

# 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.

### Eligibility

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 a 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 a paying market.

If you have been trading regularly 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, or attend one of our [Office Hours sessions](#).

### **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. You can still apply if you have set up a company, but the grant would go to you as an individual, and there would need to be a stated intent to incorporate with a social enterprise legal structure if you haven't already.

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 that 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.

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 please contact us for more information.

**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 a direct social impact. An enterprise offering counselling training to a charity that then provides counselling to its beneficiaries has an 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 businesses require premises before they can start trading?**

Most retail businesses, such as shops, cafés, or any community-focused enterprise that need 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.

## **The Application**

You will need to submit your Start It application online. This will require registering for our portal, where you can also keep track of submitted applications and review what you have already submitted. You can pause and return to an active application at any time.

You can find a Word version of the application form on our website. Applicants have found this useful to draft their answers ahead of submission, particularly those answers that have maximum word counts.

If you have any issues with either the online application process or the draft application, please let us know.

## **Section One: About You**

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

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

If you have met with an advisor through Firstport or Just Enterprise 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.

## **Section Two: Developing the idea with another individual or organisation**

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 Idea**

This section will cover:

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

You should aim to keep your answers short and factual.

### **Tell us about yourself (100 words max)**

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.

### **What is the name of your idea or registered organisation name?**

If you don't have a name for your social enterprise yet, that's fine – just write "None".

### **Which sector is most relevant to your idea?**

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

### **Where are your main beneficiaries located?**

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'.

### **What is the problem you are trying to solve? (50 words max)**

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

- What is the social problem? How big is it?
- 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?

**How will your proposed solution solve the problem? (50 words max)**

You should consider the following when answering this question:

- 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?

**What is the business potential of the idea/business? (50 words max)**

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 have an idea of how you intend to generate a trading income.

**What impact do you want your idea/business to have? (50 words max)**

This is an opportunity to expand on how your proposed solution will solve the social issue. Ideally, this should be limited to a year – the length of the average Start It award – with a clear indication of how you intend to measure the impact of your social enterprise.

**How would you use any surplus profits, should your idea/business become successful? (50 words max)**

By 'surplus profits', we mean money left over after all the bills are paid.

Social enterprises usually put surplus back into the business to do more good work and create a bigger positive impact. While they may use additional grant funding to help with specific projects, if you can demonstrate a clear connection between surplus and additional social impact, you are more likely to be funded at Start It level.

### **What is the primary social impact?**

As with the earlier question on sector, your business may work across multiple impacts, but there should be a primary social impact that fits what you do in the drop-down list. If there isn't, please select the closest fit.

## **Section Four: Organisation and Banking Details**

This section will cover basic organisation details, as well as your banking details (required for payment if successful).

### **Is your organisation incorporated yet?**

If you haven't registered your social enterprise yet, that's fine. If you have, please add the legal structure and company and charity numbers if applicable.

You can usually find this number on [OSCR](#) (charities), [Companies House](#) (companies), or [Mutuals Public Register](#) (Community Benefit Societies).

If you are currently operating as a sole trader or Company Limited by Shares, **you will need to demonstrate an intent to register your social enterprise with a relevant structure**, and this will be asked about at the assessment.

### **Banking Details**

Please ensure that these are filled out correctly. If the account number or sort code is filled out incorrectly, it may impact the submission of your application.

#### **Account Holder's Name**

Start It is paid to individuals, not businesses, so we require your **personal bank details**. Ideally, the account holder's name should be the same as the applicant.

#### **Account Number**

This should be an 8-digit number, as shown on your bank statement.

#### **Sort Code**

This should be a 6-digit number without spaces.

## **Section Five: Spending the Money**

This is where you itemise your request, ideally in categories. For example, Rent, Website Costs, etc. This will form the basis of your agreed budget if you are successful.

Please try to separate the categories as much as possible and ensure that the total request is no more than £5,000.

## 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. This includes other large capital purchases like vehicles.
- **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

Please note that if most of your requested items are ineligible costs as below, we may inform you that the application is ineligible. If this happens, you will have to resubmit the application with an eligible budget.

- **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 provides free start-up advice through Just Enterprise, and we strongly encourage you to access this advice before applying. We would 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 it 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 the 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.

## 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. The decision-making panel is unlikely to fund large capital purchases without an asset lock in place.

**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 Six: Equal Opportunities

We only use equal opportunities information for statistical and monitoring purposes, and it does not affect how we assess your application. Relationship Managers conducting the assessment will not have access to this information. 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 us at [info@firstport.org.uk](mailto: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.

**Please note that due to the high demand for this fund, we will withdraw your application if you do not respond to the meeting request within one month.**

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 that will make the funding decision. We will get back to you within 12-14 weeks of the date of your 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, and not every application can be funded, but we welcome further applications if you address the feedback given.

## 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](mailto:info@firstport.org.uk).

Good luck!