



Funded by
UK Government

Social Enterprise Fund

APPLICATION GUIDANCE NOTES



Background of the Fund

The Social Enterprise Fund, distributed by VASLan, aims to support and promote local enterprising business within the third sector.

The UK Shared Prosperity Fund (UKSPF) is a central pillar of the UK Government's Levelling Up agenda and provides funding for local investments across the UK. The overall aim of this fund is to increase life chances and invest in communities and place - supporting both local business' and people.

By working with the Scottish Government and the Convention of Scottish Local Authorities, the UK Government have created an appropriate mix of interventions in Scotland. This engagement has informed the interventions list for each of the three investment priorities of the UKSPF:

- 1. Communities and Place**
- 2. Supporting Local Business**
- 3. People and Skills**

Grants from £5,000 - £10,000 are available for third sector organisations in South Lanarkshire to ensure they can access a range of supports when moving to or continuing with enterprising activity.

Read on for information about the priorities, criteria and eligibility of this funding.

Eligibility Criteria

Please ensure that you meet the following criteria.

VASLan Membership

Organisations must be a VASLan member. If you are not a member you can [sign up here](#).

South Lanarkshire Based Organisations

Organisations must be based in South Lanarkshire and operate their Social Enterprise within the South Lanarkshire boundaries.

Organisation Legal Structure

Your Social Enterprise must be incorporated. It may be a Charitable Company, a Charitable Incorporated Organisation (CIO), a Community Interest Company (CIC) or a Community Benefit Society (CBS/Registered Society). It may also be a Company Limited by Guarantee (CLG), if, within its governing document, it has:

- A clear social purpose, such as an 'Objects' or 'Social Purpose' clause;
- A restriction on distribution of profits, to the extent that at least 51% of surpluses are reinvested for its social purpose, and;
- An 'asset lock', which is a restriction on the distribution of assets.

We cannot fund unincorporated associations or trusts, nor organisations that can distribute most of their profits to private shareholders as dividends.

Income

This fund is aimed towards grassroot organisation with a trading income of less than £50,000.

Fund Priorities

We will assess all applications against a set of priorities. We are seeking to make grants to Social Enterprises that:

Reach the most marginalised communities and promote inclusion. We will prioritise organisations that:

- Work with communities that sit within low SMID areas in South Lanarkshire.
- Are led by people with direct lived experience of the issues they are seeking to support.

Support Social Enterprises to grow. We will prioritise organisations that:

- Are Grassroots with a trading income of under £50,000.
- Have a clear idea for growing your Social Enterprise.
- Are dedicated to creating and implementing a business plan.
- Directly benefit from the Fund and continued membership benefits on offer from VASLan.



Fund Priorities

Support communities to recover.

We will prioritise organisations that can demonstrate that they are working with communities that are disproportionately affected by social inequalities and supporting those communities to recover. Some examples are:

- Reducing poverty and/or providing debt management services (e.g. tackling inequality and/or homelessness).
- Enabling routes back to employment (e.g. skills and job training, access to vacancies, job creation).
- Overcoming educational disadvantage (e.g. helping marginalised children and young people catch up).
- Improving physical health (e.g. working with sufferers of long COVID-19 and/or existing health conditions worsened by COVID-19).
- Improving mental health (e.g. for young people and older people, people who have been bereaved, people who have faced domestic abuse, child abuse, addiction, rural isolation etc.).
- Relieving isolation by bringing community spaces back to life (e.g. community owned leisure facilities, community centres and community cafes).

Fund Priorities

We want to see applications that support Social Enterprises to:

- Restart, grow and diversify revenue streams, particularly income from trading.
- Develop new markets, products, services and partnerships to reach diverse communities.
- Adapt business models, delivery models, spaces and support to enable delivery in the new reality.
- Strengthen systems, including governance, financial management systems and IT.
- Strengthen staff and volunteer teams, including managing restructuring, training and wellbeing.

To receiving funding, you must be a Social Enterprise operating within South Lanarkshire only.

£5,000 - £10,000 grants are available.

This funding can go towards:

- Feasibility Studies
- Consultation Fees
- Website Design Fees
- Training Courses
- Marketing & Promotion

Compliance

Subsidy Control

Below we have included information about the new UK Subsidy Controls, which have replaced EU State Aid in the UK following Brexit

The new UK Subsidy Controls have replaced EU State Aid in the UK, following Brexit. The controls outline how the Government can provide financial support to UK businesses, and sets limits on this.

Social Enterprise Grants are paid under the UK Subsidy Controls, using the new SAFA (Small Amounts of Financial Assistance) rules as set out at Article 3.2.4 of the EU/UK Trade & Cooperation Agreement. This currently allows organisations to receive up to £325,000 of government subsidy in any three financial years, but we are asking organisations to tell us about anything over £315k, as the rules are likely to change in the next few months.

What counts towards the SAFA limit?

Your Social Enterprise may have received support from public authorities (the government, local authorities, health authorities, some Lottery funds, HMRC etc) in the last three financial years. This support may have been in the form of grants, loans, tax incentives or business advice. Not all of this support will “count” towards the SAFA limit.

Normally, if the grant or support you received was provided as State Aid de minimis funding or under SAFA rules, you should have a letter or agreement which states this.

Compliance

Counts towards the SAFA limit:

- Employment Allowance (HMRC support for National Insurance payments, which is currently up to £4000 a year).
- Some COVID grants or loans.
- Any other grants or support you have received under State Aid De Minimis or SAFA Rules in last three financial years.

Doesn't count towards the SAFA limit:

- Job Retention Scheme (Furlough) grants.
- Grants or loans paid under EU Temporary Framework (some business grants, some SESF grants).
- Grants from non public authorities – such as Trusts and Foundations.
- Other: Trading income, including contracts from public bodies, donations from individuals or corporates.

How much is allowed under SAFA rules:

Your Social Enterprise is allowed to receive £325k (soon to be £315k) of government subsidy under SAFA or State Aid De Minimis rules in any three financial years. You should therefore consider any government subsidy in this financial year and your last two financial years.

Compliance

What am I agreeing to when I sign my grant letter?

When you sign your grant offer letter, you are confirming that, including the Social Enterprise Grant, you will not have received more than £315k in government subsidies under SAFA or De Minimis State Aid in the last three years (this financial year and the last two financial years).

You are also agreeing to the grant conditions, which require you to pay the grant back with interest if it is later found that you have breached these rules. [Click here to find out more.](#)

Branding and publicity when funded by the UKSPF:

All print and digital materials published must adhere to the UK Government branding guidelines. This entails all publications show the UK Government Logo and state that funding came from the UK Shared Prosperity Fund (UKSPF). [More information can be found here.](#)

Evidence of spend:

VASLan will require organisations to keep evidence of all expenditure relating to this fund and be able to show that evidence if required by UKSPF compliance team.

Organisations must retain evidence of spend and evidence of related activity for a period of 10 years.