

THIRD SECTOR ENTERPRISE FUND

HOW YOUR APPLICATION WILL BE APPRAISED

The Fund aims to support established third sector organisations with ambition for growth and development. The purpose of the Fund is to support enterprising and innovative activity to **increase organisational capacity, capability and/or financial sustainability, rather than project funding.**

Stage 1 Appraisal

We check the applicant meets the basic eligibility requirements of the Fund. You **must** meet all of the following basic eligibility criteria before we progress your application to full appraisal:

- Established third sector organisation with an appropriate legal personality which reinvests surpluses for a social purpose (**your organisation must be incorporated**)
- Located or operating/trading in Scotland – this can include UK based organisations working with Scottish beneficiaries
- Appropriate management and governance arrangements in place to support our investment
- The organisation is solvent
- Demonstrated a commitment to equality and diversity

If your application does not meet all the above points, it will be rejected at this stage.

Stage 2 Appraisal

We will summarise the proposal and consider how it fits with the purpose of the Fund, and how it addresses the two main investment criteria and the three investment priorities. We will assess the viability of the proposal and whether your organisation has the relevant skills, knowledge and expertise to bring it to fruition.

In the case of a consortium application, we will consider information about all partner organisations and their individual roles in the proposal. The lead applicant must explain how the grant will be managed and distributed among the other partners.

We will consider the amount of funding being requested and what it will be used for - **we will not support core costs.** We will also assess whether this is proportionate, the overall costs and efforts to source match funding. You should provide a breakdown of capital and/or revenue costs including each element requiring support from the Enterprise Fund.

If we consider your application does not meet the purpose of the Fund, or there is insufficient evidence to demonstrate the proposal is viable, it will be rejected at this stage.

Stage 3 Appraisal

We will score your application against **seven appraisal criteria** by assessing the **quality of the evidence** provided.

1. **Very poor** quality of evidence provided
2. **Poor** quality of evidence provided
3. **Satisfactory** quality of evidence provided
4. **Good** quality of evidence provided
5. **Excellent** quality of evidence provided

Applications that score **28 or more out of a maximum 40 (70%) pass the appraisal**. If your application scores less than 28 your application will be rejected.

<p>Criteria 1</p> <p>The outcomes for Scotland realised by our investment</p>	<p>You must provide clear evidence of how you expect the Fund to contribute towards improved outcomes for your organisation and in addressing at least one of the Scottish Government's 15 National Outcomes.</p>
<p>Criteria 2</p> <p>The organisational potential realised by our investment</p>	<p>The Fund's key aim is to secure a transformational step change in organisational capacity, capability and/or financial sustainability. The score here will be double weighted. The proposal <u>must</u> score a minimum of 3 against this criteria.</p> <p>You must be able to demonstrate that the investment will build your organisational capacity, capability, and/or develop your financial sustainability in the future, either through business growth and increasing your turnover or through making the existing business sustainable.</p>
<p>Criteria 3</p> <p>The investment priorities</p>	<p>You are expected to contribute to the Scottish Government's priorities by tackling at least one of the following investment priorities:</p> <ul style="list-style-type: none"> • Employability • Environmental action • Tackling the underlying issues of health inequality.
<p>Criteria 4</p> <p>Knowledge of the market and new and additional enterprising/innovative activity</p>	<p>You must be familiar with the market you operate in or intend to operate in and its competitors. What research evidence have you presented about gaps in market provision, market failure and demand? How will you develop new services or products, or complement what already exists? Your proposal must not result in displacement.</p>

<p>Criteria 5</p> <p>Effective monitoring and evaluation system in place</p>	<p>You should outline how you will monitor and evaluate your progress towards achieving increased sustainability. What target/milestones/performance indicators have you set to monitor progress?</p>
<p>Criteria 6</p> <p>How the organisation will take forward or sustain the changes once Scottish Government funding ends in March 2011</p>	<p>You should detail how your organisation can continue the activity at the end of the funding period. For example will the proposal be self-sustaining or will it be mainstreamed into the business?</p>
<p>Criteria 7</p> <p>The amount of funding requested is proportionate and demonstrates value for money</p>	<p>Ideally we expect to fund up to 70% of any proposal cost, while the balance of the investment package could include loans, other grants and applicants' own resources (this is desirable rather than essential).</p>

Applications under £70,000 will be appraised, reviewed and approved within the Third Sector Division.

Applications for £70,000 or more have to be supported by a business plan. We will carry out a general assessment of the **overall quality of evidence** provided in the business plan and whether appropriate and relevant information has been provided. The business plan will not be scored but we will assess its strengths and weaknesses.

Applications for £70,000 or more will also be appraised and reviewed within the Third Sector Division. Recommendations will be put forward to a Funding Panel for final decision.