

Start It

Guidance for Applicants

Introduction

Start It awards help new social entrepreneurs in Scotland to start up their businesses and can help pay for costs associated with this up to a maximum of £5,000.

Who can apply?

You can apply for Start It if you have an idea for a social enterprise but need some funding to get it up and running. There are no restrictions around ideas, but it should be new rather than a continuation of something already existing. We also prioritise applications from individuals we have not previously awarded.

[Check out our Success Stories](#) for examples of individuals that we have supported.

Section One: Eligibility Checklist

Applications must meet the following eligibility criteria:

- The applicant is aged 16 or over.
- The applicant is a permanent resident of Scotland.
- The enterprise operates primarily for the benefit of people or communities within Scotland.
- The enterprise and its activities do not involve political campaigning or the advancement of religion.
- The enterprise is an independent organisation and not the project or subsidiary of an existing body.
- The enterprise aims to provide direct social impact to individuals, communities and/or the environment.
- The enterprise is in the early stages of development – i.e. the ‘idea’ or ‘start-up’ phase – and has not begun trading on a regular basis.
- The idea does not form part of the applicant’s current employment.
- If the enterprise requires premises to start trading, the applicant must have identified a property and be able to confirm an agreement in principle.

If the application does not meet these criteria, it will be ineligible for Firstport funding.

If you have any questions about eligibility that aren’t answered below, please contact us via email at info@firstport.org.uk or via phone on 0131 564 0331.

Eligibility FAQs

Q: My enterprise will be trading across the whole of the UK. Is this eligible?

There are no geographical restrictions on trading. However, as Start It is funded by the Scottish Government, the majority of the social impact must be delivered in Scotland. This means that the majority of people who will benefit from the good work of the enterprise must live in Scotland.

Q: I've run an income-generating pilot – does this count as trading?

If you have already conducted brief activity to test the market for your idea, but are **not** regularly trading (e.g. you may have run a pop-up stall, or a trial workshop), then your idea is still likely to be eligible for Start It funding, and the results of this activity could in fact strengthen your application. However, if you have been regularly trading for some time, and this is ongoing at the point you apply, it is more likely that you have moved past the early stage that Start It funding supports. In this case, you should contact us for further advice on the other support we can offer for later stage enterprises.

Q: I've already set up as a sole trader/private company limited by shares. Am I ineligible for funding?

Firstport funds individuals as opposed to organisations, so you can still apply whether or not you have set up a legal entity for your project, and regardless of the type of entity you have chosen. However, at assessment, we will want to know why you have chosen to go down a particular route, and whether you are committed to sticking with it.

Setting up as a sole trader or private company limited by shares is more common in traditional commercial organisations as both of these models allow profits and assets to be paid out of the business to private individuals or bodies. A key feature of a social enterprise is that it does not allow this, and instead reinvests profits back into achieving its social aims. Even if it needs to close down, any remaining assets (after debts are paid) must be passed on to another social enterprise or charitable organisation – usually with similar aims. This feature is usually reflected in its choice of legal model.

If it is important to you that your organisation can continue to distribute profits or assets, then your idea is unlikely to receive Start It funding and we would be more likely to point you towards support on setting up a standard commercial business. Firstport's sister company, [FirstImpact](#), may be able to provide support if this is the case.

However, we are aware that many new social entrepreneurs initially register as sole traders or private companies limited by shares for other reasons – perhaps this is the model that seems easiest, or most familiar - or they want to claim their social enterprise name. If this is the case, but you are committed to setting up a social enterprise, we can help provide guidance on changing to a more appropriate model (and may even be able to fund costs associated with this if your application is successful). In such cases, an offer of funding might be conditional on you making this change.

In any event, we would always strongly encourage applicants to base their choice of legal structure on what is best for the business, as opposed to being influenced by eligibility criteria for any particular funding stream – via Firstport or any other source. Please contact us if you would like further advice on this subject.

Q: My enterprise is a trading arm of an established charity/organisation. Is this eligible?

No. At Start It, we focus on supporting individuals to start up new, independent projects, and who don't have the backing of an existing parent organisation behind them. In cases where an idea has originated as a project of an existing organisation, but you want to develop this as an entirely new enterprise in its own right, we will want to see evidence that it is fully independent and separate from the original organisation.

Q: What is 'direct social impact'?

When a social enterprise carries out work or provides services itself for the good of its beneficiaries (this could be individuals, a community, or even the environment) we define this as 'direct social impact'. On the other hand, when a social enterprise provides services to other **organisations**, who then go on to do the work with beneficiaries, this would be defined as 'indirect social impact'.

For example: an enterprise providing counselling services to a vulnerable group would be seen as direct social impact; an enterprise providing counselling training to a charity who then provides this counselling to their beneficiaries would be seen as indirect social impact.

Q: What type of enterprise typically requires premises to start trading?

Most bricks-and-mortar retail enterprises, community cafés, or any community-focused enterprise which requires a permanent base of operations as part of their commercial/social strategy.

Q: I have identified a suitable property, but I haven't approached the owner as yet. Does this count as an agreement in principle?

No. You must be able to confirm that the property is available, and that the landlord/agency has agreed in principle to lease the property to you and provide us with details of any costs associated with leasing the property (deposit, rent etc.).

Now that you've confirmed your eligibility, it's time to move on to the rest of the form.

Section Two: About You

This is where you fill out your basic contact details.

If you have any accessibility requirements, please tick the box. Firstport endeavour to make the assessment process as accessible as possible, so it's important for us to know if you have any requirements.

If you have engaged with one-to-one business advice through Firstport / Just Enterprise with a view to submitting an application, please let us know.

If you are developing the idea with someone else, please give further details. If you would like this other person to attend the assessment with you, that can be accommodated, but please remember that we fund individuals, and so you will be the main point of contact.

Section Three: Your Idea

If you don't have a name for the proposed enterprise, that's fine – just put n/a.

If you haven't incorporated the social enterprise yet, that's also fine. If you have, please let us know the legal structure and the charity/company number if applicable. You can usually find this number on [OSCR](#) (charities) or [Companies House](#) (companies).

Some enterprises work across multiple sectors, but there should be a main sector which fits the enterprise in the drop-down list. If there isn't, please select the closest fit.

As above, some enterprises provide social impact across a range of geographical areas. If your beneficiary group is not localised, please select 'Scotland Wide'.

Introduction

The introduction to your idea / social enterprise should be brief and factual. The following points should be covered:

- What services/products the enterprise will offer.
- How the enterprise will generate an income.
- How the enterprise will provide social impact.

Tell us about yourself.

Firstport funds individuals not projects, so we're interested in what makes you the right person to take this idea forward. Passion absolutely counts, but it's also worth considering the following:

- Do you have personal / lived experience of the social problem you're trying to address?
- Are you qualified to do it? If you're offering a specialised service, do you have the professional qualifications required? If you're working with vulnerable people, do you have professional/personal experience? Do you have business experience?
- What kind of support network do you have? Do you have proposed co-directors / trustees? What skills do they have? What skills do you lack?

You certainly don't have to answer all of the above, but you should show that you have considered some of the points.

Please tell us about the business potential of the idea.

We don't require a formal business plan at this stage, but successful Start It applicants have usually considered the basic business potential of their social enterprise.

- Is there a market for the enterprise's services/products?
- Have you identified your competition? Are there other organisations providing similar services/products? Are there other organisations providing different services/products, but potentially tapping into the same market?
- Have you established a pricing structure for your services/products? Are your customers willing to pay these prices?

Again, you don't need to cover everything here, but the above may be helpful to consider.

Please tell us more about the social problem you are trying to solve.

- What difference are you making? Who are your beneficiaries? What impact will you have on them? How will you measure the impact?
- Is there a need for the enterprise's social impact? What is the scale of the need?
- Have you identified your competition? Are other organisations providing similar social impact or working with the same beneficiaries?
- If you require third-party referrals (i.e. through schools, local authorities, GPs), is the process established in principle and have key contacts been made? If not, how do you plan to make these contacts?

Please tell us how you would use any surplus profits.

By 'surplus profits', we mean income left over after all the monthly bills are paid. Some of this is likely to go back into the business to fund growth. Be aware that commercial organisations tend to reinvest surplus profits to boost trading; social enterprises must show that some of the surplus profits will be reinvested in delivering social impact, whether that is through the core services or other service delivery.

If you were successful with your application, what are the key steps you would take in terms of getting the enterprise up and running?

Start It funding is usually spent within a year of the award, so having a clear plan of how you intend to proceed is important. What are your priorities in the first six months? What are your milestones? Where might you need further guidance and support?

Section Four: Budget

Here you need to itemise your funding request, ideally under categories of spend. This request will form the basis of your award if you are successful.

Eligible Costs

Start It funds can be used for a wide range of costs associated with starting up the enterprise. While individual applications vary, typical costs at this stage include:

- **Legal fees for setting up a legal entity.** Choosing which type of legal entity is a complex question and we would recommend researching this point or getting professional advice before making a decision – but usually this means incorporating as a company limited by guarantee (perhaps with charitable or community interest company status) or a Scottish Incorporated Charitable Organisation (SCIO).
- **Rent for premises/office space.** This should be a specific sum based on discussions with the landlord. You should also state how many months this rent will cover, e.g. Rent (3 months): £1500.
- **Venue hire.** If your enterprise delivers events or regular pop-up services, Start It funding can be used to cover venue hire.
- **Utilities, including phones.** As with rent, you should ideally give us an idea of how many months the request will cover.
- **Website, including domain registration and website design.**
- **Branding, logo design and marketing materials/stationery.**
- **Insurance costs.**
- **Accountancy costs.**
- **Equipment.** Please note: while we do fund equipment for social enterprises, this will be assessed on a case-by-case basis, and should not be the sole funding requirement.
- **Laptops.** In exceptional circumstances where the applicant has limited access to a laptop, the panel will consider funding a laptop to a maximum of £600. If the applicant requires a higher specification laptop for design/CAD work, the panel may consider funding a contribution to this cost, again to a maximum of £600.
- **Software.** Usually accountancy packages, but we have funded more enterprise-specific software, such as design or teleconferencing packages.

While we don't require quotes at application stage, the more specific your costs, the better.

Ineligible Costs

- **Retrospective costs.** Start It funding cannot be used to cover expenses already incurred and paid for.
- **Wages.** If you have already started trading and require funding for wages, you may be eligible for the Build It fund.
- **Training/qualifications to deliver core services.** For example, if you want to run a social enterprise teaching yoga, we cannot fund the training to become a teacher. You should already have the qualifications to deliver core services. We can sometimes fund top-up training.
- **Business consultants/coaching.** Firstport already provide free business advice through [Just Enterprise](#), and we strongly encourage you to access this advice prior to making an application, so we would not fund external business coaching or advice.

- **Meeting/subsistence costs.** This is typically difficult to evidence as business-related. While venue hire is covered (see: [Eligible Costs](#)), other meeting costs such as refreshments, etc., cannot be covered.
- **Permanent redevelopment of property.** Premises-dependent social enterprises may wish to develop the property to make it fit for purpose, but we are unable to fund refurbishment of a privately-owned property. Start It funding may be used to pay for portable or temporary fittings, however.
- **Livestock.** We are unable to fund livestock of any type.

Other Sources

If your funding requirement is over £5,000 and you plan to use money from other sources, you should detail this in the space provided.

Eligible Costs FAQs

Q: I haven't chosen a legal structure for the enterprise yet. Do I still need to put in legal / incorporation fees in the request?

You don't necessarily need to know which legal structure you want to go for at this stage, but there should still be an intention to incorporate at some point within the span of the award. It is up to you whether you seek professional advice to help you with this, and whether you want to apply for funding to cover this cost.

Q: I need to pay someone to design my website / branding – does this count as wages?

No, unless you would be looking to contract that person as an employee. Paying someone to provide services **to** the enterprise - such as design - would be eligible. Paying someone to work **for** the enterprise and help deliver its services would not.

Q: I have already set up the social enterprise and all I need is equipment. Will this be eligible?

Some social enterprises have already sourced start-up funds from elsewhere (which should be detailed in the 'Other Sources' space) but have a larger initial funding requirement. As per the eligible costs above, we will assess this on a case-by-case basis.

Q: If I submit a budget and need to change it at a later date, is that possible?

We understand that requirements may change between the submission of the application and the assessment, so there will be opportunities to amend your budget later.

Section Five: Bank Details

Here you need to provide us with your bank details to ensure swift payment if you're successful. Please note that at Start It level we are funding the individual, not the business, so the bank details provided should be for your personal account.

Bank Account Name

This should be the account holder's name as it is presented on your bank statement, **not** the bank/building society name.

Account Number and Sort Code

These should be the same numbers as presented on your bank statement. Please note that the sort code should be a single 6-digit number with no spaces or dashes.

Section Six: Equal Opportunities

We only use equal opportunities information for statistical purposes and it will not form part of your application assessment.

If there are any questions that you would prefer not to answer, please leave the field blank.

Section Seven: Submit

And you should now be ready to submit! If you've missed any required fields, the form should let you know.

If you're having issues submitting your application, please email us at info@firstport.org.uk or give us a ring on 0131 564 0331.

What Happens Next?

You should receive an email confirming that we have received your application. If your idea is eligible, we will then contact you within 2-4 weeks to arrange an assessment.

The assessment will take place over the phone or – if you are happy to do so - via **Zoom**. Zoom is a video-conferencing tool, and we will provide you with a link ahead of the meeting. In order to use Zoom, you should have a webcam, microphone, and access to the internet – you don't need a computer to use it; a mobile phone will do. This will provide you with an opportunity to tell us more about your idea, motivation and plans for the future, and help us to get a better understanding of your proposed social enterprise.

If you have accessibility requirements that would make a phone or Zoom call difficult, just let us know and we'll try to arrange something more suitable.

After assessment, your application will then go to an independent panel who will make the funding decision. We aim to get back to you within 12-14 weeks of the date you submitted the application, though please note this may be longer during very busy periods. If this is the case, we'll let you know.

In the event that your application is not successful, we will notify you by email with panel feedback.

Any Questions?

If you have any queries at all or would like to speak to us before making an application, please give us a call on 0131 564 0331. Good luck!