

Start It

Guidance for Applicants

Introduction

Start It awards help new social entrepreneurs in Scotland to start up their businesses. You can apply for a maximum of £5,000 to pay for business start-up costs.

Who can apply?

You can apply for Start It if you have an idea for a social enterprise but need funding to get it up and running. The idea needs to be new, rather than an extension of an existing company or charity.

[Here are some ideas we've previously funded.](#)

Glossary

Asset – Something valuable that belongs to a person or organisation that can be used to pay debts. Examples of an organisation's assets include cash, land, investments or buildings.

Beneficiary – An individual who is linked to the social mission of the enterprise and who benefits from the enterprise's services.

Income – Money earned from doing business. For social enterprises, this is usually a mix of trading and grant funding.

Profit – The difference between the amount earned and the amount spent in operating the enterprise.

Sector – The area of the economy in which businesses share the same or related business activity, product, or service. For example, all types of shops belong to the Retail sector.

Social enterprise – A business with an asset lock that uses its profit to create a positive social impact.

Section One: Eligibility Checklist

Applications for Start It funding must meet the eligibility criteria below:

- You are aged 18 or over.
- You are permanently resident in the UK.
- Your idea will operate primarily for the benefit of people or communities in Scotland.
- Your idea will **not** involve political campaigning or the advancement of religion.
- Your idea is in the early stages of development – i.e. the ‘start-up’ phase – and is not trading on a regular basis.
- Your idea will be an independent organisation and not the project or subsidiary of an existing body.
- Your idea does not form part of your current employment.
- Your idea aims to be financially sustainable through trading as opposed to grant income.
- Profits from your idea will be reinvested in the business and its social aims. No assets or uncapped dividends will be transferred out of the organisation to private individuals or bodies.
- Your idea will provide direct, measurable social impact to individuals, communities and/or the environment.
- If your idea requires premises before it can start trading, you have identified the premises and obtained an agreement in principle.
- You have not received Start It funding for another idea within the last 10 years.
- You have requested eligible costs associated with starting up a social enterprise.

If your application does not meet these criteria, it will not be eligible for Start It funding.

Frequently Asked Questions about Eligibility

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 Start It is funded by the Scottish Government, most people who benefit from the good work of your enterprise must live in Scotland.

Q: I have been testing my idea and made some money – does this count as trading?

If you have already done some work to test the market for your idea – for example, running a pop-up stall or trial workshop – but are not doing this on a regular basis, then you can still apply for Start It funding. This may help your Start It application by giving us evidence of market.

If you have been trading on a regular basis and are making money from it, then you have likely moved past the early stage that Start It funding supports. If this is the case, please contact us so we can advise on the other funds we have available.

Q: We want to start a trading arm of our charity. Can we apply for Start It?

No. At Start It, our focus is on individuals with ideas to get started, not to help organisations develop new income streams. This ensures that we target our support to individuals who need it the most as opposed to projects that already have backing or support from an existing organisation.

If your idea came out of a project of an organisation that already exists but you want to turn it into a new, independent business, you will need to explain this in the application.

Q: I have already registered as a sole trader or a private company limited by shares. Can I still apply for Start It?

Start It funding is for individuals not organisations, so you can still apply if you have set up a company, but the grant would go to you as an individual.

If you have set up as a sole trader or a company limited by shares, we will want to know why you have chosen that legal set-up and if you plan to stick with it. This is because these models are more common in traditional commercial organisations which allow profits and assets to be paid out of the business to private individuals and other companies.

Social enterprises do not allow this. They instead put their profits back into the business so it can have more social impact. Even if a social enterprise needs to close permanently, any leftover equipment, buildings, materials etc., must be passed along to another social enterprise or charity. This is what makes social enterprise different from commercial business.

If it is important to you that your organisation distributes profits or assets, then your idea cannot receive Start It funding, but Firstport's sister company FirstImpact may be able to help.

If you are committed to setting up a social enterprise, we can give you guidance on changing to a social enterprise model.

We always encourage you to choose a legal structure based on your business needs rather than funding opportunities. We have business advisors who can help with this, so if you haven't already done so, we strongly encourage you to tap into our free business support service. You can find more information about [this service on our website](#).

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. There are many ways to measure impact. You do not have to have a measurement system in place for Start It, but it will help your application if you have considered how you will measure the impact you're having.

Q: What kinds of business require premises before they can start trading?

Most retail businesses such as shops, cafés, or any community-focused enterprise that needs a permanent base to work. Shops and cafés can be

reliant on location to be profitable and community-focused enterprises are usually based in the communities they are working with.

Q: I have found a property I would like to use, but I haven't spoken to the owner yet. Does this count?

No. You will need to confirm that the property is available, and that the landlord or owner has agreed to lease the property to you in principle. You will need to provide details of the costs of leasing the property as part of your application.

Section Two: About You

This is where you fill out your contact details, including your name, address, and phone number.

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

If you have met with a Firstport business advisor to get help with your application or you have been working with another support organisation like a Third Sector Interface or Social Enterprise Network, please let us know.

If you are working with someone else on your idea, please give us their details. This person can attend the assessment with you, but please bear in mind that you will be our main point of contact.

Section Three: About Your Enterprise

If you don't have a name for your social enterprise yet, that's fine – just write n/a.

If you haven't registered your social enterprise yet, that's also fine. If you have, please let us know the legal structure and the charity or company number. You can usually find this number on [OSCR](#) (charities), [Companies House](#) (companies) or [Mutuals Public Register](#) (Community Benefit Societies).

Sector

Your business may work across multiple sectors, but there should be a main sector which fits what you do in the drop-down list. If there isn't, please select the closest fit.

Beneficiary location

Your business may benefit people in your local community only, or across geographical areas. If your beneficiaries are not all in one location, please choose 'Scotland Wide'.

Introduction

The introduction to your idea/social enterprise should be short and factual. Please tell us:

- What services/products your business will offer.
- How the business will make money.
- How the business will make a positive impact.

Tell us about yourself

Firstport funds individuals at Start It, so we're interested in what makes you the right person to take your idea forward. Passion counts, but we also want to know about:

- Your personal or lived experience of the social problem you're trying to address.

- Your qualifications. If you're offering a specialised service, do you have the required professional qualifications? If you're working with vulnerable people, do you have professional/personal experience? Do you have business experience?
- Your support network. Do you have co-directors or trustees? What skills do they have? What skills do you need?

You do not have to answer all the questions above, but you should show us that you have considered some of the points.

How will the enterprise generate income?

We don't need a business plan for Start It, but we do need to see that you have thought about the basic commercial potential of your social enterprise.

- Are there people who want to buy or use your services/products?
- Have you identified your competition? Are there other organisations offering similar services/products?
- How much will you charge for your services/products? Are your customers willing to pay these prices?

You don't need to cover everything here, but you should show us you have considered some of the points.

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

Social enterprises use their profits to address social problems, so you should consider the following:

- What is the social problem? How big is it?
- What difference do you want to make? Who do you want to benefit? What impact will you have on them? How will you measure the difference you make?
- Are there other organisations offering similar impact or working with the same group of beneficiaries?
- If you need other organisations (schools, local authorities, GPs) to refer clients to you, have you spoken to them? If not, how do you plan to make these contacts?

Please tell us how you plan to use any surplus profits from your enterprise.

By 'surplus profits', we mean money left over after all the bills are paid. Social enterprises usually put their profits back into the business to do more good work and create a bigger positive impact.

If you are successful with your application, what are the key steps you would take to get your enterprise up and running?

If you receive Start It funding, you will need to spend it within one year, so you need to have a clear plan of what will happen when you receive the money.

- What are your priorities for the first six months?
- What do you want to achieve?
- What help do you need?

Section Four: Budget Breakdown

This is where you itemise your request, ideally in categories. For example, Rent, Website Costs, etc.

Eligible Costs

Start It can fund a variety of costs related to starting up a business. Some examples include:

- **Legal fees for setting up a social enterprise** – Choosing a type of legal structure can be a difficult decision and we would recommend getting professional advice. Usually, social enterprises register as a Company Limited by Guarantee (sometimes with charitable or Community Interest Company status) or a Scottish Charitable Incorporated Organisation (SCIO).
- **Rent for premises/office space** – This should be a specific amount of money 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 business delivers events or regular pop-ups, you can use Start It funding to hire a venue.
- **Utilities, including phones** – As with rent, you should 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.**
- **Insurance costs.**
- **Accountancy costs.**
- **Equipment** – We fund equipment on a case-by-case basis, and this shouldn't be the only thing you ask for.
- **Laptop** – When you have limited access to a laptop, the panel will consider funding a laptop to a maximum of £600. If you need 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** – Examples include accountancy, design, or teleconferencing (e.g. Zoom).

We don't need you to show us quotes, but please be as specific as you can with your costs.

Ineligible Costs

- **Retrospective costs** – We cannot refund money you have already spent.
- **Wages** – Start It funding cannot be used to cover salaries or otherwise pay for time spent on developing the enterprise. For example, if you are a professional web designer, you cannot claim for your time spent designing a website for the enterprise.
- **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 any qualifications required to deliver core services. The panel may consider top-up training.
- **Business consultants/coaching**– Firstport already provide free start-up advice through [Just Enterprise](#), and we strongly encourage you to access this advice before applying. We do not fund external business/life coaching or advice.
- **Meeting/subsistence costs** – For example, refreshments offered as part of a meeting. This is typically difficult to evidence as business-related, so is not covered by Start It funding.
- **Permanent redevelopment of property** – Premises-dependent social enterprises such as cafés or shops may wish to develop the property to make it fit for purpose, but we are unable to fund refurbishment of privately-owned property. Start It funding may be used for portable or temporary fittings.
- **Livestock** – We are unable to fund livestock of any type.
- **Subsidies for beneficiaries** – If the social enterprise provides free access to beneficiaries, this should be subsidised through trading income. We cannot fund subsidies through Start It.

Other Sources

If you need more than £5,000 to get started and you plan to use money from other sources like bank loans or other funding streams, tell us about it in the space provided.

Frequently Asked Questions about Costs

Q: I haven't chosen a legal structure for my business yet. Do I still need to put legal fees in my budget?

You don't need to know which legal structure you want to go for at this stage, but you should plan to register your company within the year of the award.

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

No, unless you want that person to work for you as an employee. Paying someone to deliver services **to** the enterprise is allowed. Paying someone to work **for** the enterprise and help deliver services is not.

Q: I have already set up the social enterprise and all I need is equipment. Is this allowed?

We will assess this on a case-by-case basis and ask if other typical costs have already been covered.

Q: Can I make changes to my budget after I send in my application?

Yes. We know that things can change, so you can make changes to your budget later.

Section Five: Bank Details

We fund individuals at Start It level, so we need your personal bank details.

Bank Account Name

This should be **your name** as it is shown on your bank statement.

Account Number and Sort Code

These should be the same 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 let us know, either by email 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 contact you within 2-4 weeks to arrange an assessment.

The assessment will take place using Microsoft Teams and we will provide you with a link ahead of the meeting. To use Teams, 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.

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

We're aware that application forms can only tell us part of the story, so the assessment is an opportunity to tell us more about your idea, your motivation, your plans, and help us understand your idea better.

After the assessment, your application will go to an independent panel who will make the funding decision. We will get back to you within 12-14 weeks of the date you sent in the application. This can be longer during very busy periods, but we will keep you updated.

If your application is not successful, we will let you know by email and provide feedback. Start It is a very competitive fund so not every application can be funded, but we welcome further applications if the feedback has been addressed.

Any Questions?

If you have any questions or would like to speak to us before making an application, please give us a call on 0131 564 0331 or email info@firstport.org.uk.

Good luck!