

# Social Innovation Challenge

2022: climate change and rural communities in Scotland

## Eligibility guidance and overview

### Introduction

The Social Innovation Challenge is a re-designed funding programme to support innovative social enterprise solutions to challenges faced by individuals, communities and the environment. It is delivered by Firstport on behalf of the Scottish Government. It will award up to £50,000 to support the development of a new social enterprise solution in response to an annual challenge theme.

The 2022 theme is centred on the legacy of COP26, seeking innovative solutions to climate change issues faced by rural communities in Scotland. Eligible applicants may apply for funds to help them with start-up fees, research and development, salaries and other essential costs, such as rent or key equipment (see below for a full list of eligible costs).

### Key steps to apply

- Read these eligibility guidance notes and the application guidance document
- [Register to receive updates](#) on support and information events available during the application period
- Draft your application using our [downloadable application form and fill in your cashflow projections using our template](#)
- Submit your application using the [online application form](#) between 3 August and 12noon on Friday 16 September 2022

### Key dates

Challenge launch	Wednesday 20 July 2022
Applications open	Wednesday 3 August 2022
Applications close	12 noon, Friday 16 September 2022
Shortlist announced	Monday 3 October 2022
Pitching event	Tuesday 18 October 2022
Challenge winner(s) announced	Monday 31 October 2022

You are encouraged to attend one of our information and Q&A sessions prior to submitting your application. You can also book a 20min meeting with the Programme Manager to ask them any additional questions by using this link: <https://calendly.com/carmen-firstport/sic-meeting>. You may also be signposted to free business support advice through Just Enterprise.

Unsuccessful applicants will be provided with feedback and may be encouraged to meet with a Firstport business advisor for free business support and/or to apply for alternative funding.

## Who can apply?

Individuals, as well as new or existing social enterprises can apply. Collaborative applications from partners looking to co-create a joint social enterprise solution are also welcome and encouraged.

If applying as an individual or as a collaboration, you do not need to be incorporated as a particular type of social enterprise when you submit your application. However, if you are successful, we will require you to set up an asset-locked social enterprise and have a business bank account set up in order to receive the grant. Our business advisors can support you set up your business in the early stages. Any fees associated with incorporating the asset-locked body (including legal advice) would be considered eligible costs in an application budget. Contact us if you have more questions about how this would work in practice.

## What kind of ideas are you looking for?

You can apply if you have an innovative idea that has great potential to support rural communities facing climate change challenges. We are also particularly interested in solutions that bring a positive contribution to Scotland's Net Zero ambitions by helping reduce carbon emissions.

Your project should be able to demonstrate an element of innovation. See our FAQs for a broad definition of what we mean by 'innovation'. There should also be strong evidence of community engagement and participation. Once again, you can find out more about what we mean by this through our FAQs. Last but not least, you will need to be able to demonstrate a strong potential for income generation, as well as significant, measurable and lasting social impact.

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

## Eligibility

Applications must meet the following eligibility criteria: **Applications must meet the following eligibility criteria:**

### If applying as an individual:

- The applicant is 16 or over.
- The applicant is a permanent resident of Scotland.
- There is an intention to incorporate an asset-locked social enterprise with a registered office in Scotland (*funding will be released on successful incorporation*).

**If applying as a registered social enterprise:**

- The enterprise is incorporated and registered with the [OSCR](#) or [Companies House](#).
- The enterprise's registered office is in Scotland.

**If applying as a new partnership / collaboration:**

- At least one of the organisations involved in the partnership must have a registered office in Scotland or be primarily operating in Scotland.
- There is an intention to set up an asset-locked social enterprise that will be operating primarily for the benefit of people or communities within Scotland (*funding will be released on successful incorporation*).

**Applicable to all submissions:**

- The funded project must seek to provide an innovative solution to climate challenge issues faced primarily by rural communities in Scotland. We welcome applications that seek to extend their reach internationally over the longer term, but applications that do not begin by primarily benefiting Scottish communities will not be eligible for this Scottish Government funded project.
- The activities of the enterprise do not involve political campaigning or the advancement of religion.
- The enterprise aims to provide direct social benefit to individuals, communities, and/or the environment.
- Profits from the enterprise are reinvested in the business and its social aims. No assets or uncapped dividends are transferred out of the organisation to private individuals or bodies. The applicant (or any other individuals working for the enterprise) can take a fixed salary, but profits generated on top of this must be reinvested.

As this grant can only be awarded to incorporated social enterprises, successful applicants who are not yet incorporated will be linked to support to help them plan and achieve this target so they can access the funding. If you would like more information about this, please contact us to discuss further.

Previous Firstport applicants and awardees can apply to the Social Innovation Challenge. However, the solution must be new or innovative and priority will be given to new applicants. If the applicant has already received another award from Firstport, they must have successfully completed the halfway financial review of their existing Firstport award before they can apply for the Social Innovation Challenge.

If the application does not meet these criteria, it will be ineligible for Social Innovation Challenge funding. **If you have any questions about eligibility that aren't answered below, please contact us via email at [info@firstport.org.uk](mailto:info@firstport.org.uk) or via phone on 0131 564 0331.**

## Grant amount and eligible costs

The total prize fund available for the Social Innovation Challenge is £50,000. We welcome applications bidding for the full amount or under. The amount an application bids for will not affect its chances of success or impact on its assessment. What we are looking for instead is a strong proposal, backed by a clear breakdown of costs to be covered.

### What can you use the prize money for?

You can use the prize money to help pay for start-up and development costs. The kinds of costs we cover are wide-ranging. Typical examples include:

- Legal fees for setting up a legal entity for the enterprise, and/or registration as a charity or community interest company
- Intellectual property or trademark applications
- Research and development
- To contribute to your salary, or that of anyone else involved in the delivery of your enterprise's services
  - Please note that we would like to see applications that seek to do more than cover one person's salary costs and can demonstrate a mature understanding of their business needs. Any roles paid for through the Social Innovation Challenge must abide by [Living Wage](#) and [Fair Work First](#) standards.
- Rent
- Website, branding, logo design
- Marketing materials and stationery
- Insurances
- Key equipment or digital infrastructure necessary for the delivery of services.
  - Please note that only laptops to a maximum of £600 can be funded, if the applicant can demonstrate it is an essential need. If the applicant requires a higher specification laptop for design or similar work, the panel may consider funding a contribution to this cost, again to a maximum of £600.

### What can't you use the prize money for?

- To pay for consultancy work on business plans, market research, or feasibility studies (our business support team can give you further advice and assistance)
- To fund overseas travel

- To fund long term training or academic qualifications
- To cover expenses already incurred and paid for

### Do you need help to develop your idea?

If you would like to discuss your idea before submitting your application, [register an Expression of Interest](#) to receive updates on our upcoming information and Q&A events. You can also book a 20min meeting with the Programme Manager to ask them any additional questions:

<https://calendly.com/carmen-firstport/sic-meeting>.

### Definitions

**Asset-lock:** An asset lock is a constitutional device (or a legal clause) that ensures the distribution of profits or other residual assets (land/buildings etc.) are used for a public or community benefit. Often asset locks tie the benefit to the social or environmental mission of the organisation. So an asset lock will prevent the assets of an organisation being used for private gain.

An asset lock does not, however, restrict the payment of salaries to staff nor the re-investment of profits into the organisation's development. Asset locks are one of the defining characteristics of social enterprise.

**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 benefit'. 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 benefit'.

**Please see our Frequently Asked Questions for more definitions and clarifications, or book a meeting with the Social Innovation Challenge Programme Manager:**

<https://calendly.com/carmen-firstport/sic-meeting>.