

## A Guide for Community Groups on Investing for Community Benefit: Summary

**Scottish communities have a 'once-in-a-lifetime' opportunity to invest in their own futures using the income from renewable energy projects.**

Conservative estimates predict there are potential community benefit payments of £17m per annum from commercial wind farms, £20m from community owned generation and potentially large sums from offshore and marine renewables. This level of finance could lead to considerable long term gain for communities if invested wisely.

This report commissioned by Community Energy Scotland and the Scottish Community Foundation aims to stimulate ideas on how communities with revenue from renewable energy projects can invest money for the long term benefit of their community. It draws out lessons from well established community investment initiatives based on the practical experience of ten such communities who have led investment projects in the UK over the past 30 years.

The examples of community investment selected as case studies range from organisations founded in the 1920s to 2006 with assets from as little as £0.8m up to £95m. The strongest outcomes are where groups have put in place the foundations for sustainable businesses.

Although no two organisations are the same, the report highlights some recurring themes in those groups successfully investing for community benefit. These can be summarized as

- A close understanding of community needs
- A clear investment strategy
- Production of real benefits for local people as early as possible
- A simple, clear vision maintained even after expansion
- Clarity of message and public profile
- An ability to take some managed risks
- Effective use of any grants to build capacity and kick-start projects
- Effective management of local relationships and development of strategic partnerships e.g. with wider public, investors, statutory bodies
- Investment in specific skills required
- Careful selection of staff and board members
- Local community 'buy-in' through local share offers or fund-raising when funds required
- Clarity of roles and responsibilities in organisation
- Good local political awareness
- Flexibility to new opportunities e.g. renewable energy development
- Ability to learn from failure

This summary document lists the developments undertaken and current/future investments of the ten groups studied in the full report.

The report, undertaken by the DTAS' consultancy service *The Pool*, can be read in full at [www.communityenergyscotland.org.uk](http://www.communityenergyscotland.org.uk). Any comments and suggestions for further case studies are welcome. Please contact [brid.mckibben@communityenergyscotland.org.uk](mailto:brid.mckibben@communityenergyscotland.org.uk)

**Stòras Uibhist, Western Isles, Scotland - Company Limited by Guarantee established 2006**

- Estate management: provision of fishing & sporting rights, letting out a lodge and business premises, light industrial and commercial site leases
- Subsidising crofts on the estate
- Community windfarm: a 3 x 2.3MW turbine wind farm will generate an estimated £1m pa income which in turn will be reinvested in improved infrastructure and the promotion of other business activity
- Golf course refurbished with Community Interest Company status with any surplus revenue generated reinvested in projects that will benefit the local community. This along with the increased estate sporting activities has lengthened the holiday season with knock on benefits for the local economy
- Land development: several derelict sites have been identified which could provide services for local business (including Stòras Uibhist themselves)
- Development of local transport links to and from the island as well as road networks on the island—this is a hugely important project for the future of all the islands involved by increasing the opportunity for businesses to compete in the mainland market
- If match funding allows, future services for new housing will be provided
- A micro wind turbine project is being progressed to provide power directly to local businesses

**Isle of Gigha Heritage Trust, Argyll, Scotland - Development Trust established 2002**

- Housing improvement programme to renovate and upgrade existing housing stock
- Consultative planning exercise resulting in the council diversifying its housing strategy on the island and allowing more people to build their own homes. If newcomers could demonstrate they could develop businesses or bring new skills to the island they were sold land. Income was put back into housing improvement programme
- Renovation of hotel and self catering cottages for tourists
- Wind farm development – creation of the UK's first grid-connected, local community owned wind farm. Income from this is £125,000 pa going directly to Trust activities; addition of a fourth turbine is in development
- Re-opened a local quarry creating jobs and training opportunities as well as raw materials for construction
- Improvements to local dairy farms, petrol station and road infrastructure; creation of children's play park
- Creation of new crofts and small businesses
- Preventing the closure of local moorings



Isle of Gigha Hotel refurbished and now generating profit poured back into the community

**Ekopia Resources Exchange Ltd, Moray, Scotland - Community Benefit Co-operative established 2001**

This is a community benefit cooperative so has investments as opposed to developments generating income for members to earn returns of 3-5%. Excess is used to develop the organisations invested in. These investments are in

- Phoenix shop
- Findhorn Wind Park
- New holiday chalets
- Loan to fully mutual housing coop
- Loan to Moray Steiner School and Newbold Trust, a local community, retreat and workshop centre



Lifting the blades at Findhorn Wind Park, Ekopia has a 30% stake in this project

**Galeri Caernarfon Cyf, Caernarfon, Wales - Development Trust established 1992**

- Refurbishment of Caernarfon town centre; residential properties have been created at affordable prices by refurbishing vacant buildings or razing some to the ground. Some of this has been in conjunction with a local housing association who provided funding in exchange for a favourable lease agreement
- Development of an arts programme in Caernarfon which is now housed in an enterprise centre developed by the Trust accommodating a 400 seat theatre, cafe bar, studios and conference facilities
- Management of a new company which provides employment and delivers construction and environment projects



Galeri Creative Enterprise Centre providing a facility for new creative micro-companies

**Goole Development Trust, Yorkshire – Not-for-profit Company established 1997**

- Grant funding was obtained to provide training, provide premises and loans for local businesses and help create social enterprises
- Delivery of contract for enterprise and marketing support for local business (promote uptake of broadband in rural areas)
- Creation of a lottery to generate income for grants to community groups and loans to businesses
- Development of property to rent to local businesses to provide income to reduce need for grants

**Fyne Homes Ltd, Bute, Cowal and Mid Argyll and Kintyre – Scottish charity established 1930s**

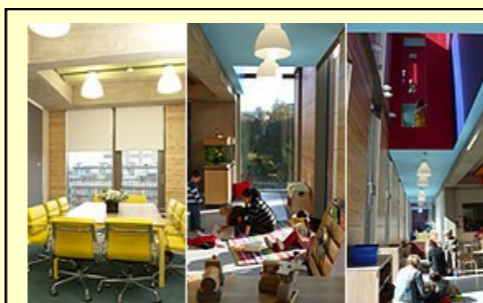
- General recycling services
- Environment projects creating a fleet of vehicles run on recycled waste oil
- Market garden business providing a local box vegetable scheme supplying retail and hotel outlets. This also provides training and local employment
- Carbon reduction practices; travel planning service, electric car hire and car club
- Part of a pilot scheme for RSLs to develop and manage wind energy projects which will generate income for the organisation to reinvest



Bute Produce market garden, Argyll Produce goes to local homes and hotels The garden provides local training and employment opportunities

**Coin Street Community Builders, London – Company Limited by Guarantee established 1984**

- Development of Thames riverside by removing derelict buildings and opening up public access to the river CSCB manage and maintain a park which attracts visitors from the local area and tourists
- Property development along the river creating commercial properties, co-operative housing, retail outlets and restaurants
- New buildings are in the process of being developed for a swimming pool and sporting complex
- Coin Street Neighbourhood centre established
- Improving local social, cultural, health and education services through collaboration with public service agencies
- The knowledge and experience CSCB have developed has enabled them to provide consultancy services



Coin Street Neighbourhood centre, London Comprises day nursery, conference centre, meeting space, restaurant, health and consultancy rooms and office accommodation

**Goodwin Trust, Hull – Company limited by guarantee & registered charity established 1998**

- Development of three purpose built children's centres to provide support and training for families (midwifery, health visitor clinics, parenting skills, baby sensory centres, family activities, toy library, support for ethnic minority groups and teenage parents etc)
- The core work of the Trust is carried out within partnerships and service level agreements developed with the local councils, DWP, Department for Children and Young people, Schools and families
- Expansion of assets to provide accommodation for services and financial stability
- Development of the West Hull Community Transport project to provide reliable, affordable and accessible transport for the community
- Key youth work – misuse of alcohol groups, supporting the 6-19 age group not in education employment or training, Community Warden youth projects and junior wardens programmes



Fenchurch Street Centre—one of the three purpose built Children's centres providing support and training for families

**The Flax Trust, Belfast – Charity established 1980s**

- Local shopping centre established to provide amenities not previously available in the area
- Health centre established for those previously excluded from better health practices
- Set up a business centre accommodating over 500 local businesses and an organisation providing further education and training for NVQ qualifications
- Arts venue established and attended by both sections of the community in Belfast
- Establishment of a community based internet service provider to counter 'digital exclusion' in parts of the local area
- Instrumental in setting up a community development trust which provides affordable loans and free advice to community groups and social enterprises
- In conjunction with the University of Ulster set up the School for Social Entrepreneurs which learning and management education to the social economy sector
- Set up a business, trade and development company to link up small, quickly growing companies in NI with others outside the EU to assist marketing opportunities
- In a joint venture with a local employer, redevelopment of a local derelict building into a neutral city centre facility
- Establishment of a local television channel encouraging local people to make their own programmes and tell their own stories



Shopping centre providing amenities in previously unavailable in the area

**Stornoway Trust, Lewis, Scotland – Trust established 1923**

- Improving the dwelling standards of properties to a reasonable standard
- Provide a sufficient supply of affordable properties to maintain a stable population on the island by releasing more crofting land
- Lease of land to oil company

