



COMMUNITY ENERGY AND SOCIAL INVESTMENT IN BIG LOCAL AREAS

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What is Social Investment?



SMALL CHANGE
Making a difference

- An **investment** that provides a **social** as well as a **financial return**.
- **Investment**: a monetary asset invested in with the intention that it will provide income in the future and can be turned back into money again.
- **Social Return**: Environmental, social and/or economic value produced by your investment.
- **Financial Return**: Money earned from your investment.

What is NOT Social Investment?



- A grant
- A donation
- A financial investment made to produce financial return only
- Money given to an organisation with no realistic expectation that it will be returned

Grants and buying stuff (goods and services) are good things for Big Local partnerships to do, but they are not social investment!

Bath and West Community Energy

- Bath and West Community Energy (BWCE) was established in 2010. Their main aim was to start projects dealing with climate change and peak oil, that keep economic value at a local level and that offer people a direct say in how their energy is generated and used.
- BWCE was set up so that it should benefit not only its investors but also the local community. So a big part of their work is to create community benefit fund, using surplus income. The overall aim of the community fund is to support projects which will help reduce the effects of peak oil supply and climate change in Bath and surrounding areas.
- With nearly 200 members, in 2011, BWCE exceeded their share target and raised £722,000 through a community share offer as well as raising £1 million loan finance from Scottish and Southern Energy to fund 600kW of solar PV installations in up to 12 projects, mainly local school, in the Bath and Corsham area.
- Their ambition over the next 15 years is to develop over 25 MW of renewable energy installations – requiring over £50m of investment. Over the next 3-4 years they aim to install 4.5 MW of capacity covering solar photovoltaic, wind and hydro technologies.

Social Investment & Community Energy

- Generation Community's (Gen Community) latest share offer is the Staffordshire Sunny Schools Project which aims to raise £880,000 to deploy solar PV systems on 25 Schools in Staffordshire.
- **Business founded**
- 2011
- **Headquarters**
- London
- **What they do**
- The Staffordshire Sunny Schools Project is the latest project from Generation Community to promote mutual ownership of local energy generation, through the deployment of Solar PV, for the benefit of the community.



REG High Down Pensilva, Cornwall

- Project Details
- The High Down project is looking to raise up to £1,500,000 for a single 500kW wind turbine near to the village of Pensilva and the town of Liskeard in Cornwall.
- The project is now open for subscription. Effective rates of return to investors are estimated at an average 8.4%-9.3% over the life of the investment, although the central case is 9% based on an annual estimated output of 1,810 MWh a year.
- The High Down project has already been built – the turbine went up in January 2014 and is currently in testing. It should be fully commissioned and exporting electricity to the network in the coming weeks.
- REG Windpower has used its own money to develop and construct the project – cash which will be refinanced by this offer and then recycled into developing new wind projects in their pipeline.

Why Social Investment



- Making your money go further
- Positive financial, economic, social and environmental benefits
- Reaching different people, groups and organisations
- Empowering and strengthening communities, increasing independence and ‘bouncebackability’.

How to start.



- Identify potential project(s)
- Find the right partner(s) with technical expertise and respect for your way of working
- What returns can you expect;
 - financial, environmental, economic, social
- What's the best combination of grant, loan, other investors?
- Will your investment be used well and not wasted?
- Due Diligence process by Small Change for Local Trust
- Do you have the right team in place to manage this project?

How can Local Trust help?

- 14 Social investment reps like Chris Church – ask your rep to contact them.
- Niamh Goggin, Small Change – social investment advice, due diligence and connections to networks
- The Marketplace; £2,250 grant (incl VAT) to pay for specialist support to help you deliver your plan and (coming soon) details of providers on the website