



Sheffield Renewables

Business Plan

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This document sets out our plans to develop Sheffield Renewables over the next three years, and has two purposes:

- 1) To communicate our plans externally to funding bodies, investors and stakeholders.
- 2) To act as an internal reference point for guiding our work and monitoring progress. It supersedes our 2013 business plan, taking account of progress and learning. A Business Case will be developed for each of our community solar PV schemes to be presented alongside this Business Plan.

1. Executive Summary

1.1 Introducing Sheffield Renewables

Sheffield Renewables is a community and a social enterprise that develops, owns and operates renewable energy schemes. We are run by and for local people. Our vision is to deliver a series of community owned power schemes, generating significant carbon savings and surplus revenues to support local environmental initiatives. We are a growing community of interest that aims to increase local renewable energy supplies and help the city move towards a more sustainable future. We are building our community by promoting participation in Sheffield Renewables through our Volunteer, Support, Invest approach:

- ⑤ **Volunteers:** We have a strong voluntary ethos, with around 15 volunteers actively involved, many of whom are highly skilled.
- ⑤ **Supporters:** We enjoy a broad base of local support, with more than 2000 supporters, who follow progress by email newsletter, Facebook or Twitter.
- ⑤ **Investors:** We are raising funds for our schemes through Community Shares Offers aimed at public spirited and environmentally aware individuals and organisations.

Our target is to give a modest financial return (i.e. rate of inflation), complemented by wider social and environmental benefits. We will also aim to allow a fixed proportion of our shares to be 'withdrawn' (i.e. cashed in) in each financial year.

1.2 Aims and Objectives

The plans presented here are focussed on four central **aims**:

- A1** To develop community owned renewable schemes in Sheffield, with the participation of local people as investors and volunteers
- A2** To create and maintain a sustainable and resilient organisation, founded on strong volunteer contributions, capable of meeting its commitments to investors and providing a foundation for development of additional projects
- A3** To contribute to raising awareness of environmental and energy issues, and to create enthusiasm about renewable energy and its benefits to the city and its communities
- A4** To build the capacity of Sheffield Renewables to deliver further renewable energy projects in Sheffield in the future (potentially using other technologies) and support other community groups undertaking similar projects or community share offers

These aims are translated in to five **objectives** until 2020:

O1 Ensure core operations through this period

O2 Finance, construct and commission 0.5 MW community owned renewable energy

O3 Select and plan the development of a renewable energy scheme using a different technology, if found to be appropriate

O4 Maintain and develop volunteer, in kind and pro bono, contributions

O5 Develop revenue

1.3 Organisational Development

Volunteering is central to the ethos of Sheffield Renewables, and volunteers provide enormous value to the organisation. Development of our volunteering programme is therefore key. In particular we are seeking to promote 'High Impact Volunteering' where volunteers take on significant management responsibility, or deliver significant value in another capacity. This includes continuing to develop our Board and solar project team.

1.4 Resource planning and prioritisation

Our plans must accommodate uncertainties in the levels of volunteer resource and of revenue funding available. Prioritisation of our activities is therefore required. Our priority is to manage existing schemes and deliver 2 new PV schemes. With additional resource we will build capacity to work towards our wider vision, including development of further larger projects.

2. Vision and Mission

2.1 Background: Our Energy Future

Climate change is widely recognised as one of the greatest challenges of our time. At the same time 'Peak Oil' and concerns over future energy security demand a rapid move away from the use of fossil fuels. Concerted action is required to achieve this. We must adapt our lifestyles and adopt new technologies. Expanding our supplies of low carbon renewable energy is a crucial step.

Targets for renewable energy have been set at European, national, regional and local levels. Sheffield has a city-wide ambition to become an attractive sustainable low carbon city, with Sheffield City Council signing up to a target of being carbon neutral by 2050. It has set ambitious targets to reduce its carbon footprint and to increase generation of local renewable energy, as laid out in the Sheffield Green Commission Report.

Micro-generation and community scale heat and/or power schemes have the potential to make a significant contribution towards meeting these targets. In recent times the sector has been hit by cuts to government subsidies and changes in laws that have made it more difficult to develop projects. It is however clear that the sector is dedicated and innovative, finding ways to overcome issues presented to them. The drive towards low carbon energy provides an exciting window of opportunity for community scale projects, which not only help to reduce local emissions, but can also engage local people on climate and energy issues and work more widely to help strengthen communities and build social capital.

Sheffield Renewables is an independent locally owned social enterprise. We were established in December 2007 by a group of local volunteers with the aim of supporting, promoting and developing

renewable energy in and around Sheffield. We are particularly interested in schemes that maximise benefits for local people.

2.2: Long term

Vision ‘Create a 20 year legacy, helping to build & sustain resilient communities’

- ⑤ A legacy of community owned power schemes, generating significant surplus to support local schemes, projects and initiatives up to and beyond 2033
- ⑤ ‘Normalisation’ and mainstreaming of social investment and social enterprise for the promotion of environmental sustainability in Sheffield
- ⑤ A strong sustainable organisation and social network, which promotes environmental sustainability and social cohesion at a local level in Sheffield. One which is well respected and well supported by local people, groups and organisations
- ⑤ Volunteers and core staff working effectively and cooperatively, providing professional and cost effective oversight, management and delivery of Sheffield Renewables’ work.

2.3 Mission

“To harness local enthusiasm, knowledge, skills and investment to create an energetic and committed social enterprise, which develops, owns and operates renewable energy schemes.”

Our schemes will contribute to city-wide efforts to meet targets for reducing greenhouse gas emissions and for increasing local renewable energy provision. We will reinforce the direct carbon savings of our projects through local awareness raising, communications and engagement. We will seek to increase local expertise to support development of more renewable energy in Sheffield.

Community Share offers will provide much of the funding for our schemes, providing a route for local people to participate by making an ethical, local investment (for more on the community Shares concept [click here](#)). These funds will be supported by grants and loans where appropriate.

By encouraging people to work together and share a common purpose, and also in developing community owned assets, we aim to enhance social cohesion and strengthen community resilience.

Our work is driven by a strong commitment to Sheffield’s future environmental sustainability. In pursuing our aims we will work across the city for the benefit of all people, while giving an additional focus to those areas close to our project sites.

2.4 Principles

Sheffield Renewables is a Community Benefit Society. We are a principles driven organisation. It is a shared responsibility of our Board, volunteers and members to ensure that our activities and projects reflect our principles. Our non-executive directors ensure that the Board operate by the following principles and ways of working:

- ⑤ Robust business planning and performance management
- ⑤ Professional approach and high quality delivery
- ⑤ Clear, simple and honest communications, both internal and external
- ⑤ Democratic decision making and membership
- ⑤ Strong environmental and social dimension in all we do
- ⑤ High proportion of work delivered by local volunteers, social enterprises and businesses

- ⑤ Individuals are well supported and managed and their contributions are valued and recognised
- ⑤ Supported by and working for local people

2.5 Track record

Sheffield Renewables has evolved impressively from an informal voluntary group formed in December 2007 to a rapidly expanding volunteer led community benefit society. We have a strong management team in place with a good mix of skills and expertise along with growing financial resources. Highlights (as of October 2016) include:

- ⑤ We have a committed and capable Board of 9 Directors
- ⑤ Significant and longstanding contributions of volunteer time (equivalent to approximately 2 FTE). Around 15 volunteers are currently involved
- ⑤ Over 200 shareholding members
- ⑤ Since 2008 we have attracted around £180,000 of grant funding
- ⑤ We have raised £221,333 from community shares
- ⑤ An investment ready project, Jordan Dam Hydro, an 80kW hydro-electric scheme to be sited on the outskirts of Sheffield, has been granted planning permission and the other key permission, the abstraction licence, has been granted by the Environment Agency
- ⑤ Another project developed by Sheffield Renewables, Kelham Island Hydro, a 20kw hydro electric scheme has been granted planning permission.
- ⑤ Three operational 50kW PV schemes at Paces Campus, Swinton Fitzwilliam Primary School and Attercliffe Police Station, all of which are performing well
- ⑤ Co-op mentors under the co-op mentoring scheme, formally mentoring many other community energy groups
- ⑤ Various pieces of consultancy work

3. Aims and Objectives

3.1 Aims

A1 To develop community owned renewable energy schemes in Sheffield, with the participation of local people as investors and volunteers

A2 To create and maintain a sustainable and resilient organisation, founded on strong volunteer contributions, capable of meeting its commitments to investors and providing a foundation for development of additional projects

A3 To contribute to raising awareness of environmental and energy issues, and to create enthusiasm about renewable energy and its benefits to the city and its communities

A4 To build the capacity of Sheffield Renewables to deliver further renewable energy projects in Sheffield in the future (potentially using other technologies) and support other community groups undertaking similar projects or community share offers

3.2 Objectives

O1 Ensure core operations until 2020

To maintain Sheffield Renewables basic operations, manage the operation and finances of the solar PV schemes and meet commitments to members until 2020 and beyond. Sheffield Renewables financial planning has this as a priority.

O2 Finance, construct and commission 0.5 MW community owned renewable energy

To finance, construct and commission 0.5MW of community solar PV schemes by 2020. Sites will be tested against the site selection considerations overleaf.

O3 Select and plan the development of a renewable energy scheme using a different technology, if found to be appropriate

To select and develop further renewable energy schemes, also with consideration to the criteria outlined in the box overleaf.

O4 Maintain and develop volunteer, in kind and pro bono contributions

Attract, maintain and develop a voluntary resource base that contributes significantly and reliably to Sheffield Renewables work and objectives.

- ⑤ Increase total levels of volunteering opportunities
- ⑤ Increase “high impact voluntary contributions”(see note iv)
- ⑤ Further develop our volunteering programme, to ensure it delivers optimal value to the organisation and a quality volunteering experience

Notes:

- (i) It is noteworthy that development of our organisation has only been feasible with substantial voluntary contributions
- (ii) Sheffield Renewables’ ‘work’ includes management and oversight, project and organisation development, outreach work and maintenance of operations.
- (iii) Ideally substantial voluntary contributions will be complemented by a small core staff.
- (iv) Of particular importance to the achievement of objective O4 are ‘high impact volunteers’, where volunteers or supportive organisations take on either significant management responsibility, contribute high value professional experience/expertise, or deliver significant value in another capacity. For example, high impact volunteering could include contributing a large amount of hours per week, or consistently volunteering over a long period.
- (v) To assess progress on this objective, high impact contributions will need to be defined and monitored alongside regular voluntary contributions in a simple accessible way
- (vi) Significant high value input from volunteers with a technical background is currently our ‘USP’. Thought should be given on how we present this form of volunteering and attract technical volunteers, and to how we realise value from their contributions. However, alongside this we will also aim to provide opportunities for volunteers wanting increase their skills and knowledge in this field.

O5 Develop revenue

- (a) Secure funding, preferably as grants (or as appropriately secured loans/equity) to support core costs, including the salary to employ at least one member of staff. To support this we will develop an influencing strategy to promote Sheffield Renewables to funding bodies and stakeholders.

Notes:

(i) The long term target is to generate sustainable revenue from non-grant sources, this will not be possible solely from scheme revenues in the near term (ii) Costs are minimised through volunteer contributions (iii) Grant funding is required in the near term to maintain core staff and enable organisation, scheme and outreach development.

(b) Explore alternative significant and/or near term revenue sources, for instance:

- ⑤ Education about renewable energy, including both schools work and wider outreach to the public
- ⑤ Supporting other groups to develop community owned renewable energy schemes and/or community share offers

Notes:

(i) Under present resource constraints, there are risks associated with broadening the scope of interest, careful management and prioritisation of resources is necessary.

(c) Ensure effective and on-going cost management A non-executive director to continue to take responsibility for cost management, including:

- ⑤ monitoring performance in this area and holding executive team to account
- ⑤ ensuring that core cost base can be easily scaled back, if necessary, to ensure O1 can be met if grants and other revenue is unavailable

4. Scheme Selection Considerations

Technical viability (answers the practical questions):

- ⑤ How much power will it generate?
- ⑤ How much will it cost?
- ⑤ Can the scheme be built? Who owns the building or land? Is access possible? What level of construction is required? What equipment is needed?
- ⑤ What is the likely development/construction time period?
- ⑤ Are there any detrimental side effects?
- ⑤ Is significant preliminary work required before these questions can be answered to satisfaction? (i.e. will we have to survey for extended periods before knowing the energy available.)

Financial viability: We must be able to raise the capital for a scheme from a combination of grants, loans, shares and other forms of investment. The projected financial returns from any scheme must be sufficient to meet the obligations associated with these investments. In practice, an additional surplus must also be projected to minimise risks to both Sheffield Renewables and our investors if the scheme does not perform as expected.

It is important that the financial viability of a scheme cannot be viewed only in terms of financial calculations. It also hinges on the projected level of grant funding and charitable donations. It can further depend on the anticipated quality and quantity of volunteer and low/no-cost (i.e. in-kind) professional support.

Carbon value for money: In order to attract investors it is important that our schemes represent cost effective carbon savings. As a rule we will not develop schemes that do not represent good value carbon reductions, unless there are significant other benefits.

Organisational revenue needs: We aim to become a sustainable social enterprise, with income from our schemes meeting our revenue needs without additional support from grants. Further schemes must be able to make a significant contribution towards this need. In assessing a projects contribution to core revenue, both the financial returns and the project lead time must be considered.

Development Resources: We must have sufficient capacity and financial resources to bring the project to investment readiness

Project risks: Are the risks involved in delivering the project acceptable? For example, are there strong local opinions about the chosen site/technology? Making this decision will involve assessment of risks for both the development phase and operational phases, and review of the options for mitigation.

Outreach potential: Some schemes have greater potential than others to reach out and engage with local people. This might be as a result of location, scale, technology or historical links. An ideal project will provide good carbon value for money and provide excellent outreach potential.

Social potential: Will the scheme help to create local jobs? Will it provide services/products for communities of place and interest? Can social enterprises/local business be commissioned to undertake the work?

5. Marketing and Communications Plan

Our marketing and member recruitment plan will contain a number of strands, many continued from our investment raising for the first three schemes. Our existing members have been alerted to our intentions to raise more capital and a number of existing members have expressed interest. Alongside our 221 members we have up to 15 active volunteers and a supporters list of over 2000 from our website and newsletter subscribers. A recent participation in an online renewable energy competition has also raised our profile locally.

A new element of attracting investors will be to work with our project clients to develop an investor base from their customers or stakeholders. Each project will have its own tailored materials and the partner organisation will be fully involved with the capital raising. The starting level of £100 and the opportunity to invest in instalments we hope will attract new investors with low levels of capital to participate in social capital projects.

Sheffield Renewables are currently members of Community Energy England and the share offer will be communicated through their networks nationally and there will be a series of events including a share launch, attendance at local community events and offers of one-to-one meetings with potential shareholders.

Using our development grant we have engaged a professional graphic designer to produce our website and printed material and a local broadcaster will be engaged short term to raise the profile of the share offer in radio, TV, newspapers, magazines and other local and national media. A social media campaign will be led by volunteers and will work with other local partner and campaigning organisations.

6. Monitoring and Review

The responsibility for monitoring, reviewing and maintaining this plan lies with the Sheffield Renewables Board. The monitoring schedule is as follows:

- ⑤ Quarterly Review against Management Milestones Item on board meeting agenda
- ⑤ Annual Review Annual progress report (plus re-vamp of business plan as required)

7. Supporting Documentation

The following documents should be read along side this business plan:

- ⑤ The Rules of Sheffield Renewables Ltd
- ⑤ Business Cases for individual schemes
- ⑤ Sheffield Renewables 2016 Share Offer Document

Annexe 1: Operational Structure and Key Team Members

Operational Approach

Volunteering is central to the ethos of Sheffield Renewables. Volunteers play an essential part in all areas of our work and provide enormous value. We draw on contributions from a large number of volunteers for management and delivery, and are committed to maintaining and developing the role of volunteers.

Governance and Management

Board

Sheffield Renewables is governed by a voluntary board of directors. The Board holds formal meetings at least quarterly to agree strategy, approve budgets and monitor progress.

Project Management

A team of specialist volunteers, the Hydro Team, managed development of our hydro projects including developing tender documents, legal agreements and permissions. They are now using the knowledge and skills they developed to support other schemes. A new project team, the Solar PV team, has been set up to manage the development of our solar projects.

Volunteer teams

Around 15 volunteers contribute through our volunteer teams. These teams provide a route for us to work efficiently with a large number of volunteers, and allow those with specialist knowledge to contribute effectively. The teams evolve over time depending on the needs of the organisation. There are also further volunteers who assist with specific tasks and help out in the office.

Lines of accountability

Sheffield Renewables operates with clear lines of accountability. Each volunteer team has a nominated coordinator, who is responsible for supervising and reporting on its activities to the Chair. The Board have overall accountability, with the Chair, Dr Richard Collins overseeing this. Alongside this we have our Company Secretary, Jean Tinsley who oversees all the organisational administration. Under this we have our working teams who carry out core tasks.

Director Biographies

Keith Alford - Keith is a retired Chartered Civil Engineer. He became involved with Sheffield Renewables as a volunteer with the hydro team working on the Jordan Dam scheme, utilising his engineering expertise. Keith became a Director in 2014.

Steve Barnard - Steve has had 20 years' experience of working within third sector organisations as a volunteer, member of staff and as a trustee. Steve is one of two of our non-executive directors, with responsibility for ensuring members' views are represented when organisational decisions are made.

Julia Carrell - Julia is a Postgraduate Researcher in the Mechanical Engineering department at The University of Sheffield. Julia started volunteering with Sheffield Renewables in 2012, she currently helps develop our solar projects. She joined the board in 2014.

Paul Cocker FRICS - Paul is a Chartered Surveyor but practised primarily as an estate agent for over 40 years, being a partner director of Blundells until the sale of the business in 2011. He was the lead in the Swinton Fitzwilliam School project.

Richard Collins - Richard is an Aerospace Engineer and a Lecturer in Water Engineering at the University of Sheffield in the Civil and Structural Department, where he teaches surveying and pipeline systems. A keen proponent of a more sustainable future he has been an active participant in Sheffield Renewables since 2008 and became Chair of the Board in 2012.

Christine Gilligan - Christine is a senior lecturer at Sheffield Business School, Sheffield Hallam University, where she lectures in Strategy, Change and Entrepreneurship. Her particular areas of interest are Voluntary Sector Governance and Sustainable Development in Business. Christine is a non-executive director who has volunteered with Sheffield Renewables since 2012. Christine is the member representative on the Board.

Abigail Hathway - Abigail is a Chartered Building Services Engineering and Senior Lecturer at the University of Sheffield. She specialises in low energy building, and particularly ventilation. She joined the board in 2014.

Karthik Suresh - Karthik is a Management Consultant and Chartered Engineer with over ten years' experience in Energy Risk Management, working with a range of industrial and commercial organisations. Karthik joined Sheffield Renewables in 2010 and was invited to assist the Board and subsequently join as a Board member in 2014.

Luke Wilson - Luke is a project manager who has worked across the public, charity and voluntary sector on a range of environmental, social and economic projects and programmes. His involvement with Sheffield Renewables began in 2010, helping out in a variety of ways from funding applications and blogs to actively assisting in the development of projects. Luke joined the board in 2014.

Jean Tinsley – Company Secretary

Jean takes responsibility for general admin and financial administration. She previously worked as a secretary and in various roles in Adult Education.

Jean attended the first public meeting held by Sheffield Renewables and leapt at the chance to be involved with likeminded people, producing renewable energy.

All our Directors are unpaid and are supplemented by a number of Board Advisers with specialities. This structure has allowed us to recruit new and experienced Board members as required and to strengthen the organisation.