SUPPORT TO LOW CARBON COMMUNITIES SETTING UP SOCIAL ENTERPRISES AND THE IMPLICATIONS FOR POLICY AND PRACTICE

Independent Evaluation

An independent evaluation report examining the Social Enterprise support and guidance needs of Low Carbon Community Challenge projects.

Prepared for the Department of Energy and Climate Change by National Energy Action (NEA) in collaboration with Warm Zones cic and The Ideas Mine cic.

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INTRODUCTION

NEA, the national fuel poverty charity, was commissioned by The Department of Energy and Climate Change (DECC) to undertake an independent evaluation to assess the advice and support needs of Low Carbon Community Challenge (LCCC) communities, and the value of social enterprise models. The work included the provision of support and guidance in relation to social enterprise and community energy projects and, more specifically, support offered by Warm Zones cic (WZcic). This involved the development of a suite of supporting materials to provide specialist social enterprise advice.

NEA and WZcic undertook to deliver these elements with the support of the Ideas Mine cic, an action research consultancy and social enterprise.

The evaluation

The independent evaluation sought to explore two key questions:

> **Key questions:**
>
> ❑ What are the most effective ways for Government and the social enterprise sector to support communities in adopting and setting up social enterprises to deliver low carbon communities?
>
> ❑ How useful are social enterprises in helping establish low carbon communities and in what ways?

To answer these questions all 22 LCCC projects were contacted by the evaluation team. The purpose of this programme of engagement was two-fold:

❑ To establish the nature of LCCC projects and the potential for social enterprise structures
❑ To establish projects' support and guidance requirements to enable the successful development of social enterprise as a means of delivering and achieving the objectives of their low carbon community.

The evaluation comprised four main stages of engagement, supplemented by support provided by WZcic.

The findings presented in this report and the conclusions and insights provided are based on the results of all four elements of the evaluation as detailed below.

TABLE 1

Evaluation element	Engaged projects
❑ **Online survey** (baseline) to establish projects' starting point and level of knowledge in relation to social enterprise, and what, if any, level of support and guidance was required.	All 22 (see appendix B)
❑ **Tele-interviews (set 1)** were undertaken with projects that had received bespoke advice from WZcic. The purpose was to explore projects' understanding of social enterprises in more detail, plans and needs for establishing a new social enterprise and experience of the service offered by WZcic.	1. Chale Community Project 2. Cwm Arian Renewable Energy Project 3. Cwmclydach Low Carbon Community 4. Eco-Easterside, Middlesbrough 5. Egni (Awel Aman Tawe) 6. Halton Carbon Positive
❑ **Tele-interviews (set 2)** were undertaken to follow up on projects' journeys towards social enterprise development and their plans for their future business sustainability. This was appropriate in those cases where sufficient time had elapsed since projects had received advice from WZcic.	1. Chale Community project 2. Eco-Easterside 3. Halton Carbon Positive
❑ The team engaged with a further four LCCC projects that had not taken up the offer of social enterprise advice from WZcic, but were an existing social enterprise or were considering social enterprise models. The intention was to examine their experience of delivering their LCCC project.	1. Camphill Community Glencraig 2. Haringey & Muswell Hill Low Carbon Zone 3. Low Carbon Living, Ladock & Grampound Road. 4. Reepham LCCC

Report structure

The *Executive summary* provides a summation of the key findings and insights for policy and practice from the evaluation.

Chapter one begins by setting out what social enterprise is and the ways in which social enterprise structures can assist in achieving the goals of community energy projects.

Chapter two describes the journey of LCCC projects towards adopting social enterprise structures, their starting point and progress made; this chapter draws on the results of the evaluation's four stages of engagement.

Chapter three sets out what is perceived to be an 'ideal model' of social enterprise and reflects upon the extent to which LCCC projects meet this model drawing on case study

examples. Issues of replicability and facilitators and inhibitors of social enterprise within the community energy context are also examined.

Chapter four reviews the main conclusions of the evaluation and presents a series of insights for policy and practice regarding the development of community energy projects and development of social enterprise within them.

EXECUTIVE SUMMARY

Social enterprise is a business model the principal objectives of which are social. Such business models are enjoying a considerably higher profile, especially on the agendas of government policy makers. Over recent years, there has been a growing realisation of the key role the social enterprise sector can play in the development and delivery of strong and cohesive communities. Policy concepts such as 'localism' and the 'Big Society' are objectives at the forefront of the Coalition Government's policy agenda, and both propose a significant role for social enterprise.

The nature of social enterprise is particularly well matched to the ethos of community-based initiatives, especially those that have environmental as well as social objectives. The community or social re-investment basis on which they operate synchronises well with community initiatives that require local buy-in and community participation. Sustaining community engagement is especially important for community energy projects, especially so when their aims or activities encompass renewable or alternative technologies and energy-reducing behaviour. Social enterprises provide a business model that is sustainable, supporting and ensuring the continuation of activities and thus the good will and interest of the community. This is achieved through the provision of social benefits that supplement and build on environmental benefits, whilst incorporating broader outputs, including training and education or employment opportunities and greater community cohesion.

Three conditions for social enterprise success provide the framework against which LCCC projects are evaluated. The first of these three conditions is the 'triple bottom-line', which entails achieving a balance of social capital, natural capital and financial capital. These three principles of social enterprise are generally known as people, planet and profit.

The second condition for success is 'language' and how the concept of sustainability is articulated. When social entrepreneurs talk about 'sustainability' they mean the successful maintenance of the balance of the triple bottom-line, not just environmental or even social sustainability.

The third condition is 'finance' and sustainability of their business and activities through generation of profit. As with any business, social enterprise is underpinned by a clear business plan, predicated on earned income.

LCCC projects were found to have engaged with social enterprise in three ways, some of which meet more than one of the descriptions below:

1. The project is managed and delivered via an existing form of social enterprise. This was true of fifteen projects.
2. The project is in the process of establishing one or more new social enterprise structures, the case for four projects; or is considering whether a new social enterprise is required, also the case for four projects.
3. The project has established one or more new social enterprises to deliver their project, in whole or in part. This was true of five LCCC projects.

Main conclusions:

❑ The funding for projects through the LCCC programme allowed already established projects to continue with existing activities or to develop new dimensions that would not otherwise have been feasible. As a consequence, many of these established organisations or collaborative groupings went on to set up, or intended to set up, a new social enterprise; even those which were already a form of social enterprise.

❑ The evaluation identified three types (or a combination of types) of activity adopted by LCCC projects engaged with social enterprise, these were:

1. Operating in support of the 'parent' organisation's aims and objectives.
2. A holding company into which income generated from project-owned assets/activities (renewable technologies or car club in the case of Reepham) are to be held for future community investment.
3. Involvement in more complex income generation practices, such as co-operatives or offering shares.

❑ A condition of the LCCC grant, which required funding for capital measures (90% of the grant) to be spent within a twelve-month period, contributed to a strong focus on the delivery (installation of capital measures) phase of many projects. One apparent result of such prioritisation is a limited focus on the third principle of social enterprise and long-term business strategies.

❑ In terms of business planning and income generation, projects have recognised the value of policy initiatives such as FiTs, RHI and ROCs and have developed structures to access these income streams.

❑ There are clear parallels between social and community enterprises; however, the community-specific focus of the latter suggests that some LCCC projects may not fully meet the business sustainability (financial principle) of social enterprise. In their drive to generate income for community re-investment, the structure of some LCCC projects reviewed in this report is closer to that of a community enterprise than a social enterprise.

❑ There appears to be considerable disparity among LCCC projects regarding the extent to which new social enterprises, or the projects themselves, have become sustainable businesses, and perhaps the explanation for this lies in the nature of the projects themselves.

❑ LCCC projects clearly understand the case for financial sustainability; however understanding of what this means in practice and how it can actually be achieved is more limited.

❑ Social enterprises, where there are appropriate levels of support (including financial in some cases), can and do contribute towards establishing successful low carbon communities. However, varying degrees of support and in varying forms are required by community-grown projects.

❑ Support can be required at every stage of a project's development, from embryonic concept to maturity and effective service delivery and, crucially, business sustainability.

❑ Social enterprises enable a combination of social and environmental objectives that can uniquely engage communities and promote sustainability in all its forms.

Insights for policy and practice:

A number of key issues have been identified in relation to how the findings from this study could be implemented or considered in light of current and future policy developments. These insights for policy and practice are set out in detail in Chapter Four of this report and have been developed against the three conditions for social enterprise. They aim to help inform the future development of social enterprises as a means of delivering community-based low carbon objectives and are provided for each key stage of the development of community-based energy projects. Briefly, they include:

❑ **Stimulating community action**
It is likely that the majority of future low carbon community projects will be starting locally from scratch rather than supporting existing community initiatives. They will also be required to shape their vision and engage a team of like-minded enthusiasts prior to seeking wider community participation and securing "kick start" support to develop their low carbon ambitions.

The findings presented here suggest that consideration should be given to how best to stimulate communities and interested parties to instigate activity within the emerging localism agenda. Community acceptance and activity could be boosted through the development of a package of benefits and incentives or rewards for community-developed initiatives. New, or expanded existing online resources for the social enterprise sector represent an opportunity to provide support that includes an explanation of the incentives and benefits of taking local action.

❑ **Policy to facilitate action**
Relevant policy frameworks could provide a focus for how local activity might be best stimulated by making the incentives for action clear and transparent. Emerging concepts of the Big Society, Localism and Green Investment infrastructure could be given shape through clear advice and guidance and practical examples that will help galvanise and stimulate community-based activities.

❑ **Scoping and shaping ideas to deliver success**
Once interest has been established, information or support to enable formative ideas to be scoped and the initial vision to be communicated to, and shared with, the community will be required.

LCCC projects generally agreed that, rather than relying on individual exploratory approaches to seek information, a 'light touch' toolkit would be valuable resource and that it could include: legal templates; a 'need to be aware of' section which would highlight potential problems and how they can be resolved; and a signposting section providing directions to available advice and support.

Many communities are unaware of the range of technologies and potential financial incentives available for developing community-based schemes and, consequently, risk making choices that are inappropriate. A specialist mentoring service, established amongst communities that have successfully implemented such approaches could help to ensure that the volume of successful projects is maximised.

❑ **Supporting "start up"**

Lack of access to skills, secure capital and start-up revenue funding can be a common barrier to community action. Future community projects will need to access business planning, professional services such as finance, planning consents, surveying, legal and commercial services, and project management skills. The range of related legal issues linked to social enterprise, ownership and transfer of capital measures (renewable technologies) and generated income (feed-in-tariffs) was identified as an area where specialist input was required.

❑ **Support for social enterprises**

The range of organisations that could potentially play a role in supporting local social enterprise is extensive, but all may have a different focus and limits to their capacity. Local authorities are well placed to inform potential new social enterprises of the range of available support through business links and other relevant sources of knowledge including funding opportunities.

There is growing recognition that social enterprises can bring multiple benefits: they encourage action by those who might not otherwise consider starting a business; encourage and support engagement in ethical markets; and can provide improved front-line public services and pioneering new approaches to service delivery. Businesses with a social purpose also benefit from specialist advice that is sensitive to their specific business environment and the specific needs and issues facing community-based organisations.

Community energy development should aim to integrate with developments in the Big Society, the Green Investment Infrastructure and related national carbon reduction and energy efficiency agendas.

CHAPTER 1: WHY SOCIAL ENTERPRISE?

The profile of social enterprise (SE) has risen considerably in recent years, and especially in relation to the potential role of this sector in the delivery of public service design, delivery and in the strengthening of civil society.

Localism and the concept of the 'Big Society' are objectives at the forefront of the Coalition Government's policy agenda and both propose a significant role for social enterprise. Examples of the rise of social enterprise in policy circles are evidenced in the Coalition's Programme for Government and exemplified in the Localism Bill, which states, *"the objective of this policy is to give communities the right to challenge to run local services where they believe they could do this differently and better*[1]*."* In this context, communities include charities, social enterprises and private companies as a means of introducing innovation, diversity and responsiveness to public need into public services. Government states its

> *"The Government believes that the innovation and enthusiasm of civil society is essential in tackling the social, economic and political challenges that the UK faces today. We will take action to support and encourage social responsibility, volunteering and philanthropy, and make it easier for people to come together to improve their communities and help one another."*
>
> The Coalition: our programme for Government (2010), p29.

support for the *"creation and expansion of mutuals, co-operatives, charities and social enterprises, to enable these groups to have much greater involvement in the running of public services"*. Further evidence of the growing support for social enterprise by government and policy makers is evidenced in the government strategy paper for voluntary and community groups, charities and social enterprises, 'Building a Stronger Civil Society'[2].

1.1   People, Planet, Profit

In the UK the term Social Enterprise was brought to prominence by Freer Spreckley in 1981[3] when he described a social enterprise as *"an enterprise that is owned by those who work in it and perhaps reside in a given locality, is governed by registered social as well as commercial aims and objectives and run co-operatively…"* Since then, social enterprises have developed and grown, as has the definition. The Social Enterprise Coalition defines a social enterprise as:

> *"Social enterprises are businesses driven by social or environmental objectives whose surpluses are reinvested for that purpose in the business or in the community. They operate across a wide range of industries and sectors from health and social care, to renewable energy, recycling and fair trade and at all scales, from small businesses to large international companies. They take a range of organisational forms from co-operatives and mutuals, to employee owned structures and charitable models."*

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[1] Department for Communities and Local Government (2011) Localism Bill: community right to challenge. Impact assessment.

[2] Office for the Civil Society (2010) Building a Stronger Civil Society. A strategy for voluntary and community groups, charities and social enterprises.

[3] Freer Spreckley (1981) Social Audit. A Management Tool for Co-operative Working. Published by Beechwood College. Accessed: http://www.locallivelihoods.com/Documents/Social%20Audit%201981.pdf

It is clear that social enterprise, alongside third sectors agencies, such as charities and community groups can contribute significantly to the growth of strong and resilient communities. A key benefit of social enterprise is the ability to provide social benefits to the communities in which they operate. Whilst commercial business is principally interested in shareholder value, social enterprises have broader ambitions. They attempt to balance the needs of the planet itself and the people who live on it with the need to create wealth. This balance was articulated in 1981 by Freer Spreckley in the development of a social audit management tool for co-operative working. The balance of social capital, natural capital and financial capital is known as the '***triple bottom-line***' or, colloquially, 'people, planet, profit'. Social entrepreneurs take into account ecological and social performance in addition to financial performance when they are assessing the state of their enterprises.

The triple bottom-line forms one of the three conditions of social enterprise success that provides the framework against which LCCC projects are evaluated. The second and third conditions are detailed below.

Conditions of social enterprise success:

1. **The 'triple bottom line'** (see above)
2. **Language:** When social entrepreneurs talk about 'sustainability' they mean the successful maintenance of the balance of the triple bottom line. They do not just mean the sustainability of the planet. Business sustainability is key to successful social enterprise.
3. **Finance:** Social enterprises are sustained by the profitability of their activities, not by grants. Like any business, they are underpinned by a clear business plan, predicated on earned income. Social entrepreneurs take grants when they can, but they are not the lifeblood of their enterprises. Ambitious social entrepreneurs want to make as much money as they can, so that they have the resources to invest in 'people' and the 'planet'.

These three components of the triple bottom-line as conditions for social enterprise success provide a clear fit with the aims and ethos of community-based energy projects. The genesis of community-based projects usually emanates from the desire of a discrete community[4] to act to address commonly experienced problems or areas of interest and concern within their community; to improve services or the quality of life of residents; and/or to provide new services to provide benefits to local community that will address the former two points.

When consulted, the majority of the twenty-two LCCC projects could think of both advantages and disadvantages to adopting a social enterprise model for their project. The benefits cited by projects alluded to the social benefits derived from social enterprise models and references are made to the nature of such models being inherently community-led with an environmental sustainability focus. The emphasis here is on two of the three pillars of social enterprise; people and planet. However, conspicuous by its absence is the third pillar,

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[4] Community in this report is taken to be a defined geographical community.

profit; although it is mentioned in relation to social enterprises not providing profit for shareholders in the private sector sense.

Conversely, the demands of building a financially viable social enterprise are often cited as a disadvantage because of the limited business capability of some social enterprise personnel. The quotes below illustrate this view well:

> *"Some social enterprises set-up in the area have struggled to find a working business model and frequently have to return to potential grant giving bodies for funds. They also have a tendency to seek to fit their activities to the requirements of funding bodies in order to 'chase' funding".*
>
> *"Not enough social entrepreneurs to take forward the vision and with a business background".*

A key feature of community projects is their participatory nature: that is, the involvement and participation of the community as stakeholders in the development of the aims and objectives of the project, its management and or delivery, and future trajectories. The baseline survey suggests that levels of participation and involvement in the target-community[5] were moderate to high. However, participation of the target-community was slightly more likely to be in the delivery of services than their management or the shaping of their organisational structures. The results of the baseline survey are presented in appendix B.

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[5] Target-community is the community to which the projects provide a service or aim to assist.

CHAPTER 2: LOW CARBON COMMUNITY CHALLENGE PROJECTS' JOURNEYS

This chapter explores the process and progress of observed projects towards establishing social enterprise and social enterprise-inspired activities. This chapter draws on the evidence collated in both phases of the online survey[6] of projects and in-depth interviews. The nature of the evaluation undertaken was largely qualitative and whilst a typically quantitative method was employed during an element of the evaluation (online questionnaire) the results should be seen as useful indicators of trends and considered alongside the findings from the interviews undertaken. As such, caution should be used when interpreting before and after results of the online surveys. Whilst indicative of the views of LCCC projects they cannot be considered, nor are they intended to provide, a complete before and after comparison. The results discussed here are not intended as a generalisation, but the experience of LCCC from both those that did and did not pursue social enterprise models.

The projects engaged by the evaluation, have adopted social enterprise to three distinct degrees:

LCCC projects' engagement with Social Enterprise:

1. The project is managed and delivered via an existing form of social enterprise

2. The project is in the process of establishing one or several new social enterprise structures, or are considering whether a new social enterprise is required to deliver and develop their project, or part thereof

3. The project has established one or several new social enterprises to deliver their project, or part thereof.

The evaluation established that the following number of projects met each level of social enterprise engagement described above. A full list of projects and which level is met by each is provided in appendix D.

Table 2

Engagement level	Number of projects
An existing social enterprise	15
A new social enterprise was established	5
A new social enterprise was is in development	4
A new social enterprise is being considered	4
No new social enterprise / status unknown	12

NOTE: The categories above are not exclusive, i.e. one project can fit into one or more engagement categories.

Where a social enterprise is not listed as the main accountable body or managing agent some projects did involve social enterprises in their project delivery, e.g. Haringey and Muswell Hill.

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[6] Responses to the baseline survey: 22; and the follow-up survey: 11.

2.1   LCCC projects' starting structures

Projects engaged at the baseline stage reported on the organisational structure of the lead organisation. Fifteen of the twenty-two projects were already established social enterprises and varied in structure from registered charities to Private Companies Limited by Guarantee (with a social purpose). Even for those projects which were not led by a social enterprise, many did include local social enterprises as partners. For example, Cwmclydach Low Carbon Community, led by Communities First a Welsh Assembly Government programme, involved local community trusts as delivery partners. The organisational structures of those which were not social enterprises were mostly local authority or parish council led, but did include others such as National Parks. In the case of Eco-Easterside, the local authority, whilst the accountable body for the purposes of receiving LCCC funding and providers of infrastructure services and support, the project was in fact managed and delivered by a social enterprise, Middlesbrough Environment City Trust.

2.2   Understanding and perceptions of social enterprise

To design and provide an appropriate level of advice and support to community-based projects wishing to explore or pursue social enterprise we must assess their current level of understanding and knowledge and the extent to which social enterprise principles apply to projects' aims and objectives.

All twenty-two projects received basic advice in the form of written guidance and in some cases, brief guidance by telephone. More substantive advice was provided to six projects upon request. However, the vast majority of projects thought a social enterprise model would definitely have benefits for their project. Despite this, the propensity to seek advice and support will be determined by projects' level of knowledge and confidence regarding social enterprise. Generally, projects reported that they had an average to good knowledge of social enterprise. However, upon closer inspection of the defining characteristics of social enterprises, projects were more likely to recognise the characteristics of social enterprises when prompted.

Most projects agreed that social enterprises delivered social benefits to their communities and that any surpluses were reinvested into the communities they serve. The third principle of social enterprise, as already discussed, relates to characteristics that are perhaps more closely associated with commercial private businesses, namely, businesses which are profit making and operating in a competitive market. Generally, projects were better able to identify this characteristic once they had received social enterprise guidance.

It could be argued that these results are indicative of the impact of advice received, especially advice that expands upon the more commonly known about and held perceptions of social enterprise. These could arguably be the social, economic and environmental benefits; yet specific social enterprise advice can go further to make clear more business-based characteristics.

The follow-up survey queried the extent to which characteristics of social enterprise were reflected in LCCC projects themselves. The defining characteristic adopted by the evaluation were:

> **Characteristics of social enterprises:**
> - They are owned and managed by the communities they serve
> - They have a clear social benefit to the community they serve
> - They can include a clear environmental benefit to the community they serve
> - They can include a clear economic benefit to the community they serve
> - They can offer local employment opportunities
> - Their objectives are driven by the needs of the community
> - Surpluses are reinvested back into the community they serve
> - They can compete to deliver goods and services
> - They can be a profitable business operating in a competitive market.

The characteristics most reflected in LCCC projects related to the social benefits derived from social enterprises and that surpluses are reinvested back into the communities they serve. Also reflected very highly were the characteristics of delivering environmental benefits to their community; community ownership and management ; delivering economic benefits to their community; and community driven objectives. Least reflected in projects were characteristics more associated with business sustainability, competing to deliver goods and services, and profit making businesses operating in a competitive market.

2.3   LCCC projects' engagement with social enterprise

Social enterprises can take many forms and these are reflected in the range of models adopted by LCCC projects. It is important to note that the form of social enterprise adopted by an LCCC project was usually determined by a combination of factors. These included the structure of the accountable, or lead, organisation, the experience or skills of the project lead, and where there had been little or no previous experience, the aims of the project. For the latter, the process used to decide upon the most suitable model can be complex or protracted. The table below provides three case studies to illustrate these factors.

TABLE 3

Structure of the accountable or lead organisation.	**Cwm Arian Renewable Energy (CARE)** The project is managed by Cwm Arian community forum with a legal charitable constitution. Hermon Community Resource Centre was set up as a social enterprise, and a community benefit Industrial Provident Society (IPS) with the FSA in May 2007. Plans exist for a co-operative share/loan offer to raise the additional finance to complete the project. The intent is for this or a new community owned structure to manage the renewable energy production and invest in future community and domestic renewables, domestic insulation, support for new 'green' social enterprise.

Experience or skills of the project personnel.	**Haringey Council and Muswell Hill Low Carbon Zone**. A new A new social enterprise (en10ergy) was established for the purpose of applying to the LCCC programme, in partnership with Haringey Council. The Chair of en10ergy is also the Chair of the Muswell Hill Sustainability Group, the community group that set up en10ergy. The social enterprise is an Industrial Provident Society (IPS) with shareholders as members. There is considerable overlap between members of the MHSG and the IPS, there are legal distinctions but they operate in tandem and support each other.
Aims and scale of the project.	**Chale Community Project.** The Chale community project has decided to pursue a new social enterprise for the management of their project. Advice and guidance from WZcic enabled the project to think about the most suitable model of social enterprise for their project in short term. The primary role of the social enterprise would be as a community fund to redistribute generated income to the community. Initially, based on the project's own research, a Community Interest Company (CIC) was being considered. However, taking into account the scale of the project and intent of the social enterprise, which is initially to receive a small amount of funds, it was decided that a CIC model would be too wieldy, expensive and complicated for the purpose. The new social enterprise will now take the form of a Company Limited by Guarantee with a social purpose (CLG) and be responsible for distributing the funds as directed by the community. The decision was based on the flexibility and the ease of setting it up, the scale and the intent. In the medium to long term, however, depending on the direction and priorities of the project and the social enterprise at the time, the social enterprise may change its structure to one of a charity or Charitable Incorporated Organisation (CIO).

As illustrated above, many LCCC projects considered and adopted varying form of social enterprise structures. Three mentioned above include CIC, IPS and CLG, but the range of new social enterprises established, or those being developed as part of the LCCC include:

❑ Industrial Provident Societies: Co-operatives and Community Benefit Societies. Examples include Halton Carbon Positive; Low Carbon Living Ladock and Grampound Road.
❑ Community Interest Company. An example is Reepham.
❑ Private Limited Companies, limited by shares or guarantee. Examples include Chale Community Project and Low Carbon Challenge Berwick.
❑ Wholly owned trading subsidiary or holding body which may take one of the forms above. Examples include Egni (Awel Aman Tawe) whose structure is yet to be determined or Chale, who have chosen a Limited Company, limited by Guarantee.

2.4   Social enterprise advice and support

This section aims to provide evidence on how best Government and the social enterprise sector can support communities in establishing social enterprises to deliver low carbon communities.

Many of the comments received throughout the evaluation alluded to the timing of specific types of advice. During the early stages of LCCC project development and delivery a great deal of projects' focus was on delivering the capital measures element of the project, such as installing solar PV units, hydro units or wind turbines. This meant that for some projects, the time and resources required to set up of a new social enterprise to deliver all or part of a project was limited or not a priority at that time. This view is illustrated in the quote below:

> *"If we do get to the stage where we are ready to set up a social enterprise then we would be very happy to receive further guidance from whoever can help us to do it quickest and we already have some good contacts (Wales Co-op centre) so I think we could do it quite easily."* **Cwmclydach Low Carbon Society**

2.4.1 Social enterprise related advice

Evidence collected throughout the evaluation suggests that advice relating to aspects of social enterprise would have been of most value at the beginning of a project. Although ongoing advice would have had value throughout projects' lifecycles, the importance attributed to this decreases as projects become more developed. This would perhaps have allowed projects to think about the processes and systems that could have helped to deliver their community project's objectives prior to the implementation stage when the primary focus is delivery.

Face-to-face advice is most highly valued for receiving social enterprise advice, especially at the beginning of a project's life. Specialist advisors (i.e. renewables experts and implementation of technologies by social enterprise or in a social enterprise context) were also cited as a preferred source of information at both the start-up and delivery stages.

Web-based advice and support was thought to be of most value during the mid to long-term development of projects. It is the view of the evaluation that given the importance assigned to face-to-face advice, web-based signposting services could be of considerable value, particularly where the advice and support signposted can offer face-to-face or more dynamic forms of engagement. Further to this point, web-based directories can indeed act as portal to provide the modes of advice and support required by social enterprises, especially good practice or 'how to' case studies.

Respondents that had engaged with social enterprise models were asked to say from where at what stage of their project they had received social enterprise related support, responses included:

TABLE 4

What social enterprise related support was received and from whom or where was it was accessed.		
At the beginning of your project (start-up and development):	**Short to medium-term (delivery):**	**Long-term (sustaining into future):**
Support from WZcic on the potential to set up enterprise.	Support from WZcic in terms of detail to set up enterprise.	Not there yet.
Other similar projects.	Networking events.	None received as yet.
Legal support from co-operatives UK, financial support from 'UnLtd' - the Foundation for Social Entrepreneurs.	Research support from academia (mainly universities).	
None.	A face to face meeting with WZcic.	As yet unknown.
Wales Co-op Centre supported the start up of the Cwmclydach Community Development Trust (CCDT).	Wales Co-op Centre provided training for Directors.	Roles and responsibilities training has been arranged to ensure continuity and sustainability.
Not sure, don't think so.	Face-to-face mentoring with Baker Brown Consultants on IPS options.	

2.4.2 Advice for community energy projects

All respondents to the follow-up survey were asked to comment on whether their project would have been interested in receiving a range of other advice and at what stage this would have been of most value to them.

The responses received inferred that help with business planning, legal aspects of the project (general, technology related and FiT/RHI related), access to funding and finance structures would have been of most value at the early planning stage of their project. However, when looking more closely at what advice would be of most value and at which stage, advice relating to financial sustainability (access to funding, financial structures and how to sustain the project) is most valued throughout projects' lifecycles, although it is most preferred during projects' early stages.

There is a clear understanding by projects of the need to be sustainable (financially) and many of the projects engaged see their sustainability as being provided for by a social enterprise model. However, sustainability is often conceptualised within the context of sustaining project activities, or the that of the parent organisation, rather than the long term business sustainability of the social enterprise as a standalone business.

> "*By establishing a* social enterprise *to support the community wind project, other activities of the charity would also be sustained into the future through the sale of generated energy to the grid. We are working to develop further community activities to deliver the charity's objectives locally. In terms of sustaining the wind farm in long term the* social enterprise *would be*

It would appear that the grasp of these issues is limited. Addressing the gap between awareness and capacity would go some way to resolving the issue and enabling scalable social enterprises to emerge. The future sustainability of projects and business planning are addressed in more detail in Chapter 3.

2.4.3 Advice and support service providers

To assess from whom community energy projects would prefer to receive support from, respondents to the follow-up survey were asked what agencies they thought were best placed to provide a) general support for low carbon community activities, and b) support relating to social enterprise. The results are presented in the charts 1 and 2 below.

CHART 1

Follow-up: Who do you think is best placed to provide projects like yours with: general support relating to low carbon community activities? (n10)
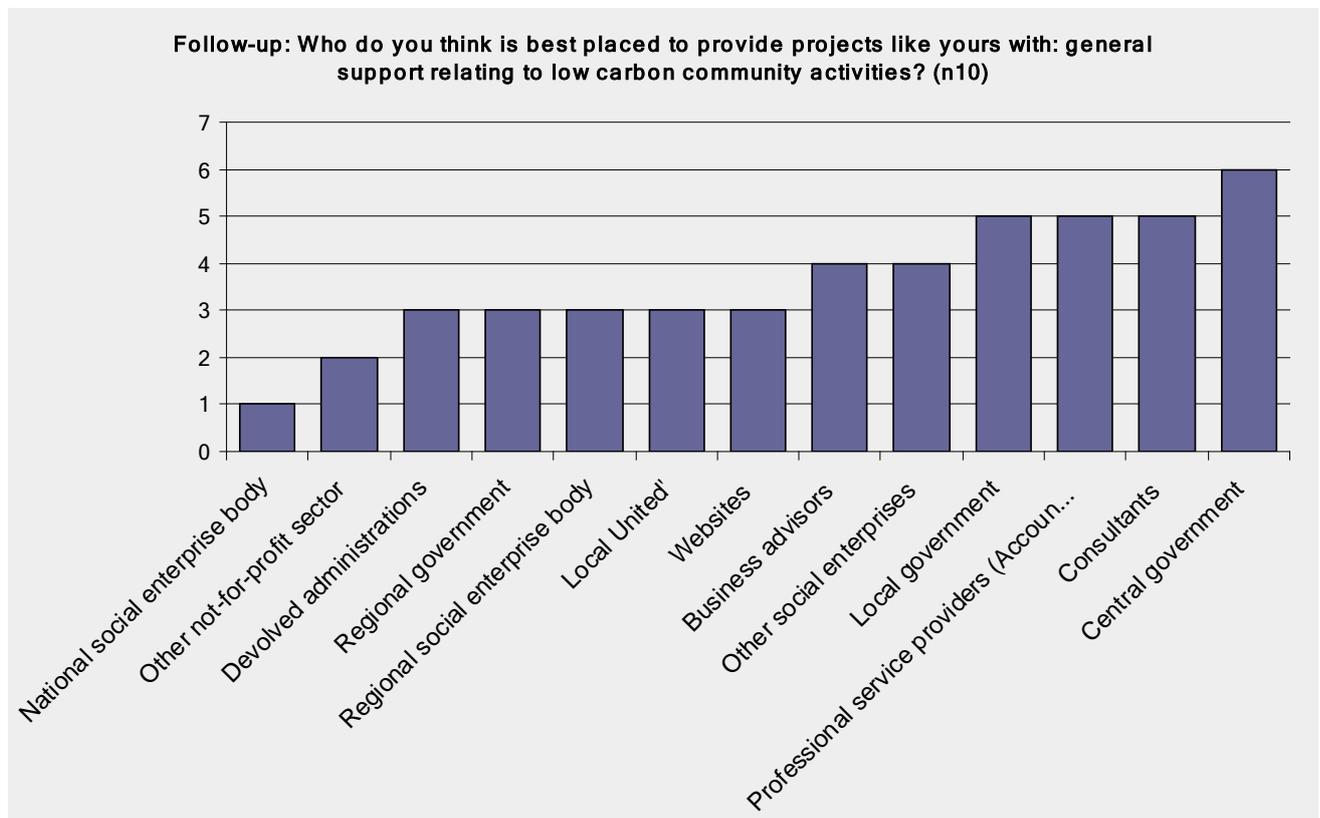
- ❑ Central government was the most popular source for the provision of general support to community energy projects.

- ❑ Local government, professional service providers (e.g. lawyers or accountants) and consultants were also thought to be well placed to provide general support.

CHART 2

Follow-up: Who do you think is best placed to provide projects like yours with support relating to social enterprise? (n10)
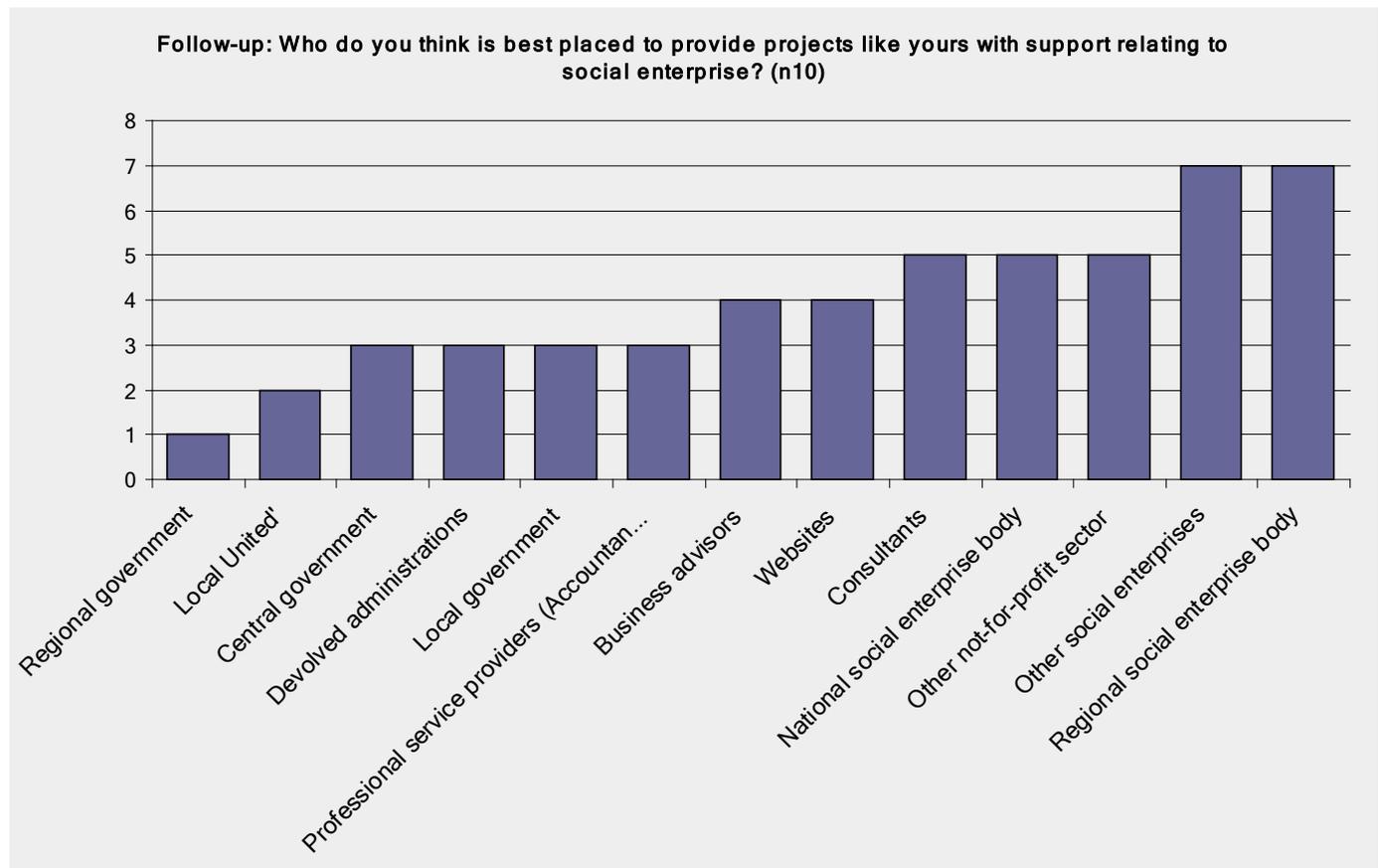
❑ Central government was thought to be less well placed to provide social enterprise support than as a provider of general support.

❑ Other social enterprises and regional enterprise bodies were the most popular sources of social enterprise support.

❑ Regional government was thought of as least well placed to provide social enterprise advice to community projects.

The apparent key role of central government in the provision of general support for low carbon community projects is perhaps explained, at least in part, by the national level policy drivers behind programmes such as LCCC and community energy initiatives. Thus, communities automatically look to the national level for assistance in meeting these national objectives.

Other types of support received by LCCC projects that were not specifically social enterprise related included planning support from the local authority and advice from local businesses or independent consultants. Independent consultants were thought to be valuable with regard to advice on renewable technologies during the project start-up phase and into the short to medium delivery stage.

Projects operating in Wales appear to have very good access to initiatives designed to assist community energy projects and social enterprises, which are supported/funded through the devolved administration (see image 1 below). Examples include Ynni Fro (Welsh Assembly Government's Community Scale Renewable Energy Generation Programme) and Pembrokeshire Local Action Network for Enterprise and Development (PLANED). This evaluation did not receive information relating to similar dedicated community-level targeted renewable and environmental sustainability support initiatives operating in England or Northern Ireland; however local and national social enterprise support was identified (local and regional social enterprise networks and Co-operative Enterprise Hubs[7]).

Existing social enterprise that were established prior to submitting a LCCC proposal and who had prior delivery experience, or ready access to knowledge of low carbon solutions, would be less likely to have highlighted support needs as they had probably already been satisfied. However, for new low carbon communities embarking on such activities their support needs would inevitably be more extensive than established social enterprises.

IMAGE 1

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[7] Projects can apply for up to four days support which includes business planning, financial, staffing, legal and governance advice. The advice and training is tailored to individual business needs.

For many projects the LCCC funding allowed already established projects to continue with an existing project or to develop something new that they would have been unable to pursue otherwise. As a consequence many of these established organisations or collaborative groupings (including established social enterprises) set-up a new social enterprise, or intended to establish one. New or prospective social enterprises generally fit three descriptions (or a combination of):

1. **Descendant**: an social enterprise operating in support of the 'parent' organisation's aims and objectives. (see case study A - EGNI).
2. **Holding company**: legally entity into which income generated from the project owned assets/activities (renewable technologies or car club) are held for future community investment in line with social enterprise or project's agreed aims. (see case study B - Chale)
3. **Complex**: Involved more complex income generation and business sustainability activities, such as co-operatives offering shares and community-defined investment programmes. (see case study C – Ladock).

CHAPTER 3: PEOPLE, PLANET, PROFIT: becoming a social enterprise

This chapter aims to identify the processes and challenges to becoming a self-sustaining social enterprise, particularly for community energy projects. It reflects on the extent to which LCCC projects meet the three principles of social enterprise as described in chapter one, referred to as the '*triple bottom-line*'; the balancing of social capital, natural capital and financial capital.

3.1   What are the ingredients for successful social enterprise?

As alluded to above and discussed in chapter one, successful social enterprises combine and apply equal status to the three principles of social enterprise. LCCC projects were asked to rate how important the three principles of social enterprise were to their projects at the follow-up stage. Each rating was assigned a score of between 0 and 100, where 0 is minimum importance and 100 is maximum importance. Results indicated that the second principle, 'people' (social objectives), is of maximum importance to their projects, achieving an average score of 100. Second, although still scoring highly in terms of importance (88), is the first principle of 'planet' (environmental objectives). However, the third principle of 'profit' (wealth generating objectives) achieves an average score of only 56, just over half way between minimum and maximum importance.

3.2   Sustainability in all its forms

In many cases the term sustainability conjures images of environmental and/or social resources. But when social entrepreneurs refer to 'sustainability' they mean the successful maintenance of the balance of the triple bottom-line.

For many LCCC projects establishing or maintaining a social enterprise is absolutely key to the long-term sustainability of their project. The nature of the activities being undertaken by LCCC projects means their sustainability must incorporate three criteria.

Social enterprises as enablers of sustainability:

1. Sustained action: enable and support the development and ongoing delivery of activities.

2. Sustained income: enable business sustainability.

3. Sustained engagement: enable ongoing community participation and commitment.

It would appear that during the LCCC funding period some projects have been primarily focussed on the delivery of their project and installation of capital measures. This is primarily due to the nature of the projects, that is, they involved the installation of renewable and energy efficiency measures which can I involve a protracted period of delivery. This narrow focus on capital measures and delivery has, at least in part, resulted from a condition of the LCCC grant, which meant funding had to be spent over twelve months. Whilst this focus is understandable, it has inevitably contributed to what appears to be a limited focus on the third principle of social enterprise and long-term business strategies.

In terms of business planning and income generation, projects have recognised the value of feed-in-tariffs (FiTs) as a means of generating an income over twenty-five years, the Renewable Heat Incentive (RHI) and Renewable Obligation Certificates (ROCs) and have in place structures to access these income streams. To ensure the sustainability of social enterprise businesses in the long term, making available/accessible guidance relating specifically to business sustainability would be worthwhile. This would enable young businesses to continue operating and providing services, especially when grant funding is becoming increasingly more difficult to secure.
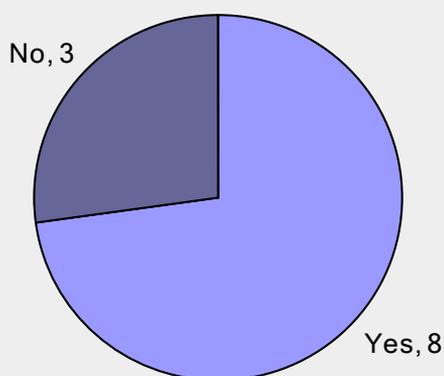
Sustaining community engagement is particularly important when renewable or alternative technologies and energy-reducing behaviours are primary components of community-based projects. Social enterprises can help projects to sustain themselves in the long term through the installation of income generating technologies, while also sustaining and the good will and interest of the community. This is achieved via the unique approaches adopted by social enterprises which include social benefits that go much wider than energy and carbon reduction, e.g. developing community-based activities, training and education or employment opportunities and community cohesion.

3.2.1 LCCC projects' plans for sustainability

The majority of projects that responded to the follow-up online survey indicated that they had a 3-5 year business plan in place to lead to sustainability (see chart 3 below); however, it is believed that most projects have some form of business or sustainability plan in place for the period immediately following the grant period. Details of these plans can be found in the matrix (appendix D).

CHART 3

Follow-up: Does your project have a 3 to 5 year business plan leading to sustainability? (n11)

No, 3

Yes, 8

To develop our understanding of what such plans might entail and the extent of any forward business planning and growth forecasts respondents were asked to briefly describe the business plan they had developed. The detail provided varied considerably from brief comment on the income streams expected, these usually referred to income generated from renewable technologies, to more advanced business planning and income forecasts,

such as that provided by Cymdeithas Cwm Arian Association[8]; the organisation managing the Cwm Arian Renewable Energy (CARE) Project:

Cymdeithas Cwm Arian Association Sustainability Plan (CARE project) 2009-13.

Purpose of Plan
- ❑ The purpose of this plan is to present a written document indicating how Cymdeithas Cwm Arian Association (CCAA) proposes to trade. This plan will be used to (1) ensure the renewable energy project is successfully developed and (2) thereafter, that its performance is monitored according to the plan. The plan may also be used to engage the support of appropriate third parties (banks, accountants, grant providers).

Projected Business Activity
- ❑ The Ynni Cwm Arian Energy working group was formed to enable background research to be carried out into utilising renewable energy resources and to investigate lowering carbon footprints by 50% and improving energy efficiency for local households in the Silver Valley area, and the neighbouring four wards of Clydau, Crymych, Trelech and Llanboidy in West Carmarthenshire and North Pembrokeshire.

- ❑ A study carried out by Dulas Ltd (with funding from Pembrokeshire Local Action Network for Enterprise and Development (PLANED) and a small Sustainable Development Fund grant) identified a site that looked promising for the two wind turbines on the hills behind Llanfyrnach. These wind turbines would provide income from selling electricity generated to the National Grid; this would generate money that can be put back into the community to the benefit of its residents.

- ❑ On satisfactory completion of wind speed tests, and after gaining planning permission, work will begin to build the 1.2 Megawatt turbines. It is estimated that, from selling electricity generated to the National Grid, Cwm Arian will bring in an annual **income of over £300,000**. Once costs are covered the surplus would be used for local community development.

- ❑ The purchase and installation cost of the two turbines is circa £1,100,000.

Other sustainability plans indentified or where detail was provided included:
- ❑ A revolving fund is planned by Whitehill Bordon Eco-town to provide new money for a retrofitting programme over a number of years. This plan will be developed further once the initial implementation phase is complete (March 31st 2010).

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[8] Cymdeithas Cwm Arian Association's Business Plan accessible: http://www.cwmarian.org.uk/documents/Cwmarian-BusinessPlan-Sept2009-v2.doc

- ❑ In Reepham the CIC has a 10 year business plan to ensure one element of the overall project, the car club, has growth and is developed through to sustainability.
- ❑ A number of projects envisage the use of generated income from renewable technologies (FiTs and RHIs) to maintain equipment and the investment of surpluses in practical measures and community projects. One concern of the evaluation team is the ability of projects to access capital funds where grant funding is not available. Where this is not possible, projects might jeopardise future community investment potential and risk losing the support of their wider community.

The LCCC programme was particularly valuable to groups wanting to develop projects that required capital investment, and without which many projects would perhaps have not have been developed. However, it is anticipated that capital grants will become less common in future. The evaluation therefore sought to examine where LCCC projects might in future seek funding from, or how they intended to generate their income.

The chart 4 below suggests that projects still present a level of dependency on Government subsidy (FiTs) and grants. However, this picture may be somewhat skewed by the nature of LCCC projects - i.e. small scale, often involving renewable technologies, looking for funding to a) support a new idea, and b) access funding to support a specific element or grow an existing project.

CHART 4

Follow-up: Thinking about future business planning, from where do you see your project accessing or generating funds from? (n11)

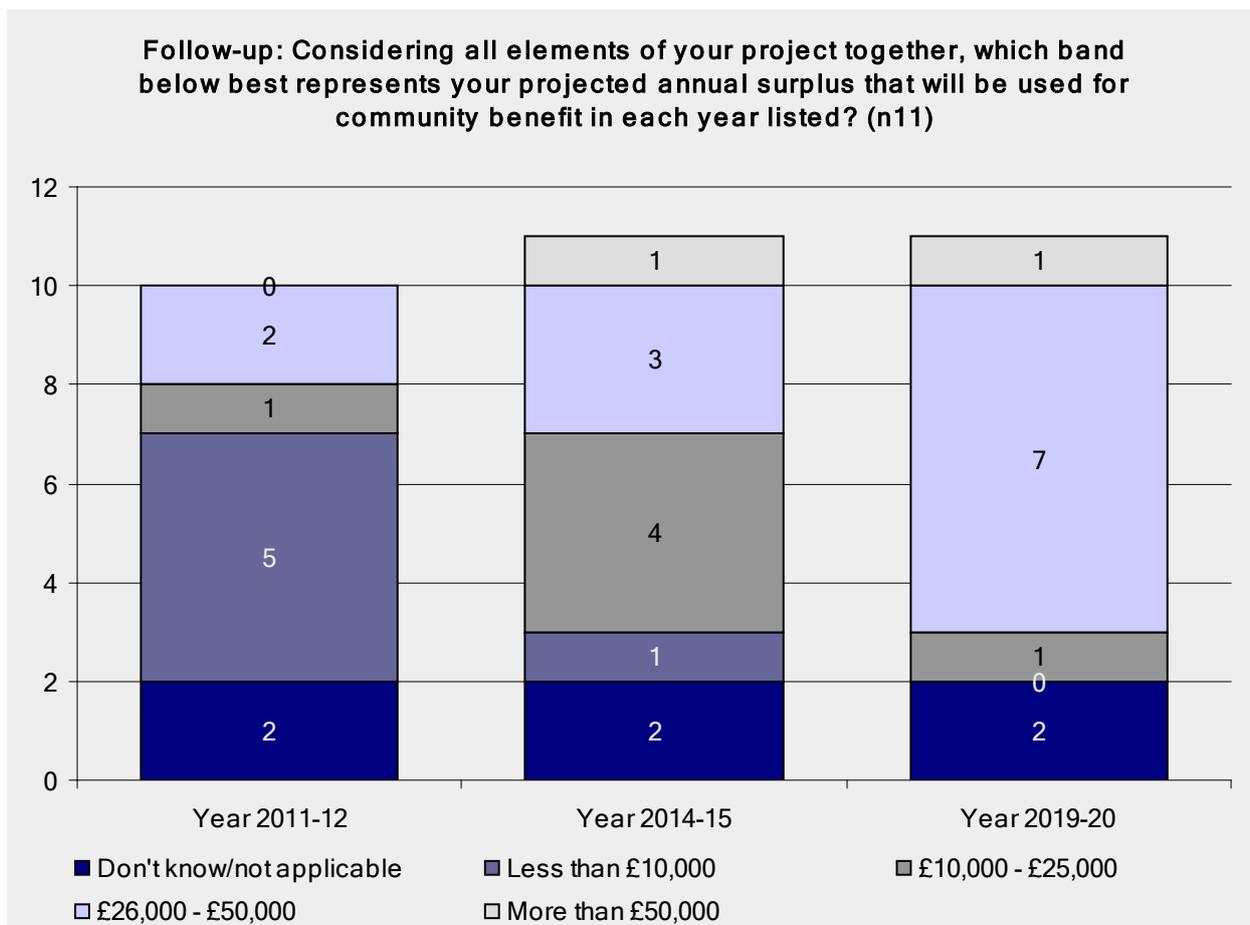| Category	Value
Commercial bank loans	0
Income from trading with other not-for-profit organisations or social enterprises.	0
Other (please specify)	1
Income from trading with the public sector	2
Donations	2
Income from trading with the private sector	3
Income from trading with the public	3
Green/Social Investment Bank	4
Investments (e.g. share offers)	5
Public sector funded grants	7
Other grants (e.g. Big Lottery, Trust Funds etc)	8
Income associated with electrcity or heat generation (e.g. FiTs & RHI)	9

Thinking about how community energy projects can be better supported and enabled to become sustainable businesses, projects were asked at the follow-up stage to rank the three most significant barriers to their own project's long-term 'business' sustainability. A lack of affordable finance was found to be the leading barrier and time pressure was also identified as a significant barrier for many. Rather than a significant barrier to community energy projects generally this is perhaps indicative of the 12 month delivery period for LCCC funded projects; which meant projects were unable to dedicate as much time as they would have liked to developing business sustainability strategies. The third most significant barrier indentified was cash-flow.

Other cited barriers included:
- ❑ *"Political change influencing renewable payments or planning system".*
- ❑ *"Residents unwilling to take out loans in time of financial uncertainty".*
- ❑ *"As we are a local authority department (Environment Unit) we cannot commit to long term, intensive support for one small area of our district. We are always developing and running a number of projects, so this LCCC project has been developed and run as part of our 'day job'. What we have tried to do is to build lasting relationships and educate local community leaders, workers, groups, centres and residents so that, with the support of the community fund, they will continue the low carbon work in the Hillhouse area and mainstream this as much as possible into other work/projects they are carrying out. The hope is that it becomes integrated into their work to improve the quality of life for Hillhouse residents".*
- ❑ *"Our biggest challenge is funding that can pay to keep the skilled staff we have already recruited Sept 2010-March 2011".*

As has already been discussed, projects in the LCCC programme and the extent to which they engage with social enterprise models have several different formats. They can be stand alone projects looking to develop as a social enterprise or the projects form an element of an established organisation's work programme; which may be a social enterprise or looking to set-up a new social enterprise. This should be borne in mind when considering the next chart which presents the projected annual surplus for community investment of projects based on the follow-up survey.

CHART 5

Follow-up: Considering all elements of your project together, which band below best represents your projected annual surplus that will be used for community benefit in each year listed? (n11)

	Don't know/not applicable	Less than £10,000	£10,000 - £25,000
	£26,000 - £50,000	More than £50,000	

❑ During the first year following the grant period two projects report to not knowing or a project's surplus is not applicable; this might raise questions about the future sustainability of these projects.

❑ As would perhaps be expected the projected annual surplus of projects appears to grow over the longer-term. A considerable number of the responding projects that projected a surplus report that it is expected to be under £10,000 per year in the period immediately following the grant.

❑ However, for the year 2014-15 the projected annual surplus appears to grow for most, with three projects reporting a projected surplus of £26,000-£50,000 and one project projecting a surplus in excess of £50,000.

❑ It is not until further into the future of projects (2019-20) that the projected surplus of most looks to be reaching 10% of the initial LCCC investment.

❑ In short-to medium-term the scale of operations feasible with the reported projected surplus is arguably limited given the level of expense associated with renewable technologies. However, projected surpluses could provide a useful source of investment funds for non-capital initiatives or as 'key' funds to unlock other finance.

3.3   Developing a Social Enterprise

As discussed in section 3.2 above, social enterprises as a model for community energy projects are enablers of environmental sustainability through the projects or services they deliver, and contribute to more sustainable communities through improved social capital and

community cohesion. But social enterprise models are also about business sustainability to enable the continuation of activities and services that enable the former two components of social enterprise.

3.3.1 What type of social enterprise?

The social enterprise model can have a long-term viable role in promoting the take-up of low carbon and sustainable activity across communities and individual households across the UK. However, for many small projects that recognise the value of introducing a social enterprise structure for the delivery of their project, knowledge of how to ensure the right vehicle is chosen to meet their needs is required at the start-up stage. Larger and established social enterprises may have the necessary skills (technology, planning, legal, finance, marketing, procurement, networking, commercial contracts, risk management and resources) to develop their existing social enterprise to deliver additional low carbon community-linked projects without the need for additional social enterprise guidance; but this is not always the case for small or new social enterprises.

Social enterprise activity in the pursuit of community-based low carbon objectives is more likely to be effective and replicable if advice and guidance is made available to communities at the project start-up stage.

Chale Low Carbon Community is one such case where early stage guidance would have been extremely valuable in helping conceptualise the best social enterprise model to enable the achievement of the project's objectives in a sustainable manner. It was felt that the advice and support provided by Warm Zones cic was an exemplar of what was actually required but, before this advice was received, much time had been spent in an attempt to establish the best social enterprise model to deliver the specific needs of their current and future projects. The project had initially intended to create a Community Interest Company (CIC) to deliver elements of their Low Carbon Community activities. However, detailed *face-to-face* dialogue via WZcic, enabled Chale to make a more informed choice. Consequently, it was decided that a Company Limited by Guarantee with a social purpose was the most suitable form of social enterprise for the project.

"*Advice from WZcic enabled us to decide that a CIC was too complicated and too unwieldy an instrument for the purpose of our project. A hands on and dynamic form of support was able to help us resolve in two hours what had previously been taking months. A CIC would have been a sledgehammer to crack a nut*". **Chale Community Project**

3.3.2 Engaging the community

In order for a community energy project to develop a social enterprise it requires the continued or sustained engagement and participation of the community or communities it serves. Many LCCC projects perceived social enterprises as being the obvious route, indeed fifteen LCCC projects were initially led by an existing social enterprise with the remainder being a local authority or other statutory body. Social enterprise models confer a greater sense of community ownership and equity. However, the structure of social enterprise adopted also had important implications for how projects were perceived by communities. In **Ladock and Grampound Road**, a structure that provides equitable models of management

and determination, such as a co-operative, was chosen as the most suitable structure for their project. However, the decision on which structure of social enterprise is best in the short and medium term is also determined by the aims and nature of the project and the capacity of each community to participate. For many, strong community involvement and community-based decision-making processes determined this. Ensuring that the control of the existing or newly established social enterprise is maintained by the community and cannot be taken over by a number of individuals is believed to be key. This sense of local ownership and determination by the community, it is believed, strengthens individual and community engagement in low carbon and community activities; thus increasing the likelihood of successfully achieving carbon and energy reduction targets.

Involving or inviting direct participation in the design, direction and delivery of a community based project is one such way to secure their 'buy-in' and sense of personal investment. Projects were asked at both the baseline stage and at the follow-up stage to comment on the extent to which the community they target was involved in shaping projects' organisational structures (e.g. form of social enterprise or other structure); their involvement in the management of the project; and role in delivering the project's services (e.g. advice). Projects indicated at the baseline stage that the target community's involvement for each of these project elements was, on average, slightly above 'medium' participation; an average score of between 55 and 59 where 0 would be minimum participation and 100 maximum participation.

Based on the indicative results of the follow-up survey it would appear that in general target communities were less involved in the shaping of the organisational structure of their projects; this perhaps reflects the nature of lead organisations, many of whom were already established social enterprises. Also slightly reduced at the follow-up stage was community participation in the delivery of services. It is the view of the evaluation that this can be probably be attributed to the nature of the services or products being delivered during the grant period, i.e. capital measures that require expert in-put and members of the community could perhaps be invited to take-part at a later stage when non-technical or expert roles were required.

The extent of community involvement in the direct management of projects was slightly increased. Through discussions with some of the LCCC projects it became clear that a principal aim was to establish a community fund from which resources could be directed into new community benefit/energy or environmental projects and initiatives. Community ownership and input to this fund is an essential element of many projects in that the use of the fund is decided via the direct participation of the community or members of the new social enterprise; such as a co-operative or community share scheme.

3.3.3 Delivering a social dividend (the people principle)
Social enterprises are recognised as being able to deliver social as well financial dividends, resulting in or maintaining community cohesion and being responsive to communities' needs. Many social enterprises aim to deliver a sustainable income to support and develop community assets, local employment and support wider sustainability, such as local community based workspace and transport fuel and food supply chains. Examples of such activities include the allotment association and car sharing scheme set-up as social

enterprises in **Reepham LCCC** and an early stage edible woodland in Ladock and Grampound Road.

Because social enterprise is not solely about making money (the profit principle), projects feel more empowered to do things in their local community that are socially beneficial, yet may yield a small capital return and as such would not be considered commercially viable by a private company. The edible woodland at **Ladock and Grampound Road** is a good example of this. The woodland has been established, and whilst in its very early stages and with no current plans for further development, it is hoped there will be a viable product in future that could generate an income for the local Community Benefit Society. It could be argued that under different conditions, the edible forest may not have been pursued. The **LCCC project in Muswell Hill** felt that they could draw on the expertise of a group of 'socially and community minded' people who would not have been so inclined to engage with a private company wanting to undertake similar activities. Such business models can also mean people feel more confident about trying out new ideas that can help generate a more entrepreneurial spirit in local communities.

Respondents to the follow-up survey were asked to comment on what they have learned about social enterprise since taking part in the LCCC programme. Their responses are provided below.

New social enterprise learning:
- ❑ Suitable funding is harder to find.
- ❑ More about the different models, structures of social enterprise and their governance.
- ❑ Existing local community organisations can form the basis of the best social enterprises.
- ❑ VAT and tax implications.
- ❑ How community share offers work.
- ❑ Structure of possible legal entities.
- ❑ That not all communities are at the stage where local residents can come together to develop a social enterprise.
- ❑ What a community benefit scheme is in practice.
- ❑ Examples of successful social enterprise projects.
- ❑ That it takes local people with passion, commitment and determination to develop a community-led social enterprise. Of the few people in the community that could commit the time and effort, not all will represent the views of the wider community they serve.

The last point is very much based in practice and the experience of establishing community-led social enterprises. It alludes to the need for innovative social entrepreneurs to drive forward such projects rather than relying on a community or loose group of interested individuals.

Projects were also asked to provide two key recommendations they would offer to other people who are thinking about setting-up an environmental social enterprise? These are listed below.

Key recommendations for setting up a new environmental social enterprise:

- ❑ Make sure you are fully aware of relevant funding mechanisms and how they operate (*e.g.* FiTS) and identify possible sources of funding as early as possible.
- ❑ Some of what you plan should involve minimal external funding (*e.g.* a low carbon buying group).
- ❑ Have a clear strategic vision and be very clear about your aims.
- ❑ Try to get access to free, impartial advice as early as you can in the planning process and ensure that sound advice and contact information is sought from the outset from organisations such as the Wales Co-op Centre or English equivalents.
- ❑ Benefit from face-to-face mentoring with experts in their field.
- ❑ Plan the structure of the enterprise before you start the project.
- ❑ Consider what existing local organisations already exist that could develop and deliver projects rather than setting up a new social enterprise.
- ❑ Be very clear about your commitment (hard work and keeping it going).
- ❑ Talk to other communities about their experiences.
- ❑ Expect pitfalls but be resolute in overcoming them.

3.4   What facilitates or inhibits community energy projects

This section examines what factors are at play or should be taken into account when community projects look to adopt a social enterprise model. It is important to understand these dynamics as they have a crucial role in the facilitation or otherwise of community energy projects' development.

3.4.1 Contracted delivery period

Issues relating to state aid eligibility, time spent acquiring the right information and procuring services led to delays in the delivery of some LCCC projects. This in turn can have implications for achieving an appropriate balance between delivery and sustainability planning.

It was felt that delays could have potentially jeopardised the standing of projects in their communities and risked losing essential community buy-in. The consistent message for projects aiming to deliver truly community-led energy projects is that they should not and cannot be rushed. This is especially true where projects aim to set-up energy projects to be managed by communities where the existing knowledge may be very low and, as such, an adequate lead-in time is essential to seek or develop appropriate expertise.

3.4.2 An uncertain future?

One issue raised by some LCCC projects relates to the sustainability of future projects. Uncertainties focus on how future projects can access the required revenue and capital to bring their projects to fruition. Local volunteers, where there is access to support and materials, are able to develop project concepts; however, there are issues regarding how projects deliver to the stage where more complex enterprises can begin to receive income streams. The DECC funding has enabled such a process for the LCCC projects but how this can be supported for future initiatives also needs to be considered.

For most projects, the ability to fund a knowledgeable project manager and/or specialist input to drive forward the project, beyond the scoping phase, has been identified as a key enabler.

As sustainable income, which could enable paid personnel, is only available to a project post-completion and the commencement of power generation and sale (i.e. at the 'back end'), a mechanism needs to be developed to enable viable projects with a solid business plan to access development funding to help bridge this gap. Start-up groups and small social enterprises are unlikely to have the necessary reserves to fund such vital activity. An appropriate mechanism might include a 'loan agreement' where a percentage could be repaid into a revolving fund from future income. Rates of interest would need to recognise the level of risk being taken by the enterprise, and a workable exit strategy would be required where projects did not come to fruition.

Further to this, financial and project support from Government and local councils may also become more difficult to secure due to deficit reduction funding cuts. Queries were also raised around the role of any future Green Investment Bank and Green Deal, and how these future policies might support or compete with community group activity such as those currently delivered by LCCC projects. Advice and clarity on this aspect of the Green Investment Bank and Green Deal would be welcomed by LCCC projects.

3.4.3 Funding diversification

For small community-based organisations, such as charities, evidence collected to date suggests that the introduction of a social enterprise model to enable trading or transfer of funds for the purpose of the growing low carbon activities can help to diversify their funding. Social enterprises can help make more sustainable the broader objectives of the parent organisation through the gifting of generated income to reduce grant dependencies and support broader social objectives. Each successful social enterprise will in turn support the growth of carbon reduction and sustainable activities locally.

3.4.4 Maturity of LCCC planning

Many future low carbon community projects will be starting locally from scratch. Future projects will probably need to shape their vision and engage a team of like-minded enthusiasts prior to seeking wider community participation and securing "kick-start" support. Only at that point will projects need to consider formal structures such as social enterprise; governance, funding and related options. Understanding how best to stimulate the initial enthusiasm from a community or an existing organisation has not been researched.

This assessment of LCCC activity has not been able to fully identify the support needs of "*starting from scratch*" projects as LCCC projects were already generally well scoped with established delivery structures and a developed plan when they were submitted and approved. Some LCCC projects, such as **Eco-Easterside**, are giving active consideration to establishing a separate social enterprise to sustain low carbon and related activities in their communities. Eco-Easterside is exploring social enterprise options to expand activities to the level of community ambition within Middlesbrough. A number of local authority-led LCCC projects are also exploring how to "localise" the ongoing community benefit and involvement once the delivery phase is complete. An example of this is the **Halton Carbon Positive Project** which hopes to extend elements of the project (solar PV in particular) to the wider community in Lancaster, utilising a Community Benefit Society and co-operative model. It is hoped these outcomes may provide further examples of how such activity could in future originate direct from communities.

3.4.5 Access to and understanding of social enterprise, planning and legal requirements

It has become clear that, for some projects, there was a need for a clearer view in their project Business Plans of the likely impact of, planning approvals, legal requirements or delays. Specifically, the extensive consents, approvals, loans and agreements required for the deployment of wind and hydro technologies can take a number of years before delivery commences. A range of related legal issues linked to social enterprise, ownership and transfer of capital measures (renewable technologies) and generated income (feed-in-tariffs) was identified as requiring specialist input, which is generally not available within individual community-based project teams. To enable future projects to "*hit the ground running*" it was felt that provision should be made to enable such specialist support to be available from the inception of such projects.

The value of capturing and sharing LCCC and related wider knowledge and best practice is immense, and this should be a key legacy outcome. Examples such as Ynni'r Fro (Renewable Energy at a Community Scale); Collaborative Communities (Welsh Assembly Government and European Regional Development Fund); Transition Towns; and the Local United diffusion packs and other similar established information and advice networks are part of the essential ingredients needed to "*kick start*" communities into proceeding with community-based low carbon initiatives. Consideration should be given to how best such information can be signposted to connect communities with such diverse information sources. A single independent web portal could provide a first point of contact for interested parties considering launching a low carbon-related project. However, for community activists, a resource that is easily accessible and easy to understand for the lay person, focused on grassroots activity and with appropriate support materials, would be of most value.

3.4.6 Clarity over eligibility rules for state aid

Several projects in the early stages of their development experienced considerable uncertainty over how the rules governing state aid, and in some cases feed-in-tariffs, would impact on their business plan. For some, this remained unresolved for a period of time. The degree by which the lack of clarity over state aid was problematic for projects varied. Initially, projects without direct access to specialist knowledge experienced difficulties securing definitive advice and this did result in delays to delivery and community engagement activity.

The potential impact of such state aid, feed-in-tariff and renewable heat incentive regulations on future low carbon projects is material. It is suggested that clear guidance be maintained, updated and made accessible (*e.g.* web-based) and that this should also be referenced in any future grant award documentation.

3.4.7 Centrally co-ordinated and well sign-posted information

Several projects agreed that rather than relying on individual exploratory approaches to seek information, a '*light touch*' toolkit would be a valuable tool for communities wishing to set up low carbon projects similar to those under the LCCC initiative. Valuable elements would include:

- ❑ legal templates and frequently asked questions regarding the setting up of projects/social enterprises which include income generation, gifting of funds to third parties and the transfer of ownership of capital measures.
- ❑ a 'need to be aware of' section, which would highlight potential hurdles and how to overcome them based on similar projects' experiences. This should include information on legislation such as state aid rules and feed-in-tariffs.
- ❑ a signposting section should also be included to advise projects of the advice and support available in terms of social enterprise advice but also through access to accredited independent consultants (sustainability or specialists in renewable technologies). Contact information for agencies offering face-to-face advice, which is of considerable valuable to projects during their early project development stage, should also be highlighted.

Such a toolkit would be most valuable if made available at the outset of the project or early in the development phase.

Consideration needs to be given to how best to help signpost and connect communities with such diverse information sources. A single independent web portal should be identified as the first point of contact for interested parties considering launching a low carbon-related project. This would assist projects to access key information at the outset based on the experience of other communities, and help outline how initial help and support to develop and launch their own community-based activity could be accessed. Ideally, a network of experienced specialist providers should be established to enable any new low carbon community and potential social enterprise operating without access to such practical support to receive an appropriate level of facilitation, advice and business planning support; for example, Ynni Fro (Welsh Assembly Government's Community Scale Renewable Energy Generation Programme). Such projects will inevitably need access to such support throughout their development and delivery phases, and consideration should be given to how this specialist support might best be delivered. In future, we would counsel that the absence of such support arrangements will result in a reduced number of community schemes being initiated or delivery timelines being extended with consequent delays in carbon reduction achievement.

3.4.7 Importance of local partnerships
Many of the LCCC projects found significant benefits from working with local partners to deliver their project. Establishing closer working relationships with partner organisations, such as a local county or district councils or a local co-operative, meant that specialist skills or infrastructure services could be accessed in-kind or at a lower cost. In the case of **Haringey & Muswell Hill LCCC project**, the initiative derived considerable value from access to the financial and administrative services of their local authority, the London Borough of Haringey.

In addition, local networking, or working with partners that are involved across a wider physical community such as in the case of **Ladock and Grampound Road project's** relationship with Community Energy Plus (CEP), also provided value:

Partnership working at Low Carbon Living, Ladock & Grampound Road:

CEP as a key partner in the establishing and ongoing management of the project has meant the project could benefit from the considerable knowledge and expertise of CEP, especially that relating to renewable technologies, which meant that the installation of measures and programme delivery were achieved over a shorter period than perhaps would have been feasible otherwise. The project, once in a position to do so, will go through a process of detachment from CEP to become managed through the local Community Benefit Society.

It has also meant that other projects across the County of Cornwall can learn from the LCCC experience of social enterprise structures as a means of delivering low carbon projects. CEP intend to use many of the social enterprise lessons learnt by the LCCC project to inform other projects across the county. This learning will be used to inform the setting up of similar social enterprise structures to the Community Benefit Society and co-operative set up in Ladock and Grampound Road.

Follow-up survey respondents were invited to comment on what they saw as the key recommendations they would offer when advising a new community-based low carbon initiative more generally. The advice offered is listed below.

Key recommendations for new community-based low carbon initiatives:
- ❑ Plan in detail, have clear aims and objectives, and realistic goals and timelines.
- ❑ Talk to those engaged with similar initiatives elsewhere.
- ❑ Get your business plan sorted early, get a reality check from an external partner and
- ❑ use existing local organisations and local community champions.
- ❑ Consult to establish your community's needs before starting a project that may not be needed or wanted, and get your community on board before you start looking for funding. Find your local champions at an early stage.
- ❑ Create an overall vision to enable local organisations and local community champions to develop and deliver their respective tasks.
- ❑ Be realistic about the amount of 'support' you will get from local residents and groups and try to determine what level of support is available in the planning stages.
- ❑ Understand the legal and regulatory frameworks and make sure you factor in any costs for meeting them.
- ❑ Try to do something using existing resources.
- ❑ Look at different options available; don't assume your opinion will be shared by others.
- ❑ If the project includes capital measures, (*e.g.* wind), make sure you have enough grant funding, don't rely on loans, it won't stack up financially.

CHAPTER 4: CONCLUSIONS AND INSIGHTS

This chapter provides a series of conclusions drawn from the main body of evidence presented in the report. In addition, a number of insights for policy development and practice are presented regarding how community energy projects can be supported to achieve their objectives.

4.1   Main conclusions

❑ As noted throughout the body of this report, social enterprises attempt to balance the needs of the planet itself and the people who live on it with the need to create wealth. This balance of social capital, natural capital and financial capital is known as the '*triple bottom-line*' or, 'people, planet, profit'.

❑ These three principles of social enterprise represent a good fit with the aims and ethos of community-based energy projects and can provide the foundation for successful community-led social enterprises.

❑ The LCCC funding allowed established projects to continue or to develop a new enterprise that would not otherwise have been feasible. As a consequence, many of these established organisations or collaborative groupings resolved to establish a new social enterprise – often supplementing an existing model.

❑ This research has identified three types (or a combination of types) of LCCC projects as social enterprises:

1. operate in support of the 'parent' organisation's aims and objectives (see case study A – EGNI Swansea).
2. a holding company into which income generated from project-owned assets/activities (renewable technologies or car club in the case of Reepham) were to be held for future community investment (see case study B – Chale Community Project)
3. involve more complex income generation activities such as co-operatives offering shares (see case study C – Ladock and Grampound Road).

Three case studies illustrating these types are described in appendix C.

❑ A condition of the LCCC grant which meant funding for capital measures (90% of the grant) had to be spent within a twelve-month period has, in part, contributed to a heavy focus on the delivery (installation of capital measures) phase of many projects. This prioritisation has contributed to what appears to be a limited focus on the third principle of social enterprise and long-term business strategies.

❑ In terms of business planning and income generation, projects have recognised the value of policy initiatives such as FiTs, RHI and ROCs and have in place structures to access these income streams. Assistance for young businesses through provision of community and social-oriented business sustainability support will be key in future.

A recent publication from IPPR North[9] focused on community and social enterprise and emphasised similarities between the two forms of enterprise. However, community enterprise is a relatively new and less familiar term although, in the context of increasing public and government interest in the roles of community organisations and social enterprises, the Department for Communities and Local Government defines the concept as:

> *"Community enterprises have exactly the same principles as social enterprises. However, they are different in that they seek to benefit a particular geographic area or community of interest and are often run by people from within the community they serve[10]."*

The defining characteristics of community enterprises as indentified by DCLG (2010) are:

Characteristics of community enterprises:
- ❑ not-for-profit deliverer of local services
- ❑ invest any surplus back into the communities they serve
- ❑ are a focal point for local people to identify the unmet needs of their communities
- ❑ respond to those needs with the help of their own income-generating activities
- ❑ community enterprises provide local employment and training opportunities, help create and retain community wealth and can make a real difference to local people, particularly during the economic downturn.

❑ There are clear parallels between social and community enterprises, however, the community-specific focus of community enterprises suggest that while LCCC projects may not fully meet the business sustainability (financial principle) of social enterprise, their drive to generate income for community reinvestment means the structure of the LCCC projects reviewed in this report may be closer to a community enterprise model than a social enterprise model.

❑ IPPR North (2010) concluded that: *"this definition fits a number of different types of organisations… multi-purpose organisations that provide a range of services to a community and own or manage a local asset, such as a community centre."* As shown by the LCCC programme, these assets can equally well be solar photovoltaic units, the fleet of a car sharing club, wind turbines, or hydro units. The financial returns are reinvested in the community served by the enterprise to extend or develop future community energy projects or invest in new capital assets.

❑ There appears to be disparities across LCCC projects regarding the extent to which new social enterprises or the projects themselves have become sustainable businesses, and perhaps the key explanation for this lies in the nature of the projects themselves. However, there is a clear understanding by projects of the need to be

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[9] IPPR North (2010) Supporting community and social enterprise in deprived communities. A Good Practice Guide for Practitioners.
[10] DCLG (2010) Community Enterprise Strategic Framework.

sustainable (financially), but engagement with LCCC projects indicates that some are unsure of what this type of sustainability looks like or how it can best be achieved. Addressing the gap between awareness and capacity would go some way to resolving this issue.

There has clearly been a great deal of innovation and motivation among LCCC projects, demonstrating the great value that community-led energy projects can deliver. Throughout the evaluation, projects' enthusiasm and ambition has been evident and their determination to overcome obstacles associated with capital measures programmes, and community engagement, has been both encouraging and commendable.

Social enterprises, where there are appropriate levels of support (including financial in some cases), can and do contribute to, or establish successful low carbon communities. However, varying degrees of support, and in varying forms, is required by community-grown projects. Support can be required at every stage of a project's development and growth from embryonic concept through development and delivery phases to ultimate business sustainability. The very nature of social enterprises enables a blend of social and environmental objectives that uniquely engage communities and promote sustainability in all its forms.

4.2   Insights for policy and practice:

The key insights from this evaluation, in terms of the most effective ways that communities can be supported to establish social enterprises to deliver low carbon objectives, are presented below. Suggestions are made for how these findings might be translated into future policy development and action amongst social enterprises and community-based practitioners. This section covers each key stage of the development of community-based energy projects, from their inception and concept development to generating community support and delivery.

4.2.1 Stimulating community action

Many of the current LCCC projects were already well scoped and with an established delivery structure and a developed plan when they were submitted to and approved by the LCCC programme. Some projects were extensions of existing activities. It is likely that the majority of future low carbon community projects will be starting locally from scratch rather than supporting existing community initiatives. They will also be required to shape their vision and engage a team of like-minded enthusiasts prior to seeking wider community participation and securing "kick-start" support to develop their low carbon ambitions.

Findings from the evaluation suggest that how communities and interested parties can be best stimulated to instigate activity within the emerging localism agenda requires close consideration. It is often the case that not enough people have the desire to get involved or the skills required to (for example) develop an appropriate organisation, act as volunteers on its behalf or subsequently manage a new social enterprise and staff. This can result in a small number of 'interested' individuals driving forward the initiative, which can limit ambition, the level of activity and business development. It is evident that many of the LCCC projects are generally driven by one or two highly motivated individuals or a very small group, a resource that not all communities possess. Approaches and opportunities will need

to reflect local priorities and the mix of individual communities based on location and geography; and what is appropriate for future initiatives will differ depending on the socio-economic and demographic characteristics and topography of the community. Generating activity and mobilising communities, particularly where significant grant funding is not available, is identified as a key challenge.

Understanding how best to stimulate the initial enthusiasm from a community or an existing organisation has not been a prime focus of this research. Low carbon generation, for example community wind turbines, can sometimes be perceived negatively, making it difficult to engage local communities and key local influencers such as local politicians. Community acceptance and activity could be boosted through a package of benefits and incentives or rewards for community-developed initiatives. In addition, online tools could be developed, or existing resources expanded to provide support and an explanation of the incentives and benefits of taking local action. Such an online tool could act as a central information hub from where users and interested parties can be directed to help and information available from disparate providers and organisations would be valuable. This would be an opportunity to help to address the confusing range of information sources for communities wishing to deliver a low carbon community initiative.

4.2.2 Policy to facilitate action

Emerging policy frameworks, such as the Big Society, Localism and the Green Investment Bank are opportunities to create a focus on motivating local activity by making the incentives to stimulate interest clear and transparent. Although the LCCC and similar projects will be useful, they have benefited from direct-grant support which may not be forthcoming in future. 'How to' guides could be built into new frameworks of available funding and incentives, including changes to planning guidelines still being formed and framed by the Coalition Government. Until the overarching framework of incentives and benefits is clear, most community-led projects or prospective social entrepreneurs will face difficulties in developing and funding new social enterprises.

4.2.3 Scoping and shaping ideas to deliver success

Once interest has been established, access to information or support that will help scope the communities' formative ideas and share the initial vision within the communities is essential. These ideas will often cover, as demonstrated by the objectives and activities of the LCCC projects: CO_2 reduction, reduced energy consumption and improved energy efficiency via different forms of community initiatives, leading the transition to a low carbon and resilient society across energy, transport, food chains, behaviour and lifestyle changes.

LCCC projects generally agreed that, rather than relying on individual exploratory approaches to seek information, a 'light touch' toolkit would be valuable to communities wishing to set up similar low carbon projects. Valued elements would include:

- ❑ Legal templates and frequently asked questions regarding the setting-up of enterprises that include income generation, gifting of funds to third parties and the transfer of ownership of capital measures.
- ❑ 'Need to be aware of' section, which would highlight potential hurdles and how to overcome them based on similar projects' experiences. This should include

information on legislation such as, state aid rules, feed-in-tariffs, planning requirements and regulatory systems as they relate to low carbon activity.

❑ A signposting section should also be included to inform people of the advice and support available to them in terms of social enterprise and access to accredited independent consultants (sustainability or specialists in renewable technologies).

Initiatives providing good examples of the support and advice required by community energy projects in developing and implementing successful social enterprises have been identified. These include services in Wales supported by the Welsh Assembly Government, Transition Towns and the Local United diffusion packs. Advice networks are essential elements in encouraging communities to proceed with community-based low carbon initiatives. There is already a considerable range of valuable information that could be signposted from a single UK-wide central-hub, to maximise reach and the effective use of such diverse information sources.

Many communities are unaware of the range of technologies, and potential financial incentives available for developing community-based schemes, and thus risk making choices that may be inappropriate. A specialist mentoring service, established amongst communities that have successfully implemented such approaches could help to ensure that the volume of successful projects is maximised.

4.2.4 Supporting "start up"

Access to skills, secure capital and start-up revenue funding is a frequent barrier to community action. Future community projects will need to access business planning, professional services such as finance, planning consents, surveying, legal and commercial services, and project management skills. The range of related legal issues linked to social enterprise, ownership and transfer of capital measures (renewable technologies) and generated income (feed-in-tariffs) were identified as requiring specialist input. This is generally not available within individual community-based project teams. Communities will usually be unable to secure all the necessary services free of charge or from local community members and will therefore need to fund such specialist skills somehow. The ability to fund a knowledgeable project manager to drive forward the project has been identified in LCCC projects as a key enabler.

Income streams are only secured after the renewable plant is commissioned and, since many new projects, particularly hydro and wind, can take a number of years to be delivered, this revenue funding gap can be a barrier to action. As sustainable income is only available to a project post-completion and the commencement of power generation and sale (*i.e.* at the 'back end'), a mechanism to enable viable projects with a solid and viable business plan to access development funding could help to bridge this gap. Start-up groups and small social enterprises are unlikely to have the necessary reserves to fund such vital activity. Such a mechanism could include a maximum level of support or a 'loan agreement' where a percentage could be repaid into a revolving fund from future income. Rates of interest would need to be fair and the treatment of loans to a social enterprise, where the project did not ultimately come to fruition, would need to be considered.

4.2.5   Local authorities and associated local partnerships

Many of the LCCC projects had benefited from direct or very close support from the devolved government, local authority, arms-length local authority supported agency and other relevant agencies as delivery partners. Local authorities have stimulated, facilitated and enabled communities to take a lead in the design and delivery of their own responses to climate change and domestic energy issues.

This support has, in turn, supported the local authority's own targets for CO_2 reduction and broader sustainability objectives. Future community energy projects would benefit from such close working relationships with partner organisations so that specialist social enterprise-related skills, mentoring and infrastructure services can be accessed in-kind or at a low cost. Indeed some local authorities or associated agencies have taken the lead partner role, particularly where ground-level community enthusiasm and commitment has been limited or very diverse. Some LCCC projects have been driven and delivered by local authority or partner agencies and resources; thus the challenge is how to sustain, drive and extend these activities with real cross-community level ownership following the delivery of the grant-funded investment. The key role of local authorities in stimulating and supporting community-based energy projects and investment will remain important.

4.2.6   Public Services (Social Enterprise and Social Value Bill)

There is a need to ensure that the intent of the Public Services (Social Enterprise and Social Value Bill) as introduced in the House of Commons on 30 June 2010 is supported. If the Bill should fail then alternative policy options could be sought to embed the key principles of the Bill as part of a stimulus to support the development of low carbon community-based initiatives.

The headline aims of the Public Services (Social Enterprise and Social Value) Bill are to:
- ❑ require the Secretary of State and local authorities to publish strategies in connection with promoting social enterprise and to enable communities to participate in the formulation and implementation of these strategies
- ❑ require that public sector contracts include provisions relating to social outcomes and social values
- ❑ to give social enterprises, voluntary organisations and small businesses that provide a range of extra benefits to their communities a better chance of securing a slice of the public procurement and commissioning budget.

4.2.7   Support for social enterprises

Most of the LCCC projects were built around existing organisations as lead bidders with one or more linked community-focused organisation. Many LCCC projects intend at present to consolidate their LCCC activities within existing governance structures and have not yet determined a detailed business plan and structure for the next stage of their development.

Delivery to tight timelines has inhibited some projects from thinking in terms of establishing new enduring community-based structure or social enterprises to perpetuate or provide a viable platform for an extension of their existing activity. A few projects are still intending to create a new social enterprise but their final form is not yet fully developed. The drivers of this development tend to be the criteria set by potential funders such as banks, avoiding

tensions with other community groups and securing the required level of community commitment to drive forward LCCC visions.

The range of organisations that could potentially play a role in supporting local social enterprise is extensive, but all have a different focus and capacity limitations, they include:
- ❑ Government-funded support such as Business Link
- ❑ Local authority-led services
- ❑ Local and national social enterprise bodies and networks (Social Enterprise Coalition, local co-operatives, Local United)
- ❑ Peers, friends and family
- ❑ Management consultants
- ❑ Business/financial advisors
- ❑ Websites
- ❑ Accountants
- ❑ Commercial lenders

Local authorities are well placed to inform potential new Social Enterprises of the range of available generic social enterprise support that might be available through local business links, and sources of knowledge required by communities wishing to take action to respond to climate change, including available funding. However, some of these programmes (for example Communitybuilders) are coming to an end. The programme is a three-year (2008-11) Social Enterprise programme, but comes to an end in March 2011. The aim was to build up business support in terms of resources, knowledge and support for social enterprises across the nine English regions.

There is growing recognition that social enterprises have multiple benefits: they encourage entrepreneurs who may not otherwise consider starting a business; raise the bar for operating in ethical markets; and can provide improved front-line public services and pioneering new approaches to service delivery. Support materials for community groups wishing to develop social enterprise to deliver community energy projects need to deliver simple direction to cater for a wide range of non-specialist enquiries. Community energy development should aim to integrate with developments in the Big Society, Green Investment Bank and related national carbon reduction and energy efficiency agendas.

Businesses with a social purpose need to benefit from specialist advice that is sensitive to their specific business environment and the specific needs and issues facing community-based organisations.

4.2.8 Technical support for new social enterprises.
Evidence collated by the evaluation of LCCC activity demonstrates that the most complex community-based projects demand a more sophisticated range of skills, particularly in relation to financial and governance arrangements to meet regulatory requirements. If best value is to be achieved, recognition of the need for support relating to more complex areas, such as specialist technical and technological input, is required.

The inherent complexity of delivering some low carbon solutions, and the lack of capacity in some areas, will constrain the pace at which ideas can be turned into action and the ability of communities to deliver, resulting in disengagement. Complex operations such as share

offerings, an Energy Service Company (ESCO) or a large revolving fund may be outside the expertise of a community-based operation or new social enterprise. Enabling and ensuring the success of such initiatives will require the retention of specialist support into the future.

APPENDICES

Appendix A: Project engagement tools

Appendix B: Online survey results

Appendix C: Case studies
- ❑ C.1. CASE STUDY A: Awel Aman Tawe Community Wind Farm
- ❑ C.2. CASE STUDY B: Chale Community Project
- ❑ C.3. CASE STUDY C: Low Carbon Living Ladock and Grampound Road Project

Appendix D: Governance structures matrix

Appendix E: Briefing note

Engagement tools

1.   **Online survey – baseline**

Low Carbon Communities Challenge (LCCC): Exploring social enterprise

1. Welcome and introduction

Hello and welcome to this brief questionnaire.

NEA are undertaking this survey on behalf of DECC to explore with LCCC projects, such as yours, the approaches being adopted to deliver project objectives. We would also like to learn a little bit about your LCCC project's level of understanding and knowledge around social enterprise and whether such models have been adopted or considered.

It is important that you participate even if you do not have previous experience of social enterprise.

Your contributions are valuable to us and will help DECC and NEA to link your LCCC project with appropriate help and support. Please note that you may be contacted by DECC or NEA/Warm Zones cic to provide additional information in support of your response to ensure that your LCCC project receives appropriate assistance.

Please ensure you submit your questionnaire by 31st March 2010. The questionnaire will not be available after this date.

Let's begin...

Low Carbon Communities Challenge (LCCC): Exploring social enterprise

2. Details of your LCCC project

* 1. Please provide the name or title of your LCCC project and applicant name.

LCCC project name/title:

Applicant name:

2. Does your LCCC project have an expected end date?

◯ Yes

◯ No

If yes, please provide your end date here:

3. Please provide your contact details.

Your details will be used only for the purpose of providing your LCCC project with information and support, or contacting you for the purpose of future research regarding social enterprise.

Name:

Organisation:

Address 1:

Address 2:

City/Town:

Post Code:

Email Address:

Telephone Number:

4. Briefly describe your role and level of responsibility within your LCCC project?

Low Carbon Communities Challenge (LCCC): Exploring social enterprise

5. Have your responses to this questionnaire been discussed and agreed with your wider LCCC project team?

( ) Yes

( ) No

6. If you would prefer an alternative individual to be the main contact point for information, support or research regarding social enterprise, please provide their contact details below.

Name:

Organisation:

Address 1:

Address 2:

City/Town:

Post Code:

Email Address:

Telephone Number:

7. In which English region or devolved nation does your LCCC project operate?

[ ] England: North East   [ ] England: East Midlands   [ ] England: South West

[ ] England: North West   [ ] England: Eastern   [ ] Scotland

[ ] England: Yorkshire & Humber   [ ] England: London   [ ] Wales

[ ] England: West Midlands   [ ] England: South East   [ ] Northern Ireland

Please provide the Local Authority(ies) area you operate in:

8. What is the name of the community targeted by your LCCC project?

Low Carbon Communities Challenge (LCCC): Exploring social enterprise

9. Which of the below best describe the community your LCCC project is targeted at?

Select all that apply and/or tell us about any others where indicated.

☐ Local Authority-wide	☐ BME community	☐ Families with children
☐ Multiple Local Authorities	☐ Low income households	☐ Owner-occupiers
☐ Ward-wide	☐ Areas of deprivation	☐ Private rented tenants
☐ Local parish	☐ Older members of the community	☐ Social housing tenants
☐ Other (please specify)		

Low Carbon Communities Challenge (LCCC): Exploring social enterprise

3. LCCC project structure and management

Please complete all the following sections with reference to your LCCC project. Where we refer to 'project' please take this to be your LCCC project in each case.

1. Which of the below best describe the organisational structure of your project?

☐ Local Authority / multiple Local Authorities / Parish Council

☐ Local strategic partnership

☐ Legally constituted third sector organisation

☐ Other (please specify)

2. If the organisational structure you selected above has changed since your application to LCCC, please briefly tell us about the key drivers for this change:

Low Carbon Communities Challenge (LCCC): Exploring social enterprise

3. Using the scale below where 1 is minimal paticipation/involvement and 5 is maximum participation/involvment, to what extent to date did/are the community targeted by your project:

Please rate each item below.

	1 (minimum participation)	2	3	4	5 (maximum participation)
a) Participate in shaping your project's organisational structure:	○	○	○	○	○
b) Involved in management of your project:	○	○	○	○	○
c) Involvement in the delivery of project services (e.g. providing advice to clients):	○	○	○	○	○

Briefly explain your response above:

4. Do you plan any future changes to the level of community involvment in your project delivery organisation?

Please say what the planned change is for each item below.

	It will decrease	No change anticipated	It will increase
a) Shaping your project's organisational structure	☐	☐	☐
b) Management of your project	☐	☐	☐
c) Delivery of your project's services	☐	☐	☐

Please briefly explain why

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Low Carbon Communities Challenge (LCCC): Exploring social enterprise

5. Using a scale where 1 is minimal importance and 5 is maximum importance, how important is the involvment of the community targeted by your project to:

Please rate each item below.

	1 (Minimal importance)	2	3	4	5 (maximum importance
a) the management of your project:	○	○	○	○	○
b) the delivery of your project:	○	○	○	○	○

Please briefly explain your response above

Low Carbon Communities Challenge (LCCC): Exploring social enterprise

4. About social enterprise

1. Using a scale of 1 - 5 where 1 is very low knowledge and 5 is very high knowledge, how would you rate your project's current level of knowledge of 'social enterprise?'

	1 (Very low)	2	3	4	5 (Very high)
Knowledge of social enterprise:	○	○	○	○	○

2. We acknowledge that your project may not have in depth knowledge of social enterprise, however we would like to explore this a little more with you.

Using a scale of 1 - 5, where 1 is 'strongly disagree' and 5 is 'strongly agree', to what extent does your project agree with each of the statements below about social enterprise models?

Please rate each item listed.

	1 (Strongly disagree)	2	3	4	5 (Strongly agree)
a) They are owned and managed by the communities they serve	○	○	○	○	○
b) They have a clear social benefit to the community they serve	○	○	○	○	○
c) They have a clear environmental benefit to the community they serve	○	○	○	○	○
d) They have a clear economic benefit to the community they serve	○	○	○	○	○
e) They offer local employment opportunities	○	○	○	○	○
f) Their objectives are driven by the needs of the community	○	○	○	○	○
g) Surpluses are reinvested back into the community they serve	○	○	○	○	○
h) They compete to deliver goods and services	○	○	○	○	○
i) They can be a profitable business operating in a competitive market.	○	○	○	○	○

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Low Carbon Communities Challenge (LCCC): Exploring social enterprise

3. Social enterprises as defined by the Cabinet Office, Office for the Third Sector, are:

"Social Enterprises are businesses with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or community, rather than being driven by the need to maximise profit for shareholders and owners."

Thinking about the statement above, do you think a social enterprise model could have any benefits for your project?

○ Yes, definitely   ○ Probably   ○ Probably not   ○ Definitely not   ○ I'm not sure

Please briefly explain why you think this

4. Briefly, what do you think might be some of the advantages or disadvantages of a social enterprise model?

Advantages:

Disadvantages:

5. Please say, using a scale of 1 - 5 where 1 is minimal importance and 5 is maximum importance, how important each of the following are to your project?

Please rate each item.

	1 (Minimal importance)	2	3	4	5 (Maximum importance)
a) It is owned and managed by the communities it serves	○	○	○	○	○
b) It has a clear social benefit to the community it serves	○	○	○	○	○
c) It has a clear environmental benefit to the community it serves	○	○	○	○	○
d) It has a clear economic benefit to the community it serves	○	○	○	○	○
e) Its objectives are driven by the needs of the community	○	○	○	○	○
f) Surpluses are reinvested back into the community it serves	○	○	○	○	○

Low Carbon Communities Challenge (LCCC): Exploring social enterprise

6. Are you considering adopting a social enterprise model for your project?

○ We are an existing social enterprise

○ We are considering a social enterprise model

○ We have rejected the social enterprise model and are considering others

○ We have rejected the social enterprise model and have another model in place

○ A social enterprise model is not suitable for us (please briefly explain why)

Low Carbon Communities Challenge (LCCC): Exploring social enterprise

5. Social enterprise advice for your LCCC project #1

DECC have made available provision to provide advice, support and guidance on the options available for the delivery of your project. This will include face-to-face advice and support to facilitate the development of social enterprise, where applicable.

The support and information will be supplemented by a range of resources covering what a social enterprise is, how they can function and the benefits using examples of best practice.

1. As some projects will be at different stages of developing their project structures, in the first instance, the advice offered might include basic information to help you decide if a social enterprise model is suitable for your project. If you decide to proceed down the route of social enterprise then a more detailed and indepth support package will be offered at a later date.

For projects that have already chosen a social enterprise model, but require assistance to further develop this approach, tailored advice and support will be made available.

Please indicate below if your project is interested in receiving advice and support regarding the development of social enterprise structures and processes?

◯ Yes, basic information at this stage (possibly followed by tailored, more indepth advice and support as appropriate)

◯ Yes, more detailed advice and support at this stage

◯ No

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Low Carbon Communities Challenge (LCCC): Exploring social enterprise

6. Social enterprise advice for your LCCC project #2

1. Which of the following social enterprise models would your project be interested in receiving tailored advice and support on?

Please select one response for each item below.

	Yes	Maybe	No	Not sure what this is, but request information
Community interest companies	○	○	○	○
Charitable incorporated organisations	○	○	○	○
Unincorporated associations	○	○	○	○
Trusts	○	○	○	○
Limited companies with a social purpose	○	○	○	○
Community benefit societies	○	○	○	○
Cooperatives	○	○	○	○
Registered charities	○	○	○	○

Other - please specify another social enterprise model(s) you would like to consider for your project

It is envisaged that any project opting to receive guidance about establishing a social enterprise will receive a highly tailored package of support.

This package could include: help with business planning; governance structures; funding streams; how to sustain the project for the benefit of the community; finance structures such as home loan schemes, revolving loans and feed-in tariffs; partnerships; skills assessments; and how to access other goods and services provided by other social enterprises.

Low Carbon Communities Challenge (LCCC): Exploring social enterprise

2. Which of these aspects of social enterprise models, would your project be most intrested in receiving specific advice and guidance about?

Please select all that apply.

☐ Help with business planning   ☐ Finance structures (eg. home loan schemes, revolving loans and feed-in tariffs)

☐ Governance structures   ☐ Partnerships

☐ Funding streams   ☐ Skills assessments

☐ How to sustain the project for the benefit of the community   ☐ How to access other goods and services provided by other social enterprises

☐ Other - please tell us about any other social enterprise related assistance you would be intrested in receiving:

3. Does your project currently have a business plan?

○ Yes, it is fully developed

○ Yes, it is in development

○ No

Low Carbon Communities Challenge (LCCC): Exploring social enterprise

7. LCCC business planning

1. Does your project business plan include how your project will be sustained beyond the LCCC funding support period?

○ Yes

○ No

2a. Telephone interview script: projects that received WZ advice

Low Carbon Community Challenge – Social Enterprise evaluation
Initial Meeting interview – NEA Research

LCCC project:	
Telephone:	
Interviewee name:	
Interviewee's role:	
Baseline organisational structure:	
Community involvement:	
Advice & support level requested:	
Advice & support received to date:	
Interview date and time	

SECTION ONE: About Social Enterprise

Q1 Using a scale of 1 - 5, where 1 is 'strongly disagree' and 5 is 'strongly agree', to what extent does you agree with each of the statements below about social enterprise models? Please rate each item listed. *[Interviewer note: Please rate each item as I read them out]*

Answer Options	1 (Strongly disagree)	2	3	4	5 (Strongly agree)
a) They are owned and managed by the communities they serve	1	2	3	4	5
b) They have a clear social benefit to the community they serve	1	2	3	4	5
c) They have a clear environmental benefit to the community they serve	1	2	3	4	5
d) They have a clear economic benefit to the community they serve	1	2	3	4	5
e) They offer local employment opportunities	1	2	3	4	5
f) Their objectives are driven by the needs of the community	1	2	3	4	5
g) Surpluses are reinvested back into the community they serve	1	2	3	4	5
h) They compete to deliver goods and services	1	2	3	4	5
i) They can be a profitable business operating in a competitive market.	1	2	3	4	5

Q2 Using a scale of 1 - 5 where 1 is very low knowledge and 5 is very high knowledge, how would you rate your project's current level of knowledge of 'social enterprise?' *[Interviewer note: Please rate each item as I read them out]*

	1 (Very low)	2	3	4	5 (Very high)
Knowledge of social enterprise:					

Q3 Using a scale of 1 - 5 where 1 is minimal importance and 5 is maximum importance, how important are each of the following to your project? [Interviewer note: Please rate each item as I read them out]

Answer Options	1 (Minimal importance)	2	3	4	5 (Maximum importance)
a) It is owned and managed by the communities it serves	1	2	3	4	5
b) It has a clear social benefit to the community it serves	1	2	3	4	5
c) It has a clear environmental benefit to the community it serves	1	2	3	4	5
d) It has a clear economic benefit to the community it serves	1	2	3	4	5
e) Its objectives are driven by the needs of the community	1	2	3	4	5
f) Surpluses are reinvested back into the community it serves	1	2	3	4	5

Guidance and advice meeting with Warm Zones cic

Q4   Did you receive a copy of the guidance document provided by WZ cic 'Information on Social Enterprises - Guidance to Successful LCCC Projects'?

Yes - Generally, how useful did you find the document regarding the different forms SE can take and aspects to consider when setting one up?

Q5.   **Have you established SE as part of LCCC or used an existing one? Could you please tell me a little bit about the SE works to deliver your LCCC project – what specific role does it play.**

IF SE NOT YET SET-UP – OR GO TO Q8

Q6   **Deciding which SE form is right for your project will have depended on a number of factors, were any of the following factors discussed with you during your WZ meeting?**

[Interviewer note: read out and circle as appropriate]

1. Whether necessary to have limited liability
2. Partners that could be involved and roles they would have
3. Scale of current and future activities
4. Envisaged turnover
5. Employing staff
6. The community you'' serve and its form – geographical/virtual
7. How big or inclusive your project will be
8. Level of accountability and to whom – stakeholders, members etc
9. Nature of any financial transactions – methods for raising capital or other funding

Q7 **Did you decide at the meeting with WZ cic which form of social enterprise you wanted to adopt for your project? [*Interviewer note: check whether existing SE*]**

Yes - discussed but will decide which form to adopt at a later date.
Yes – discussed and decided at initial meeting
No – were are already an existing SE prior to the meeting
No – we decided after the initial meeting not to pursue SE

Circle that which applies

1. Community Interest Companies (CICs)	2. Limited companies with a social purpose
3. Charitable Incorporated Organisations	4. Community Benefit Societies
5. Unincorporated Associations	6. Coops
7. Trusts	8. Registered charities
9. Development Trusts	10. Other SE model (specify)

Q8 **At your initial meeting with WZ cic did you discuss any of the different aspects of operating as a SE, such as finance, skills, governance structure etc?**

Circle those that apply

1. Business planning	2. Finance structures
3. Governance structures	4. Partnerships
5. Funding streams	6. Skills assessments
7. Sustaining the project for community into the future	8. Access goods/ services from other SEs

Q9 **Is there any advice or guidance specific to the SE sector that you think would have been helpful as you were establishing your LCCC project? If yes, who do you think would be best placed to deliver this?**

Q10 **Barriers encountered and how they were overcome – do you think any advice could have been useful then?**

Q11. **Is there anything specific that you would like to receive further detailed and tailored advice or guidance regarding how social enterprises can be beneficial to setting up Low Carbon Communities?**

Q13 **Was there anything not covered in your meeting with WZ cic that you would have liked covered regarding how social enterprise could benefit your Low Carbon Community?**

Q14 **Have you arranged for your project to receive further detailed and tailored advice or guidance from WZ cic at a later date – what expectations?** *[Interviewer note: forms of SE, finance, legal, governance etc]*

Q15 **Can you explain what it is about being a SE that perhaps better enables your LCCC project to attain its objectives that a different organisational structure would not.**

Q17 **What are your long terms plans for maintaining the project using a social enterprise structure?**

Q18   **Do you think there is any support and guidance that could be provided to SEs from government and/or social enterprise sector on matter regarding community energy projects?**

Q19   **In terms of how replicable you think your LCCC project is or could be are there any lessons you think you could share with others wanting to set low carbon communities under SE model – particularly in terms of advice and support around set-up, progress, sustaining the project in the long term and engaging communities?**

Q21   **Generally how happy are you with the advice, support and guidance you have received to date about social enterprise models – in particular what are your feelings about how SE can enhance the delivery of Low Carbon Community projects? Value of organisation being not for profit and surpluses are reinvested?**

Thank you and close.

2b.   Follow-up telephone interview script: projects that received WZ advice

Low Carbon Community Challenge – Social Enterprise evaluation
Follow-up interview – NEA Research

LCCC project:	
Telephone:	
Interviewee name:	
Interviewee's role:	
Baseline organisational structure:	
Community involvement:	
Advice & support level requested:	
Advice & support received to date:	
Interview date and time	

Q1a   Update on development of the new social enterprise?

Q1b   Is there any advice or guidance specific to the SE sector that you think would have been helpful as you were establishing your LCCC project? If yes, who do you think would be best placed to deliver this?

Q4   Barriers encountered and how they were overcome – do you think any advice could have been useful then?

Q5   What are your long terms plans for maintaining the project using a social enterprise structure?

Q6   In terms of how replicable you think your LCCC project is or could be are there any lessons you think you could share with others wanting to set low carbon communities under SE model – particularly in terms of advice and support around set-up, progress, sustaining the project in the long term and engaging communities?

Q7. **What would describe as being your three key lessons from undertaking the LCCC project in relation to SE and community energy projects – these might be applicable to your local community or may apply at a regional or national level.**

End.

2c.   Telephone interview script: projects that did not receive WZ advice

Low Carbon Community Challenge – Social Enterprise evaluation

LCCC project name/title:	
Address 2:	
City/Town:	
Email Address:	
Telephone Number:	
Date/time	
Briefly describe your role and level of responsibility within your LCCC project?	
Are you considering adopting a SE model for your project?	
Interested in receiving advice/support regarding the development of SE structures and processes?	

Q1   Could you please tell me a little bit about the SE works to deliver your LCCC project – what specific role does it play.

Q2   Can you explain what it is about being a SE that perhaps better enables your LCCC project to attain it's objectives that a different organisational structure would not.

Q3   Is there any advice or guidance specific to the SE sector that you think would have been helpful as you were establishing your LCCC project? If yes, who do you think would be best placed to deliver this?

Q4   Barriers encountered and how they were overcome – do you think any advice could have been useful then?

Q5   **What are your long terms plans for maintaining the project using a social enterprise structure?**

Q6   **Do you think there is any support and guidance that could be provided to SEs from government and/or social enterprise sector on matter regarding community energy projects?**

Q7.   **In terms of how replicable you think your LCCC project is or could be are there any lessons you think you could share with others wanting to set low carbon communities under SE model – particularly in terms of advice and support around set-up, progress, sustaining the project in the long term and engaging communities?**

Key learning:

End.

3. Online survey – follow-up

Low Carbon Communities Challenge (LCCC): Follow-up – Exploring social enterprise

1. Welcome and introduction

Hello and welcome to this questionnaire.

DECC has commissioned NEA to undertake an independent evaluation of the most effective way for Government and the social enterprise sector to support communities wishing to set up social enterprises to achieve low carbon objectives.

This survey is to follow-up with LCCC projects the approaches being adopted to deliver on their project's objectives.

You will remember that we contacted you back in March 2010 to learn about your LCCC project's level of understanding and knowledge around social enterprise and whether such models were being adopted or considered. The purpose of this survey is to establish the extent to which LCCC projects have progressed with developing social enterprise models; plans for the future, knowledge of social enterprise generally; and your views on the support needs of current and future community-based energy initiatives.

It is important that you participate even if you have not adopted social enterprise models as part of your LCCC project.

Your contributions are valuable to us and will help DECC and NEA to understand how Low Carbon Community projects might be supported in future.

Please ensure you submit your questionnaire by Monday 7th March 2011 to ensure your input forms part of the recommendations to DECC. The questionnaire will not be available after 4pm on this date.

To navigate through the survey please use the next and previous buttons below and not the forward or back buttons of your web browser. If you experience any technical difficulties completing the survey please email Helen Stockton at NEA: helen.stockton@nea.org.uk or telephone: 0191 2615677.

Thank you for your time. To begin, please click next...

Page 1

Low Carbon Communities Challenge (LCCC): Follow-up – Exploring social enterprise

2. Details of your LCCC project

* 1. Please provide the name or title of your LCCC project:

LCCC project name/title:

2. What is the name of the community targeted by your LCCC project?

3. Please provide your contact details.

Name:

Organisation:

City/Town:

Email address:

Telephone number:

4. Briefly describe your role and level of responsibility within your LCCC project:

Low Carbon Communities Challenge (LCCC): Follow-up – Exploring social enterprise

3. LCCC project structure and management

Please complete all the following sections with reference to your LCCC project. Where we refer to 'project' please take this to be your LCCC project in each case.

1. Which of the below best describe the 'current' organisational structure managing your project?

◯ Local Authority / County Council / Parish Council

◯ Local strategic partnership

◯ Legally constituted third sector organisation

◯ Social enterprise

◯ Other statutory body (e.g. National Park)

◯ Other (please specify)

_____

2. If the organisational structure of your project selected above is different to that specified in your LCCC application, please briefly explain:

a. What has changed?

b. Key drivers for the change?

Low Carbon Communities Challenge (LCCC): Follow-up – Exploring social enterprise

3. Which of the statements below best reflect your LCCC project's engagement with social enterpise models:

Please select all that apply

- [ ] We set-up a new social enterprise prior to applying to LCCC
- [ ] We have established a new social enterprise(s) to manage all of the project
- [ ] We have established a new social enterprise(s) to manage parts of the project
- [ ] We are about to establish a new social enterprise(s) to manage the project
- [ ] We are about to establish a new social enterprise(s) to manage parts of the project
- [ ] We have rejected social enterprise models and have another model in place for our project

Please briefly describe your alternative model adopted:

| |

4. Which of the following social enterprise models has your project adopted, or is in the process of adopting? If you have not adopted any form social enterprise model please indicate this below.

- [ ] Community interest companies
- [ ] Charitable incorporated organisations
- [ ] Unincorporated associations
- [ ] Trusts
- [ ] Limited companies with a social purpose
- [ ] Other (please specify)

- [ ] Community benefit societies
- [ ] Cooperatives
- [ ] Registered charities
- [ ] We did not adopt any form of social enterprise

4. Community Involvement

1. Using the scale below where 1 is minimal paticipation/involvement and 5 is maximum participation/involvment, to what extent does/is the community targeted by your project:

Please rate each item below.

	1 (minimum participation)	2	3	4	5 (maximum participation)
a) Participate in shaping your project's organisational structure:	○	○	○	○	○
b) Involved directly in the management of your project:	○	○	○	○	○
c) Involved in the delivery of project services (e.g. providing advice to clients):	○	○	○	○	○

Briefly explain your responses above:

Low Carbon Communities Challenge (LCCC): Follow-up – Exploring social enterprise

5. About social enterprise

Please complete all questions in this section, even if you have not adopted a social enterprise model as part of your LCCC project.

1. Using a scale of 1 - 5 where 1 is very low knowledge and 5 is very high knowledge, how would you rate your project's current level of knowledge of 'social enterprise?'

	1 (Very low)	2	3	4	5 (Very high)
Knowledge of social enterprise:	○	○	○	○	○

2. We acknowledge that your project may not have in depth knowledge of social enterprise, however we would like to explore this a little more with you.

Using a scale of 1 - 5, where 1 is 'strongly disagree' and 5 is 'strongly agree', to what extent does your project agree with each of the statements below about social enterprise models?

Please rate each item listed.

	1 (Strongly disagree)	2	3	4	5 (Strongly agree)
a) They are owned and managed by the communities they serve	○	○	○	○	○
b) They have a clear social benefit to the community they serve	○	○	○	○	○
c) They can include a clear environmental benefit to the community they serve	○	○	○	○	○
d) They can include a clear economic benefit to the community they serve	○	○	○	○	○
e) They can offer local employment opportunities	○	○	○	○	○
f) Their objectives are driven by the needs of the community	○	○	○	○	○
g) Surpluses are reinvested back into the community they serve	○	○	○	○	○
h) They can compete to deliver goods and services	○	○	○	○	○
i) They can be a profitable business operating in a competitive market.	○	○	○	○	○

Low Carbon Communities Challenge (LCCC): Follow-up – Exploring social enterprise

3. Using a scale of 1 - 5 where 1 is strongly disagree and 5 is strongly agree, to what extent do you agree that each statement is true of your project?

Please rate each item listed.

	1 (Strongly disagree)	2	3	4	5 (Strongly agree)
a) It is owned and managed by the communities it serves	○	○	○	○	○
b) It has a clear social benefit to the community it serves	○	○	○	○	○
c) It has a clear environmental benefit to the community it serves	○	○	○	○	○
d) It has a clear economic benefit to the community it serves	○	○	○	○	○
e) It offers local employment opportunities	○	○	○	○	○
f) Its objectives are driven by the needs of the community	○	○	○	○	○
g) Surpluses are reinvested back into the community it serves	○	○	○	○	○
h) It competes to deliver goods and services	○	○	○	○	○
i) It is a profitable business operating in a competitive market	○	○	○	○	○

4. Since beginning your project, what three things have you learnt about social enterprise specifically?

If you do not think you have learnt anything about social enterprise please type in 'nothing new.'

Social enterprise learning 1:

Social enterprise learning 2:

Social enterprise learning 3:

Low Carbon Communities Challenge (LCCC): Follow-up – Exploring social enterprise

6. Support for LCCC projects

This section covers the support needs for delivering community-based energy projects and potential social enterprise models.

Support in this context ranges from, light-touch advice and guidance (e.g. paper-based or web-based information) to indepth face-to-face mentoring and advice sessions.

We would like to learn about what 'type' of support your project received and at what stage of your project this would have been of greatest value. Finally, we will also ask about any support you have received whilst delivering your project and from whom or where it was received.

* 1. Does your LCCC project involve social enterprise models?

○ Yes

○ No

Low Carbon Communities Challenge (LCCC): Follow-up – Exploring social enterprise

7. Social enterprise support

1. Thinking about the support relating to aspects of social enterprise (SE) required by your LCCC project in order for it to become established, grow and be sustained into the future, please say to what extent you agree or disagree with each statement below:

	Strongly disagree	Disagree	Neither agree/disagree	Agree	Strongly agree	N/A (We did not require any SE advice or support)
SE support was important at the beginning of our project	○	○	○	○	○	○
SE support was/is important as our project was/is developing	○	○	○	○	○	○
SE support is important for the long-term sustainability of our project	○	○	○	○	○	○

2. How would your project have preferred/prefer to receive support relating to aspects of social enterprise (SE) and at which stage of your project would this have been/be of most value:

For each mode of delivery listed below please select at what stage(s) it would have been/will be of most value to your project:

	At the beginning of our project (start-up and development)	Medium-term (delivery stage)	Long-term (sustaining into the future)	Not required
Face-to-face mentoring	☐	☐	☐	☐
Event-based networking	☐	☐	☐	☐
Website-based directory of advice/services	☐	☐	☐	☐
Specialist advisors (e.g. renewables)	☐	☐	☐	☐
Online-network with similar projects	☐	☐	☐	☐
Good practice 'how to' based case studies	☐	☐	☐	☐

3. Please use the text boxes below to briefly tell us what social enterprise related support your project received and from whom or where it was accessed.

Please tell us this for the three stages of your project listed.

At the beginning of your project (start-up and development):

Short to medium-term (delivery):

Long-term (sustaining into future):

4. What would be your two key recommendations to people who are thinking about setting-up an environmental social enterprise?

Recommendation 1:

Recommendation 2:

Low Carbon Communities Challenge (LCCC): Follow-up – Exploring social enterprise

8. Support for your project

1. Please indicate below if your project would have been interested in receiving the specified support and show at what stage this would have been of most value.

	No interest	Interested at early planning stage	Interested at early delivery stage	Interested at mid-delivery stage	Interested at late delivery stage	Interested in future for the sustainability of project
Help with business planning	☐	☐	☐	☐	☐	☐
Legal aspects of the project (general)	☐	☐	☐	☐	☐	☐
Legal aspects (advice around ownership of renewable technologies)	☐	☐	☐	☐	☐	☐
Legal aspects (state aid and FiTs/RHI)	☐	☐	☐	☐	☐	☐
Governance structures	☐	☐	☐	☐	☐	☐
Planning permissions	☐	☐	☐	☐	☐	☐
Access to funding (affordable loans, grants etc)	☐	☐	☐	☐	☐	☐
How to sustain the project into the future for the benefit of the community	☐	☐	☐	☐	☐	☐
Finance structures (eg. home loan schemes, revolving loans and feed-in tariffs)	☐	☐	☐	☐	☐	☐
Recruiting and retaining skilled staff	☐	☐	☐	☐	☐	☐
Procurement	☐	☐	☐	☐	☐	☐
How to access other goods and services provided by other social enterprises	☐	☐	☐	☐	☐	☐
Other (tell us when then specify below)	☐	☐	☐	☐	☐	☐

Other - please explain

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Low Carbon Communities Challenge (LCCC): Follow-up – Exploring social enterprise

2. Who do you think is best placed to provide projects like yours with:

a) general support relating to low carbon community activities; and
b) support relating to social enterprise

	a) General support	b) Support related to social enterprise:
Central government	☐	☐
Devolved administrations	☐	☐
Regional government	☐	☐
Local government	☐	☐
Professional service providers (Accountants/Specialist lawyers	☐	☐
Consultants	☐	☐
Business advisors	☐	☐
Other social enterprises	☐	☐
National social enterprise body	☐	☐
Regional social enterprise body	☐	☐
'Local United'	☐	☐
Other not-for-profit sector	☐	☐
Websites	☐	☐

Other (please specify)

Low Carbon Communities Challenge (LCCC): Follow-up – Exploring social enterprise

3. Please use the text boxes below to briefly tell us the type of support your project received and from who for each stage listed.

If you have already told us about any social enterprise-related support, use the boxes to tell us about any other support.

At the beginning of your project (start-up and development):

Short to medium-term (delivery):

Long-term (sustaining into future):

4. If you were advising a new community-based low carbon initiative, what would be your two key recommendations?

Recommendation 1:

Recommendation 2:

Low Carbon Communities Challenge (LCCC): Follow-up – Exploring social enterprise

9. Future business sustainability

1. Does your project have a 3 to 5 year business plan leading to sustainability?

○ Yes

○ No

Please briefly describe your business plan:

[text box]

2. Thinking about future business planning, from where do you see your project accessing or generating funds from?

☐ Public sector funded grants

☐ Other grants (e.g. Big Lottery, Trust Funds etc)

☐ Investments (e.g. share offers)

☐ Commercial bank loans

☐ Green/Social Investment Bank

☐ Income from trading with the public sector

☐ Other (please specify)

[text box]

☐ Income from trading with the private sector

☐ Income from trading with other not-for-profit organisations or social enterprises.

☐ Income from trading with the public

☐ Income associated with electrcity or heat generation (e.g. FiTs & RHI)

☐ Donations

Low Carbon Communities Challenge (LCCC): Follow-up – Exploring social enterprise

3. Using the list below please select the three most significant barriers to the long-term business sustainability of your project:

	Choice 1	Choice 2	Choice 3
Lack of funding or affordable finance	○	○	○
Cash flow	○	○	○
Lack of appropriate knowledge & skills	○	○	○
Time pressure	○	○	○
Lack of business support for projects	○	○	○
Recruiting and retaining skilled staff	○	○	○
Other (rank then specify below)	○	○	○

Other (please specify)

4. Considering all elements of your project together, which band below best represents your projected annual surplus that will be used for community benefit in each year listed?

	Less than £10,000	£10,000 - £25,000	£26,000 - £50,000	More than £50,000	Don't know/not applicable
Year 2011-12	○	○	○	○	○
Year 2014-15	○	○	○	○	○
Year 2019-20	○	○	○	○	○

5. Finally, while commercial business is principally interested in shareholder value, social enterprises have broader ambitions. They attempt to balance the needs of the 'planet' itself and the 'people' who live on it with the need to 'create wealth'. How important are each of the following to your LCCC project?

	Very unimportant	Unimportant	Important	Very important
Planet	○	○	○	○
People	○	○	○	○
Profit	○	○	○	○

1. Low Carbon Communities Challenge & Social enterprise

Baseline survey – summary analysis

April 2010

The following report presents the results from a summary analysis of responses received from twenty Low Carbon Community Challenge (LCCC) projects to date. Of the twenty-two LCCC projects, all projects responded. Due to late response this report excludes responses from two cases, apart from table 14 which includes their requirements or interest in social enterprise models and advice. Both cases will be included in subsequent analyses and their full response data is provided in appendix B.

Analysis was primarily univariate, to explore in detail the characteristics of projects with an interest in receiving further advice or guidance about social enterprise (SE) models, however there are come multivariate analyses used to cross-reference responses received.

1.   Project details & structures

Responses from the following projects/organisations have been received and included in the analysis and results presented here. The list of respondents and their corresponding unique reference numbers are included in appendix A and will be extended to all tables at a later date.

TABLE 1 LCCC project name/title:	Applicant name:
Ashton Hayes Going Carbon Neutral Project	Garry Charnock
Ballymena localised district heating network	Ballymena Borough Council
Berwick upon Tweed	Berwick Core Ltd
Carbon Neutral Exmoor	Exmoor National Park Authority
Chale Community Project	Ellen MacArthur Foundation

TABLE 1 LCCC project name/title:	Applicant name:
Cwm Arian Renewable Energy Project (CARE)	Cwm Arian
Eco-Easterside	Middlesbrough Council
Ecofit Whitehill-Bordon	Kate Hillerby
Egni	Awel Aman Tawe
Halton Carbon Positive, Halton-with-Aughton, Lancashire	Jon Sear - Lancaster Cohousing
Haringey Council and Muswell Hill Low Carbon Zone	Haringey Council
Hillhouse Greening the Gap	Sarah Spiliotis
Lammas Low Impact Initiatives Ltd	Lammas Low Impact Initiatives Ltd
Low Carbon Living, Ladock & Grampound Road	Community Energy Plus/Russell Geake
Reepham LCCC	Rex Warner
Sustainable Community Carbon Neutral Biomass District Heating Scheme	Camphill Community Glencraig
The Meadows	Jacky Dobson
Transition Streets	Fiona Ward
Transition to a Low Carbon Hook Norton	Tim Lunel
West Oxford - Renewables West Oxford	Barbara Hammond (input by Bob Carter)

- The majority of projects have an expected end date in place and specified the following details:

TABLE 2 LCCC project name/title:	If yes, please provide your end date here:
Ballymena localised district heating network	01/03/2011
Carbon Neutral Exmoor	01/07/2013
Chale Community Project	It is anticipated that the initial period of activity will last 2 years but the benefits of a legacy fund will carry on indefinitely
Cwm Arian Renewable Energy Project (CARE)	31-03-2011
Eco-Easterside	01/03/2012
Ecofit Whitehill-Bordon	31/3/2011 but will evolve into a different loan scheme

TABLE 2	
LCCC project name/title:	**If yes, please provide your end date here:**
Egni	31st march 2011
Haringey Council and Muswell Hill Low Carbon Zone	31/03/2011
Hillhouse Greening the Gap	Phase 1 (engagement & installations) end of financial year 10/11. Community fund & steering group will last for duration of Gov't FIT scheme.
Lammas Low Impact Initiatives Ltd	01/03/2011
Reepham LCCC	354 installations across 40 sites expected to be completed by September 2010
Sustainable Community Carbon Neutral Biomass District Heating Scheme	01/04/2011
The Meadows	installations completed by the middle of May
Transition Streets	31/03/2011
Transition to a Low Carbon Hook Norton	01/03/2011

- Eight projects indicated that they had discussed and agreed their responses to the survey with their wider project team.
- Three cases provided details of a preferred alternative point of contact for future communications regarding SE advice/guidance and the evaluation. Details are provided below.

TABLE 4 LCCC project name/title:	Name:	Organisation:	Briefly describe your role and level of responsibility within your LCCC project?	Alternative contact - name:
Ashton Hayes Going Carbon Neutral Project	Garry Charnock	Ashton Hayes Parish Council	I was the instigator of the project in 2005 and I am now the Co-Chair with Prof. Roy Alexander	Prof Roy Alexander
Ballymena localised district heating network	Clive Kyle	Ballymena Borough Council	I am part of the core project team and project manager.	John Healy
Berwick upon Tweed	Julien Lake	Berwick Core Ltd	Project Manager	
Carbon Neutral Exmoor	Tim Stokes	Exmoor National Park Authority	I am project managing the LCCC project and undertaking most of the day-to-day work, directed by a project steering group	
Chale Community Project	Katie Green	Ellen MacArthur Foundation	Comms and Project Coordinator - I am responsible for the successful delivery of the communications plan for the project and also the embedding of the engagement programme in the wider community.	

TABLE 4 LCCC project name/title:	Name:	Organisation:	Briefly describe your role and level of responsibility within your LCCC project?	Alternative contact - name:
Cwm Arian Renewable Energy Project (CARE)	Cris Tomos	Cwm Arian	I am the voluntary chairman. Responsible for calling meetings and bid submission. We are looking to appoint a coordinator shortly - I will be handling the recruitment process.	
Eco-Easterside	Dr Mark Fishpool	Middlesbrough Environment City	Coordinating the development and implementation of the project. line managing the Project Manager when appointed.	
Ecofit Whitehill-Bordon	Kate Hillerby	East Hampshire District Council	I am the Funding manager for the Eco-town Project but I have a background in both Private Sector Renewal, Energy Efficiency Project Work and Community Development. I will be coordinating all aspects of the project and liaising with our Eco-housing Team and Community Development Team to ensure all aspects of the project are delivered.	
Egni	Dan McCallum	Awel Aman Tawe	I am the project manager for the LCCC project. I report to the trustees of Awel Aman Tawe (AAT). My work on the community wind farm scheme is voluntary as I am contracted FT to manage a community energy support programme (Ynni'r Fro) through AAT.	
Halton Carbon Positive, Halton-with-Aughton, Lancashire	Liz Horn	LESS	I work for LESS, a community interest company, one of the three main partners in the Halton Carbon Positive project. I'm currently the Climate Change Action Co-ordinator for Lancaster's LSP but the plan is for me to become the project manager for the LCCC project.	
Haringey Council and Muswell Hill Low Carbon Zone	Alan Morton	en10ergy	Chair of en10ergy, our social enterprise, and chair of the Muswell Hill Sustainability Group the community group who set up en10ergy. We are responsible for spending around 50% of the LCCC project funding.	
Hillhouse Greening the Gap	Sarah Spiliotis	Kirklees Council Environment Unit	My role is project manager for the communications and engagement aspects of the project. I'm responsible for ensuring that the community is made aware of the project and feels that it has been engaged, in terms of being able to contribute to the implementation and outcomes of the project and to develop a group to be involved in decisions about how to spend the Greening the Gap community fund and encourage the community to continue on its 'low carbon' journey.	
Lammas Low Impact Initiatives Ltd	Paul Wimbush	lammas	I am the business manager for the project.	
Low Carbon Living, Ladock & Grampound Road	Russell Geake	Community Energy Plus	Project Manager	
Reepham LCCC	Rex Warner	Noroflk County CIC	Project Manager	

TABLE 4 LCCC project name/title:	Name:	Organisation:	Briefly describe your role and level of responsibility within your LCCC project?	Alternative contact - name:
Sustainable Community Carbon Neutral Biomass District Heating Scheme	Mr Martin Sturm	Camphill Communities Trust (N.I.)	Director Camphill Communities Trust (N.I.) Camphill UK & Ireland Sustainable Energy Advisor / Consultant Fully qualified and trained Biodynamic Farmer	
The Meadows	Jacky Dobson	The Meadows Partnership Trust	Project management of the project	Rachel Gama
Transition Streets	Fiona Ward	Transition Town Totnes	Project manager	
Transition to a Low Carbon Hook Norton	Tim Lunel	The National Energy Foundation	Chair of Project Board	

- As shown in the table below, the region with the most active LCCC projects that responded to the survey is the South East, four projects are operating in this region.

- All English regions have an active LCCC project, apart from the West Midlands.

- Each of the UK devolved nations[11] participating in the Low Carbon Community Challenge also have an active LCCC project[12].

- Sustainable Blacon, Cheshire, is the only project not captured by the baseline survey.

TABLE 5 In which English region or devolved nation does your LCCC project operate?		
Answer Options	Response %	Response Count
England: North East	10.0%	2
England: North West	10.0%	2

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[11] Since downloading the first wave of data, another project from Wales has submitted a response – responses from this entry only appear in table 14.

[12] Scotland are not participating in the LCCC.

England: Yorkshire & Humber	5.0%	1
England: West Midlands	0.0%	0
England: East Midlands	5.0%	1
England: Eastern	5.0%	1
England: London	5.0%	1
England: South East	20.0%	4
England: South West	15.0%	3
Wales	15.0%	3
Northern Ireland	10.0%	2
answered question		**20**
skipped question		**0**

The local authority areas where LCCC projects are active are:

TABLE 6 **LCCC project name/title:**	**Please provide the Local Authority(ies) area you operate in:**
Ashton Hayes Going Carbon Neutral Project	Cheshire West and Chester
Ballymena localised district heating network	Ballymena Borough Council
Berwick upon Tweed	Northumberland
Carbon Neutral Exmoor	West Somerset District (2/3rds of National Park); North Devon District (1/3rd National Park)
Chale Community Project	Hampshire & Isle of Wight
Cwm Arian Renewable Energy Project (CARE)	Pembrokeshire
Eco-Easterside	Middlesbrough
Ecofit Whitehill-Bordon	East Hampshire District Council
Egni	Neath Port Talbot, Carmarthenshire, Powys

TABLE 6 **LCCC project name/title:**	**Please provide the Local Authority(ies) area you operate in:**
Halton Carbon Positive, Halton-with-Aughton, Lancashire	Lancaster City Council
Haringey Council & Muswell Hill Low Carbon Zone	Haringey
Hillhouse Greening the Gap	Kirklees Council
Lammas Low Impact Initiatives Ltd	Pembrokshire County Council
Low Carbon Living, Ladock & Grampound Road	Cornwall Council
Reepham LCCC	Norfolk County Council / Broadland District Council
Sustainable Community Carbon Neutral Biomass District Heating Scheme	North Down borough Council
The Meadows	Nottingham City
Transition Streets	South Hams District Council
Transition to a Low Carbon Hook Norton	Cherwell DC

- As illustrated in the chart below, most projects target their services to low income households, owner-occupiers and social housing tenants.

- A high number of projects also target families with children; older members of the community; private tenants; and where applicable, their local parish.
- Less targeted communities include areas of deprivation; wards and only one project targets BME communities.

- No project appears to be targeting their services across a single entire local authority although one is operating across local authorities.

CHART 1

Which of the below best describe the community your LCCC project is targeted at? (Select all that apply)
(n19)

Category	Value
Local Authority-wide	0
Multiple Local Authorities	1
BME community	1
Other (please specify)	5
Ward-wide	6
Areas of deprivation	6
Local parish	8
Private rented tenants	8
Older members of the community	9
Families with children	9
Low income households	10
Owner-occupiers	10
Social housing tenants	10

Other targeted communities, as specified by respondents included:

| TABLE 7

LCCC project name/title:	Which of the below best describe the community your LCCC project is targeted at - Other (please specify)
Berwick upon Tweed	Whole Town
Eco-Easterside	Approximately 60% of one ward
Egni	12 villages surrounding the wind farm site - on the edge of three local authorities.
Hillhouse Greening the Gap	Hillhouse is a settlement, within a ward area, consisting of around 780 households. The residential area we are primarily focusing on installing Solar PV and energy efficiency measures is even more compact, consisting of approximately 72 households, which sits within the Hillhouse settlement. The three community centres sit on the outskirts of the Hillhouse area.
Sustainable Community Carbon Neutral Biomass District Heating Scheme	Camphill Glencraig provides Residential Care Home services and facilities to adults with a learning disability and special needs, on a life sharing basis. Camphill Glencraig Curative School and Training College, is an independent boarding school and training facility for children and vulnerable young adults with learning disabilities and special needs. Camphill is a residential setting comprising 200+ people.

- The majority (12) of projects described their organisational structure as a legally constituted third sector organisation. Five said they were a Local Authority (LA), a collection of LAs, or a Parish council and four specified another organisational structure; these are listed below the chart.

CHART 2

Which of the below best describe the organisational structure of your project? (n19)
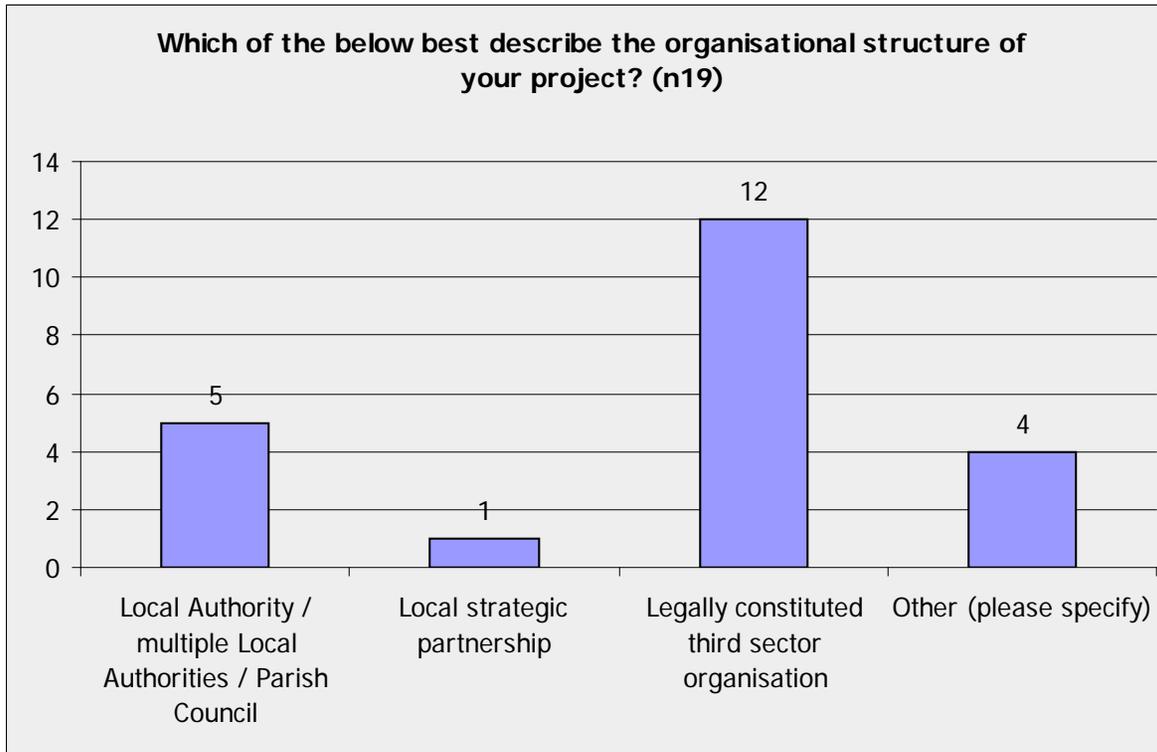
- One project described their structure as a Local Strategic Partnership.

- Please note that this was a multiple choice question and as such projects have chosen more than one structure – these are captured as other and specified below and in more detail in appendix A

TABLE 8 LCCC project name/title:	Which best describe the organisational structure of your project - Other (please specify)
Ballymena localised district heating network	Ballymena Borough Council submitted application in collaboration with Northern Ireland Housing Executive (NIHE), GT Energy, and Action Renewables
Eco-Easterside	Local Authority as lead, multi agency partnership to deliver
Halton Carbon Positive, Halton-with-Aughton, Lancashire	Halton Carbon Positive is a partnership of 3 separate organisations - Halton Community Association (Charity), Lancaster Cohousing (Social Enterprise) & LESS (CIC)
Hillhouse Greening the Gap	Our structure incorporates the local authority (as project bidders and overall management), working with a couple of legally constituted third sector organisations for implementation and day to day management of certain aspects of the project and a contract with a company to install the Solar PV panels).

- None of the projects reported that the organisational structure, as specified in their LCCC application, had changed.

2.   Community involvement

To understand the level to which the communities assisted by each project are involved in the day-to-day running, planning and delivery of services respondents were asked to rate the extent of this involvement or participation using a scale of 1 – 5 where 1 is minimal and 5 is maximum. A score was then assigned of 0-100 where 100 is maximum participation/involvement.

- Taking the results across the three items shown in the chart below, we can see that the communities targeted are more likely to be involved to a greater extent in the delivery of services to their communities.

CHART 3

Average scare: Extent to date did/are the community targted by your project... (n19)

c) Involvement in the delivery of project services (e.g. providing advice to clients):

b) Involved in management of your project:

a) Participate in shaping your project's organisational structure:

53.00   54.00   55.00   56.00   57.00   58.00   59.00   60.00
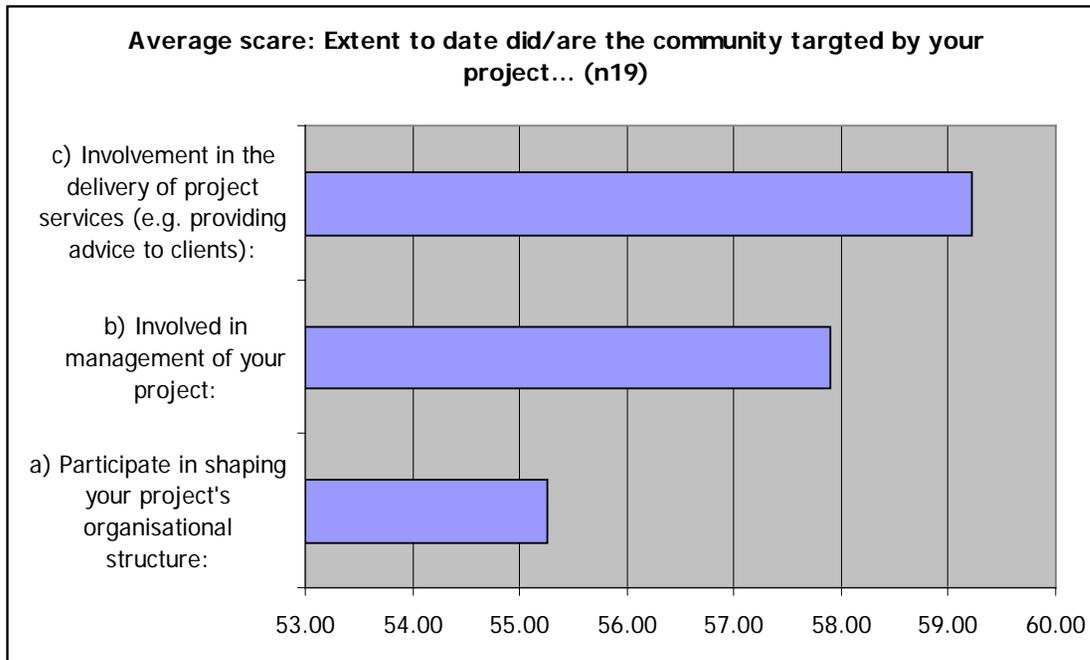
- Communities are involved in the management and shaping of organisational structures, but to a lesser extent.
- As shown in the table below, only one case said there was minimal involvement or participation, with communities more likely to be moderately involved/participating.

TABLE 9
To what extent to date did/are the community targeted by your project: Please rate each item below.

Answer Options	1 (minimum participation)	2	3	4	5 (maximum participation)	Rating Average	Response Count
a) Participate in shaping your project's organisational structure:	1	4	6	6	2	55.26	19
b) Involved in management of your project:	1	3	7	5	3	57.89	19
c) Involvement in the delivery of project services (e.g. providing advice to clients):	1	3	7	4	4	59.21	19
Briefly explain your response above:							17
						answered question	**19**

Brief explanations corresponding to the above question are provided in appendix A.

- As shown in the chart below, participation/involvement of communities is not expected to decrease across any of the three aspects listed. The greatest increase in involvement/participation of communities are expected for delivery of services (15) and project management (10).

CHART 4

Do you plan any future changes to the level of community involvment in your project delivery organisation? (n20)

□ It will increase　　■ No change anticipated　　□ It will decrease

a) Shaping your project's organisational structure: It will increase = 9, No change anticipated = 11

b) Management of your project: It will increase = 10, No change anticipated = 10

c) Delivery of your project's services: It will increase = 15, No change anticipated = 5

Detailed responses for the question shown above can be found in appendix A.

- Using a similar rating and scoring system, as described above, it is clear that projects consider the involvement of their communities to be fairly important in both the management and delivery of their project.

- However, it is the delivery aspects of the project where they are considered to be most important, an average score of 84 out of 100 is achieved compared to 64 for involvement of the targeted community in the management of the project.

Detailed responses for this question can be found in appendix A.

CHART 5

Average score: How important is the involvment of the community targeted by your project to: (n19)
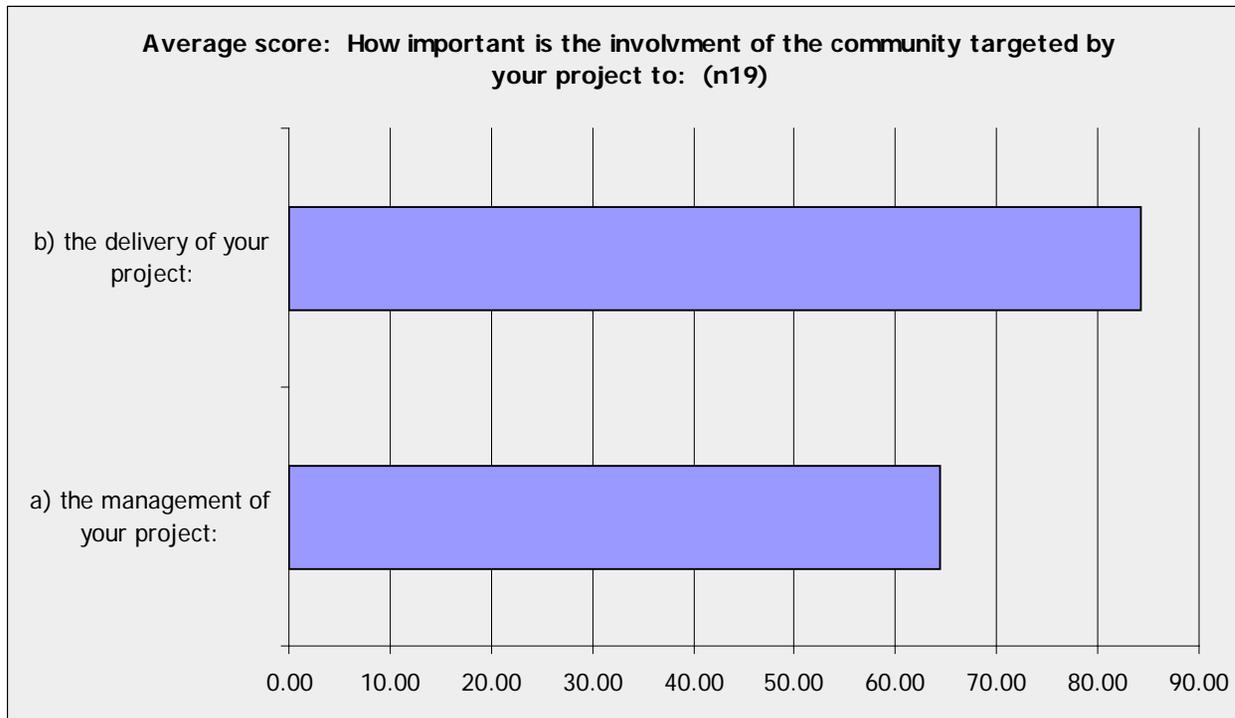
3. Knowledge of Social Enterprise

As part of the evaluation of the SE advice and guidance to be provided by Warm Zones cic (WZ), it was required that a baseline of knowledge be first established.

- As shown in the table below, none of the projects described their level of knowledge as very low (rated 1) and a low number (2) said their knowledge was very high. Using a score range of 0-100, the average knowledge score across the sample is 65.6, moderately to fairly high.

- Most of those that responded to this question rated their knowledge as 4, which can be considered fairly high, however, three thought their knowledge was fairly low (rated 2).

TABLE 10 Using a scale of 1 - 5 where 1 is very low knowledge and 5 is very high knowledge, how would you rate your project's current level of knowledge of 'social enterprise?'							
Answer Options	1 (Very low)	2	3	4	5 (Very high)	Rating Average	Response Count
Knowledge of social enterprise:	0	3	2	9	2	65.63	16
						answered question	16
						skipped question	4

To explore further what was understood by projects regarding social enterprise, in terms of their aims and objective or values, respondents were asked to say to what extent they agreed with a number of assertions about SEs.

- The two statements most agreed with, as shown by the average scores presented in the chart below, are that social enterprises have a clear social benefit to the community they serve and that any surpluses are reinvested back into the community. Fairly strong to very strong agreement is assumed based on the average score for both these assertions.

- Whilst all the statements about SE listed are true, some have been chosen as they are possibly a little 'less obvious' than others.

- Assertions that scored a lower level of agreement across the sample included that social enterprises compete to deliver goods and services, an average score of 55.56; that they can be a profitable business operating in a competitive market, with an average score of 65.79; and that they can be owned and managed by the communities they serve, an average score of 67.11.

CHART 6

Average score: to what extent does your project agree with each of the statements below about social enterprise models? (n19)

Statement	Score
i) They can be a profitable business operating in a competitive market.	65.79
h) They compete to deliver goods and services	55.56
g) Surpluses are reinvested back into the community they serve	86.84
f) Their objectives are driven by the needs of the community	72.37
e) They offer local employment opportunities	71.05
d) They have a clear economic benefit to the community they serve	77.63
c) They have a clear environmental benefit to the community they serve	72.37
b) They have a clear social benefit to the community they serve	90.79
a) They are owned and managed by the communities they serve	67.11

So as not to lead respondents in terms of their perceptions and beliefs about social enterprise, the statement below (in bold) was shown to respondents after exploring the extent to which they agreed with a number of statements relating to social enterprise (see question and chart above).

"Social Enterprises are businesses with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or community, rather than being driven by the need to maximise profit for shareholders and owners."[13]

Respondents were then asked to consider this statement and to comment on whether they thought social enterprises could have any benefits for their project. Their responses are shown below:

CHART 7

Thinking about the statement above, do you think a social enterprise model could have any benefits for your project? (n20)

I'm not sure, 0

Probably not, 1 — Definitely not, 0

Probably, 2
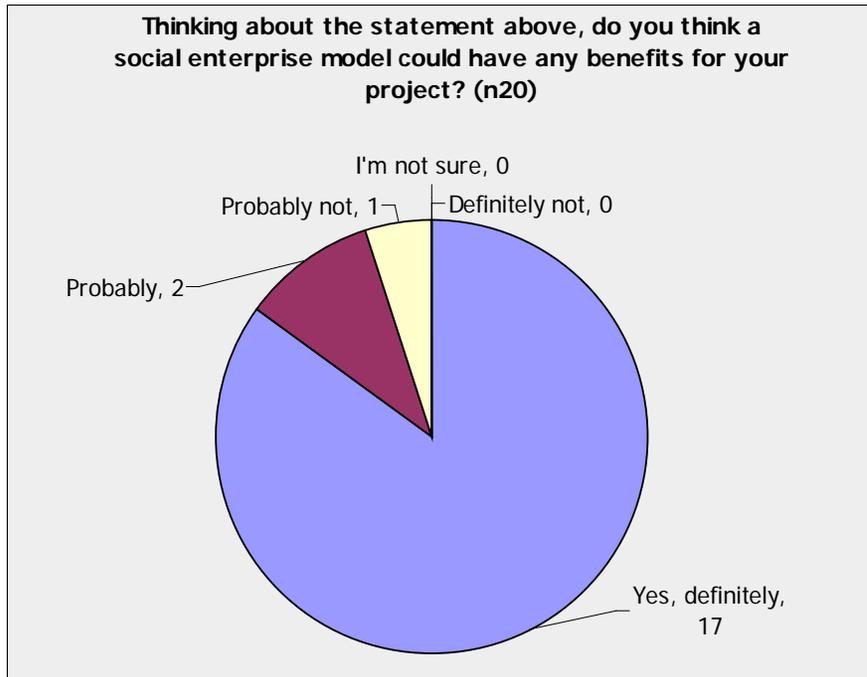
Yes, definitely, 17

- The great majority of respondents (19) thought that SE models could have benefits for their project, seventeen stating 'yes, definitely,' and two stating 'probably.' Only one case said, 'probably not.'

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[13] Social enterprises as defined by the Cabinet Office, Office for the Third Sector.

The detailed responses to this question are provided in appendix A.

The majority of respondents thought there could be both advantages (17) and disadvantages (15) for their project in adopting a social enterprise model. Their detailed responses are listed below:

TABLE 11 LCCC project name/title:	Some of the advantages of SE model?	Some of the disadvantages of SE model?
Ashton Hayes Going Carbon Neutral Project	Generates income, community cohesion and some jobs while improving the environment	Can be hard to set up and keep running if the revenue stream is unreliable. Often depends on a few dedicated individuals. There can be people who suspect entrepreneurs of feathering their nest.
Ballymena localised district heating network	Community, Environmental, Social benefits in the community	The project team is currently made up of 4 partners already to deliver on the above
Berwick upon Tweed	Flexible, simple, replicates private sector which many people are familiar with	Lack of understanding on part of government and funders/investors
Carbon Neutral Exmoor	Usually considerable added value derived from social enterprises and a strong desire to operate sustainably	Some social enterprises set up in the area have struggled to find a working business model and frequently have to return to potential grant giving bodies for funds. They also have a tendency to seek to fit their activities to the requirements of funding bodies in order to 'chase funding'.
Chale Community Project	doing something that you are passionate about for the collective good, not just for the money	may not appeal to someone who just wants to make lots of money for themselves
Cwm Arian Renewable Energy Project (CARE)	Piloting new enterprises - new renewable initiatives	Not enough social entrepreneurs to take forward the vision and have business background
Eco-Easterside	Locally owned and operated, meet the needs of the local community, not making a profit for shareholders	Difficult to compete with private businesses that don't worry about social objectives
Egni	local support, grant funding	lack of commercial understanding, lack of money for risk/upfront costs
Halton Carbon Positive, Halton-with-	Helps create a sustainable community, generates	Limited disadvantages from our view point but

TABLE 11 LCCC project name/title:	Some of the advantages of SE model?	Some of the disadvantages of SE model?
Aughton, Lancashire	local jobs and supports the local economy, strengthen local capacity.	some may see the cap on withdrawal of profits as a disadvantage.
Haringey Council and Muswell Hill Low Carbon Zone	Support from people in the community, their time and some of their money	Dependent on grants for major projects which may or may not be available
Hillhouse Greening the Gap	It will be truly community led	If the members of the group forming it decide they cannot keep up with the commitment involved, it may cause the social enterprise to fail at some point
Lammas Low Impact Initiatives Ltd	better for society	
Low Carbon Living, Ladock & Grampound Road	wider acceptance of implementation, shared responsibility, understanding of need and benefits	increased politicisation across community, progress slowed obtaining consensus
Reepham LCCC	Keeping costs to consumer low	Attracting investment to support growth
Sustainable Community Carbon Neutral Biomass District Heating Scheme	Help provide funding for future carbon saving initiatives or help fund replication in other Camphill communities	Lack of understanding / education in relation to the benefits to the wider community of such projects
The Meadows	Community benefit, no shareholders driving the business, community owned.	limited awareness of social enterprises, additional administrative costs
Transition Streets	As in previous detailed response.	

A number of the assertions, as used in the question above regarding projects' extent of agreement with statements made about SE, are used again to explore the level to which these aspects are considered important to the specific projects surveyed; this rather than to social enterprises generally. The results are shown in the chart below and show that:

- It is the social and environmental benefits to the community served that are considered the most important aspects, both achieving an average score of 94.7 – demonstrating very high importance.

- Aspects considered less important, although still thought to be of very high importance are that projects are owned and managed by the communities they serve and that a project's objectives are driven by the needs of the community it serves. These aspects score 80.26 and 82.89 respectively.

CHART 8

Average score: How important each of the following are to your project? (n19)

f) Surpluses are reinvested back into the community it serves	90.79
e) Its objectives are driven by the needs of the community	82.89
d) It has a clear economic benefit to the community it serves	88.89
c) It has a clear environmental benefit to the community it serves	94.74
b) It has a clear social benefit to the community it serves	94.74
a) It is owned and managed by the communities it serves	80.26

70.00   75.00   80.00   85.00   90.00   95.00   100.00

4.   Guidance & advice required by LCCC projects

This section outlines the responses provided by LCCC projects in relation to their requirement for advice and guidance regarding social enterprise and how they might be applied to their project. This assistance will be provided by Warm Zones cic and in the first instance will be in the form of basic advice and guidance, with the prospect of receiving more in-depth and tailored assistance for those that require or request it.

- As shown in the chart below, the majority of cases said that they were either already operating as a social enterprise (9) or are considering a social enterprise model for their LCCC project (9).

- The remaining two cases reported that they believed social enterprise models were not suitable for their project. These two projects (Ballymena localised district heating network and Eco-fit Whitehill-Borden) both explained the reason for this was their project structure, that is, those managing the project are local authority based.

CHART 9

Are you considering adopting a social enterprise model for your project? (n20)

A social enterprise model is not suitable for us, 2

We rejected the social enterprise model and are considering others, 0

We rejected the social enterprise model and have another model in place, 0

We are an existing social enterprise, 9

We are considering a social enterprise model, 9
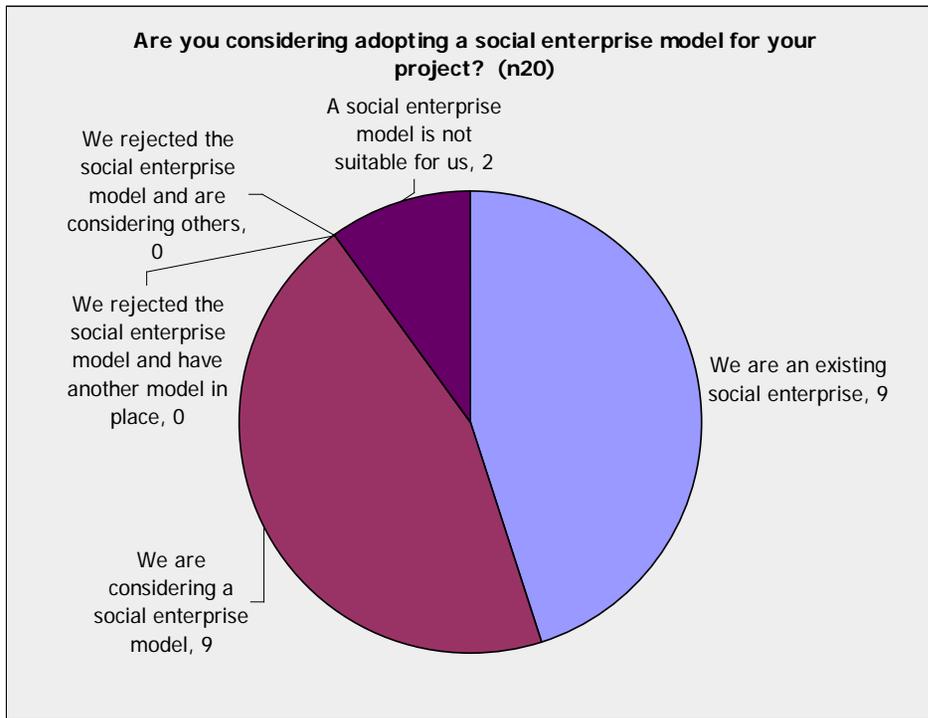
- Twelve of the projects surveyed indicated that they would like to receive advice and support regarding social enterprise models.

- Six of these projects said they would like basic advice at this stage with the possibility of more detailed advice at a later stage, if appropriate.

- The remaining six interested in receiving the assistance from Warm Zones cic indicated that they would like more detailed advice and guidance.

- Details of each project, their interest in social enterprise models and the level of the support they are interested in at is provided in appendix A.

CHART 10

Please indicate if your project is interested in receiving advice and support regarding the development of social enterprise structures and processes? (n19)

No, 7

Yes, basic information at this stage (possibly followed by tailored, more indepth advice and support), 6

Yes, more detailed advice and support at this stage, 6
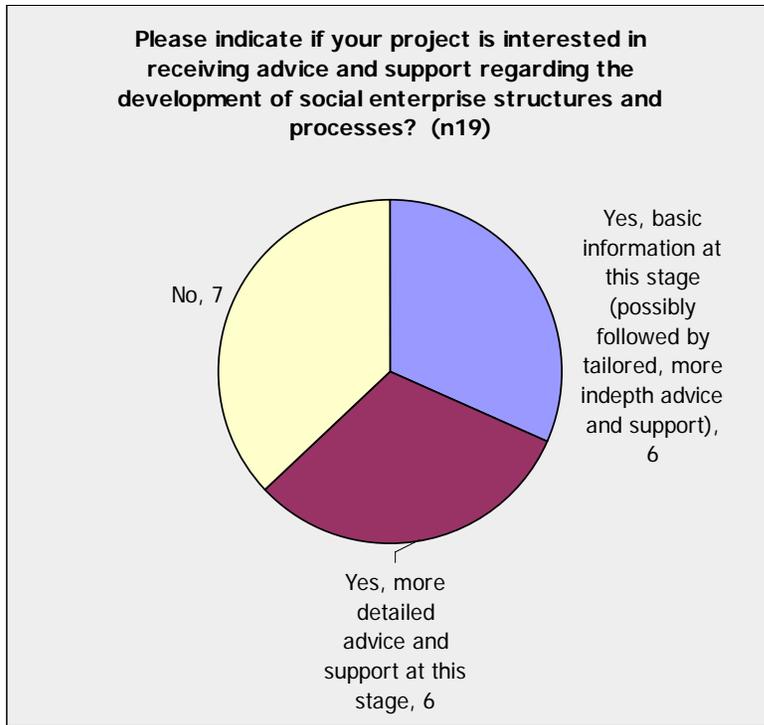
- The table below shows the different levels of advice required by projects with different organisational structures.
- Third sector organisations are more likely to require the in-depth assistance at this stage. This might suggest that third sector organisations operating an LCCC project have a more limited knowledge of social enterprises.

- Projects with an LA or parish council structure appear to be more inclined to choose basic information, with the possibility of more tailored assistance at a later date. These results are presented in the table below.

- Counts for the chart above and table below may not match due to multiple choice questions.

TABLE 12
Please indicate below if your project is interested in receiving advice and support regarding the development of social enterprise structures and processes?

Answer Options	Which of the below best describe the organisational structure of your project?				Response Percent	Response Count
	LA / multiple LAs / Parish Council	Local strategic partnership	Legally constituted third sector organisation	Other (please specify)		
Yes, basic information at this stage (possibly followed by tailored, more in-depth advice and support as appropriate)	3	1	1	2	27.8%	5
Yes, more detailed advice and support at this stage	0	0	5	1	33.3%	6
No	2	0	5	1	38.9%	7
					answered question	18

The table below illustrates the type of SE models projects said they would be interested to receive tailored advice or information about.

- Community interest companies, followed by cooperatives appear to be the models of social enterprise that projects are most interested to receive tailored advice about.

- Most of the models listed appear to generate reasonable levels of interest amongst the sample, however, unincorporated associations appear to be the least popular.

TABLE 13
Which of the following social enterprise models would your project be interested in receiving tailored advice and support on? Please select one response for each item below.

Answer Options	Yes	Maybe	No	Not sure what this is, but request information	Response Count
Community interest companies	8	2	0	0	10
Charitable incorporated organisations	3	5	1	0	9
Unincorporated associations	1	4	4	0	9
Trusts	4	2	3	0	9
Limited companies with a social purpose	4	4	1	0	9
Community benefit societies	4	3	3	0	10
Cooperatives	5	3	2	0	10
Registered charities	3	3	2	0	8
Other - please specify another social enterprise model(s) you would like to consider for your project – see appendix A.					4
answered question					10
skipped question					10

A detailed list of the projects and which models they are interested in can be found in appendix A.

- The most popular aspects of social enterprise that projects would be most interested to receive specific advice and guidance about are funding streams (11), finance structures (10), and how to sustain the project for the benefit of the community (9). These results are presented in the chart below.

- The least popular aspects were skills assessments (3), partnerships (5) and how to access other goods and services provided by other SEs (5).

CHART 11

Which of these aspects of social enterprise models, would your project be most intrested in receiving specific advice and guidance about? (n13)
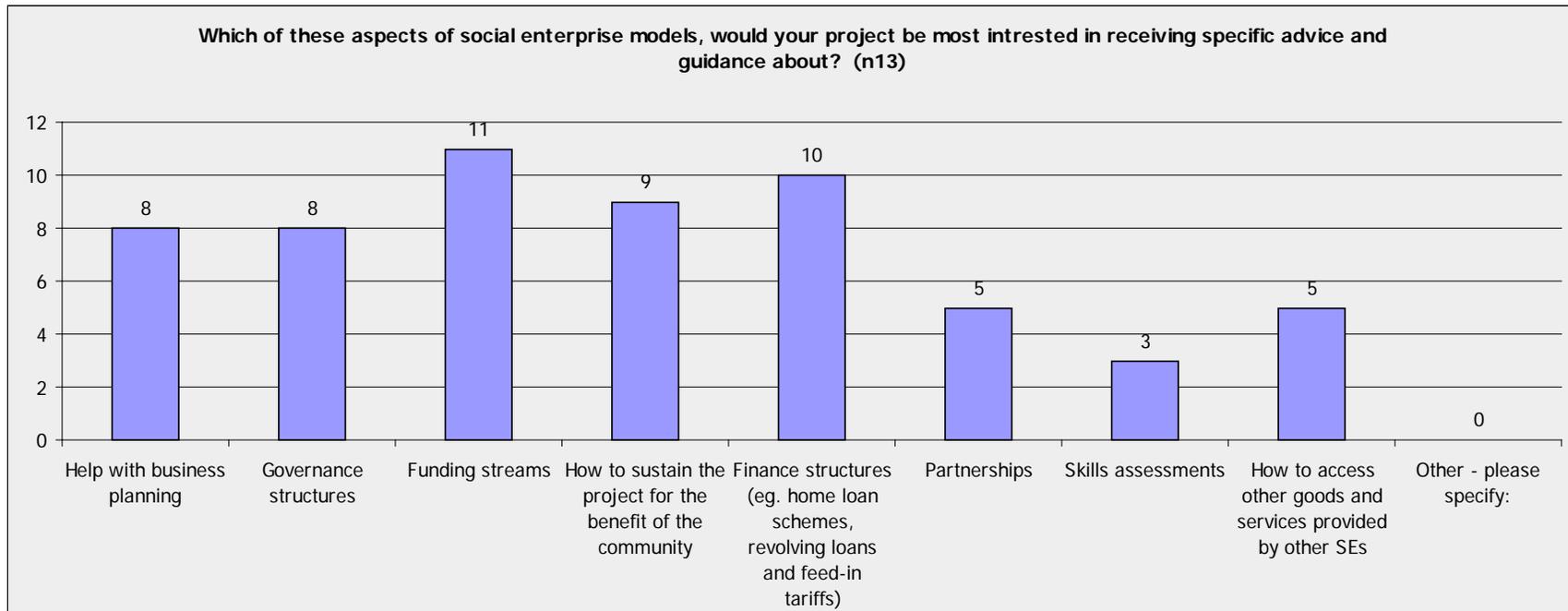
The aspects each project specified as areas they would be interested to receive specific advice and guidance about are provided in appendix A.

In summary, the table below lists each project by:

1. their current status in relation to SE;
2. whether they are interested in receiving advice about SE;
3. the extent of the advice required
4. models and aspects of SE projects where projects expressed an interest in receiving detailed and tailored guidance on at least one of those listed.

TABLE 14					
Summary table: projects interested in social enterprise advice & guidance					
Status & interest in receiving advice & guidance about SE (KEY: ✓ = basic advice with possibly more in-depth in future; ✓✓ = in-depth advice at this stage; X = No)				**Interested to receive specific guidance / advice on at least one of the listed:** (✓ = yes/maybe)	
URN	**LCCC project name/title:**	**Considering SE model?**	**Interested in receiving advice re SE?**	**Models**	**Aspects**
001	Halton Carbon Positive, Halton-with-Aughton, Lancashire	We are an existing social enterprise	✓	✓	✓
002	Berwick upon Tweed	We are an existing social enterprise	X	No response	No response
003	West Oxford - Renewables West Oxford	We are an existing social enterprise	No response	No response	✓
004	Sustainable Community Carbon Neutral Biomass District Heating Scheme	We are an existing social enterprise	✓✓	✓	✓
005	Low Carbon Living, Ladock & Grampound Road	We are considering a social enterprise model	X	No response	No response
006	Transition Streets	We are considering a social enterprise model	X	No response	No response
007	Cwm Arian Renewable Energy Project (CARE)	We are considering a social enterprise model	✓✓	✓	✓
008	Haringey Council and Muswell Hill Low Carbon Zone	We are an existing social enterprise	✓✓	✓	✓
009	Ashton Hayes Going Carbon Neutral Project	We are considering a social enterprise model	✓	✓	✓
010	Carbon Neutral Exmoor	We are considering a social enterprise model	✓	✓	✓
011	Ballymena localised district heating network	A social enterprise model is not suitable for us	X	No response	No response
012	Ecofit Whitehill-Bordon	A social enterprise model is not suitable for us	X	No response	No response
013	Egni	We are an existing social enterprise	✓✓	No response	✓
014	Hillhouse Greening the Gap	We are considering a social	✓	✓	✓

			Interested in	Interested to receive specific guidance / advice on at least one of the listed: ($\checkmark$ = yes/maybe)	
TABLE 14					
Summary table: projects interested in social enterprise advice & guidance					
Status & interest in receiving advice & guidance about SE (KEY: $\checkmark$= basic advice with possibly more in-depth in future; $\checkmark\checkmark$ = in-depth advice at this stage; X = No)					
URN	**LCCC project name/title:**	**Considering SE model?**	**Interested in receiving advice re SE?**	**Models**	**Aspects**
		enterprise model			
015	Chale Community Project	We are considering a social enterprise model	$\checkmark$	$\checkmark$	$\checkmark$
016	The Meadows	We are considering a social enterprise model	$\checkmark\checkmark$	$\checkmark$	$\checkmark$
017	Reepham LCCC	We are an existing social enterprise	$\checkmark$	No response	$\checkmark$
018	Lammas Low Impact Initiatives Ltd	We are an existing social enterprise	X	No response	No response
019	Eco-Easterside	We are considering a social enterprise model	$\checkmark\checkmark$	$\checkmark$	$\checkmark$
020	Transition to a Low Carbon Hook Norton	We are an existing social enterprise	X	No response	No response
021	Cwmclydach Low Carbon Community	We are an existing social enterprise	$\checkmark$	$\checkmark$	$\checkmark$
022	Sustainable Blacon: Blacon Smart Energy Community	We are an existing social enterprise	X	No response	No response

5.   Business planning

- Of the eleven projects that responded to the question shown below, all but one had a business plan, six of which were in development and four said their business plan was fully developed.

CHART 12

Does your project currently have a business plan? (n11)

No, 1

Yes, it is fully developed, 4

Yes, it is in development, 6
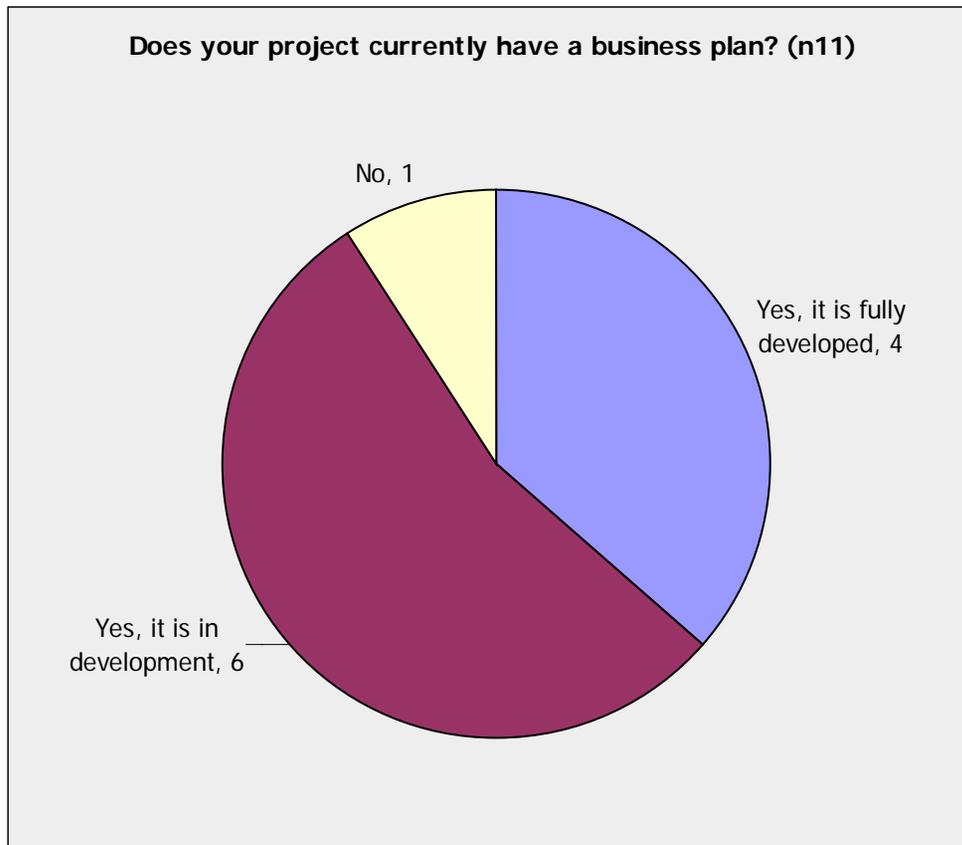
- Despite this, as shown above in chart 11, eight projects would still like to receive specific guidance and advice relating to business planning.

- The cross-tabulation below shows that it is the third sector organisations that are more likely to have a business plan that is still in development, rather than completed.
- Counts for the chart above and table below may not match due multiple responses.

TABLE 15 **Does your project currently have a business plan?**						
	Which of the below best describe the organisational structure of your project?					
Answer Options	**LA / multiple LAs / Parish Council**	**Local strategic partnership**	**Legally constituted third sector organisation**	**Other**	**Response %**	**Response Count**
Yes, it is fully developed	1	0	1	1	30.0%	3
Yes, it is in development	0	1	5	1	60.0%	6
No	1	0	0	0	10.0%	1
					answered question	10

- All ten projects with a business plan, either fully or partially developed, said their plans included how their projects would be sustained beyond the period of LCCC funding.

Low Carbon Communities Challenge & Social enterprise

Summary analysis – baseline survey

Appendix B.1.1

Unique reference number (URN)	LCCC project name/title:
001	Halton Carbon Positive, Halton-with-Aughton, Lancashire
002	Berwick upon Tweed
003	West Oxford - Renewables West Oxford
004	Sustainable Community Carbon Neutral Biomass District Heating Scheme
005	Low Carbon Living, Ladock & Grampound Road
006	Transition Streets
007	Cwm Arian Renewable Energy Project (CARE)
008	Haringey Council and Muswell Hill Low Carbon Zone
009	Ashton Hayes Going Carbon Neutral Project
010	Carbon Neutral Exmoor
011	Ballymena localised district heating network
012	Ecofit Whitehill-Bordon
013	Egni
014	Hillhouse Greening the Gap
015	Chale Community Project
016	The Meadows
017	Reepham LCCC
018	Lammas Low Impact Initiatives Ltd
019	Eco-Easterside
020	Transition to a Low Carbon Hook Norton
021	Cwmclydach Low Carbon Community*
022	Sustainable Blacon: Blacon Smart Energy Community*

LCCC project name/title:	LA / multiple LAs / Parish Council	Local strategic partnership	Legally constituted third sector organisation	Other (please specify)
Ashton Hayes Going Carbon Neutral Project	✓			
Ballymena localised district heating network	✓			Ballymena Borough Council submitted application in collaboration with Northern Ireland Housing Executive (NIHE), GT Energy, and Action Renewables
Berwick upon Tweed			✓	
Carbon Neutral Exmoor	✓			
Chale Community Project		✓		
Cwm Arian Renewable Energy Project (CARE)			✓	
Eco-Easterside				Local Authority as lead, multi agency partnership to deliver
Ecofit Whitehill-Bordon	✓			
Egni			✓	
Halton Carbon Positive, Halton-with-Aughton, Lancashire			✓	Halton Carbon Positive is a partnership of 3 separate organisations - Halton Community Association (Charity), Lancaster Cohousing (Social Enterprise) & LESS (CIC)
Haringey Council and Muswell Hill Low Carbon Zone			✓	

LCCC project name/title:	LA / multiple LAs / Parish Council	Local strategic partnership	Legally constituted third sector organisation	Other (please specify)
Hillhouse Greening the Gap	✓			Our structure incorporates the local authority (as project bidders and overall management), working with a couple of legally constituted third sector organisations for implementation and day to day management of certain aspects of the project and a contract with a company to install the Solar PV panels).
Lammas Low Impact Initiatives Ltd			✓	
Low Carbon Living, Ladock & Grampound Road			✓	
Reepham LCCC				
Sustainable Community Carbon Neutral Biomass District Heating Scheme			✓	
The Meadows			✓	
Transition Streets			✓	
Transition to a Low Carbon Hook Norton			✓	
West Oxford - Renewables West Oxford			✓	

LCCC project name/title:	Level of participation/involvement, - explain response
Halton Carbon Positive, Halton-with-Aughton, Lancashire	We have set up a Steering Committee to shape and delivery our project. The following community stakeholder groups are represented: Halton Parish Council, Halton Community Association, Halton Lune Hydro, St. Wilfrid's Primary School, LESS, Lancaster City Council, Lancaster Cohousing, Transition City Lancaster. We are developing a community engagement plan, which includes the

LCCC project name/title:	Level of participation/involvement, - explain response
	development of a Household Energy Service with local volunteers, community building energy audits, bills advice etc. Local organisations, businesses and community members are helping us to develop these services and are key delivery partners.
Sustainable Community Carbon Neutral Biomass District Heating Scheme	Prior to and since our application for funding, Camphill has been very actively involved in planning this project. A dedicated project management team has been selected and is up and running, which includes our internal experts, professional advisors and representation from our proposed partners. 3 Engagement Planning Sessions have been completed under guidance from Community Change / Dialogue by Design and our detailed Engagement Plan was submitted to Harriet Festing / DECC. Various presentations and contacts have been made with existing and potential stakeholders, coupled with substantial media coverage.
Low Carbon Living, Ladock & Grampound Road	The timing of the challenge was so short that Community Energy Plus (CEP) considered which community groups across Cornwall would be able to deliver a viable project, the transition group at Ladock & Grampound Road provided the strongest opportunity. Because CEP has the skills and experience in developing and delivering community renewable energy and efficiency projects it took the lead. Subsequent to the successful negotiations for a phase 1 project, the even shorter timescales for delivery meant that the emphasis at this stage was delivering the first tranche of installations and establishing the community fund and the contracts to manage the fund and enable further low carbon initiatives. The real wider community participation will continue from this point forward.
Transition Streets	Our project team are all from the local community.
Cwm Arian Renewable Energy Project (CARE)	We have a community forum action plan that is an umbrella association for all the other community groups in the community. We have consulted and engaged with those groups.
Haringey Council and Muswell Hill Low Carbon Zone	We are installing two community owned PV roofs with LCCC funding. With the income from these and other grants we will encourage a range of low-carbon initiatives in our area. This will require substantial community engagement.
Ashton Hayes Going Carbon Neutral Project	The project is run and managed by around 40 volunteers who have an impact on every level of our community. It is a grass roots initiative operating as a sub group of the Parish Council. We have monthly public meetings and annual meetings, plus focus groups.
Carbon Neutral Exmoor	Because the National Park Authority instigated the bid to DECC, we have taken the lead in developing the project's organisational structure. However, we members of the community were involved in developing our application and from the outset in developing the organisational structure. We intend to have up to four 'grass roots' community representatives on the steering group and are currently going through a recruitment process in this regard. We have already have

LCCC project name/title:	Level of participation/involvement, - explain response
	representation on the interim project steering group from six members of the community including the main voluntary climate change organisation in the area - Forum 21.
Ballymena localised district heating network	a)We are currently meeting with our facilitator to finalise our engagement plan. b)The core project team was selected based on the community the LCCC project is targeting NIHE social houses, Ballymena Borough Council; c)The community will have to provide us with measurable feedback on how we have implemented a positive change.
Ecofit Whitehill-Bordon	I have put 3 for delivering the project's organisational structure as the town have been consulted widely on the Eco-town project as a whole, due to the tight time scales of the application process for the LCCC only community leaders were consulted on this particular project at the time of application. It does address a key theme which came up through the consultation process that reducing carbon emissions from existing homes needed to be a priority. The delivery of the loan scheme will be implemented by District Council employees, however the community are key to the community engagement aspects of the project.
Egni	We are now focused on delivering the wind farm. During the consultation, there was very high involvement, but we don't have the capacity to work to that level at the moment.
Hillhouse Greening the Gap	Our organisational structure, to a big extent, has been shaped by our need to deliver certain elements of the project to a very tight timescale and by our requirements, as a local authority, to comply with certain legislative and procurement requirements. ESTAC assessors carried out a large chunk of our engagement work (all the door knocking activity) as they had staff available at the time with the required skills and the energy saving advice that was offered to residents fitted well with their organisation's objectives and targets. To date our project board, which manages the project, has consisted of representatives from the local authority, third sector organisations (e.g. ESTAC) and local community/neighbourhood workers. A member of the project board has regularly attended local meetings where community representatives, agencies and residents meet to discuss and agree action about local issues and events, giving those attending a chance to feedback their ideas and views into the Greening the Gap project . A number of local agency workers, community workers, community representatives and residents have been briefed about the Greening the Gap project and have helped to raise awareness and engage with the community. A local community centre and young people's service have been involved in developing further engagement and evaluation in terms of a digital media project involving young

LCCC project name/title:	Level of participation/involvement, - explain response
	people who live in the area. The community centre will be leading on this piece of work.
Chale Community Project	The project has successfully targeted key influencers in the community and several sit on the project steering group
The Meadows	The Meadows Partnership Trusts board of directors are mainly local residents and have been very active in the desire to see the meadows become a zero carbon area, we have set up MOZES Meadows Ozones Energy Services Company and have partnered with British Gas to provide low energy solutions to our residents. The project manager is supervised by the chair of the board.
Reepham LCCC	The LCCC projects have been developed and are being delivered by local community groups, with the support of the Reepham LCCC project manager
Lammas Low Impact Initiatives Ltd	The project's management team has been small and focused
Eco-Easterside	The project has been developed through an extensive community engagement process, based around an existing Neighbourhood Management Programme. The community will continue to be engaged in the delivery of the programme through representation on the management group, volunteering opportunities and potentially employment opportunities.

LCCC project name/title:	Changes planned for the level of community involvement - explain
Halton Carbon Positive, Halton-with-Aughton, Lancashire	The HCP Steering Group has now been set up and once we start to meet regularly will provide guidance and steerage for the project. LESS will be contracted to manage the overall HCP project but delivery of the individual aspects of our project (hydro/solar roofs/low-carbon workshops) will be the responsibility of individual organisations.
Sustainable Community Carbon Neutral Biomass District Heating Scheme	Camphill is confident that the project management structure implemented has the required skills, experience, and technical knowledge to succeed. As required, external professional advice / support will be brought in.

LCCC project name/title:	Changes planned for the level of community involvement - explain
Low Carbon Living, Ladock & Grampound Road	Once the community funds are established with appropriate rules and contracts it is anticipated that CEP will be able to withdraw from the project except for continuing membership of the fund and providing ad hoc advice if necessary. Further low carbon investments resulting from the fund will be assessed against agreed criteria for environmental, social and economic merit. It is intended that delivery will be managed by the new community fund.
Transition Streets	Possibly will have more paid and voluntary workers from the local community.
Cwm Arian Renewable Energy Project (CARE)	We are planning a community share offer as part of the finance package for the erecting of the wind turbines. This will allow individuals and community groups to be more involved as shareholders. Creating new sub committee on a demand led topic.
Haringey Council and Muswell Hill Low Carbon Zone	We expect our project to complement plans that Haringey Council and we have for a Low Carbon Zone funded by the GLA. The synergies will be extensive and as we develop these, we expect the project to grow in scope and to involve more people, either in managing the project or receiving its benefits.
Ashton Hayes Going Carbon Neutral Project	We have focused on behavioural change for 4 years which has involved 65% of the community. Now we are going to use the DECC funds to build a renewable energy system that we benefit the entire community and the primary school, all of whom will be engaged with the project.
Carbon Neutral Exmoor	Once the full project steering group is in place, we will have an excellent level of community involvement in the directing of the project.
Ballymena localised district heating network	Currently finalising our engagement and waiting for Grant Offer Letter so as to proceed with project. As the project evolves community engagement will increase due to interest
Ecofit Whitehill-Bordon	In terms of the Low Carbon Community Challenge, the implementation will be local authority lead, although will be an increased role for the community in terms of community engagement. Although a SPV is being set up to manage the Eco-town project as a whole. Because of the specialist nature of the Ecofit Loans it is anticipated that the fund for the foreseeable future will remain a ring fenced pot that would be managed by East Hampshire District Council.

LCCC project name/title:	Changes planned for the level of community involvement - explain
Egni	We are looking to do a community arts programme on climate change issues to engage more local people and keep them up to date with developments.
Hillhouse Greening the Gap	We are looking to develop a community/residents steering group, who will be able to feed their ideas/views (and those of the community) into the Project Board. Members of this group will also be able to feed information back into the community and we hope to encourage group members to become more environmentally aware and use their knowledge and interest to stimulate attitude and behaviour change amongst the wider community. It is envisaged that members of this group will more than likely form the Greening the Gap fund board/steering group, whose longer-term role will be to make decisions about how the community fund (from the FIT) should be spent and look at ways to continue to engage with the local community on low-carbon issues.
Chale Community Project	A CIC is being set up to manage the Community Sustainability Fund and representatives of the community will be on the committee that determines what sustainable projects the funds get spent on in the future
The Meadows	we have already seen an interest in what we are doing from other areas and have been asked to give talks/presentations at seminars
Reepham LCCC	Community involvement will increase further with the next wave of carbon reduction projects (targeting domestic properties) after the LCCC projects have been delivered.
Lammas Low Impact Initiatives Ltd	As the project grows, it will have a snowball effect.
Eco-Easterside	The partnership used to deliver the project in Year 1 will hopefully transform into a community-led social enterprise by the end of the project.

LCCC project name/title:	How important is the involvement of the community targeted by your project - explain
Halton Carbon Positive, Halton-with-Aughton, Lancashire	Although individual organsiations are responsible for the delivery of the infrastructure developments community involvement is key to success, in particular the community investment needed for the Hydro project. Similarly to bring about wider carbon reductions we need the buy-in as many residents as possible. We will do this through our partners on the Steering Group and by setting up the Halton Energy Network, so that ideas/barriers/needs/delivery options can be identified, discussed and implemented.
Sustainable Community Carbon Neutral Biomass District Heating Scheme	In addition to the carbon savings achieved through the implementation of our project, our project will provide a first class working example and platform for shared leaning with all those identified through our engagement planning process and the wider community.
Low Carbon Living, Ladock & Grampound Road	Because the project is across the community it is important that the community are involved however management of community-wide renewable energy initiatives is not an existing skill-set within the community. It is important for awareness, acceptance and trust.
Cwm Arian Renewable Energy Project (CARE)	We will engage regularly with the community but the day-to-day management will be overseen by the voluntary directors elected by the community shareholders. The delivery of the project will be focused on full community support.
Haringey Council and Muswell Hill Low Carbon Zone	We could not carry out our project without the support of a wide range of very talented and capable people in our community, both for the management and delivery of our project.
Ashton Hayes Going Carbon Neutral Project	This is a grass roots volunteer project that would not be happening without community volunteers. We have no paid people and no seconded people from the local councils.
Carbon Neutral Exmoor	The community will play an important role in managing the project, but ultimately, the project will be managed Exmoor National Park Authority officers - the community does not have the capacity to deliver the management of this project within the timescales available. Our project will build capacity in the community over the three years of the Carbon Neutral Exmoor project to enable communities in the National Park to help themselves through developing knowledge-sharing infrastructure and opportunities. In terms of delivery, we are relying on the community to bring forward credible ideas to be funded through the LCIF funding. We are supporting them through this process and will support them in the deployment of technologies once approved.

LCCC project name/title:	How important is the involvement of the community targeted by your project - explain
Ballymena localised district heating network	a)The management of the project will be carried out by the project team who represent the community we are targeting i.e. Ballymena Borough Council, NIHE b)This project relies on an strategic community engagement plan to allow for an increased take up to connect to the district heating network
Ecofit Whitehill-Bordon	Due to the specialist work required in delivering the loans the capital aspects of the project will be managed by East Hampshire District Council. The community, particularly key community leaders are vital to the equally important community engagement aspects of the project.
Egni	Social enterprise delivery of a commercial scale technology is best done by a focus team. The broader work around engagement will be more inclusive of the community. Our staff and trustees all live in the community
Hillhouse Greening the Gap	We want the community to feel positive about what the project is doing and contribute to the success of the project. Behaviour change, in terms of low carbon living, will play a large role in the success of our project and we need the community to be involved to maximise the impact of this.
Chale Community Project	Whilst the project's Steering Group includes a number of community representatives, many of the Delivery Group members were chosen primarily for their project management skills. It will not be possible to deliver the project unless the community is fully engaged.
The Meadows	The organisation is run by the community for the community, staff are in place to run the day to day work
Reepham LCCC	The LCCC projects have been developed and are being delivered by local community groups.
Lammas Low Impact Initiatives Ltd	Community integration is an essential part of sustainability
Eco-Easterside	The project to date has involved extensive community engagement and there is therefore expectation in the community that this will continue through delivery. Furthermore, Easterside is a disadvantaged community and it is essential for the success of the scheme that the community are fully engaged with the proposals.

LCCC project name/title:	Do you think SE model could have any benefits for your project - explain
Halton Carbon Positive, Halton-with-Aughton, Lancashire	Two of the lead partner organisations in the HCP project are social enterprises and the Hydro project are in the process of establishing themselves as one. Our intention is that all profits from the various schemes will be reinvested back into the community.
Berwick upon Tweed	It's the model we are using.

LCCC project name/title:	Do you think SE model could have any benefits for your project - explain
Sustainable Community Carbon Neutral Biomass District Heating Scheme	The driving force for this project is the benefit and contribution by Camphill to reduce its carbon emissions, which aligns with the ethos of Camphill worldwide. This project will help educate and convince others that this is the right thing to do and Camphill views this as an exciting challenge. An outcome is that financial saving can be made and these surpluses will be reinvested in other carbon saving initiatives
Transition Streets	We are already considering this for future project rounds as and when appropriate.
Cwm Arian Renewable Energy Project (CARE)	We will look to introduce a community interest company model of social enterprise - giving a dividend to community investors and safeguarding local assets. The surplus from the sale of wind energy will be use to building social enterprise workshop units and help establish new social enterprises in the community.
Haringey Council and Muswell Hill Low Carbon Zone	We are trying to help improve our community in the longer term. To do that we can try to do things that make environmental and social sense but which might not make money. That is a niche we can try to occupy. There are schemes of environmental and social benefit which make money. We see these as being the sphere of commercial enterprises where we can co-exist and arrange mutual benefits.
Ashton Hayes Going Carbon Neutral Project	We are going to run our own power generation and electric vehicles for the benefit of the community and to be a showcase for other communities. We see social enterprise as a viable way forward.
Carbon Neutral Exmoor	There are certain aspects of our project where social enterprises could perform a useful function. For example, relating to the supply of energy services. Also, we are currently planning to set up a revolving fund - were this to be owned and managed by a social enterprise, this would devolve responsibility for the fund to the community, and empower the community to meet its own needs in the way that it desires.
Ballymena localised district heating network	We have partners in place and do not see any benefit regarding engagement. We are working with Action Renewables a registered charity who work closely with community groups, environmental groups etc.
Ecofit Whitehill-Bordon	Although as we are a local authority this question is probably not applicable to us, though might be relevant to the governance of the Eco-town project as a whole.
Egni	The key is to retain local ownership and benefit, rather than going to shareholders.

LCCC project name/title:	Do you think SE model could have any benefits for your project - explain
Hillhouse Greening the Gap	We aim for the community we're working with to be able to shape the decisions about how the community fund that will be established from the FIT will be spent, over the next 20 years. We are not sure at the moment, whether members of the community would be best establishing a social enterprise or act as a steering group, with the money being held by the local authority, but allowing the community to have as much say about how the money is spent as possible.
Chale Community Project	I believe that the idea of a social enterprise could interest many people in the parish who are either unemployed or on benefits but who are unable to travel to find work.
The Meadows	Any income generated through FITs will be reinvested in further solar or renewable technology
Reepham LCCC	The social enterprise model is already developed and used for some of the Reepham LCCC projects
Lammas Low Impact Initiatives Ltd	When the primary motivation is profit, priorities which maximise return emerge. When the primary motivation is altruistic, priorities which maximise community benefit emerge
Eco-Easterside	We are looking at a social enterprise to sustain elements of the scheme relating to the collection and redistribution of FITs and RHIs, both to maintain the existing infrastructure and reinvest surpluses into additional renewable measures and environmental projects.

Interested in receiving advice/support regarding the development of SE structures and processes? (Key: ✓ = yes, ? = maybe, X = no)			
LCCC project name/title:	Are you considering adopting a SE model for your project?	Interested	Detail of advice/support interested in
Cwm Arian Renewable Energy Project (CARE)	We are considering a social enterprise model	✓	Yes, more detailed advice and support at this stage
The Meadows	We are considering a social enterprise model	✓	Yes, more detailed advice and support at this stage

Eco-Easterside	We are considering a social enterprise model	✓	Yes, more detailed advice and support at this stage
Ashton Hayes Going Carbon Neutral Project	We are considering a social enterprise model	✓	Yes, basic information at this stage (possibly followed by tailored, more in-depth advice and support as appropriate)
Carbon Neutral Exmoor	We are considering a social enterprise model	✓	Yes, basic information at this stage (possibly followed by tailored, more in-depth advice and support as appropriate)
Hillhouse Greening the Gap	We are considering a social enterprise model	✓	Yes, basic information at this stage (possibly followed by tailored, more in-depth advice and support as appropriate)
Chale Community Project	We are considering a social enterprise model	✓	Yes, basic information at this stage (possibly followed by tailored, more in-depth advice and support as appropriate)
Low Carbon Living, Ladock & Grampound Road	We are considering a social enterprise model	✗	No
Transition Streets	We are considering a social enterprise model	✗	No
Sustainable Community Carbon Neutral Biomass District Heating Scheme	We are an existing social enterprise	✓	Yes, more detailed advice and support at this stage
Haringey Council and Muswell Hill Low Carbon Zone	We are an existing social enterprise	✓	Yes, more detailed advice and support at this stage
Egni	We are an existing social enterprise	✓	Yes, more detailed advice and support at this stage
Halton Carbon Positive, Halton-with-Aughton, Lancashire	We are an existing social enterprise	✓	Yes, basic information at this stage (possibly followed by tailored, more in-depth advice and support as appropriate)

Reepham LCCC	We are an existing social enterprise	✓	Yes, basic information at this stage (possibly followed by tailored, more in-depth advice and support as appropriate)
Berwick upon Tweed	We are an existing social enterprise	x	No
Lammas Low Impact Initiatives Ltd	We are an existing social enterprise	x	No
Transition to a Low Carbon Hook Norton	We are an existing social enterprise	x	No
West Oxford - Renewables West Oxford	We are an existing social enterprise	?	
Ballymena localised district heating network	A social enterprise model is not suitable for us	x	No
Ecofit Whitehill-Bordon	A social enterprise model is not suitable for us	x	No

Which of the following social enterprise models would your project be interested in receiving tailored advice and support on? (Key: ✓ = yes, ? = maybe, X = no)									
LCCC project name/title:	CICs	Charitable incorporated organisations	Unincorporated associations	Trusts	Limited companies with a social purpose	Community benefit societies	Coops	Registered charities	Other SE model (specified)

Which of the following social enterprise models would your project be interested in receiving tailored advice and support on? (Key: ✓ = yes, ? = maybe, X = no)									
LCCC project name/title:	CICs	Charitable incorporated organisations	Unincorporated associations	Trusts	Limited companies with a social purpose	Community benefit societies	Coops	Registered charities	Other SE model (specified)
Halton Carbon Positive, Halton-with-Aughton, Lancashire	✓	✓	✓	✓	✓	✓	✓	✓	The hydro group are looking at all social enterprise models and would be very interested in getting support.
Berwick upon Tweed	No response								
West Oxford - Renewables West Oxford	No response								
Sustainable Community Carbon Neutral Biomass District Heating Scheme	✓	✓	?	✓	?	✓	✓	✓	
Low Carbon Living, Ladock & Grampound Road	No response								
Transition Streets	No response								
Cwm Arian Renewable Energy Project (CARE)	✓	?	X	X	✓	?	✓	X	
Haringey Council and Muswell Hill Low Carbon Zone	✓	✓	?	✓	✓	✓	✓	✓	Industrial and Provident Society
Ashton Hayes Going Carbon Neutral Project	✓	X	X	?	?	X	?	X	community energy service company models
Carbon Neutral Exmoor	✓	?	?	✓	?	?	?	?	
Ballymena localised district heating network	No response								
Ecofit Whitehill-Bordon	No response								
Egni									Wholly owned trading subsidiary gift aiding profits back to charity (SPV)
Hillhouse Greening the Gap	?	?	?	?	?	?	?		
Chale Community Project	✓					✓	✓		

Which of the following social enterprise models would your project be interested in receiving tailored advice and support on? (Key: ✓ = yes, ? = maybe, X = no)									
LCCC project name/title:	CICs	Charitable incorporated organisations	Unincorporated associations	Trusts	Limited companies with a social purpose	Community benefit societies	Coops	Registered charities	Other SE model (specified)
The Meadows	?	?	X	X	✓	X	X	?	
Reepham LCCC	No response								
Lammas Low Impact Initiatives Ltd	No response								
Eco-Easterside	✓	?	X	X	X	X	X	?	
Transition to a Low Carbon Hook Norton	No response								

Which of these aspects of social enterprise models, would your project be most interested in receiving specific advice and guidance about? (Key: ✓ = yes, blank = not selected)								
LCCC project name/title:	Business planning	Governance structures	Funding streams	Sustaining the project for community	Finance structures	Partnerships	Skills assessments	Access goods/ services from other SEs
Halton Carbon Positive, Halton-with-Aughton, Lancashire	✓	✓	✓	✓	✓	✓	✓	✓
Berwick upon Tweed	No response							
West Oxford - Renewables West Oxford	✓				✓			
Sustainable Community Carbon Neutral Biomass District Heating Scheme	✓			✓		✓		

Which of these aspects of social enterprise models, would your project be most interested in receiving specific advice and guidance about? (Key: ✓ = yes, blank = not selected)								
LCCC project name/title:	Business planning	Governance structures	Funding streams	Sustaining the project for community	Finance structures	Partnerships	Skills assessments	Access goods/ services from other SEs
Low Carbon Living, Ladock & Grampound Road				No response				
Transition Streets				No response				
Cwm Arian Renewable Energy Project (CARE)	✓	✓	✓	✓	✓			✓
Haringey Council and Muswell Hill Low Carbon Zone	✓		✓	✓	✓			☐
Ashton Hayes Going Carbon Neutral Project		✓	✓	✓	✓	✓		
Carbon Neutral Exmoor		✓	✓		✓			
Ballymena localised district heating network				No response				
Ecofit Whitehill-Bordon				No response				
Egni	✓	✓	✓	✓	✓	✓	✓	✓
Hillhouse Greening the Gap	✓	✓	✓	✓	✓	✓	✓	
Chale Community Project	✓	✓	✓	✓	✓			✓
The Meadows			✓	✓				✓

Which of these aspects of social enterprise models, would your project be most interested in receiving specific advice and guidance about? (Key: ✓ = yes, blank = not selected)								
LCCC project name/title:	**Business planning**	**Governance structures**	**Funding streams**	**Sustaining the project for community**	**Finance structures**	**Partnerships**	**Skills assessments**	**Access goods/ services from other SEs**
Reepham LCCC	No response							
Lammas Low Impact Initiatives Ltd	No response							
Eco-Easterside	✓	✓	✓	✓	✓			
Transition to a Low Carbon Hook Norton	No response							

Low Carbon Communities Challenge & Social enterprise

Late entries – baseline survey

Appendix B.1.2

URN	021	022
LCCC project name/title:	Cwmclydach Low Carbon Community	Sustainable Blacon: Blacon Smart Energy Community
RespondentID	1032859925	1043323848
CollectorID	12696682	12696682
StartDate	20/04/2010	30/04/2010
EndDate	20/04/2010	30/04/2010
Applicant name:	Phillip Jenkins (input by Bob Carter- holds hard copy)	Ged Edwards
Does your LCCC project have an expected end date?	Yes	Yes
If yes, please provide your end date here:	31.3.2011	01/09/2011
Name:	Phillip Jenkins	GED EDWARDS
Organisation:	Cwmclydach CDT	SUSTAINABLE BLACON
Address 1:	The Development Centre	DEE POINT CENTRE
Address 2:	Clydach Road	BLACON POINT ROAD
City/Town:	Towpandy	CHESTER
Post Code:	CE40 2BD	CH1 5NF
Email Address:	Phil Jenkins [phillipjenkins@btconnect.com]	ged@sustainableblacon.org.uk
Telephone Number:	01443 420904	01244 390344

URN	021	022
LCCC project name/title:	Cwmclydach Low Carbon Community	Sustainable Blacon: Blacon Smart Energy Community
Briefly describe your role and level of responsibility within your LCCC project?	I am the Community Development Worker for Cwmclydach Communities First and I work with community groups within the ward of Cwmclydach. The Cwmclydach Community Development Trust is the organisation that is applying for this funding and is a company limited by Guarantee, I am supporting them in their bid for LCCC.	Programme manager
Have your responses to this questionnaire been discussed and agreed with your wider LCCC project team?	Yes	No
Alternative contact - name:		
Alternative contact - organisation:		
Alternative contact - address 1:		
Alternative contact - address 2:		
Alternative contact - city/town:		
Alternative contact - Post Code:		
Alternative contact - Email Address:		
Alternative contact - Telephone Number:		
In which English region or devolved nation does your LCCC project operate?	Wales	England: North West
Please provide the Local Authority(ies) area you operate in:		Cheshire West and Chester
What is the name of the community targeted by your LCCC project?	Cwmclydach	BLACON
Which of the below best describe the community your LCCC project is targeted at - Local Authority-wide		

URN	021	022
LCCC project name/title:	**Cwmclydach Low Carbon Community**	**Sustainable Blacon: Blacon Smart Energy Community**
Which of the below best describe the community your LCCC project is targeted at - Multiple Local Authorities		
Which of the below best describe the community your LCCC project is targeted at - Ward-wide		
Which of the below best describe the community your LCCC project is targeted at - Local parish		
Which of the below best describe the community your LCCC project is targeted at - BME community		
Which of the below best describe the community your LCCC project is targeted at - Low income households		Low income households
Which of the below best describe the community your LCCC project is targeted at - Areas of deprivation	Areas of deprivation	Areas of deprivation
Which of the below best describe the community your LCCC project is targeted at - Older members of the community		Older members of the community
Which of the below best describe the community your LCCC project is targeted at - Families with children		Families with children
Which of the below best describe the community your LCCC project is targeted at - Owner-occupiers		Owner-occupiers
Which of the below best describe the community your LCCC project is targeted at - Private rented tenants		Private rented tenants

URN	021	022
LCCC project name/title:	**Cwmclydach Low Carbon Community**	**Sustainable Blacon: Blacon Smart Energy Community**
Which of the below best describe the community your LCCC project is targeted at - Social housing tenants		Social housing tenants
Which of the below best describe the community your LCCC project is targeted at - Other (please specify)		BLACON IS A GEOGRAPHICALLY DISTINCT AREA IN CHESTER. THE PROJECT IS OPEN TO ALL RESIDENTS IN THE AREA. IT HAS AREAS OF SIGNIFICANT DEPRIVATION.
Which best describe the organisational structure of your project - Local Authority / multiple Local Authorities / Parish Council		
Which best describe the organisational structure of your project - Local strategic partnership		
Which best describe the organisational structure of your project - Legally constituted third sector organisation	Legally constituted third sector organisation	Legally constituted third sector organisation
Which best describe the organisational structure of your project - Other (please specify)		
If organisational structure has changed since application, what were key drivers for this change:		n/a
Where 1 is min participation/involvement & 5 is max participation/involvement, what extent to date did/are the community targeted by your project - a) Participate in shaping your project's organisational structure:		4
Where 1 is min participation/involvement & 5 is max participation/involvement, what extent to date did/are the community targeted by your project - b) Involved in management of your	5 (maximum participation)	5 (maximum participation)

URN	021	022
LCCC project name/title:	Cwmclydach Low Carbon Community	Sustainable Blacon: Blacon Smart Energy Community
project		
Where 1 is min participation/involvement & 5 is max participation/involvement, what extent to date did/are the community targeted by your project - c) Involvement in the delivery of project services (e.g. providing advice to clients)	5 (maximum participation)	5 (maximum participation)
Level of participation/involvement, - explain response		Residents on Board of Directors and delivering the project on the ground
Changes planned for the level of community involvement in a) shaping project's organisational structure	No change anticipated	It will increase
Changes planned for the level of community involvement in b) Management of your project	No change anticipated	It will increase
Changes planned for the level of community involvement in - c) Delivery of your project's services	No change anticipated	It will increase
Changes planned for the level of community involvement - explain		It's a project based upon community engagement.
How important is the involvement of the community targeted by your project to - a) the management of your project:	5 (maximum importance	4
How important is the involvement of the community targeted by your project to - b) the delivery of your project	5 (maximum importance	5 (maximum importance
How important is the involvement of the community targeted by your project - explain	The Communities First Partnership and the Cwmclydach Community Development Trust are fully behind the idea that the local people should be fully involved in the decisions that will in the short and long term affect their	ownership of the project enhances its success and sustainability

URN	021	022
LCCC project name/title:	Cwmclydach Low Carbon Community	Sustainable Blacon: Blacon Smart Energy Community
	community.	
How would you rate your project's current level of knowledge of 'social enterprise?'		5 (Very high)
To what extent does your project agree - a) They are owned and managed by the communities they serve	5 (Strongly agree)	5 (Strongly agree)
To what extent does your project agree - b) They have a clear social benefit to the community they serve	5 (Strongly agree)	5 (Strongly agree)
To what extent does your project agree - c) They have a clear environmental benefit to the community they serve	5 (Strongly agree)	3
To what extent does your project agree - d) They have a clear economic benefit to the community they serve	5 (Strongly agree)	5 (Strongly agree)
To what extent does your project agree - e) They offer local employment opportunities	5 (Strongly agree)	4
To what extent does your project agree - f) Their objectives are driven by the needs of the community	5 (Strongly agree)	4
To what extent does your project agree - g) Surpluses are reinvested back into the community they serve	5 (Strongly agree)	5 (Strongly agree)
To what extent does your project agree - h) They compete to deliver goods and services	5 (Strongly agree)	5 (Strongly agree)
To what extent does your project agree - i) They can be a profitable business operating in a competitive market.	5 (Strongly agree)	5 (Strongly agree)

URN	021	022
LCCC project name/title:	Cwmclydach Low Carbon Community	Sustainable Blacon: Blacon Smart Energy Community
Re definition of SE, do you think a SE model could have any benefits for your project?	Yes, definitely	Yes, definitely
Do you think SE model could have any benefits for your project - explain	As a community that has had the experience of setting up a company limited by guarantee and that the model we are currently using sets in good stead for any of the challenges that may occur in the future and also allows us to work independently of statutory authorities allowing us to bid for funding and provide services for the community of Cwmclydach	We are a social enterprise. This is our experience
Some of the advantages of SE model?	a bottom up approach that puts forward the view of local people	builds sustainability, local ownership and resilience
Some of the disadvantages of SE model?	dependency on grant aid funding	
How important to your project - a) It is owned and managed by the communities it serves	5 (Maximum importance)	5 (Maximum importance)
How important to your project - b) It has a clear social benefit to the community it serves	5 (Maximum importance)	5 (Maximum importance)
How important to your project - c) It has a clear environmental benefit to the community it serves	5 (Maximum importance)	5 (Maximum importance)
How important to your project - d) It has a clear economic benefit to the community it serves	5 (Maximum importance)	5 (Maximum importance)
How important to your project - e) Its objectives are driven by the needs of the community	5 (Maximum importance)	5 (Maximum importance)
How important to your project - f) Surpluses are reinvested back into the community it serves	5 (Maximum importance)	5 (Maximum importance)
Are you considering adopting a SE model for your project?	We are an existing social enterprise	We are an existing social enterprise

URN	021	022
LCCC project name/title:	**Cwmclydach Low Carbon Community**	**Sustainable Blacon: Blacon Smart Energy Community**
SE model is not suitable for us - explain		
Interested in receiving advice/support regarding the development of SE structures and processes?	Yes, basic information at this stage (possibly followed by tailored, more in-depth advice and support as appropriate)	No
Which SE models would your project be interested in receiving tailored advice and support on - b) Community interest companies	Not sure what this is, but request information	
Which SE models would your project be interested in receiving tailored advice and support on - c) Charitable incorporated organisations	Not sure what this is, but request information	
Which SE models would your project be interested in receiving tailored advice and support on - d) Unincorporated associations	Not sure what this is, but request information	
Which SE models would your project be interested in receiving tailored advice and support on - e) Trusts	No	
Which SE models would your project be interested in receiving tailored advice and support on - f) Limited companies with a social purpose	No	
Which SE models would your project be interested in receiving tailored advice and support on - g) Community benefit societies	Not sure what this is, but request information	
Which SE models would your project be interested in receiving tailored advice and support on - h) Cooperatives	Maybe	
Which SE models would your project be interested in receiving tailored advice and support on - i) Registered charities	Maybe	

URN	021	022
LCCC project name/title:	Cwmclydach Low Carbon Community	Sustainable Blacon: Blacon Smart Energy Community
Which SE models would your project be interested in receiving tailored advice and support on - j) other (specify)		
Which of these aspects of SE models, would your project be most interested in - a) Help with business planning	Help with business planning	
Which of these aspects of SE models, would your project be most interested in - b) Governance structures		
Which of these aspects of SE models, would your project be most interested in - c) Funding streams	Funding streams	
Which of these aspects of SE models, would your project be most interested in - d) How to sustain the project for the benefit of the community	How to sustain the project for the benefit of the community	
Which of these aspects of SE models, would your project be most interested in - e) Finance structures (eg. home loan schemes, revolving loans and feed-in tariffs)	Finance structures (eg. home loan schemes, revolving loans and feed-in tariffs)	
Which of these aspects of SE models, would your project be most interested in - f) Partnerships		
Which of these aspects of SE models, would your project be most interested in - g) Skills assessments	Skills assessments	
Which of these aspects of SE models, would your project be most interested in - h) How to access other goods and services provided by other social enterprises	How to access other goods and services provided by other social enterprises	
Which of these aspects of SE models, would		

URN	021	022
LCCC project name/title:	Cwmclydach Low Carbon Community	Sustainable Blacon: Blacon Smart Energy Community
your project be most interested in - i) Other SE advice		
Does your project currently have a business plan?	Yes, it is fully developed	
Does business plan include how your project will be sustained beyond the LCCC funding support period?	No	

2. Low Carbon Communities Challenge & Social enterprise

Follow-up survey – summary analysis

March 2011

1. Please provide the name or title of your LCCC project:		
1	Berwick Core	Feb 21, 2011 12:58 PM
2	Haringey Council and the Muswell Hill Low Carbon Zone	Feb 21, 2011 1:34 PM
3	Eco Easterside	Feb 21, 2011 1:48 PM
4	Reepham LCCC	Feb 22, 2011 1:36 PM
5	Lammas Low Impact Initiatives Ltd	Feb 23, 2011 1:58 PM
6	Whitehill Bordon Eco-town Ecofit Loan Scheme	Feb 24, 2011 2:52 PM
7	Hillhouse Greening the Gap	Feb 25, 2011 1:53 PM
8	The Meadows	Feb 28, 2011 4:35 PM
9	Chale Community Project	Mar 8, 2011 11:40 AM
10	Cwmclydach Low carbon Community	Mar 8, 2011 1:12 PM
11	Cwm Arian Renewable Energy Project	Mar 9, 2011 11:43 AM
12	Ashton Hayes Going Carbon Neutral	Mar 11, 2011 6:22 PM

5. Which of the below best describe the 'current' organisational structure managing your project?

	Response Percent	Response Count
Local Authority / County Council / Parish Council	25.0%	3
Local strategic partnership	8.3%	1
Legally constituted third sector organisation	**33.3%**	**4**
Social enterprise	16.7%	2
Other statutory body (e.g. National Park)	0.0%	0
Other (please specify)	16.7%	2
	answered question	12
	skipped question	0

7. Which of the statements below best reflect your LCCC project's engagement with social enterpise models: Please select all that apply

		Response Percent	Response Count
We set-up a new social enterprise prior to applying to LCCC		30.0%	3
We have established a new social enterprise(s) to manage all of the project		0.0%	0
We have established a new social enterprise(s) to manage parts of the project		10.0%	1
We are about to establish a new social enterprise(s) to manage the project		20.0%	2
We are about to establish a new social enterprise(s) to manage parts of the project		10.0%	1
We have rejected social enterprise models and have another model in place for our project		30.0%	3
	Please briefly describe your alternative model adopted:		6
		answered question	10
		skipped question	2
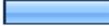
8. Which of the following social enterprise models has your project adopted, or is in the process of adopting? If you have not adopted any form social enterprise model please indicate this below.

		Response Percent	Response Count
Community interest companies		8.3%	1
Charitable incorporated organisations		0.0%	0
Unincorporated associations		0.0%	0
Trusts		0.0%	0
Limited companies with a social purpose		**33.3%**	**4**
Community benefit societies		16.7%	2
Cooperatives		8.3%	1
Registered charities		8.3%	1
We did not adopt any form of social enterprise		16.7%	2
Other (please specify)		16.7%	2
		answered question	12
		skipped question	0

9. Using the scale below where 1 is minimal paticipation/involvement and 5 is maximum participation/involvment, to what extent does/is the community targeted by your project: Please rate each item below.

	1 (minimum participation)	2	3	4	5 (maximum participation)	Rating Average	Response Count
a) Participate in shaping your project's organisational structure:	25.0% (3)	8.3% (1)	**33.3% (4)**	16.7% (2)	16.7% (2)	47.92	12
b) Involved directly in the management of your project:	8.3% (1)	8.3% (1)	25.0% (3)	25.0% (3)	**33.3% (4)**	66.67	12
c) Involved in the delivery of project services (e.g. providing advice to clients):	8.3% (1)	25.0% (3)	**33.3% (4)**	16.7% (2)	16.7% (2)	52.08	12
Briefly explain your responses above:							10
answered question							12
skipped question							0

10. Using a scale of 1 - 5 where 1 is very low knowledge and 5 is very high knowledge, how would you rate your project's current level of knowledge of 'social enterprise?'

	1 (Very low)	2	3	4	5 (Very high)	Rating Average	Response Count
Knowledge of social enterprise:	0.0% (0)	8.3% (1)	25.0% (3)	50.0% (6)	16.7% (2)	68.75	12
					answered question		12
					skipped question		0

11. We acknowledge that your project may not have in depth knowledge of social enterprise, however we would like to explore this a little more with you. Using a scale of 1 - 5, where 1 is 'strongly disagree' and 5 is 'strongly agree', to what extent does your project agree with each of the statements below about social enterprise models? Please rate each item listed.

|	1 (Strongly disagree)	2	3	4	5 (Strongly agree)	Rating Average	Response Count
a) They are owned and managed by the communities they serve	0.0% (0)	0.0% (0)	33.3% (4)	16.7% (2)	50.0% (6)	79.17	12
b) They have a clear social benefit to the community they serve	0.0% (0)	0.0% (0)	8.3% (1)	8.3% (1)	83.3% (10)	93.75	12
c) They can include a clear environmental benefit to the community they serve	0.0% (0)	0.0% (0)	8.3% (1)	25.0% (3)	66.7% (8)	89.58	12
d) They can include a clear economic benefit to the community they serve	0.0% (0)	0.0% (0)	0.0% (0)	41.7% (5)	58.3% (7)	89.58	12
e) They can offer local employment opportunities	0.0% (0)	0.0% (0)	8.3% (1)	50.0% (6)	41.7% (5)	83.33	12
f) Their objectives are driven by the needs of the community	0.0% (0)	8.3% (1)	8.3% (1)	33.3% (4)	50.0% (6)	81.25	12
g) Surpluses are reinvested back into the community they serve	0.0% (0)	0.0% (0)	8.3% (1)	33.3% (4)	58.3% (7)	87.50	12
h) They can compete to deliver goods and services	0.0% (0)	0.0% (0)	25.0% (3)	25.0% (3)	50.0% (6)	81.25	12
i) They can be a profitable business operating in a competitive market.	0.0% (0)	0.0% (0)	33.3% (4)	25.0% (3)	41.7% (5)	77.08	12
					answered question		12
					skipped question		0

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12. Using a scale of 1 - 5 where 1 is strongly disagree and 5 is strongly agree, to what extent do you agree that each statement is true of your project? Please rate each item listed.

	1 (Strongly disagree)	2	3	4	5 (Strongly agree)	Rating Average	Response Count
a) It is owned and managed by the communities it serves	0.0% (0)	8.3% (1)	8.3% (1)	8.3% (1)	**75.0% (9)**	87.50	12
b) It has a clear social benefit to the community it serves	0.0% (0)	0.0% (0)	0.0% (0)	8.3% (1)	**91.7% (11)**	97.92	12
c) It has a clear environmental benefit to the community it serves	0.0% (0)	0.0% (0)	0.0% (0)	16.7% (2)	**83.3% (10)**	95.83	12
d) It has a clear economic benefit to the community it serves	0.0% (0)	0.0% (0)	16.7% (2)	16.7% (2)	**66.7% (8)**	87.50	12
e) It offers local employment opportunities	0.0% (0)	0.0% (0)	**33.3% (4)**	**33.3% (4)**	33.3% (4)	75.00	12
f) Its objectives are driven by the needs of the community	0.0% (0)	8.3% (1)	8.3% (1)	25.0% (3)	**58.3% (7)**	83.33	12
g) Surpluses are reinvested back into the community it serves	0.0% (0)	0.0% (0)	0.0% (0)	8.3% (1)	**91.7% (11)**	97.92	12
h) It competes to deliver goods and services	16.7% (2)	0.0% (0)	25.0% (3)	25.0% (3)	33.3% (4)	64.58	12
i) It is a profitable business operating in a competitive market	16.7% (2)	16.7% (2)	**25.0% (3)**	16.7% (2)	25.0% (3)	54.17	12
					answered question		12
					skipped question		0

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13. Since beginning your project, what three things have you learnt about social enterprise specifically? If you do not think you have learnt anything about social enterprise please type in 'nothing new.'

	Response Percent	Response Count
Social enterprise learning 1:	100.0%	12
Social enterprise learning 2:	50.0%	6
Social enterprise learning 3:	41.7%	5
	answered question	12
	skipped question	0

14. Does your LCCC project involve social enterprise models?
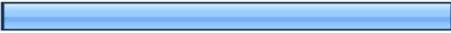
	Response Percent	Response Count
Yes	75.0%	9
No	25.0%	3
	answered question	12
	skipped question	0

15. Thinking about the support relating to aspects of social enterprise (SE) required by your LCCC project in or become established, grow and be sustained into the future, please say to what extent you agree or disagree with statement below:

	Strongly disagree	Disagree	Neither agree/disagree	Agree	Strongly agree	N/A (We did not require any SE advice or support)	Rating Average
SE support was important at the beginning of our project	0.0% (0)	22.2% (2)	0.0% (0)	11.1% (1)	**55.6% (5)**	11.1% (1)	78.1:
SE support was/is important as our project was/is developing	0.0% (0)	11.1% (1)	11.1% (1)	11.1% (1)	**55.6% (5)**	11.1% (1)	81.2!
SE support is important for the long-term sustainability of our project	0.0% (0)	11.1% (1)	**33.3% (3)**	11.1% (1)	22.2% (2)	22.2% (2)	64.2!
						answered question	
						skipped question	

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16. How would your project have preferred/prefer to receive support relating to aspects of social enterprise (SE) and at which stage of your project would this have been/be of most value: For each mode of delivery listed below please select at what stage(s) it would have been/will be of most value to your project:

	At the beginning of our project (start-up and development)	Medium-term (delivery stage)	Long-term (sustaining into the future)	Not required	Response Count
Face-to-face mentoring	55.6% (5)	44.4% (4)	22.2% (2)	22.2% (2)	9
Event-based networking	42.9% (3)	28.6% (2)	42.9% (3)	28.6% (2)	7
Website-based directory of advice/services	50.0% (4)	12.5% (1)	25.0% (2)	50.0% (4)	8
Specialist advisors (e.g. renewables)	44.4% (4)	55.6% (5)	22.2% (2)	22.2% (2)	9
Online-network with similar projects	0.0% (0)	0.0% (0)	33.3% (2)	66.7% (4)	6
Good practice 'how to' based case studies	37.5% (3)	25.0% (2)	25.0% (2)	25.0% (2)	8
				answered question	9
				skipped question	3

17. Please use the text boxes below to briefly tell us what social enterprise related support your project received and from whom or where it was accessed. Please tell us this for the three stages of your project listed.

	Response Percent	Response Count
At the beginning of your project (start-up and development):	100.0%	8
Short to medium-term (delivery):	100.0%	8
Long-term (sustaining into future):	87.5%	7
answered question		8
skipped question		4

19. Please indicate below if your project would have been interested in receiving the specified support and show what stage this would have been of most value.

	No interest	Interested at early planning stage	Interested at early delivery stage	Interested at mid-delivery stage	Interested at late delivery stage	Interested in future for the sustainability of project	R
Help with business planning	25.0% (3)	**75.0% (9)**	25.0% (3)	16.7% (2)	0.0% (0)	8.3% (1)	
Legal aspects of the project (general)	8.3% (1)	**75.0% (9)**	16.7% (2)	25.0% (3)	16.7% (2)	25.0% (3)	
Legal aspects (advice around ownership of renewable technologies)	10.0% (1)	**80.0% (8)**	20.0% (2)	20.0% (2)	20.0% (2)	10.0% (1)	
Legal aspects (state aid and FiTs/RHI)	9.1% (1)	**81.8% (9)**	36.4% (4)	27.3% (3)	27.3% (3)	18.2% (2)	
Governance structures	33.3% (4)	**50.0% (6)**	8.3% (1)	8.3% (1)	0.0% (0)	8.3% (1)	
Planning permissions	**54.5% (6)**	36.4% (4)	18.2% (2)	9.1% (1)	0.0% (0)	0.0% (0)	
Access to funding (affordable loans, grants etc)	8.3% (1)	**66.7% (8)**	41.7% (5)	33.3% (4)	25.0% (3)	41.7% (5)	
How to sustain the project into the future for the benefit of the community	16.7% (2)	33.3% (4)	25.0% (3)	25.0% (3)	33.3% (4)	**41.7% (5)**	
Finance structures (eg. home loan schemes, revolving loans and feed-in tariffs)	16.7% (2)	**58.3% (7)**	33.3% (4)	16.7% (2)	25.0% (3)	41.7% (5)	
Recruiting and retaining skilled staff	**63.6% (7)**	0.0% (0)	18.2% (2)	9.1% (1)	9.1% (1)	18.2% (2)	
Procurement	**36.4% (4)**	18.2% (2)	27.3% (3)	18.2% (2)	18.2% (2)	27.3% (3)	
How to access other goods and services provided by other social enterprises	33.3% (4)	33.3% (4)	25.0% (3)	25.0% (3)	16.7% (2)	**41.7% (5)**	
Other (tell us when then specify below)	**75.0% (3)**	25.0% (1)	25.0% (1)	25.0% (1)	25.0% (1)	25.0% (1)	

Other - please explain

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20. Who do you think is best placed to provide projects like yours with: a) general support relating to low carbon community activities; and b) support relating to social enterprise

	a) General support	b) Support related to social enterprise:	Response Count
Central government	100.0% (7)	42.9% (3)	7
Devolved administrations	75.0% (3)	75.0% (3)	4
Regional government	75.0% (3)	25.0% (1)	4
Local government	85.7% (6)	42.9% (3)	7
Professional service providers (Accountants/Specialist lawyers	85.7% (6)	57.1% (4)	7
Consultants	71.4% (5)	71.4% (5)	7
Business advisors	66.7% (4)	66.7% (4)	6
Other social enterprises	62.5% (5)	100.0% (8)	8
National social enterprise body	20.0% (1)	100.0% (5)	5
Regional social enterprise body	42.9% (3)	100.0% (7)	7
'Local United'	100.0% (4)	75.0% (3)	4
Other not-for-profit sector	50.0% (3)	100.0% (6)	6
Websites	80.0% (4)	100.0% (5)	5
		Other (please specify)	2
		answered question	11
		skipped question	1

21. Please use the text boxes below to briefly tell us the type of support your project received and from who for each stage listed. If you have already told us about any social enterprise-related support, use the boxes to tell us about any other support.

		Response Percent	Response Count
At the beginning of your project (start-up and development):		83.3%	5
Short to medium-term (delivery):		66.7%	4
Long-term (sustaining into future):		100.0%	6
	answered question		6
	skipped question		6

22. If you were advising a new community-based low carbon initiative, what would be your two key recommendations?

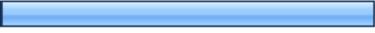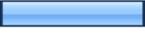|		Response Percent	Response Count
Recommendation 1:		100.0%	10
Recommendation 2:		100.0%	10
	answered question		10
	skipped question		2

23. Does your project have a 3 to 5 year business plan leading to sustainability?

		Response Percent	Response Count
Yes		75.0%	9
No		25.0%	3
	Please briefly describe your business plan:		10
	answered question		12
	skipped question		0

24. Thinking about future business planning, from where do you see your project accessing or generating funds from?

		Response Percent	Response Count
Public sector funded grants		58.3%	7
Other grants (e.g. Big Lottery, Trust Funds etc)		66.7%	8
Investments (e.g. share offers)		41.7%	5
Commercial bank loans		8.3%	1
Green/Social Investment Bank		33.3%	4
Income from trading with the public sector		25.0%	3
Income from trading with the private sector		25.0%	3
Income from trading with other not-for-profit organisations or social enterprises.		8.3%	1
Income from trading with the public		25.0%	3
Income associated with electrcity or heat generation (e.g. FiTs & RHI)		**83.3%**	**10**
Donations		25.0%	3
Other (please specify)		16.7%	2
		answered question	12
		skipped question	0

25. Using the list below please select the three most significant barriers to the long-term business sustainability of your project:

	Choice 1	Choice 2	Choice 3	Response Count
Lack of funding or affordable finance	**77.8% (7)**	22.2% (2)	0.0% (0)	9
Cash flow	0.0% (0)	**62.5% (5)**	37.5% (3)	8
Lack of appropriate knowledge & skills	0.0% (0)	0.0% (0)	0.0% (0)	0
Time pressure	37.5% (3)	12.5% (1)	**50.0% (4)**	8
Lack of business support for projects	0.0% (0)	0.0% (0)	0.0% (0)	0
Recruiting and retaining skilled staff	0.0% (0)	0.0% (0)	**100.0% (2)**	2
Other (rank then specify below)	0.0% (0)	**75.0% (3)**	25.0% (1)	4
			Other (please specify)	6
			answered question	11
			skipped question	1

26. Considering all elements of your project together, which band below best represents your projected annual surplus that will be used for community benefit in each year listed?

	Less than £10,000	£10,000 - £25,000	£26,000 - £50,000	More than £50,000	Don't know/not applicable	Response Count
Year 2011-12	**54.5% (6)**	9.1% (1)	18.2% (2)	0.0% (0)	18.2% (2)	11
Year 2014-15	16.7% (2)	**33.3% (4)**	25.0% (3)	8.3% (1)	16.7% (2)	12
Year 2019-20	0.0% (0)	16.7% (2)	**58.3% (7)**	8.3% (1)	16.7% (2)	12
					answered question	12
					skipped question	0

27. Finally, while commercial business is principally interested in shareholder value, social enterprises have broader ambitions. They attempt to balance the needs of the 'planet' itself and the 'people' who live on it with the need to 'create wealth'. How important are each of the following to your LCCC project?

	Very unimportant	Unimportant	Important	Very important	Rating Average	Response Count
Planet	0.0% (0)	0.0% (0)	33.3% (4)	**66.7% (8)**	88.67	12
People	0.0% (0)	0.0% (0)	0.0% (0)	**100.0% (12)**	100.00	12
Profit	0.0% (0)	36.4% (4)	**54.5% (6)**	9.1% (1)	57.09	11
					answered question	12
					skipped question	0

CASE STUDY A: Awel Aman Tawe Community Wind Farm

What happening at Awel Aman Tawe?

Funding received by Awel Aman Tawe (AAT), a community energy charity in South Wales, was used to support the installation of two wind turbines with a capacity of 4MW on the Mynydd y Gwrhyd mountain. Fuel poverty is of great concern in the local area and it is intended that the community project will generate enough electricity to supply the annual needs of about 2,000 homes and generate an income for the community as a whole.

How is Awel Aman Tawe engaging social enterprise?

A wholly-owned trading subsidiary:
For a charity such as AAT grant funding is becoming increasingly difficult to access. Consequently, the charity is required to diversify its funding streams to support and deliver its charitable objectives. One means by which AAT is doing this is through a community wind farm. This mission links together environmental, regeneration and local ownership agendas with the principles of charity such as local employment, community ownership, capacity building, anti-poverty, delivering energy efficiency to the community and generating clean power from renewables to enable affordably warm homes. The charity has found that securing contracts and grants for these activities is increasingly difficult and tends to involve only short-term funding. Therefore, the setting up of a social enterprise in the form of a wholly-owned trading subsidiary is seen as a way of assisting the charity to be sustainable and to meet its objectives.

As part of the LCCC-funded activity, the charity has been undertaking energy efficiency surveys, consultancy and other activities to supplement the charity's income. AAT has yet to establish a separate social enterprise as these activities have not yet generated income in excess of £50k, the level at which a separate trading subsidiary would be required. However, as part of the community wind project funded by the LCCC programme, the charity is looking to set up a **wholly-owned trading subsidiary** to gift-aid profits back to the charity.

What are the project's plans for maintaining its activities using a social enterprise structure?

❑ The LCCC funding is supporting the purchase of capital measures and efforts to unlock funding from commercial banks. In establishing a social enterprise to support AAT's community wind project, and other activities of the charity, the sustainability plan includes the sale of generated energy to the grid. In terms of sustaining the wind farm in the long term, the new social enterprise will support the community wind project (including maintenance) and the AAT charity in the longer term through gift-aided profits.

❑ The funds generated by the wind farm would be used to pursue other community projects such as a community café and allotments. It may be that the wind farm also helps to fund a development worker to take these community activities forward.

❑ The trading arm set up to support the community wind farm would also allow the charity to explore creation of a revolving loan fund to help introduce solar PV to local homes. This could mean another social enterprise being established as a **holding company** to receive the FiTs which would also be gift-aided to the charity to develop community projects.

What kind of advice and support was required?

For Awel Aman Tawe and community wind initiatives more generally?

❑ What AAT is trying to do with community wind is fairly specialist and the project has struggled to locate existing example of good practice, especially in England & Wales. Some of the advice and support available regarding community energy projects and social enterprise was found to be of limited relevance because of specific complicating factors associated with community wind farm schemes, for example access to commercial finance.

❑ As the project moves closer to establishing the organisational structure of the trading arm it is hoped that support, such as that provided by WZcic, will be available to assist in ensuring the correct organisational and governance structures for the trading arm are chosen.

❑ A network of community-based renewable technology projects across England & Wales would deliver substantial benefits, especially in terms of early learning for prospective projects. This would comprise guidance and support on the technical elements of setting up community wind initiatives and, crucially, the financial elements, including experience of revolving loans.

❑ Some good networks and examples already exist for solar PV and hydro, but advice and good practice examples for community wind are very limited.

What challenges did the Awel Aman Tawe project encounter and how were these resolved?

- ❑ One particular barrier to setting up community wind is the limited support for such projects in England & Wales. This is largely a result of the limited number of community wind initiatives that have progressed and succeeded in England and Wales.

- ❑ For AAT, the most useful advice received so far has been from Community Energy Scotland. The advice related to '*how to do community wind'.*

- ❑ There is a wide range of wind projects in Scotland from which projects such as this can learn; additional funding would enable agencies such as Community Energy Scotland to provide advice on all aspects of community wind development.

- ❑ In general AAT's community wind project has been frustrated in attempting to access relevant advice. There appears to be a general lack of awareness of what is required to establish a community wind farm, or how existing sources of knowledge and expertise can be harnessed to provide support to other communities wishing to establish similar initiatives across the UK.

Utilising social enterprise for community wind:

- ❑ Community wind projects wishing to pursue social enterprise models would benefit from initial guidance relating to the 'nuts and bolts' of *'how to set up community wind'.*

- ❑ Following this, community wind projects would be better placed to receive advice and support relating to social enterprise. This would contribute towards ensuring that the best and most appropriate model of social enterprise was selected for the purpose.

CASE STUDY B: Chale Community Project

What's happening in Chale?

Chale is a village in the south west of the Isle of Wight and is without access to the mains gas network. The village's community project, funded and supported by the Ellen McArthur Foundation (EMF) and Southern Housing Group, developed from the wish to reduce energy consumption and fuel costs. These objectives are being achieved through whole-house energy solutions for a small social housing estate (67 homes) in the village comprising improved energy efficiency through insulation measures and adoption of renewable technologies such as solar photovoltaic (PV) panels and air-source heat pumps (ASHPs). The retrofit programme of works was designed through a detailed survey of the properties to deliver the best energy solution for the homes within the available budget. In addition, everyone in the area was offered a free home visit by '*Warmer Chale'* team to provide advice and assistance to reduce fuel bills and keep warm. Households were also advised of available financial support to enable free or discounted cavity and loft insulation and new efficient heating systems.

The Chale Community Project aims to:

The Chale Community Project had very a very clear vision for what it wanted to achieve with priority given to the principles of social enterprise; that is, social, economic and environmental benefits to the community it serves and re-investment of surpluses within that community.

- ❏ increase energy efficiency
- ❏ make more sustainable village life and increase self sufficiency in areas such as energy, transport, waste, food and water
- ❏ reduce fuel costs for households in Chale and tackle fuel poverty
- ❏ create local dialogue and discussion to stimulate interest and action in environmental and sustainability agendas
- ❏ build on Chale's great community spirit and improve community cohesion
- ❏ share experiences and enable other communities to learn from Chale.

To help achieve these aims, the project succeeded in securing funding from the Department of Energy and Climate Change's Low Carbon Community Challenge programme. The additional funds were used to purchase and install the ASHPs in the community and an additional five solar PV units (in addition to 41 units provided by eaga solar).

To engage households with the Chale Community Project and, specifically, with energy efficiency and renewable technology, emphasis was put on affordable warmth rather than the carbon agenda. For many households living on the small social housing estate, heating their home to an adequate level was not possible or was just too expensive. Many households were using
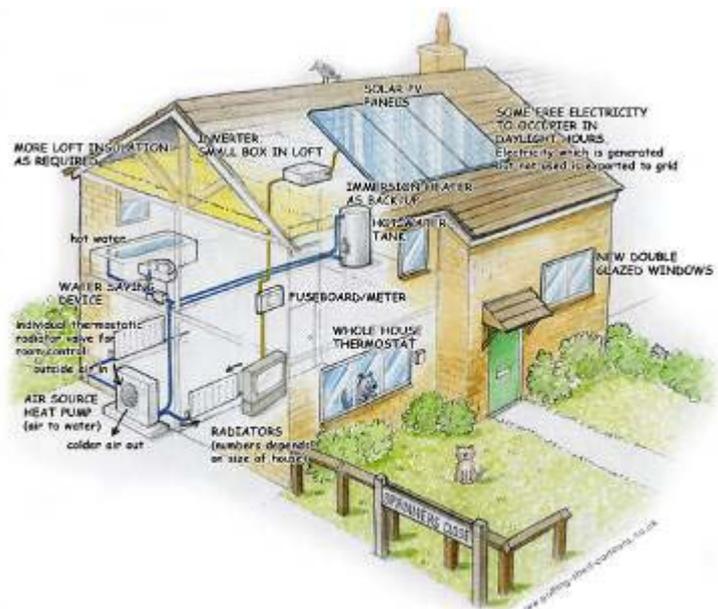
electric storage heaters, in some cases just one or two, and a multi-fuel burning stove. This meant households were only heating one room; but now, as a resident and project champion states:

> "Previously I was just heating one room, and even had a separate oil-filled radiator for my daughter's room; but now the whole house is warm."

The project has found that by installing renewable technologies in the village, and making them visible to all, they were able to generate community interest in renewables and encourage others to install the technology. The project also delivered renewable technology training courses to residents, and while the original hope had been to generate jobs with local installers on the island, the training also enabled people to achieve a better understanding of how renewables work.

The Chale Community Project recognises that replicating projects such as those funded through the LCCC programme might be difficult, because not everyone can benefit from a substantial government grant. Katie Green, the project manager said:

> "One thing we have learnt through home visits to deliver energy advice and signposting to grants, is that we have been able to really help people achieve warmer and more comfortable homes. This is a very replicable element of the project."

How is the Chale Community Project engaging social enterprise?

What social enterprise structure has been adopted and for what purpose?

A Limited Company by Guarantee with a social purpose is in development at Chale, currently being led by the Project Manager from the Ellen McArthur Foundation. The purpose of the new body is to act as a 'holding company' to be known as the **Chale Community Fund**. It will receive income from renewable technologies in the form of Feed-in-Tariffs and Renewable Heat Incentive with a view to implementing new sustainability projects in the community.

The memoranda and articles are in development and are expected to be in place by the end of the LCCC programme. These will include the parameters of the company in terms of activities and the purposes for which funds can be used. For the Chale Community Project, getting these parameters correct in terms of what can be permitted in future is key, so that the project can operate to achieve both current and future objectives.

A Board will be established to oversee the company and take decisions around use of the fund. Whilst the Board has yet to be established, it will comprise Chale residents and some of the members of the Chale Low Carbon Project's Steering Group have also been invited to sit as Board members of the new Limited Company.

Discussions are already under way on how the community can be engaged to decide how funds will be distributed. This process will involve the Parish Council, which already acts as a channel for the community to convey its concerns and
Cont…

requirements which are ultimately developed into a Parish Plan. Where these are in harmony with the aims of the Chale Community Project, and meet the conditions of the new 'Community Fund', they can be submitted to the community and Board. Such initiatives might include further investment in capital measures that would generate further income to support the project's aims. However, some of Chale's already established aims include:

❑ For Chale to increase self sufficiency in terms of utilities, food, water, community cohesion and transport infrastructure.
❑ Reduce the community's reliance on fossil fuels and move towards more renewable energy sources
❑ Provide training for jobs in the renewable energy industry and create local employment opportunities

The Chale Community Project has already delivered a BPEC renewable technology training programme for residents with a view to working with renewable technology installers to create new jobs in the area. It is possible that the new Limited Company, subject to the direction and priorities of the project at the time, may change its future structure to that of a charity or Charitable Incorporated Organisation (CIO).

From where will the Community Fund receive its income?

The Chale Community Project has been able to establish innovative partnerships with installers/providers of the renewable technologies adopted by the community. By bringing together partners such as Eaga plc and Southern Housing Group, the project has been able to secure a donation of around £4,000 to the fund and 1% of the feed-in-tariffs (FiTs), otherwise destined for the solar PV provider, will go to Southern Housing Group, the social housing provider in Chale. This revenue will be ring-fenced for other environmental sustainability programmes.

Community energy and heat generation income:
Further income will be generated from five solar PV units purchased by the Ellen McArthur Foundation (EMF). The EMF will transfer ownership and maintenance responsibility of the units to Southern Housing Association; the resulting FiTs will be gifted by the housing association to the community fund. In addition, future income generated from the Renewable Heat Incentive (via air-source heat pumps) in the community will also be committed to the fund.

Sustaining the project:
The social enterprise is absolutely key to the long term suitability of the Chale Community Project. Whilst there is considerable goodwill in the community and people do want work to continue, without the necessary funds little could be achieved and the goodwill secured to date would be at risk. Community engagement and interest might also be lost. The social enterprise structure, in addition to generating its own income, will also look to apply and bid for additional grants to support the project.

What challenges did Chale Community Project encounter and how were they resolved?

Project support and continuity: The project currently has a part-time grant-funded co-ordinator who works with the project lead to engage residents and deliver the project in the community. There is concern that funding for this post may be lost and that the project would have to rely on voluntary commitment. The project believes that even a part-time paid post would be better in sustaining project momentum. At the time of writing it was not known whether funding for the post had been secured.

Legal frameworks and contracts: The development of the new structure was subject to delay as a result of the complexity of setting up appropriate legal structures and contracts relating to receipt or ownership of income generated from the renewables technologies deployed. It was also necessary to ensure the legal expertise and appropriate knowledge of the legal firm appointed.

Chale's project manager said: "*Trying to find the correct solicitors to ensure that what we required could be delivered and the parameters of this, was time consuming. To keep legal costs to a minimum the project has been supplied with a template outlining what we might require. We have been quite lucky through the relationship with the EMF who helped us identify the solicitors used.*"

European Union State Aid rules: The project experienced problems similar to those encountered by other LCCC projects in regard to receipt of state funding (for capital measures and government subsidy in the forms of FiTs) that pushed the total value beyond what a single organisation is permitted by EU legislation to receive (200,000 Euros). However, Chale Community Project found that by seeking clarification from DECC they were able to resolve the issue after being signposted to websites that could provide appropriate support, including Ofgem.

The LCCC funding from DECC was used to purchase the ASHPs, but not the solar PV (from which FiTs will be received); these were purchased using the EMF's own funds. After speaking to DECC about State Aid issues it was decided that this would be a better way to proceed. In effect, the DECC money was supplementary to the project, in enabling the purchase and installation of the ASHPs.

Recommendations from Chale Community Project for setting up a community-led energy project:

1. Written or documentary guidance is a useful starting point but projects will really benefit from a personal contact. Face-to-face discussion and dialogue were invaluable in ensuring that the most appropriate vehicle was chosen for the project.

2. The timing of advice and support regarding social enterprise and legal requirements is really important. Early stage provision is beneficial in ensuring that projects can 'hit the ground running' once funding is in place.

CASE STUDY C: Low Carbon Living Ladock and Grampound Road Project

What is happening in Ladock & Grampound Road?

The Low Carbon Living (LCL) project aims to work in partnership with local residents to create a more sustainable community.   The LCCC funding received by the project has been used to test a number of initiatives to determine how community-wide sustainable living can be achieved.

Originally it was planned that Community Energy Plus (CEP), a Charity based in Cornwall that provides advice and support for renewable energy projects, would manage the setting up of the Low Carbon Living Ladock & Grampound Road LCCC project and the identification and installation of measures. The intention was that the Transition Group (Ladock) would then take over. However, due to unforeseen circumstances CEP is still involved in the management of the project.

The LCL project has installed renewable technologies in private homes, local businesses and community buildings. These have included solar photovoltaic (PV) panels, a wind turbine (single 20KW), solar thermal panels (hot water), air-source heat pumps (ASHP), ground-source heat pumps (GSHP) and biomass boilers (pellet and wood). The planned hydro system has not yet been installed due to tight timescales. Standard loft insulation, and internal solid wall insulation (external solid wall insulation was refused planning permission) were also installed.

After the measures were installed in dwellings and community buildings, ownership was transferred to the household or community organisation. It is intended that when receipt of the FiT commences this will be designated to a third party - one of the project's social enterprises, a Community Benefit Society (Ben Com). This structure was built into the original project bid in order to ensure eligibility for State Aid. The wind turbine will remain in the ownership of the Ben Com which will also receive the feed-in-tariff (FiT) (funds received will be below the permitted State Aid threshold (200,000 Euros).

How is Ladock & Grampound Road engaging social enterprise?

The two social enterprise models adopted by Low Carbon Living Project:

Two forms of social enterprise have been established by the LCL, each a form of Industrial Provident Society (IPS):

1. **Community Benefit Society (Ben Com)**. This body manages all aspects of the project (measures installation, maintenance and general management, including applying for grants and funding).
2. **Co-operative (Co-op)**. The body will receive gifted funds from the Ben Com for community activities/interventions determined by its membership.

It is intended that income will be generated from the receipt of FiTs from electricity-generating technologies and the Renewable Heat Incentive (RHI) from heat-generating measures (ASHP, GSHP, biomass boiler and solar thermal). No income is being generated from edible woodland as it is still in development, but there will be a product (lots of nuts and berries and excess wood from maintenance) at some stage which will probably be shared amongst the community. Any funds generated this way would also go to the Ben Com.

The Ben Com will from time to time gift funds to the Co-op to distribute to other low carbon and energy reduction activities in the community, *e.g.* invite bids from members (individuals or businesses) for the installation of solar PV.

Why did the Low Carbon Living Project choose social enterprise?

For Low Carbon Living Ladock and Grampound Road, social enterprise seemed the obvious route to go down. The project explains this as being determined by the fact that they would be generating an income and that the project was designed to be representative of the community. The IPS models best met the aims of the project in that they enable equal access and were perceived to be the most equitable. This is reflected in the Co-op's one-member one-vote structure, as opposed to a large number of principal shareholders with majority control.

Any member of community joining the Co-op becomes a member of both the Ben Com and the Co-op, entitling them to a say in terms of what activities the organisations get involved in and also in how funds are re-invested.

The models adopted ensure that control of the companies is maintained by the community and cannot be taken over by a small number of individuals. Having the models in place now ensures that the project is well placed to access opportunities for future funding as they come online, such as the Green Investment Bank.

What are Low Carbon Living's plans for maintaining its activities using a social enterprise structure?

❑ LCL is currently examining the long-term future of the project. The Ben Com's responsibility at the moment and its short term focus is to ensure that a constant stream of funds is secured for the project. This is likely to involve investment in further income-generating measures and applying for grants to support the longer-term viability of the project and support local generation and sustainable lifestyle activities.

❑ However, what these activities are will be determined by the community itself. The parameters of this, how applications to the co-op for community investment are managed, and what eligible activities or projects are to be supported, were under discussion at the time of writing.

❑ It is anticipated that the co-op will dedicate a lot of time to determining the rules on how funds can be used. In the longer term, once the sustainable funds have been established, income-generating activities for the community can be increased.

What advice and support did the project require?

Setting up the project's social enterprises:

❑ The LCL project accessed support to set up its social enterprises from the local co-operative development body (a Co-op UK local office) and accessed funding through the Co-operative Enterprise Hub.

❑ At the beginning of the project, advice and support relating to legal advice, specifically in terms of what is required when setting up the policies and systems of the IPS, did not appear to be available and, where it was available, there was a cost attached.

❑ The LCL project received a lot of advice from the local co-op in-kind, without this the project's achievements would not have been possible. The enterprise hub is the co-operative's programme for the support of social enterprises, it examines the structures and systems required to make sure they meet the needs of the groups and comply with legal requirements regarding membership structures.

What challenges did the Low Carbon Living Project encounter and how were they resolved?

❑ The LCL project would recommend that future community energy projects should take care to ensure they fully understand all tax implications of their project and their liability for VAT. Misinformation meant that the project only became aware of its VAT liability shortly before the project commenced; this resulted in reduced funds being available for measures.

❑ The project's funding through the LCCC programme was granted late as it only became available following withdrawal of another project from the programme. The LCL project secured this funding but this meant that the project had to be delivered over three months instead of the usual twelve; this was a difficult task given the nature of the project. Fortunately CEP's existing relationship with renewable technology suppliers and installers, as an established fuel poverty, energy efficiency and sustainability charity, meant the project could make things happen quite quickly. However, a different organisation would have struggled under similar circumstances.

❑ Particularly problematic was the contract between the Ben Com (body receiving the FiTs) and the households or local businesses and community buildings. Lawyers were required to draw up the contracts for the households/businesses setting out the ownership of the measures (by households) and the gifting of the FiTs (to the Ben Com). One difficulty was that the lawyers did not appear to be experienced in this field and were having difficulty committing to the final legal interpretation. An established (precedent) legal position on third-party receipt of FiTs and ownership would have been useful to this project.

❑ In order to resolve these issues, CEP was able to access its own funds to deliver this aspect of the project. The receipt of FiTs was delayed due to the need for caution in relation to designated ownership and contractual arrangements until the rules on State Aid were made clear to the project. These difficulties resulted in a delay in the transfer of ownership to households and local businesses/community groups.

Recommendations from the Low Carbon Living Project for setting up a community-led energy project:

❑ Project lead-in time needs to be sufficient to allow community projects to develop the concepts and services, and to deliver them without jeopardising the community's commitment to and favourable perceptions of the project.

❑ Make sure advice and support regarding social enterprise set-up is available at the outset, *i.e.* when the offer of a grant is made. Otherwise, expensive consultants can eat into project funds set aside for the proper engagement of the targeted community.

❑ Access legal contract templates to:

a) set out the legal status of ownership of measures and receipt of generated income (*e.g.* FiTs); and the relationship between the social enterprise and households or community buildings/businesses.

b) make clear the position on State Aid and how this can be adhered to or otherwise addressed through different ownership models.

❑ Establish early the VAT status of grants received. Grant providers should consider providing guidance on tax liabilities.

❑ Community energy projects should not be rushed. If the aim is to establish energy projects managed by communities, then the prospect that there is no existing relevant knowledge within the communities must be taken into consideration.

Governance Structures Matrix

LCCC project	An existing social enterprise	A new social enterprise was established	A new social enterprise was is in development	A new social enterprise is being considered	No new social enterprise / status unknown
Halton Carbon Positive	Y	Y		Y	
Low Carbon Challenge Berwick	Y	Y			
West Oxford Community Renewables	Y				Y
Camphill Communities Biomass District Heating Scheme	Y				Y
Low Carbon Living, Ladock & Grampound Road	Y	Y			
Transition Streets	Y		Y		
Cwm Arian Renewable Energy Project (CARE)	Y		Y		
Haringey Council and Muswell Hill Low Carbon Zone		Y			
Ashton Hayes Going Carbon Neutral Project			Y		
Carbon Neutral Exmoor					Y
Ballymena localised district heating network					Y
Ecofit Whitehill-Bordon					Y
Egni	Y			Y	
Hillhouse Greening the Gap				Y	Y
Chale Community Project	Y		Y		
The Meadows	Y				Y
Reepham LCCC	Y	Y			
Lammas Low Impact Initiatives Ltd	Y				Y
Eco-Easterside	Y			Y	
Transition to a Low Carbon Hook Norton	Y				Y
Cwmclydach Low Carbon Community					Y
Sustainable Blacon: Blacon Smart Energy Community	Y				Y
All projects	**15**	**5**	**4**	**4**	**12**

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URN	LCCC project name/title/architecture:	Original Governance Structure of LCCC project (and additional partners) 2010				All LCCC projects received general information. Yes indicates substantive SE advice provided regarding structures and processes.	Outline View of Governance Structure of LCCC project (and additional partners) 2011		
		LCCC Lead Applicant (who managed and delivered project)	Lead Applicant Status	Social Enterprise	Linked Organisation(s) and status		Governance structure(s) adopted / planned. Scope of activity.	Overview of Social Enterprise Model, managed for "community benefit"	Sustainable Plan for period after LCCC Grant (yes/ no / with brief description of potential / Social Enterprise?)
001	Halton Carbon Positive, Halton-with-Aughton, Lancashire. An alliance of 3 community based third sector organisations.	1. Lancaster Cohousing Company Ltd. 05801423	Private Limited Company limited by guarantee , no share capital.	SE	2. LESS (Lancaster District) (CIC) Private Limited Company by Guarantee no share capital. 06181400 3. Halton Community Association Registered Charity 506984	Yes	New operating company Halton Lune Hydro Ltd. Private Limited Company established 13 March 2009. Hydro delivery role with a social benefit.	Intent is for hydro and solar roof funding to be recycled for environmental community benefit via Halton Community Association and LESS.	Yes. Will support current community focused organisations and help deliver additional benefits from FiTs/ROC/ RHI funding. Plans for expansion via and Loan funding and share offerings being considered by some parties to support sustainability. Existing and proposed new organisations considered to be scalable Social Enterprises.
002	Low Carbon Challenge Berwick - Berwick upon Tweed An Local Alliance with Berwick Development Trust.	1. Berwick Core Ltd. 06452679	Private Limited Company with grant support.	SE	2. Berwick -Upon Tweed Community Development Trust Ltd Private Limited by guarantee no share capital 05290088	No	Created new structure Berwick Core and Development Trust to deliver one community wind turbine	Intent is for Turbine to be in place by Autumn 2011. 50% of £4m estimated revenue will be used locally by Berwick Trust and 50% by Core to expand sustainable	Intent is to support current community focussed organisations and 50% will be invested in expanding sustainable energy projects in the Region. State aid determinations may impact on this approach. Berwick

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									community wind.	Core considered to be a scalable Social Enterprise.
003	West Oxford Community Renewables . Linked with local Low Carbon West Oxford Charity	1. West Oxford Community Renewables Ltd West Oxford Community Centre Botley Road Oxford OX2 0BT IP033711	Industrial and Provident Society for the benefit of the community.	SE	2. Low Carbon West Oxford . Registered charity 1135225	No	Structure created to enable effective focus of both linked organisations.		West Oxford Renewables secures funding, shares etc to invests in renewables. Initially Large PV on School, Supermarket, Commercial Premise and 5% on Church and Social Housing. Donates surplus income to Low Carbon West Oxford for wider local targeted low carbon projects, Community Green Loans Fund, Car Share, Waste etc, Revised FiTs above 50Kw may impact on viability of large roof leasing.	Yes. West Oxford - renewables has highlighted the need for start up grants in addition to aces to FiTs and other practical set up support to enable wider community replication to build scale. State aid determinations may impact on this approach. Revised FiTs above 50Kw may impact on viability of large future roof leasing. West Oxford Community Renewables considered to be a scalable social enterprise.

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| 004 | Sustainable Community Carbon Neutral Biomass District Heating Scheme- Linked to Rockport School, North Down Council, Craigowen Housing Association and Royal Belfast Golf Club. | 1. Camphill Community Glencraig. NI007481 | Private Limited Company limited by guarantee, no share capital. | SE | 2. Camphill Communities Trust (N.I.) Private Limited by guarantee no share capital NI003345 | No | Existing company structures in place adopted. | The installation of an Urban wood biomass boiler as part of a District Heating scheme. Linkage indicated to Rockport School and Royal Belfast Golf Club. | The benefits of the biomass boiler will primarily to Camphill Community which will save cost of oil reduce carbon impacts. This will in turn support their own social enterprise led objectives. Existing organisations considered to be scalable Social Enterprises. |
| 005 | Low Carbon Living, Ladock & Grampound Road- Legally constituted third sector organisation | 1.Community Energy PlusCommunity Energy Plus, South Crofty House Tolvaddon Energy Park, Camborne Cornwall, TR14 7QW | Private Limited Company limited by guarantee, no share capital. | SE | 2. Transition Ladock & Grampound Road Community Group | No | Two Industrial and Provident Societies established for the benefit of the community. Low Carbon Ladock Limited. 30969R and Ladock Carbon Co-operative Limited. At the outset a form of social enterprise model was originally envisaged. | Intent is for the benefits of the renewables installed in 16 homes, 3 business, 4 Parish community buildings alongside six acres of edible woodland to be managed by a Co-op to grow the activity locally. | Yes. Plans exist for the co-op to manage and grow the scheme. Existing and proposed new organisations considered to be scalable Social Enterprises. |

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| 006 | Transition Streets - Part of legally constituted third sector organisation | 1. Transition Town Totnes TTT 43, Fore Street, Totnes, Devon. TQ9 5HN | Private Limited Company limited by guarantee , no share capital. 06287039 | SE | A rang of TTT groups and bodies such as Totnes Renewable Energy Society ,Private Limited Company limited by guarantee, no share capital. Incorporated Industrial and Provident Society for the benefit of the community for raising share capital , 30373 and Totnes Sustainable Construction Company (established to promote and carry out retrofitting and pioneering green construction projects) | No | Existing company structures in place adopted for Transition Streets . | Project based around 12 streets, behaviour change and subsidised retrofits and PV, supported by loans from South Hams District Council repaid by FiTs. Intent for fund to become self sustaining but sources of additional funding are being identified as essential to widespread adoption. | Yes. Plans exist for the co-op to manage and grow the scheme. Yes. Plans exist to enable low interest loans to be available to expand activity. Existing and proposed new organisations considered to be scalable Social Enterprises. |
| 007 | Cwm Arian Renewable Energy Project (CARE) - Legally constituted third sector organisation | 1. Hermon Community Resource Centre Ltd Pantyrysgol, Hermon, Glogue, Pembrokeshire . SA36 0DT IP30234R | Industrial and Provident Society for the benefit of the community. Charity Number 251430 | SE | 2. Project (Cwm Arian Renewable Energy (CARE). Community also operates a range of other groups. | Yes | Existing structures used initially. Plans for developing a "co-op" model of social enterprise funded by community loans/sharehol ders ,assisted by Credit Unions – Community owned or bank loan funding. | Development plans at this stage for wind. Plans for revenues from the sale of renewable wind energy from two 1.2MW turbines owned by the community. to be allocated 40% of revenue - capital cost grants to households for the installation of renewable | Developing project per original proposal, planning issues 2012 target for commissioning plan. Too early for detailed business plan but intent is for Financial sustainability to be achieved through revenue generation and multiple and co-ordinated funding streams. These would allow the project to bring sustainable income into the community and reduce or eliminate its |

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								systems and energy efficiency measures. 20% of revenue – Conferences with investment in low carbon social enterprise renewable energy technologies 10% - information training about carbon foot printing. 10% - initiatives that support a reduction in travel through car-share schemes and timetabled bus services 10% - administrative fees Cwm Arian. Planning being progressed.	dependence on a range of non commercial grant funding. Existing and proposed new CARE organisation are considered to be scalable Social Enterprises.
008	Haringey Council and Muswell Hill Low Carbon Zone	1. Haringey Council Haringey Council, River Park House, 225 High Road, London N22 8HQ	LA	No	2.Muswell Hill Sustainability Group (MHSG) linked to Sustainable Haringey, local residents who aim to address the impacts of climate change and encouraging community-wide practical engagement. 3.en10ergy Limited a Industrial and	No	e10energy Ltd established October 2009 is the sustainable core Social Enterprise promoting and investing in renewable energy. No new structures have been created. Other local partners and the MHSG continue to	Part of the project , en10enrgy Ltd operating as a Social Enterprise will use FiTs income (from M&S roof PV +) to fund additional measures along with the proceeds of a share offer and additional sources. A low	Yes. Other local partners and the MHSG continue to support ongoing activity to build solar and the additional funding sources are required, share issues ? State aid determinations and revised FiTs above 50Kw may impact on viability of large roof leasing with local business. en10nergy is

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						Provident Society for the benefit of the community. 30824R. Share 0ffer. Plus other local supporters/partners.		support ongoing activity.	carbon buying group has been established. en10enrgy Led will support the Muswell Hill Sustainability Group by promoting local renewables and support carbon and waste reduction across all sectors locally. Diverse interventions i.e.: PV on 4 schools, Marks & Spencer's store and another on the roof of a Methodist Church , learning facilities, cycle parking, buying groups, and community renewable company. "Objective is to help improve our community in the longer term. To do that we can try to do things that make environmental and social sense but	considered to be a scalable Social Enterprise.

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								which might not make money. That is a niche we can try to occupy. There are schemes of environmental and social benefit which make money. We see these as being the sphere of commercial enterprises where we can co-exist and arrange mutual benefits."	
009	Ashton Hayes Going Carbon Neutral Project	1. Parish Council	Parish Council	No	2. Ashton Hayes Going Carbon Neutral is a sub group of the Parish Council	No	Existing Parish Council structures used. No SPV. Intent to establish CORE (Community Organisation for Renewable Energy) which will own and co-ordinate the village generation and low carbon vehicles. Intent for community owned structures to be developed.	CHP, micro grid and School PV, plus low carbon changing rooms and bio and electric vehicle "car Club". Ashton Hayes Going Carbon Neutral has harnessed a wide range of community skills and village and regional and national business and academic, government and NGO.	Community Organisation for Renewable Energy will become the structure that continues to develop the business elements of Ashton Hayes. The team of 30/50 volunteers provide skills and link to available grant and technical support to progress aims. CORE aims to be a scalable Social Enterprise.

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010	Carbon Neutral Exmoor	1. Exmoor National Park Authority	Statutory Body	No	Exmoor National Park Authority in lead role with a range of LA, Community, Business and Social Enterprise partners.	No	Existing Statutory body structures used and overseen by the Exmoor Carbon Neutral Projects Board. The LCCC will fund renewable energy projects such as wood pellet heating and solar installations in six communities. One of those communities (Lynton and Lynmouth) is to install a community owned hydropower turbine that will generate an income for the community. A potential	Details of the local sustainable legacy structures across each community are not currently known.	Details of the sustainable business plan or any adopted Social Enterprise models are not currently known.
011	Ballymena localised district heating network.	1. Ballymena Borough Council	LA	No	2. Collaboration with Northern Ireland Housing Executive (NIHE), 3. GT Energy, 4. Action Renewables a registered charity who work closely with community groups, environmental groups etc.	No	Existing Statutory body structures and partners used. A district heating network based on deep geothermal, biomass and residual heat technologies for public buildings, social housing as well as	Details of any new sustainable legacy structures are not currently known.	Details of the sustainable business plan or any adopted Social Enterprise models are not currently known.

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| 012 | Ecofit Whitehill-Bordon | 1. East Hampshire District Council | LA | No | 2. . East Hampshire District Council leading a multi agency Ecotown development partnership. Town, District and County Council, representatives from SEEDA, GOSE, MOD/Defence Estates, Natural England and English Partners and community. | No | private residences and will reduce fossil fuel use and fuel poverty.

Existing Statutory body lead for Eco-town and Ecofit project. Building on it's Eco town status by providing Ecofit free loft and cavity insulation and making interest free loans of up to £10k available for people in the form of loans from EHDC. Loan income to be recycled to enable further loans to be provided to install energy efficiency measures and renewable technologies, to save energy and save money. | Structures evolving towards a SPV/ development company governing an independent trust which will manage the project and its legacy with additional private sector input | No current details of future Social Enterprise roles. |

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| 013 | Egni - Legally constituted third sector organisation | 1. Awel Aman Tawe | Private Limited Company limited by guarantee, no share capital. 03958840. Charity Number 1114492 | SE | N/a | Yes | Existing company structures in place adopted for Engi. Aims to support regeneration of 12 villages spread across Neath Port Talbot, Carmarthenshire and Powys. from income two community owned wind turbines with a capacity of 4MW on the Mynydd y Gwrhyd mountain, e. The community also has plans to open a zero carbon cafe, allotments and a biodiesel pump. Long lead time project, planning in place and a range of finance is being assembled including Bank funding to enable construction to commence. | Intent is for the community owned turbine income to be used to support community regeneration per the charities defined objectives, including sustainable initiatives linked to clean transport, local food, energy efficiency and micro renewables, education and training. | Yes. Will support current community focussed activities subject to state aid / FiTs determinations. An existing and scalable social enterprise.. |

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| 014 | Hillhouse Greening the Gap. | 1. Kirklees Council | LA | No | Kirklees Council Environment Unit led imitative supported by a representative Steering Group of community networks. | No | Existing Statutory body structures and partners used. PV and other improvements to 3 community centres and 30 hard to treat homes in a BME community. Reduced running costs will benefit wider community and Fits income secured will be invested in a "community benefit fund " held by Kirklees Council to further encourage low carbon investment. Intend to ensure the community have as much influence as possible but mechanism not yet finalised. The potential of donating funding to a new Charitable Foundation is also being evaluated . | N/a | No current details of potential future Social Enterprise roles |

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| 015 | Chale Community Project - Legally constituted third sector organisation | 1. Ellen MacArthur Foundation, | Private Limited Company limited by guarantee, no share capital. 06897785 Registered Charity No. 1130306 | SE | 2. ,South Wight Housing Association - SWHA 3. Parish Council and varied community groups | Yes | The Ellen MacArthur Foundation have been the lead delivery organisation. PV to homes in Chale Green primarily owned by South Wight Housing Association - SWHA and some private homes. Plan an integrated sustainability programme car loan, local food etc. | Potential to establish a new Social Enterprise and options being considered to grow activity across the IOW. Income secured from FiTS will be utilised to part fund wider sustainable activities in Chale and possibly beyond.. | Yes. Intent is to expand current community focussed activities linked to funding opportunities. Scope for existing social enterprise to scale up and potentially a new SE within Chale to take forward local initiatives. |
| 016 | The Meadows. - Legally constituted third sector organisation | 1. The Meadows Partnership Trust | Private Limited Company limited by guarantee, no share capital. 03964101 Registered Charity No. 11339749 | SE | 2. Meadows OZONE Energy Services Limited. Private Limited Company by Guarantee no share capital. 07058264 3. Group of community based organisations supported by LA | No | Existing company structures have been adopted. Ozone is a community owned aims to fit solar PVs on a mix of social and private housing, monitoring the impact on fuel poverty. Some 50% grants and 50% loan arrangements will be tested. Income generated through FiTs is to be reinvested in further community based solar or renewable | Exiting locally community owned structures such as Ozone are supporting other energy services projects including a wind turbine. | Yes. Meadows OZONE Energy Services Limited. had future development plans in place and is a scalable Social Enterprise. |

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							technology.			
017	Reepham LCCC - Legally constituted third sector organisation	1. Norfolk County CIC	Community Interest Company. 06747919	SE	2. Norfolk County Council 3. Broadland District Council 4. Reepham Green Team plus groups and community based organisations.	No		Existing Norfolk CIC as lead body. Many smaller projects or existing public bodies engaged so no need at this time to establish ne entities or structures. PV to Primary School and sixth form college, Wind to High School, ASHP, GSHP to housing and community buildings, allotments, electric vehicle for school or car club. The social enterprise model is already developed and used for some of the Reepham LCCC projects	The social enterprise model is used for some of the Reepham LCCC projects, others already have existing organisation structures	Yes forward plans exist. No current details of the future role for new Social Enterprises . State aid determinations away impact on ability to exploit FiTs to support future aims District Heating ,CHP Anaerobic Digestion and additional allotment and land use projects.

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018	Lammas Low Impact Initiatives Ltd - Legally constituted third sector organisation	1. Lammas Low Impact Initiatives Ltd IP 30222R	Industrial and Provident Society for the benefit of the community.	SE	N/a	No	Existing company structures in place were adopted for creating an autonomous eco-village. Aim is to build a showcase 'Community Hub' building, The Community Hub building will be shared by Tir y Gafel Ltd, a not-for profit company limited by guarantee. The Lammas project was formed to provide an alternative sustainable rural development model the primary motivation is altruistic, priorities which maximise community benefit.	N/a	No current details of potential for any additional Social Enterprise activity.
019	Eco-Easterside. Local Authority as lead, multi agency partnership to deliver	1. Middlesbrough Council	LA	SE	2. Middlesbrough Environment City Trust Private Limited Company by Guarantee no share capital. 03386853. Registered Charity No. 1070131 3. RSL and varied	Yes	The established Middlesbrough Environment City Trust has delivered this project. Turbines at two schools and retrofitting small scale renewables into 20 RSL	The project is actively exploring the use of a community based social enterprise model to help sustain elements of the scheme relating to the collection and	Details of the sustainable business plan or the adopted Social Enterprise model are not currently known. State aid determinations may also impact.

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						community groups i.e.: Middlesbrough Climate Change Partnership		domestic properties, installation of insulation, low energy LED street lighting and proposed electric car club and allotments.	redistribution of FITs and RHIs. Community wishes to reinvest surpluses into additional renewables, environmental and community projects. The final level of level of FiTs income will impact on the sustainability of such an approach.	
020	Transition to a Low Carbon Hook Norton - Legally constituted third sector organisation	1. Hook Norton Low Carbon Ltd. (HNLC Ltd.) IP030817	Industrial and Provident Society for the benefit of the community.	SE	2. Low Carbon Hook Norton (LCHN) is the main umbrella group, for a range of village groups.	No	The LCHN utilised the established Hook Norton Low Carbon Ltd as the delivery organisation so no new structures were required. Existing income enabled interest free loans to £20-40K to enable more investment in exemplar homes, PV, Solar Thermal, upgrading community buildings, school and reducing emissions from transport through	Community reinvestment of income generated is core to this activity.	No current details of potential for any additional Social Enterprise activity.

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						making waste oil biodiesel available in the village. As loans are paid back to HNLC Ltd they can then be invested back into low carbon projects in the community.			
021	Cwmclydach Low Carbon Community	1. Communities First led Partnership / Rhondda Cynon Taff + WAG	LA +	No	2. Cwmclydach Development Trust a Social Enterprise Private Limited Company limited by guarantee, no share capital. 05249254 3. The Cambrian Village Trust. Charity Number 1086867	Yes	The Communities First team lea this project using existing structures and local Trust who would benefit from the income secured from the hydro generation in the Cambrian Country Park. Intent is for ROC/FiTs income to be allocated to the partner community organisations for community benefit. The local authority will manage the procurement and installation process.	Community reinvestment of income generated is core to this activity.	Yes. Forward plans exist to deliver a second hydro phase subject to funding with the income being used to provide sustainable support for the regeneration of the local community.

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| 022 | Sustainable Blacon: Blacon Smart Energy Community - Legally constituted third sector organisation | 1. Sustainable Blacon Limited, | Private Limited Company limited by guarantee , no share capital. 06969873 | SE | 2. Blacon Community Trust operates Sustainable Blacon as a subsidiary . Charity Number 1063083 3. Support from Public private and third sector organisations | No | Sustainable Blacon an existing social enterprise delivered this activity. Three elements , retrofit 2 demonstration low carbon houses into Sustainable Blacon Centres, environmental upgrades to own building and trial of two household Energy Management Systems along with wider behavioural activity. | N/a | No current details of potential for any additional Social Enterprise activity. |

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NEA Briefing Note

NEA

Campaigning for Warm Homes

SUPPORT TO LOW CARBON COMMUNITIES SETTING UP SOCIAL ENTERPRISES.

INTRODUCTION

NEA, the national fuel poverty charity, was commissioned by Department of Energy and Climate Change (DECC) to undertake an independent evaluation of the nature of the advice and support needs of Low Carbon Community Challenge (LCCC) communities and the value of social enterprise models.

The evaluation encompassed general support and guidance in relation to social enterprise and community energy projects and more specific support offered by Warm Zones cic (WZcic).

The independent evaluation sought to explore two key questions:

1. *What are the most effective ways for Government and the social enterprise sector to support communities in adopting and setting up social enterprises to deliver low carbon communities?*

2. *How useful are social enterprises in helping establish low carbon communities and in what ways?*

Fifteen LCCC projects were led or managed by an already established social enterprise organisation. However, five projects went on to set up a new social enterprise; four projects were in the process of setting-up a new social enterprise; and four were exploring this possibility. These categories are not exclusive and a project may meet one or more of these descriptions.

WHY SOCIAL ENTERPRISE?
The profile of social enterprise has increased considerably over recent years, especially in policy circles, in

relation to an increased role for this sector in the delivery of public service design and delivery and in strengthening civil society.

Localism and the concept of the 'Big Society' are objectives at the forefront of the Coalition Government's policy agenda and both propose a significant role for social enterprise.

A social enterprise is defined by the Social Enterprise Coalition as: *"Social enterprises are businesses driven by social or environmental objectives whose surpluses are reinvested for that purpose in the business or in the community. They operate across a wide range of industries and sectors from health and social care, to renewable energy, recycling and fair trade and at all scales, from small businesses to large international companies. They take a range of organisational forms from co-operatives and mutuals, to employee owned structures and charitable models."*

One key benefit of social enterprise is the ability to provide social benefits to the communities in which they operate. Social enterprises are usually understood to encompass ambitions that are broader than those of the commercial sector. They attempt to balance the needs of the planet itself and the people who live on it with the need to create wealth. This balance of social capital, natural capital and financial capital is known as the 'triple bottom-line' or, colloquially, 'people, planet, profit'.

The triple bottom-line forms one of the three conditions for social enterprise success that provide the framework against which LCCC projects are evaluated and on which the recommendations of the evaluation report are based. The second and third conditions are detailed below.

1. *The 'triple bottom-line' (see above)*

2. Language: When social entrepreneurs talk about 'sustainability' they mean the successful maintenance of the balance of the triple bottom-line. They do not just mean the sustainability of the planet.
3. Finance: Social enterprises are sustained by the profitability of their activities, not by grants. Like any business, they are underpinned by a clear business plan, predicated on earned income.

The benefits of social enterprise, as identified by projects, relate to the social benefits that social enterprise models can deliver and the community-based and environmental sustainability nature of such models. The emphasis here is on two of the three pillars of social enterprise; people and planet. However, the profitability of social enterprises was less well referenced amongst projects and the business element of such models was even perceived as a disadvantage:

"*Some social enterprises set up in the area have struggled to find a working business model and frequently have to return to potential grant-giving bodies for funds. They also have a tendency to seek to fit their activities to the requirements of funding bodies in order to 'chase' funding*".

The three principles of social enterprise that form the triple bottom-line fit well with the aims and ethos of community-based energy projects which, if met, can provide the foundation for successful community-led social enterprises.

ENGAGING WITH SOCIAL ENTERPRISE

The evaluation determined that the extent of project engagement with social enterprise was three-fold:

1. The project is managed and delivered via an existing form of social enterprise.

2. The project is in the process of establishing one or several new social enterprise structures, or is considering whether a new social enterprise is required to deliver their project, or part thereof.

3. The project has established one or several new social enterprises to deliver their project, or part thereof.

The LCCC funding allowed already established projects to continue with an existing project or to develop something new that they would otherwise have been unable to do. As a consequence, many of these established organisations or collaborative groupings went on to set up a new social enterprise (or intended doing so); even those which were already a form of social enterprise.

The evaluation identified three types (or a combination of types) of LCCC projects in regard to the extent or form of social enterprise engagement. Three case studies are presented in the evaluation report as illustrations:

1. *Operate in support of the 'parent' organisation's aims and objectives.*

2. *A holding company into which income generated from project-owned assets/activities (renewable technologies or car club in the case of Reepham) is to be held for future community investment.*

3. *Involved more complex income generation, such as co-operatives or offering shares.*

A condition of the LCCC grant which meant funding for capital measures (90% of the grant) had to be spent within a twelve-month period, contributed at least in part to a heavy focus on the delivery (installation of capital measures) phase of many projects. This prioritisation has been a factor in the apparent limited focus on the third principle of social enterprise and long-term business strategies.

In terms of business planning and income generation, projects have recognised the value of policy initiatives such as FiTs, RHI and ROCs and have in place structures to access these income streams. Assistance for young businesses in the provision of community and social-oriented business sustainability support will be key in future.

It would appear that LCCC projects meet many of the conditions of social enterprise, particularly the first two principles. However, in general, LCCC projects perform less well on the third principle of profitability.

Community enterprises have exactly the same principles as social enterprises.

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However, they are different in that they seek to benefit a particular geographic area or community of interest and are often run by people from within the community they serve. There are clear parallels between social and community enterprises; however, the community-specific focus of community enterprises suggests that LCCC projects may not fully meet the business sustainability (financial principle) of social enterprise but that their drive to generate income for community reinvestment makes them, in fact, closer to a model of community enterprise.

Social enterprises, where there are appropriate levels of support (including financial in some cases) can and do contribute to establishing successful low carbon communities. However, varying degrees of support, and in varying forms, is required by community-grown projects.

Support can be required at every stage of a project's development and growth, from embryonic origin to mature development in the form of product delivery. A crucial element in this development is that of business sustainability. By their nature, social enterprises enable a blend of social and environmental objectives that can uniquely engage communities and promote sustainability in all its forms.

Insights for policy & practice

A series of insights for both policy and practice are set out in the evaluation report, and have been developed against the three conditions of social enterprise: the triple bottom-line, language and finance.

❑ Stimulating community action
It is likely that the majority of future low carbon community projects will be starting locally from scratch rather than supporting existing community initiatives. They will also be required to shape their vision and engage a team of like-minded enthusiasts prior to seeking wider community participation and securing "kick start" support to develop their low carbon ambitions.

The evaluation suggests that consideration should be given to how best to stimulate communities and interested parties to instigate activity within the emerging localism agenda.

Community acceptance and activity could be boosted through the development of a package of benefits and incentives or rewards for community-developed initiatives. New, or expanded existing online resources for the social enterprise sector could provide support that includes an explanation of the incentives and benefits of taking local action.

❑ Policy to facilitate action
Relevant policy frameworks could provide a focus for how local activity might be best stimulated by making the incentives for action clear and transparent. Emerging concepts of the Big Society, Localism and Green Investment infrastructure could be given shape through clear advice and guidance and practical examples that will help galvanise and stimulate community-based activities.

❑ Scoping and shaping ideas to deliver success
Once interest has been established, it is essential to access the information and support to develop formative ideas and engage the community in a shared vision.

LCCC projects generally agreed that, rather than relying on individual exploratory approaches to seek information, a 'light touch' toolkit would be of value; this might include: legal templates; a 'need to be aware of' section, which would highlight potential hurdles and how to overcome them; and a signposting section to inform people of the advice and support available to them.

Many communities are unaware of the range of technologies, and potential financial incentives available for developing community-based schemes, and thus risk making choices that may be inappropriate. A specialist mentoring service, established amongst communities that have successfully implemented such approaches could help to ensure that the volume of successful projects is maximised.

❑ Supporting "start up"
Lack of access to skills, secure capital and start-up revenue funding can be a common barrier to community action. Future community projects will need to access business planning, professional services such as finance, planning consents, surveying, legal and commercial services,

and project management skills. The range of related legal issues linked to social enterprise, ownership and transfer of capital measures (renewable technologies) and generated income (feed-in-tariffs) was identified as an area where specialist input was required.

❑ **Support for social enterprises**

The range of organisations that could potentially play a role in supporting local social enterprise is extensive, but all may have a different focus and limits to their capacity. Local authorities are well placed to inform potential new social enterprises of the range of available support through business links and other relevant sources of knowledge including funding opportunities.

There is growing recognition that social enterprises can bring multiple benefits: they encourage action by those who might not otherwise consider starting a business; encourage and support engagement in ethical markets; and can provide improved front-line public services and pioneering new approaches to service delivery. Businesses with a social purpose also benefit from specialist advice that is sensitive to their specific business environment and the specific needs and issues facing community-based organisations.

Community energy development should aim to integrate with developments in the Big Society, the Green Investment Infrastructure and related national carbon reduction and energy efficiency agendas.

Campaigning for Warm Homes