



Funding for Social Enterprise

Essential advice and information...



SCOTTISH
SOCIAL
ENTERPRISE
COALITION

Championing business with a social purpose

Funding for social enterprise

Social Enterprise is a way of doing business. Social enterprises are organisations that trade goods and services for social and environmental purposes and whose profits are primarily reinvested in those purposes rather than being distributed to individuals. There are well known social enterprises operating at national and international levels but many are small local organisations, often working in the most disadvantaged areas. Many social enterprises have emerged from the voluntary sector and retain their structures and operating characteristics. As such, social enterprises often face unique issues in growing their businesses and accessing funding.

Whilst many social enterprises can, and do, access traditional grant funding, reliance on these sources can lead to an organisation's activities being constrained in order to meet funder's criteria. Also, funding is becoming increasingly difficult to access and eligibility can be dependent on the social enterprise's legal structure.

Similarly, mainstream loan finance may be difficult to obtain when an organisation is asset poor, income doesn't necessarily come from traditional sources, or when levels of finance sought are relatively low. There is also a reluctance within the sector to access this funding because the focus on social purpose within organisations leads them to concentrate on sustainability at the expense of growth, which might involve greater risk to their service.

The following list of the types of finance available to social enterprises in Scotland is by no means exhaustive. Web links are included: read the information within them carefully to ensure that your organisation meets all eligibility criteria before spending time on the application procedure.

Scottish and other Government programmes ▶

Scottish Investment Fund

Funding packages of £100,000-£1,000,000, of which at least 50% is repayable, to established social economy organisations that have been trading successfully for at least 3 years.
www.scottishinvestmentfund.co.uk/index.cfm

Third Sector Enterprise Fund

£25,000-£100,000 support to build capacity within organisations to operate in an enterprising way. The fund will be delivered by the Scottish Government Third Sector Division and details of how to apply will be available shortly on the Scottish Government website.
www.scotland.gov.uk/topics/people/15300/funding

Social Entrepreneurs fund

Grants of £500-£20,000 to support individuals to develop new social enterprises. Awards will be on 3 levels, depending on how developed an individual's ideas are, to support Concept, Feasibility or Implementation.

Contact – info@firstport.org.uk

European Union

The majority of funding available to Scottish organisations comes either through the European Structural Fund programmes (European Regional Development Funds (ERDF) and the European Social Funds (ESF)), or through the European Agricultural Fund for Rural Development (EAFRD). Structural Funds are administered by ESEP Ltd – www.esep.co.uk in the Lowlands and Uplands and by the Highlands and Islands Partnership Programme – www.hipp.org.uk in the Highlands and Islands. EAFRD is administered by the Scottish Government as part of the Scottish Rural Development Programme (SRDP) – www.scotland.gov.uk/Topics/Rural/SRDP. Incorporated within the SRDP is the LEADER programme which is aimed at promoting economic and community development within rural areas and is administered locally by a local action group – www.scotland.gov.uk/Topics/Rural/SRDP/LEADER. General advice on European funding is also available from most local authorities.

Banking and investment ▶

Many high street banks have teams specialising in working with the not-for-profit sector including the provision of loan finance.

Bank of Scotland

Specialist team working with the not-for-profit sector providing flexible lending facilities. www.bankofscotland.co.uk/corporate/day-to-day-banking/nfp/expertise.html

Big Issue Invest

A specialist provider of loan (£50-£250,000) and investment (£50,000-£500,000) finance to social enterprises.
www.biginvest.co.uk/index.html

Charity Bank Ltd

Loans of £3,000-£350,000 to registered charities and charitable projects.
www.charitybank.org

RBS

Specialist team working with the not-for-profit sector providing tailored borrowing solutions. For more information see – www.rbs.co.uk/corporate/banking/g2/expert-industry-teams/notprofit.ashx

Social Investment Scotland

Loan finance of £10,000-£500,000 to social economy organisations who are unable to raise any or all of the loan finance they require from commercial sources.

<http://sis.bannermantech.com/index.cfm>

Triodos Bank

Loans of £10,000-£250,000 to businesses and charities bringing social and environmental benefits to the wider community.

www.triodos.co.uk

For further information, also see Community Development Finance Association.

www.cdfa.org.uk/cmframe.php?prmid=4200

Traditional grant awarding bodies ▶

There is a range of good funders who do not necessarily specialise in Social Enterprise but to whom social enterprises can apply depending on their eligibility criteria. The following is a very small sample typical of the types of grant awarding bodies that a social enterprise may approach.

Lloyds TSB Foundation for Scotland

Support recognised charities under a number of schemes promoting improving quality of life and creating equality of opportunity. The range of grants available is not stipulated but typically ranges from a few hundred pounds to a few hundred thousand pounds. www.itsbfoundationforscotland.org.uk/index.asp?cat=home

Lottery funding

Grants distributed by a number of distributors such as Awards for All, Big Lottery Fund, Heritage Lottery Fund, Scottish Arts, SportsScotland. Funding priorities change periodically and levels of grants and eligibility criteria vary between distributors and funding programmes. To find the fund most appropriate to your organisation see – www.lotteryfunding.org.uk/scotland. Through an endowment, Scotland UnLtd distributes lottery funds specifically to individual social entrepreneurs. Level 1 awards of £500-£5,000 are available to help convert ideas into projects and level 2 awards of £10,000-£20,000 support individuals to devote more time to developing existing ideas.

www.unltd.org.uk

The Esmée Fairbairn Foundation

Support for registered charities and not-for-profit organisations. Average grant £50,000 including core running costs and project costs.

www.esmeefairbairn.org.uk

The Robertson Trust

Donations to registered Scottish charities. Revenue donation up to £15,000 and capital up to £1,000,000 not exceeding 10% of project cost.

www.therobertsontrust.org.uk

The Tudor Trust

Core funding, development funding, project grants and capital grants to charities and organisations with established charitable objectives. Help smaller, under-resourced organisations which offer direct services within local communities. No maximum or minimum.

www.tudortrust.org.uk/home/tabid/36/default.aspx

Scottish Community Foundation

Awards of £250-£10,000 to a broad range of small, not-for-profit constituted groups working in the area of social welfare and community development. www.scottishcf.org

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www.unltd.org.uk

Coalfields Regeneration Trust

Funds community projects and social enterprises working in eligible former coalfield communities. There are 3 grant streams: Community Grants – up to £500; Small Grants – up to £10,000; Main Grants – up to £100,000 for revenue or capital.

www.coalfields-regen.org.uk

Learning Launchpad

This funds organisations which enable young people to discover their potential, pursue their goals and achieve their dreams.

www.learninglaunchpad.org

HIE financial assistance

HIE have refocused its community funding on the social enterprise sector. Details on how to apply are available at

www.hie.co.uk/contact-hie.html



Scottish Social Enterprise Coalition

Members

Aberdeen Foyer
Aberlour Child Care Trust
ACE Credit Union Services
Action for Change (Scotland)
Argyll & Bute Social Enterprise Network
Association of British Credit Unions Ltd
Autism Initiatives
Bookdonors
BRAG Enterprises
Buchan Dial-a-Community Bus
Business Community Connections
Calman Trust
Camphill Scotland
CBS Network
CEIS
CEMVO Scotland
Centre for Theology and Public Issues
Centre of Health and Wellbeing
Churches Action for the Homeless
Claverhouse Group
Common Strategy
Community Care Providers Scotland
Community Energy Scotland
Community Recycling
Community Recycling Network for Scotland
Community Retailing Network
Community Transport Association
Community Woodlands Association
Co-operation & Mutuality Scotland
Co-operative Development Scotland
Co-operative Education Trust Scotland
Cornerstone Community Care
Cunninghame Housing Association
Development Trusts Association Scotland
Dunedin Canmore Housing Association
Eeksie Peeksie Publications (Good Company Magazine)
Employers for Childcare
FEAT Enterprises
First Port
Fly Right Dance Company
Forth Sector
Furniture Plus
Govanhill Housing Association
Grampian Housing Association
Haven Products
HISEZ CIC
Impact Arts
Institute of Local Television
Institute of Occupational Medicine
Inverclyde Association for Mental Health
Link Group
McSense
Media Co-op
North Glasgow Housing Association
Princess Royal Sports & Community Trust
Scottish Borders Social Enterprise Chamber
Scottish Federation of Housing Associations
Scottish League of Credit Unions
Senscot
Social Enterprise Academy
Social Enterprise Clydebank
Social Firms Scotland
Social Investment Scotland
Speyside Trust
Spruce Carpets
Tayside Foundation for the Conservation of Resources
The African & Caribbean Network
The Big Issue Scotland
The Clean Close Company
The Engine Shed
The Kibble Centre
The Melting Pot
The WISE Group
UK Credit Unions
Unity Enterprise
With People
You Can Cook

Associates

ACOSVO
Creation Ltd
Fife Social Economy Partnership
Glasgow Caledonian University
Glasgow East Regeneration Agency
Glasgow South West Regeneration Agency
MacRoberts
Paul Zealey Associates
R.I.E.R. Social Economy Partnership
Royal Bank of Scotland
Scottish Chambers of Commerce
Scottish Community Foundation
Scottish Council for Development and Industry
Scottish Urban Regeneration Forum
Shell UK
Standard Life
The Faculty of Advocates Free Legal Services Unit
The Scottish Parliament and Business Exchange
Triodos Bank
Unity Trust Bank

Individual Associates

John Cairns
Isobel d'Inverno
Martin Meteyard
Jackie Scutt
Kenneth Tomory

Funding specific to sectors ▶

To name but a few:
Recycling – www.crns.org.uk,
Community energy – www.communityenergyscotland.org.uk,
social firms – www.socialfirms.org.uk,
community trusts – www.dtascot.org.uk. Contact sector umbrella bodies for information on funding opportunities.

Advice and information on funding ▶

...is also available from sources such as the Enterprise Companies: www.scottishenterprise.com and www.hie.co.uk, Scottish Council for Voluntary Organisations: www.scvo.org.uk, from specialist databases such as: www.funderfinder.org.uk and www.grantfinder.co.uk, and through local authorities.

Scottish Social Enterprise Coalition

Campaigning for Social Enterprise

The Scottish Social Enterprise Coalition is a Strategic Partner of the Scottish Government and the national collective voice for social enterprise in Scotland. It brings together social enterprises and intermediaries from across this dynamic and fast growing business movement, representing their needs and views to politicians, policy and decision makers, and opinion formers. Since its incorporation in 2005, the Coalition has secured cross party political support and successfully campaigned for a distinct government strategy for social enterprise. This is now being implemented by the SNP administration's new three year action plan for an enterprising third sector.

The Coalition runs seminars, policy forums and brings the sector together through its annual S2S social enterprise trade fair – the biggest dedicated social enterprise event in Scotland.

For a full list of our members, and to find out how to join the Coalition, please visit our website:

www.ssec.org.uk

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