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CORE case study: Wight Community Energy – the impact of Community Benefit Fund grants June 2020



About CORE:

Community Owned Renewable Energy (CORE) Partners, a partnership between Power to Change and Big Society Capital, has invested in nine solar farms with a combined capacity of c. 40MW and is working with six community partners, including Wight Community Energy. It aims to transfer these into full community ownership by 2022, whilst maximising the financial, environmental, and social impact for their local communities. The first investment offers for the community solar farms are expected to be launched in the winter of 2020, allowing local people to have a stake in their local green energy generating assets. After this process has been completed, these solar farms are expected to generate several million pounds over their lifetimes to be distributed locally for community benefit.

About Wight Community Energy:

Wight Community Energy (WCE) runs a 3.95MW solar park at Homestead Farm. The park was commissioned in early 2016 and was unfortunate to have experienced problems with grid outages on its network, which resulted in the project experiencing financial difficulties in its first two years of operation. In partnership with CORE, WCE was able to re-finance and reduce the rate it paid on its debts considerably. This, combined with increasing energy generation in 2018, enabled WCE to pay 3% interest to members and make a grant through its Community Benefit Fund (CBF).



Key points for Community Energy groups:

- WCE were clear about the impact they wanted their CBF to have – the reduction of fuel poverty on the Isle of Wight. This has enabled them to focus their support accordingly.
- Giving a grant to an existing project within a well-established organisation has benefits in terms of their ability to put the grant to use quickly, and to feedback using existing outcome indicators. Giving to a single organisation also reduces the amount of monitoring and oversight required from the board.
- Community organisations are likely to attract directors and members who are also involved in other projects for social good within the locality. This was the case with WCE where a director was also working for the organisation that received the grant. To maintain impartiality the WCE board ensured that decisions regarding the allocation of the grant did not involve that director.

Our learning so far:

Allocating the grant

WCE's Community Benefit Fund is funded by surpluses generated by the Homestead solar farm (the amount of the contribution is decided annually and subject to a vote by members at the AGM). One of WCE's three organisational objectives is to address fuel poverty on the island. As the only organisation working on fuel poverty on the island and, therefore, able to deliver WCE's objective, the Footprint Trust received a grant of £7,000 in late 2019.

Approximately 11% (7,115) of households on the Isle of Wight are in fuel poverty (i.e. they have required fuel costs that are above the national average and, if they were to pay those costs, they would be left with a residual income below the official poverty line).

The WCE grant enabled the Footprint Trust energy experts to make home visits to 80 households (roughly a quarter of its planned visits for the year). The experts offered tailored guidance on how to stay warm whilst cutting energy and water bills - for example by switching to a cheaper supplier, reducing energy and water use, and helping people access grants and other assistance (e.g. insulation and grants for boilers). Each visit costs the charity between £80 and £100.

The impact of the grant

The CBF grant came at a time when the Footprint Trust were, due to funding pressures, considering halting home visits and switching to less effective, remote channels of guidance. With the grant they were able to continue their unique service.

Those who receive a visit from Footprint Trust advisor go on to save between £200 and £300 a year on their energy bills. It is also estimated that, on average, each household will reduce their energy consumption and CO2 emissions by around 10%. These figures are calculated using Energy Saving Trust measures of how much energy is saved per energy efficiency measure introduced (Southern Water's measures are used for water savings).

However, the home visits have wider benefits for vulnerable residents beyond the energy savings. By ensuring houses are sufficiently heated, their work helps to avoid hospital admissions triggered by the cold (e.g. respiratory infections and asthma attacks). In addition, by spending time with residents and seeing their living conditions, the Footprint Trust advisors refer people into other charity and social services on the island. Ray Harrington-Vail, the Trust's General Manager describes this as *"helping to plug people into the island's support mechanism."* In one example, they put a call out for, and received a bicycle for someone struggling with their mental health and in financial difficulties. The bicycle enabled this person to visit their child who lived elsewhere on the island (previously they were unable to afford the bus fare) and improve their mental health. The Footprint Trust advisers also are able to recommend trusted suppliers should a householder require repair work.

Importantly the Wight CE CBF grant also acts as a catalyst for the Footprint Trust to attract more funding for their crucial work as Ray Harrington-Vail explains, *"we are always asked by funders how much of our income comes from the island - they expect the local community to be helping. Now we can say that we get a grant from a local community energy company and that helps to bring in more external money."*



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What we're doing next:

Subject to finalisation of the refinancing and optimisation process, including a proposed community share raise, Wight CE plan to allocate more money to their CBF in future. The organisation's aspiration is to allocate £350,000 over the lifetime of the project. CBF funds will be used to provide further support for fuel poverty and energy efficiency work, including work by the Footprint Trust. WCE also hope to improve the biodiversity of their solar site and to fund low-carbon energy projects, possibly including hydrogen and/or electric vehicle initiatives.

If you want to know more:

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The Footprint Trust: Ray Harrington-Vail, General Manager - ray@footprint-trust.co.uk (also a Director of Wight CE)