

Social Enterprise Net Zero Transition Fund

Frequently asked questions

What is the Fund?

SIS, in partnership with Zero Waste Scotland, is pleased to present the Social Enterprise Net Zero Transition Fund (NZTF), designed to support social enterprises and the wider third sector to make the transition to carbon net zero.

The purpose of the fund is to support these social sector organisations (SSO) in their journey to become carbon neutral, and to develop the circular economy. Through the fund we are interested in supporting activities that will reduce carbon footprint. Some examples of these activities are below. Please note this is not an exhaustive list and we are keen to see a range of activities come forward:

- reducing energy consumption
- improving energy efficiency
- developing or moving to renewable energy sources
- transitioning to sustainable transport options
- scaling local food production and supply
- minimising or re-purposing food waste
- developing circular economy products, services, processes and practices.

The fund provides **loans** from £10,000. SSO's who have a particular circular economy focus or are proposing specific projects with a focus on re-use, repair and leasing/sharing models, may also be eligible for a small **grant** award.

Who is eligible for the loan?

To be eligible for a loan SSOs must satisfy the following requirements:

- SSOs must generate a trading income that allows for Loan repayments.
- Organisations must be based and operating in Scotland or for organisations that are not, the activity funded by NZTF must be delivering most of their impact in Scotland.
- SSOs must be able to evidence their ambition to transition to a net zero model **and/ or**
- SSOs looking to establish or grow circular economy practices.

Who may be eligible for a small grant*?

To be eligible for a small grant SSOs must be looking to establish or grow circular economy practices in re-use/repair/sharing activities – some examples are below:

- Proposed project delivers new or additional re-use or repair activities that will achieve positive carbon benefits. The project must result in a carbon saving or add value to a 'waste' product or material

- Strategic projects which address significant challenges and create transformational behaviour change, likely to require significant financing and partnerships.
- Business growth and development of established reuse/repair/sharing activities (where projected sales and future income can be forecast)
- Replication of existing working models of circular economy practices

Please click on the following website for more information regarding circular economy practices. <https://www.zerowastescotland.org.uk/circular-economy/what-it-is>

***Organisations must meet the ‘Subsidy control’ criteria (Please be aware that this support will be provided through Special Drawing Rights which allows a maximum of £322,000 available to a single business in a three-year period, including previous de minimis support that may have been received in the past three years.**

Do I need to be based in Scotland?

Organisations must be based and operating in Scotland, or for organisations that are not, the activity funded by the Fund must have its impact in Scotland.

Can I use this loan to repay other debt?

No. This fund exists to support organisations to move towards or grow Circular Economy practices.

What if I meet these criteria?

If you feel your organisation meets the criteria of the Fund, please complete an Expression of Interest (EOI) which can be found on our website

<https://www.socialinvestmentscotland.com/learning-hub/social-enterprise-net-zero-transition-fund/>

What if I do not meet these criteria?

We have a range of other loan products that may be suitable to your organisation/needs. Please get in touch (hello@socialinvestmentscotland.com), and one of our Investment Managers will arrange to speak with you.

What are the terms of the investment?

Investment from the Fund is intended to be as flexible as possible, and a bespoke investment package will be developed in partnership with you. However, as a guide, investments will have the following terms:

Amount: Minimum - £10,000 Maximum - £1,500,000

Interest rate: 3% Fixed

Term: Loans must be settled in full by 31st March 2031

Repayment: We will work with you to find an affordable and flexible package that works for you.

Security/Fees: No security or fees.

Grants: Some small Grants of up to 20% of the total funding amount may be available to organisations with a particular focus on projects that deliver new or additional re-use or repair activity that will achieve positive carbon benefits. The project must result in a carbon saving or add value to a 'waste' product or material

Can I bring in other funding?

Yes, absolutely.

How much information do I need to provide?

If you would like to apply, please complete an EOI. This is a short form, which seeks to understand your Net Zero Transition plans, and your plans for the funds.

EOI's will then be reviewed by the SIS and ZWS teams. If you are invited to the next stage, you will be assigned an Investment Manager who will guide you through the process and the information we require for the next stage.

Will I have to speak to anyone?

Yes. One of our Investment Managers will call you to discuss your application and how this investment could support you.

What happens if our organisation cannot afford to repay this investment?

When you take a loan from SIS you receive regular advice and support from an Investment Manager who will keep in touch with you to make sure things are going to plan. If things don't, then we will do all that we can to support your organisation to get through its challenging time and agree a suitable repayment plan.

Will any of my trustees lose their house if we are not able to pay back our loan?

No. We take no security from the trustees, and they will have no personal liability.

How long does the process take?

We endeavour to provide a final funding decision within 6 weeks of receiving an EOI. The timescale will vary dependent on the speed information is provided to us, and the complexity of the application. Our Investment Managers will give a firmer idea of how long the process will take once they are working with an applicant.

Where can I find SIS's Data Protection Notice?

You can find SIS's Data Protection Notice on our website here <https://www.socialinvestmentscotland.com/get-in-touch/>

By applying for this Fund, you confirm that you understand and accept our obligations under the General Data Protection Regulation (GDPR) set out in Data Protection Notice here.

Please note that in submitting an EOI and further information to SIS, in application to the NZTF, you are agreeing for these details to be shared with Zero Waste Scotland.

Where can I get more information?

You can find more information on our webpage www.socialinvestmentscotland.com , this guidance document or by emailing hello@socialinvestmentscotland.com .