Build It

Guidance for Applicants

Introduction

Build It awards are for social enterprises that have tried and tested their business and need funding for salaries to ensure long-term sustainability.

Build It funding is awarded four times a year. Eligible social enterprises can apply for up £40,000 for 1.5 FTE posts at [Real Living Wage.](#)

Who can apply?

You can apply if your social enterprise is already running and has been trading for up to three years. Successful Build It applicants can demonstrate a strong track record of both income generation and direct, measurable social impact.

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

Section One: Eligibility Checklist

To apply, your social enterprise must meet the following eligibility criteria:

- Has a registered office in Scotland.
- Operates primarily for the benefit of people or communities in Scotland.
- Its activities do not involve political campaigning or the advancement of religion.
- Has an asset-locked constitution registered with either Companies House, The Office of the Scottish Charity Regulator (OSCR), or the Mutual Public Register.
- Has a business bank account in the name of the social enterprise.
- Has a board of directors in place, of whom **no more than half** are:
  - Related to one another; by related we mean:
    - Related by blood
    - Related by marriage
    - In a civil partnership with each other

- In a long–term relationship with each other
- Related through a long–term partner
- Living together at the same address

Or

- Employed by the enterprise (or paid to deliver services to it).

- Has been trading for three years or less.
- Is an independent organisation and not the project or subsidiary of an existing body.
- Can provide evidence of successful trading to date and demonstrate the potential to become financially sustainable.
- Can provide evidence of direct, measurable social impact that it has already delivered to individuals, communities and/or the environment.
- Its salaries request adheres to [Scottish Government Fair Work policy](#).
- At the point of application, it has closed its Start It award (if previously funded by Firstport through Start It).
- Uses the required cashflow template for the application

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

Frequently Asked Questions about Eligibility

Q: We are not officially incorporated yet. Can we still apply?

No. Build It is only open to incorporated social enterprises with a registered office in Scotland.

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

Yes. Your business can trade anywhere you want, but because Build It is funded by the Scottish Government, most people who benefit from the good work of your enterprise must live in Scotland.

Q: Our social enterprise has model Articles of Association. Is this allowed?

No. Model Articles of Association are standard default articles and do not include an asset lock. An asset lock protects the use of the company's assets and prevents profits and assets from being distributed to private individuals and other companies.

Q: We do not have a business bank account. Can the Build It grant be paid into a personal bank account?

No. Unlike Start It, Build It is paid to the enterprise. We need a business bank account in the name of the social enterprise.

Q: I need funding for more than one salary. Can this be covered?

Build It can cover up to £27,000 for a single new post (including salary, pension, and tax) and a further £13,000 for an additional part-time post. It can also cover multiple salaries on a part-time basis if they adhere to the [Real Living Wage.](#) We do not cover sessional or casual staff.

Q: I need funding to continue existing salaries. Is this allowed?

No. Build It covers new roles only.

If you are the founder and already drawing a salary from the enterprise, you cannot use Build It funding to continue funding your current role. However, if you want to move to a different role (for example, to stop delivering services so you can work on growing the business), then you can apply for your salary, but please explain this clearly in your application.

Q: Our enterprise is still relatively new. How much evidence of income generation and social impact is required?

Because Build It is for tried and tested business models, we would usually expect to see a track record of at least a year, especially if the enterprise has a seasonal business model.

Q: What is direct, measurable social impact?

When a social enterprise does work or provides services for the good of its beneficiaries, we call this 'direct social impact'. When a social enterprise provides services to other organisations, who then go on to do work with their beneficiaries, we call this 'indirect social impact'.

For example, an enterprise offering counselling services to a vulnerable group has direct social impact. An enterprise offering counselling training to a charity who then provides counselling to their beneficiaries has indirect social impact.

Direct social impact should be measurable, ideally in a quantitative (number of beneficiaries helped) and qualitative (quality of service provided) way. We expect to see evidence of the impact your social enterprise has had to date.

Q: Our enterprise was incorporated over three years ago. Does this mean we can't apply?

Build It supports enterprises that are still at a relatively early stage. If the enterprise was incorporated over three years ago and has been trading since then, it won't be eligible. However, if you can demonstrate that your enterprise has been trading for less than three years, we may be able to accept an application. You should explain this in your application.

Q: We were awarded Start It but haven't yet closed off the award. We will be able to do this soon after submitting our application. Can we still apply?

No. We need to ensure that all applicants have closed off any previous awards before they apply to Build It. Build It deadlines are four times a year, so if you are planning to apply for Build It once Start It is finished, please keep an eye on our website for the upcoming deadlines and contact your Relationship Manager to close off your Start It award if required.

Section Two: About You

This is where you fill in your contact details.

If you have any accessibility requirements, please tick the box. We try to make the assessment process as accessible as possible, so it's important for us to know if and how we can help.

If you have engaged with our one-to-one business support before applying, let us know. If you have engaged with any other support with another organisation, let us know too.

If you are developing the social enterprise with someone else (i.e. a co-founder), please give details.

Section Three: About Your Enterprise

Please provide us with the name of your enterprise and legal structure.

We need your charity or company number. You can usually find this number on OSCR (charities) or Companies House (companies). This number should relate to an incorporated organisation with a registered office in Scotland.

Sector

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

Beneficiary Location

Some enterprises provide social impact across geographical areas. If your beneficiary group is not localised, please select 'Scotland Wide'.

Introduction

The introduction should be brief and factual. You should cover:

- What products/services the social enterprise offers.
- How the enterprise generates income.
- How the enterprise generates social impact.

How long has your enterprise been trading?

If you have been trading since incorporation, please enter the number of years and months here. If you haven't been trading that long, let us know. Build It is for organisations that have been trading for up to three years.

How much income has been generated from trading to date?

This should be your total income generated from trading. We define trading as income generated from the sales of products/services or any service agreements.

How much income has been generated from grants to date?

This should be your total income generated from grants. We define grants as income generated from funding or donations.

What is the current profit/deficit of the enterprise?

This should be taken from your most recent management accounts. Ideally this is profit, but don't worry if the enterprise is in deficit. The purpose of Build It is to help social enterprises reach financial sustainability.

Supporting Documents

These documents are vital for assessment, so it's important that they meet our requirements. Any documents that do not meet the requirements will make the application ineligible, so please read the following guidance carefully before submission.

Business Plan

You must submit your business plan as a **Word document** or **PDF**. **It must not exceed 12 sides of A4**. A cover page is not counted in this. We will not consider any additional pages beyond the 12-page limit.

We appreciate that business plans come in all shapes and sizes, but we strongly recommend you use the headings and associated guidance below to ensure you cover all the information we need to assess your application.

Remember, the business plan should be a supporting document for the application with a focus on the next 12 months, not a general business plan.

Section 1 – Vision

Provide a concise statement of your vision/goal for the enterprise. Try to present a clear picture of what you would like your enterprise to accomplish.

Your vision statement should act as the foundation for all your strategic planning and be reflected in your Mission and Objectives (see **Section 4**).

Section 2 – Background

Provide an overview of your enterprise, briefly addressing:

- **An outline of the social problem you are tackling.** Focus on what the problem is and the need you are trying to address.
- **Your beneficiaries.** These are the people you are trying to help and who are affected by the social problem detailed above. Be specific about who you are targeting – is it a particular age group, gender, or community? How many people have you helped so far?
- **Evidence that your beneficiaries' needs are unmet.** Use your own research, reports from local agencies, government statistics, and the demand for your existing services to evidence this.
- **A summary of the activities you have delivered so far.** Focus on any successes and milestones that you have achieved, both in terms of delivering social impact and developing your income streams. Please include how long your business has been operating and which legal structure you have adopted.
- **A summary of how a Build It award would allow you to expand on what you already do.** We support ambitious enterprises that can show a clear plan for Build It funding, and how they will use this to grow and improve. We cannot support struggling projects that need financial support to maintain their existing operations. Tell us how an award from Firstport would help your enterprise to change and grow.

This section is for overview purposes only. You will have the opportunity to expand and provide more detail in the other sections of the business plan.

Section 3 – Leadership

Provide details about yourself and other key people involved in your enterprise. You should include information about:

- **Your relevant skills and experience**. Explain why you are the right person to lead this enterprise. How were your skills and experience of benefit in getting the idea off the ground? How will they help you move on to the next stage?
- **The skills and experience of any other key people involved in your enterprise**. These include board members, mentors, or key supporters, as well as those involved in front-line service delivery.
- **Key partnerships and external support**. List any connections you have made with individuals and bodies outside your own enterprise that will be important to its continued success.

Section 4 – Mission and Objectives

Your mission statement should be a concise summary of your overall aims. It should outline why you exist, capture the soul of the organisation, inspire change and stimulate progress. For example:

Mission

- To improve the lives of the children who use the centre through:
  o Improving the parenting skills of the parents using the centre
  o Increasing children's self-esteem
  o Helping parents give each other support

The objectives are the practical activities that you use to achieve your overall aim. For example:

Objectives

- Objective 1: to provide workshops, information and advice on parenting skills.
- Objective 2: to provide opportunities for play, drama, and dance.
- Objective 3: to run a drop-in centre with a play area.
- Objective 4: to organise outings for parents.

Your Mission and Objectives should tie into the vision statement in **Section 1**.

Section 5 – Products and/or Services

Provide details about the products and/or services your enterprise offers. These should relate to the Mission and Objectives outlined in **Section 4**.

- Be clear about which products/services you are already offering.
- Identify any new or expanded products/services you intend to offer in the event of a successful Build It application.
- Provide details of new targets you will set for both new and existing products/services in the event of a successful Build It application.

Section 6 – Operations

The operations section tells us about staff, premises and other resources required for your enterprise. It should also give us an overview of your plans for the next year and individual responsibilities.

- **Staff.** Outline the number of staff required (including any existing employees), their hours worked, job remits, and salary requirements.
- **Resources.** These may include – but are not limited to – premises, vehicles, furniture, and IT equipment. Tell us about the resources you already have, as well as any additional resources you require, and how these will be secured and funded.
- **Time plan.** A Build It award lasts for a year, so what is your timetable for the next 12 months? Tell us your key aims or milestones over this period and when you would expect to achieve them. These should relate to objectives as detailed in **Section 4**.

Section 5 (Products and Services) and **Section 6** (Operations) should reflect each other in terms of what is provided by the enterprise and what is required to provide it. We should also see both sections reflected in the cashflow projections.

Section 7 – Market Analysis

Provide evidence of a market for your products/services. You should demonstrate a **paying market**, rather than just a **social need**. You can back this up with evidence from your existing track record. We want to know about your success to date in generating income, and your future plans.

In this section, you should include:

- **A statistical analysis** of why you believe your products/services have a market.
    - Levels of interest (from paying customers) you have managed to generate to date.
    - Any market research demonstrating the potential to expand on what you already do.
- **An overview of your customers:**
    - Customers are the individuals or agencies who pay for your products/services. Customers and beneficiaries are not always the same people.
    - Who have your customers been to date? Do you have existing regular customers or contracts?
    - Do you have plans to target new customers in the future?
- **Analysis of competitors:**

o Who else provides products/services to the customers/beneficiaries that you have identified? These may not be similar products/services but may have the same market.
o How busy are they? How does this impact on your market?
o Do they offer the same or a different range of services?

In some instances, there may be a lack of provision and direct competition may not exist. However, if you are asking people to pay for your services, think about what else they may be spending their money on and if you are competing with other organisations for that money. This shows a broad understanding of your competition.

- **Explain your competitive advantage.** Why will people use your enterprise as opposed to your competitors?
- **Provide a summary of your pricing policy.** What are you charging for your products/services? How have you calculated this?
- **Give examples (if any exist) of how similar ideas have worked elsewhere.** Outline both the successes and failures of similar ideas and how you have learned from them.

Section 8 – Social Impact

Provide information about the social impact you are delivering.

- **Explain the social impact your enterprise has delivered so far.**
  o How has your social enterprise made a difference to your beneficiaries?
  o How has it helped improve quality of life for individuals affected by a particular problem or issue?
  o Has it created jobs or relieved poverty?
  o Has it improved the environment?
  o Include facts and figures to evidence what you have achieved.
  o Include case studies and examples of real-life social impact.
- **Explain how you monitor the social impact of your enterprise.**
  o Explain the systems and approaches you use for capturing social impact or change.
  o Do you collect baseline information to record changes that result from your work?

- o Have you set up indicators that are regularly monitored?
- o Do you ask people to complete questionnaires?
- o Do you keep records on the people you work with?
- o How do you track what happens to people you work with?
- **Explain how the social impact will increase in the next 12 months.**
  - o How will a Build It award help you to deliver more impact?
  - o Ho will any new products/services you plan to deliver in **Section 5** increase social impact?
  - o How will you measure the increase?
  - o How many more people will benefit?

Pitch Document

Submit your pitch document as a **Word document** or **PDF**. **Do not exceed 2 pages in length** and summarise the key points from your business plan.

It should not simply be the first two pages of your business plan. Do not include information that isn't contained elsewhere in your application.

Approach your pitch document as if you are summarising your application for a reader who will not have access to your application form, business plan, or financial information.

A popular approach is to include a short paragraph on each of the business plan's sections. Your pitch document should at least contain information on:

- The background of your business, its core functions and why it exists
- Your trading track record and how your organisation generates income
- Your social aims and how the organisation generate social impact
- Your highlights and successes so far
- What you need the Build It award for
- Why you should be funded

Cashflow Projections

Your cashflow projections should show us how you see your business progressing over **the next two years** in terms of the income streams you plan to develop and the expenses you expect to incur.

These projections must be presented in our Excel cashflow template (you can [download it](#) from our website). **Please submit your cashflow as an Excel spreadsheet, not a PDF.**

We understand many applicants have already compiled their own cashflow projections in their own template, but we ask that you use our template for the application to ensure that your submission is up to date and that we can compare it against others. You can change the headings in the template to suit your enterprise, but other templates will not be accepted.

You should complete the **"Year to Date" (YTD)** column of the cashflow. This should be the total income and expenditure to date and should be broken down as much as possible. This will help show the panel your trading track record. If this is less than a year, this should be noted in the **key assumptions**.

You should then fill in your projected income and expenditure over the next two years. **Month 1 will be likely be the month of the pitching panel**, usually around two months from the deadline date (you can check on our website).

Include **key assumptions** – notes to explain your calculations – in the space provided at the bottom of the template. Be as detailed as you can here. This section is vital in helping us understand how you have arrived at your figures and your forecasts.

Further guidance on cashflow projections

The guidance below should help you complete the template. I**f you need further support, contact our business support team on 0131 564 0331 to arrange a meeting**.

The team are usually busy as a Build It deadline approaches, so contact them early to ensure availability.

- **Your projections should show that your enterprise has the potential to develop into a financially viable and sustainable business.** Successful applications usually show that by the end of the two-year period, they can cover at least most of their costs through the income generated, with minimal (or a steadily reducing) reliance on further grant funding. It is particularly important to show that any salaries funded by the Build It award can continue once the funding ends.

- **You should demonstrate an awareness of how income and expenditure might fluctuate over the two-year period, and how this might affect the enterprise's overall finances and operations**. For example, if you expect your enterprise to be busier at certain times of year, can you show an ability to cover overheads during quieter periods? And do those busier periods mean planning for increases in expenditure, such as additional staff time?
- **Your cashflow should show clear links between income and expenditure and vice versa.** For example, if you plan to take on additional staff, do you have the potential to generate more income? Or will your income remain the same while your expenditure increases with additional staff salaries?

Dos and Don'ts

DO research, research, and research again! The more you know about your income and expenditure, the more accurate the cashflow.

DO make sure you fully understand all aspects of your cashflow – what each income/expenditure line relates to and the relationships between each section. If you are shortlisted, you will pitch to a panel (see: **What Happens Next?**) and may be asked detailed questions about your cashflow.

DO use the **key assumptions** section to clarify anything that may be questioned by a reader. More is more in this case, so err on the side of caution and provide an explanation wherever possible. Never assume the reader will work it out or come to the same conclusion as you.

DO show links between income and expenditure.

DON'T be unrealistic. Sales figures rising by a significant percentage without good supporting evidence in the assumptions can be seen as a lack of planning and therefore unlikely.

DON'T be overly conservative either. We see several cashflows that show the salaries as unsustainable after the funding ends, when this isn't really the case.

DON'T rush the cashflow. Take your time to ensure you have filled it in correctly and have given it your full consideration.

DON'T be afraid to ask questions if you're having trouble. Support is available if you'd like further guidance before applying, but …

DON'T leave it until the last minute! The run up to the Build It deadline is a busy period for advisors, so allow plenty of time for support if you need it.

Common Pitfalls

Take care to avoid the following common mistakes:

- **No opening balance.** You need to provide evidence of a trading history, so your opening balance should not be left blank or show a zero balance. Use your opening balance to show the enterprise's current funds and your key assumptions to reflect how this amount has been generated. If your enterprise has a negative opening balance, you should show this and use the key assumptions to explain.

- **Incorrect grant information.** Research grants or awards that you have secured or hope to apply for – including the Build It award! Many applicants forget to enter the Build It award. When they do enter it, they show the Build It award as a single payment in Month 1 of their cashflow, or as monthly payments across the two-year period. **Build It awards are paid in two equal instalments six months apart in Year 1 (so Month 1 and Month 6).** This can have a dramatic effect on the cashflow. If you have any other grants during the two-year period, make sure you're entering the payments accurately. If you are unsure, it's always best to call the funders direct to clarify.

- **Flatlined income/expenditure.** This is where income/expenditure remains static month after month. While some items are unlikely to fluctuate – rent, for example – other income/expenditure is likely to go up and down. Most businesses experience some level of seasonality, with busier or quieter periods through the year that would affect income levels, as well as periods where expenditure may be affected, e.g. higher heating bills in the winter.

- **Impact of marketing.** An enterprise should only invest in marketing costs to increase sales of a service or product. If you include marketing costs, make sure your sales figures reflect the likely impact.

- **Using the wrong template**. We require cashflows in our template to ensure the information provided is up to date and consistency of assessment.

PLEASE NOTE: If your supporting documents are not in the required template or file format, they will be considered ineligible. Demand for Build It is high, so we will not be able to contact you ahead of shortlisting to let you know that you have uploaded ineligible supporting documents. All shortlisting decisions will be made based on the application as submitted.

Section Four: Budget Breakdown

Itemise your funding request. This request will form the basis of your award if you are successful and should be for no more than £40,000. You do not need to apply for the maximum amount, ask for what you need.

Build It funds salaries, so you will need to itemise each role and the amount you need. We will expect you to pay these salaries through company payroll. If you are successful, we will need to see wage slips as evidence of spend.

Successful applicants must adhere to Scottish Government Fair Work policy, so requested salaries should pay the Real Living Wage.

Section Five: Bank Details

For Build It, we need the business bank account details.

Bank Account Name

Please enter the account holder's name as it is presented on the bank statement, **not** the bank/building society name. This name should also be the name of the social enterprise.

Account Number and Sort Code

These should be the numbers as they are shown on your bank statement. Please enter the sort code as a single six-digit number with no spaces or dashes.

Section Six: Equal Opportunities

We only use equal opportunities information for statistical purposes, and it does not affect how we assess your application.

If there are any questions that you would prefer not to answer, choose 'Prefer not to say'.

Section Seven: Submit

You should now be ready to submit your application! If you've missed any fields that you must complete, the online form will let you know.

If you're having problems with the form or sending us your application, please email info@firstport.org.uk or give us a ring on 0131 564 0331.

What Happens Next?

You will receive an email confirming we have your application. The application will then go through our initial assessment and shortlisting process. All applicants will be notified within 2–3 weeks of the deadline date.

If your application is not shortlisted, we will let you know by email and give you feedback as to why it wasn't shortlisted. If we feel that your business has potential, we will encourage you to work with our business support team to address the feedback so you can re-apply to a future round. If the shortlisting panel feel that your idea is not suitable for Build It, we will explain why and, where possible, suggest other avenues of support.

If your application is shortlisted, we will invite you to attend two preparatory sessions ahead of your pitch date: **Practise Your Pitch** and **Cashflow Challenge**. Both sessions will take place over Microsoft Teams, and we will send you a link ahead of the meeting. If you have any accessibility requirements that would make a Teams meeting difficult, please let us know.

Practise Your Pitch is a session with a Relationship Manager to review your proposed pitch, ask questions about the format of the panel and pitching process, and review any questions you may receive from the panel about the pitch and business plan.

Cashflow Challenge is a session with a Business Advisor to review and improve your cashflow projections, as well as review any questions you may receive from the panel about the finances of the enterprise.

Both sessions aim to help you prepare and make the pitching experience less daunting. If you have questions or concerns, both the Relationship Manager and Business Advisor will be happy to address them.

The Pitch will take place on a designated date (see Build It page for details). Please make sure that you are available on this date. The pitch will take place over Microsoft Teams. Again, if you need adjustments, please let us know.

The pitch will take no longer than 40 minutes. You will speak about your business for 10 minutes, followed by questions from the panel (up to 30 minutes) about your enterprise, business plan, and cashflow projections.

After the panel, we will let you know about the decision by phone or email. This will usually be within a few days of the pitch.

Any Questions?

If you have any questions or would like to speak to us before applying, please call 0131 564 0331 or email info@firstport.org.uk. Good luck!