Trading and continues involvement with LARCH for support & to help others	Conditions met & Finance Awarded	
	Digital Social Enterprise starts trading	

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