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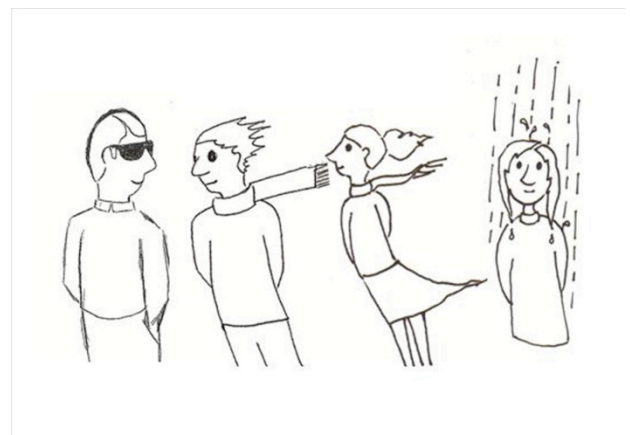
Registered in England and Wales

Registration No. IP030736

Sheffield Renewables

Business Plan

September 2013



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Pre-amble

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 an internal reference point for guiding our work and monitoring progress. It supersedes our 2012 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:

- **Volunteers:** We have a strong voluntary ethos, with around 25 volunteers actively involved, many of whom are highly skilled.
- **Supporters:** We enjoy a broad base of local support, with more than 2000 supporters, who follow progress by email newsletter, Facebook or Twitter.
- **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 We will also aim to allow a fixed proportion of our shares to be 'withdrawn' (i.e. cashed in) in each financial year.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** over the period 2013-2016:

O1 Ensure core operations through this period

O2 Finance, construct and commission 3 solar PV schemes; 1 of these to be constructed by the end of 2013

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 deliver 1 solar PV scheme by the end of 2013 with subsequent schemes depending on financing, maintain a basic level of operations, and to meet the on-going commitments from this scheme. With additional resource we will build capacity to work towards our wider vision, including development of further 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. It has set ambitious targets to reduce its carbon footprint and to increase generation of local renewable energy.

Micro-generation and community scale heat and/or power schemes have the potential to make a significant contribution towards meeting these targets. Consequently there are an increasing number of schemes and incentives to support their development, including the Feed in Tariff. 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'

- A legacy of community owned power schemes, generating significant surplus to support local schemes, projects and initiatives from 2013 to 2033 and beyond
- 'Normalisation' and mainstreaming of social investment and social enterprise for the promotion of environmental sustainability in Sheffield
- 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
- 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 see <http://www.communityshares.org.uk>). These funds will be supported by grants and loans.

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 social enterprise. We are a principles driven organisation. It is a shared responsibility of our Board, volunteers, staff and members to ensure that our activities and projects reflect our principles. We will nominate a management team member to ensure that we are all aware of and operating by the following principles and ways of working:

- Robust business planning and performance management
- Professional approach and high quality delivery
- Clear, simple and honest communications, both internal and external
- Democratic decision making and membership
- Strong environmental and social dimension in all we do

- High proportion of work delivered by local volunteers, social enterprises and businesses
- Individuals are well supported and managed and their contributions are valued and recognised
- 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 good mix of skills and expertise along with growing financial resources. Highlights (as of September 2013) include:

- We have a committed and capable management team of seven
- Significant and longstanding contributions of volunteer time (equivalent to approximately 2 FTE). Around 25 volunteers are currently involved.
- One part time staff, a General Manager
- Over 240 share holding members
- Since 2008 we have attracted around £115,000 of grant funding
- We have raised £194,00 from community shares
- 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
- Another project developed by Sheffield Renewables, Kelham Island Hydro, a 20kw hydro electric scheme has been granted planning permission. This project could bring an iconic water wheel scheme to a busy site in the heart of Sheffield. Discussions are currently taking place for another organisation to build this scheme with Sheffield Renewables' support
- A new business plan has been developed with the support of our Members to implement an alternative robust renewable energy project, Sheffield Renewables Community Solar project. This was developed once it became clear that Jordan Dam hydro scheme, our primary project, had come up against a number of external barriers that would not be solved in the near future without putting our members' investment at risk.

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 through 2013-2016

To maintain Sheffield Renewables basic operations, manage the operation and finances of the solar PV schemes and meet commitments to members, in the period 2013-2016.

O2 Finance, construct and commission solar PV schemes

To finance, construct and commission 1 community solar PV schemes by the end of 2013, with the timescales of further schemes dependent on financing. We have raised over £194,000 from our community share offer. To fund further projects we have been investigating loan options from ethical banks, will be running further community share offers and applying for further grants. 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.

Scheme Selection Considerations

Technical viability (answers the practical questions):

- How much power will it generate?
- How much will it cost?
- Can the scheme be built?
 - Who owns the building or land? Is access possible?
 - What level of construction is required?
 - What equipment is needed?
- What is the likely development/construction time period?
- Are there any detrimental side effects?
- Is significant preliminary work required before these questions can be answered to satisfaction? (i.e. will we need to do construction work before being able to tell what the power output will be, or 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?

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.

- Increase total levels of volunteering (to 3FTE) during the period 2013-2016
- Increase “high impact voluntary contributions”(see note iv)
- Further develop our volunteering program, 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) Resource model is based on substantial voluntary contributions, 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 for a General Manager. 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:

- Education about renewable energy, including both schools work and wider outreach to the public
- Funding and delivering the next phase of development of the Powerstation Sheffield engagement tool, including expanded functionality and increasing participation
- 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:

- monitoring performance in this area and holding executive team to account
- 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. Monitoring and Review

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

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

5. Supporting Documentation

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

- The Rules of Sheffield Renewables Ltd
- Business Cases for individual schemes

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.

General Manager

Our General Manager has overall responsibility for delivering objectives set by the Board, financial management and risk management and along with business growth planning. The General Manager attends Board meetings.

Project Management

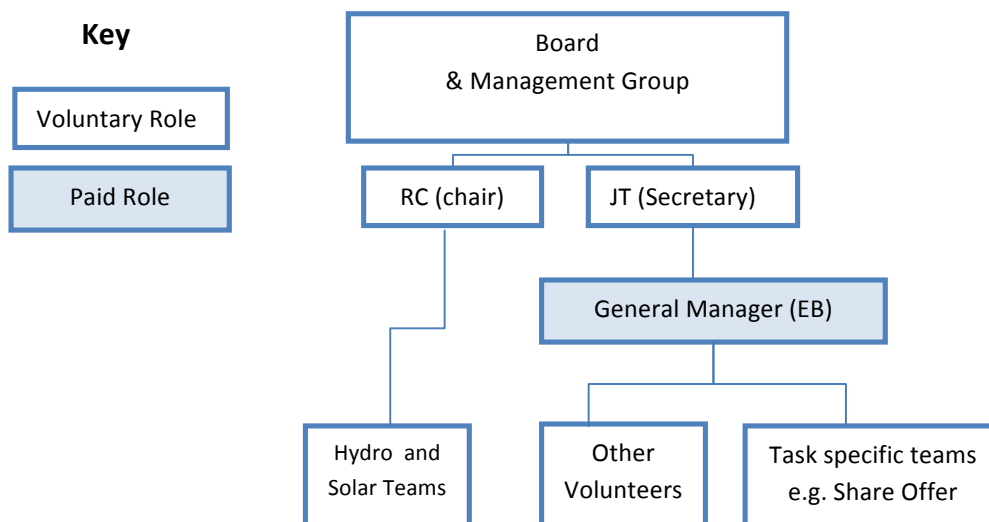
A team of specialist volunteers, the Hydro Team, managed development of our hydro projects including developing tender documents, legal agreements and permissions. They are now using the knowledge and skills they developed to support other schemes. A new project team, the Solar PV team, has been set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

Volunteer teams

Around 25 volunteers contribute through our volunteer teams. These teams provide a route for us efficiently work 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. Directors and management team (Board) members who are delivering work as volunteers will also report to the General Manager.



3 Biographies of Key Team Members

Role	Who
Richard Collins	Director (Executive)
Jean Tinsley	Director (Executive)
Mark Wells	Director (Executive)
Steve Barnard	Director (Non-Executive)
Keith Alford	Board Advisor
Emma Bridge	General Manager
David Berry	Board Advisor
Julia Carrell	Board Advisor
Christine Gilligan	Board Advisor
Paul Grassick	Board Advisor
Abigail Hathway	Board Advisor
Tom Harrison	Board Advisor
Karthik Suresh	Board Advisor

Richard Collins (Chair & Director)

Richard's day job is as Lecturer in Water Engineering at the University of Sheffield in the Civil and Structural Department, where he teaches surveying and pipeline systems. Richard has had a varied career in Engineering, initially training as an Aerospace Engineer, then undertaking a PhD in Materials and Mechanical Engineering. Most of his current research is based around water distribution systems, and ensuring clean and safe drinking water into the future.

Richard has volunteered for the Northern Refugee Centre as a Mentor helping refugees integrate into British society. 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.

Jean Tinsley (Director & Secretary)

Jean is a Director, and takes responsibility for financial administration, recruitment and communications work. She spent eight years as Area Head of Adult Education for West Norfolk (Norfolk County Council) managing 10 members of staff and a budget of £500,000, and taking responsibility for recruitment. She also has experience of charity governance from five years on the Management Committee of King's Lynn Home-Start, dealing with all aspects of policy and finance.

Mark Wells (Director & Treasurer)

Mark has been deeply involved in the organisation as a volunteer from its earliest stages, and acts as a Finance Director in a voluntary capacity. Mark has experience in business development from Biohydrogen Limited, a University of Sheffield spin out, and from delivering a project to develop Low Carbon Social Enterprise in Sheffield. Mark has undertaken training in financial and strategic management in voluntary organisations, and has completed a PhD in biochemistry.

Steve Barnard (Non-executive Director)

Steve is a non-Executive Director. He has had 20 years of working experience within third sector organisations as a volunteer, member of staff and as a Trustee. He currently works with the Northern Refugee Centre leading on governance and user involvement; also with High Green Development Trust where he is the Enterprise Projects Manager. Previously he has worked as a Project Manager for the Wolfe Road Project, a healthy

living centre in north Sheffield. As well as his position in Sheffield Renewables he is currently on the Board of Norfolk Park Catering Ltd, a catering social enterprise; and ACN Independence & Leisure, a small disabled person's charity. Steve has experience of managing medium sized capital and revenue projects; working with volunteers; and managing staff teams.

Emma Bridge (General Manager)

Emma has extensive experience in facilitating collaborative partnerships that embrace private, voluntary and community organisations to achieve this goal. She is an adept people manager with a track record of achieving high level targets through successful operational and strategic leadership.

She is a PRINCE2 registered practitioner, has a CMI level 5 award in Project Management and Leadership, a postgraduate Certificate in Management and a CIPD certificate in Personnel Practice. She has previously worked for Rotherham Metropolitan Borough Council, South Yorkshire Climate Change Network and Local Government Yorkshire & Humber.

Keith Alford (Board Advisor)

Keith Alford is a retired professional engineer with over 30 years' experience in contract management, including preparation of contracts and financial and project management of major construction contracts.

David Berry (Board Advisor)

Now retired, David was until recently a property manager working for Ethical Property Company, one of whose key performance indicators is the environmental performance of buildings. Previously he spent 27 years working in the gas industry. He has been a local authority councillor (1 year as Deputy Leader), chair of school governors and has held other voluntary and trade union posts. He has a post graduate diploma in Human Resource Management and Industrial Relations, and certificates in general and construction Health and Safety.

Julia Carrell (Board Advisor)

Julia is a Mechanical Engineering graduate about to commence a PhD at the University of Sheffield. She has had an active role in developing many aspects of the solar project.

Christine Gilligan (Board Advisor)

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.

She has a Masters in International Relations, a Post Graduate Diploma in Organisational Change and Consultancy and is currently studying for a doctorate entitled: *“Understanding Sustainable Development in the Voluntary Sector – a complexity approach”*.

Previous voluntary experience includes: Non-executive director of Sheffield West Primary Care Trust, trustee of Upperthorpe and Netherthorpe Healthy Living Centre, trustee of Jigsaw in Mansfield and trustee of Sheffield Mental Health Citizens Advice Bureau. Christine is on the editorial board of the International Journal of Green Economics.

Paul Grassick (Board Advisor)

After gaining a degree in Business studies at Edinburgh University Paul spent most of his working life setting up businesses as worker co-operatives or giving advice and assistance to others setting up businesses in the Worker Co-operative and Community Business sectors.

He is 61 years old and although retired he is currently involved as a volunteer in many organizations. He is a director and treasurer at Heeley Development Trust, a local charitable trust providing a variety of services to the district of Heeley in Sheffield, and is treasurer for two other voluntary organisations.

With his wife, he has been sponsoring a child in El Shaddai for the last 8 years, and last year became a trustee of the UK arm of the charity. He has been interested in environmental issues for many years and is a member of Greenpeace and Friends of the Earth.

Tom Harrison (Board Advisor)

Tom is a student completing his masters degree in Renewable Energy specialising in Solar PV and electricity storage. He is an active member of the solar team.

Abigail Hathway (Board Advisor)

Abigail Hathway is a lecturer at the University of Sheffield where she runs the degree programme 'Architectural Engineering Design' and specialises in low energy buildings.

Karthik Suresh (Board Advisor)

Karthik is a Chartered Engineer with experience in energy contract management, utility supply connections and renewables projects.