

GMCVO and 10:10 are seeking commitment from community hubs to join Community Energy GM (formally People Powered Renewables). This exciting project will help community organisations to install renewables in a way that builds skills, forges stronger communities and fosters enthusiasm for carbon cuts and energy efficiency.

In September 2015 GMCVO pre-registered 21 community hubs' proposed solar panel installations with OFGEM which gives us until September 2016 to install. This document should provide you with sufficient information to review and/or sign the Expression of Interest form by Thursday 22nd October 2015. This is required so we know which hubs to include in our financial model and will inform the crowdfunding training on 29th October 2015. A more formal commitment is required on 16th November by signing a Memorandum of Understanding which will be circulated at the end of October 2015.

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If you need further information or to discuss the project? Get in touch!

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1. What is Community Energy GM and the potential benefits?

If your organisation is interested in installing solar photovoltaic panels (solar), exploring how to improve energy efficiency and tackle fuel poverty but lack sufficient finance and capacity to develop them, then Community Energy GM could help you:

- Save money on electricity bills.
- Raise your profile and grow support and membership for your organisation.
- Increase skills and confidence in your employees and volunteers.
- Become a visible role model for energy efficiency.
- Work as a collective towards developing fuel poverty and energy efficiency projects.

This project builds on the success and experience of GMCVO's *Generating Success* project (www.gmcvo.org.uk/generating-success) and 10:10's 'Solar Schools' project (www.solarschools.org.uk). We plan to support up to 21 community buildings/organisations in Greater Manchester in raising the funds for solar panels through donation and investment crowdfunding.

Please note – the exact delivery and funding model used for this project is subject to participation levels. October 2015

2. Who's involved in the project?

The project is open to any non-profit organisations in Greater Manchester, who manage a community building and work with or for a community. However, we are potentially limited to working with the community hubs that were pre-registered with OFGEM in September 2015. The hubs and the potential size of solar that can be installed on their buildings include:

Brunswick Parish Church (10kW)	Sparth Community Centre (4kW)
Deeplish Community Centre (4kW)	St Johns Community Centre (8kW)
Disability Stockport (10kW)	St Johns Church (4kW)
Harpurhey Neighbourhood Project (10kW)	St Thomas Centre (10kW)
Hulme Community Garden Centre (2.25kW)	St Wilfrids Centre / Firmstart (25kW)
KYP Unique Enterprise Centre (15kW)	Tameside Oldham and Glossop Mind (8kW)
KYP Unity House (4kW)	Tsaboath Freedom Centre (4kW)
Levenshulme Inspire (10kW)	Tree of Life Centre (10kW)
Manchester Settlement (20kW)	United Estates for Wythenshawe (4kW)
MERCi (4kW)	Whitemoss Club for Young People (10kW)
Wesley Community Furniture Project (at Longsight Youth Centre) (30kW)	

Renewable 4 Business have carried out a pre-feasibility solar assessment for all community hubs involved and we hope they will be able to continue working with us. GMCVO and 10:10 will co-ordinate and support the development of the project.

3. How will the project be financed and structured?

Through two workshops, we've consulted with community organisations to explore their aims and objectives, what benefits they see to working as a collective, and how different approaches to funding solar panels might align with these aspirations. Full notes from these workshops are available. We're now proposing a model that will see the funds needed for solar raised through crowdfunding.

Community hubs surveyed to date require anything from £3,500 - £36,000 to install the maximum amount of solar PV possible on their roofs. Workshop attendees raised concerns about the ability of their communities to generate this through fundraising alone so for CEGM, we're suggesting a combination of grant funding, crowdfunded donations and crowdfunded investment through a community share offer. A large proportion of the grant funding required has been secured from Tudor Trust to cover project delivery and certain installation-related costs in order to create a viable investment offer. Through this approach, we can generate sufficient capital through crowdfunding, while involving and invigorating diverse communities across Greater Manchester.

3.1. What is crowdfunding?

At its most basic, crowdfunding refers to the practice of multiple people contributing money to add up to a great total. This can be via donations or investment i.e. a share offer which offers returns. As a source of funding, this approach is seen as an innovative and democratic rival to more traditional finance models such as banks, and even grant giving bodies.

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The benefits of crowdfunding are multi-fold. Financially, members of the public are often willing to support projects that banks won't and, in the case of investment, may expect lower returns. Crucially though, the value of the crowd can extend way beyond simple figures. Enabling people to contribute to projects involves and cultivates supporters; nurtures skills and confidence; generates publicity; and builds stronger, more connected communities. For example, check out [this video](http://this.video.magic.solarschools.org.uk) on the impacts of the Solar Schools project - magic.solarschools.org.uk

Crowdfunded donations can be raised through a combination of on and offline activity (e.g. events) and allow people to get involved by gifting as much or as little as they can or through contributions of time and skills.

Crowdfunded investments, through a cooperative or community benefit society share offer, allow contributors to make a return on their money and become a stakeholder in the project. Investment is usually set at a minimum of £250.

3.2. How will crowdfunding be used in Community Energy GM?

There will be two phases to CEGM's crowdfunding proposal. We'll initially support community hubs to crowdfundraise donations (November 2015 – June 2016) then we will support our community benefit society to issue community shares in June/July 2016.

Phase A: Crowdfunded donations

Building on the success of Solar Schools, we will support all participating organisations to raise capital through crowdfunding from membership and local communities.

This approach will allow organisations to:

- Raise the profile of the project and their organisation.
- Create easy, low cost opportunities for community members to participate in the project.
- Bring communities together around a shared goal, energy related issues.
- Raise funds that organisations can then invest in the community share offer.

Phase B: Capital provided by a community share offer

- Together we establish a [Community Benefit Society \(CBS\)](#) made up of, and supported by, representatives from participating organisations
- This CBS then issues shares (minimum investment £250) to the public to raise funds needed to install solar PV.
- Investment would be repaid over 20 years (or sooner if finances allow) at an interest rate related to the returns of the project. Shares may also be eligible for tax relief which would increase the return enjoyed by investors.
- The CBS would then own each solar rig and charge the "host" site a reduced rate for the electricity they use that is produced by the panels on their roof (e.g. 75% of a standard electricity tariff). The CBS, not the hosts, would be responsible for the maintenance of the solar rigs. Though of course, a degree of cooperation would be expected from each building e.g. not unplugging monitors, giving access etc.
- We would hope that all organisations would help to promote the share offer (as appropriate) to members and supporters.

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3.3. What's involved in setting up and running a Community Benefit Society?

This approach requires some of the organisations and individuals involved in Community Energy GM to come together to form a Community Benefit Society. This new legal entity would:

- Allow CEGM to access funding (shares, loans etc.).
- Be able to enter into contracts with third parties e.g. to install the solar panels.
- Enter into a roof lease arrangement with the owners of the community buildings
- Own, and be responsible for, the maintenance of the panels (with support from the installer).
- Issue shares and manage shareholders.
- File annual returns and accounts.
- Protect any individuals or organisations from risk!
- Host annual AGMs for members (i.e. shareholders).
- Devise a plan to address energy efficiency and tackle fuel poverty with support from the steering committee.

Dependent on the scale of the project (i.e. amount of solar) and the degree of grant funding secured, we will be able to fund a varying degree of external support for the CBS e.g. accountancy, legal advice, shareholder management etc. It will also be possible for GMCVO/10:10 to take on some of these roles and responsibilities, particularly for the initial surge of activity.

We will need a minimum of three directors for the CBS, supported by a steering committee. In order to ensure the CBS reflects your aims and objectives we would like to source at least some of the directors from participating organisations. Because the CBS would be incorporated, directors wouldn't be liable and definitely wouldn't need to be experts! They would need to be trustworthy, act within the law, in good faith and take care. Any directors recruited at the outset would need to be re-elected at the first AGM (if they wanted to be).

The exact financial details of this model i.e. return on investment; reduction in electricity price for buildings and whether it's all feasible, are dependent on the amount of solar that the CBS is able to install – the more the better.

4. Anticipated roles and responsibilities for community hubs

We're looking for organisations to participate in this project in a whole range of ways. As a minimum we would like hubs to host solar PV, crowdfund and explore energy efficiency but you could also join the steering committee and become a member of the CEGM community benefit society. The energy sessions and membership of the CBS are also open to any hub interested in supporting CEGM.

4.1. Host sites, crowdfundraise, engage the community, explore energy issues

We're looking for organisations who are keen to have solar on their own roofs and willing to allow the CBS to own and install it. Alongside reduced price electricity, support and resources will be on offer to help organisations crowdfund donations to buy shares in the scheme, engage the community, explore energy issues and generate additional social and financial benefits.

This project does not require organisations to raise the full amount needed for solar on their building, instead the funds hubs raise would be used to purchase shares in the project. Therefore you would be free to set your fundraising target lower, independent of roof capacity, but we may need to set a minimum level for each hub to make the project viable. Following the crowdfunding training on 29th October, hubs will have 8 months to reach their target.

As an example of time commitment required to fundraise and engage the community, Solar Schools project teams consist of 3 – 6 volunteers and/or staff from each school who commit time across eight – twelve months to raise £8,000 - £15,000. These teams:

- Meet internally fortnightly to monthly.
- Promote the project through social media, press, partnerships and other communications.
- Run events and activities (can be aligned with existing events).
- Approach businesses for support.

So the roles and responsibilities for hubs are:

- Attend training and peer to peer sessions; seven half day sessions over the year
- Allow the CBS to install solar on your roof
- Receive some reduction in energy costs
- Raise funds to purchase shares
- Work with others to engage the community in the project
- Help promote the share offer (as appropriate) to members and supporters.

4.2. Become part of a steering committee

10:10 and GMCVO will lead and support this work, aiming to pick up as much of the legwork as possible. But, to ensure it truly serves organisations involved, we would like a core team to work with us to shape the project. This will include:

- Meeting/liasing by-monthly with action points in between.
- Feeding into and agreeing a finalised project proposal.
- Supporting the directors of the CBS, once established.
- Acting as spokespeople for the project within the community.

4.3. Become a Director of the CBS

We need a minimum of three directors to establish a CBS. This can be done in a personal or professional capacity and will require attending four annual meetings with action points in between. Ongoing commitments would be guided by the scale of the project and the degree to which we can outsource support.

5. Potential roles and responsibilities for GMCVO and 10:10?

10:10 and GMCVO plan to pull their collective experience to support this work in whatever way needed – subject to funding. Guided by our workshops, our role could include:

Legals, process and installations:

- Setting up and supporting the Community Benefit Society (potentially taking a director role).
- Facilitating and marketing the share offer.
- Engaging and managing any necessary partners/lenders.
- Negotiating agreements and roof leases
- Procuring the installations and any necessary surveying/planning permission/maintenance
- Contracting and subcontracting.

Fundraising, engagement and publicity:

- Training & peer to peer sessions.
 - Crowdfunding training, a tailored online crowdfunding platform and offline resources and how to kits (see www.solarschools.org.uk) to plan your fundraising, using social media, engaging your local press and media, communicating to your donors and keeping the momentum going throughout the journey.
 - Explore energy efficiency and fuel poverty.
- One to one advice and support
- Monthly newsletters to share learning and experience
- Communications and publicity work to raise the profile of the project.
- Co-ordinate and manage joint funding bids on behalf of the project.

GMCVO/10:10 aim to respond to the needs of the project (subject to funding). We welcome your ideas.

6. Proposed timeline

Activity	Date
Pre-register sites through GMCVO	End of September
Community Hubs to sign and Expression of Interest form	22nd October 2015
First peer to peer session (Crowdfunding and community engagement)	29th October 2015
Community hubs to sign an Memorandum of Understanding	16 th Nov 2015
Six further peer to peer sessions	To be arranged
Public launch of project and fundraising	November 2015
Establish community benefit society	November 2015
Procurement, surveying, contracting	April 2016
Develop share offer	April 2016
Complete fundraising	June 2016
Public share offer	June/July 2016
Installations of solar panels	Aug/Sept 2016

7. Summary

GMCVO and 10:10 will develop Community Energy GM which aims to support community organisations in Greater Manchester to install solar panels, benefit from cheaper electricity, gain skills, raise their profile, become a visible role model for energy efficiency and inform the development of energy efficiency and fuel poverty projects.

Together we will establish a Community Benefit Society (CBS) for CEGM which will arrange a roof lease with the owners of the community buildings. It will issue community shares to fundraise for the solar panels and own, install and maintain them.

GMCVO/10:10 are asking community hubs to crowdfundraise to buy community shares in the scheme, this will also enable hubs to engage people in energy related issues. We will provide crowdfunding training and resources and run a series of training and peer to peer learning sessions to explore energy issues. We will also manage the installation of the solar panels.

We have pre-registered 21 community buildings with OFGEM so we have until September 2016 to install the panels. So if you would like to be part of this exciting project – please:

- complete and return an expression of interest form by Thursday 22nd October 2015
- register to attend the Crowdfunding workshop on Thursday 29th October 1:15 – 4:30pm
- respond to the request to complete a Memorandum of Understanding by Monday 16th November

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