

Invitation to Tender - Consultancy Brief:

Power to Change is seeking an independent consultant to undertake a review of the current market for community investment in renewable energy (including associated battery storage) in England.

Interested Bidders will need to be available to complete the work during October / November 2019 and should have experience of the retail investment market and retail investment products and preferably an understanding of the community investment market including community shares, community bonds and community energy.

Timeline

Issue of ITT	06 September 2019
Tender Return Deadline	5:00pm 23rd September 2019
Contract Awarded	07 October 2019
Contract Work Period	6 weeks (final report due by mid-November)
Budget	up to £15,000 inclusive of VAT (where applicable)

1. Background

1.1 Power to Change

Power to Change is an independent charitable trust set up in January 2015 whose funding is used to strengthen community businesses across England.

At a time when many parts of the UK face cuts, neglect and social problems, we are helping local people come together to take control, and make sure their local areas survive and stay vibrant.

No one understands a community better than the people who live there. In some areas, people are already coming together to solve problems for themselves, and we support them as they run businesses which help their whole community and recycles money back into the local area. Community businesses revive local assets, protect the services people rely on, and address local needs. Through access to funding, research, capacity building, peer networks and events, we are supporting the growth of the community business movement in England.

Over the last three years, Power to Change has invested around £40 million and supported over 400 community businesses, via a range of funding and capacity building support enabling community businesses to start up, grow and achieve impact and financial sustainability. To find out more about Power to Change please visit our [website](#) and see our [2018 Annual Report](#).

1.2 Community Owned Renewable Energy (CORE)

Community Owned Renewable Energy (CORE) LLP is a £40 million investment partnership between Power to Change and Big Society Capital (“BSC”) which acquires operational, ground-mounted solar farms in England with the objective of transferring them into community ownership whilst maximising their financial, environmental and social impact. CORE Home Nations is an additional £10m fund for investment in solar farms in Wales and Scotland.

CORE acquires solar farms on behalf of a community and optimises each asset with the aim of generating the maximum financial benefit distributed to the community via the Community Benefit Fund (“CBF”) and any direct social and environmental impact from the site that is possible.

As of the end of August 2019 £46m has been invested, including third party debt, in eight solar farms for a total of 39.4MW on behalf of six community groups and CORE is now preparing to refinance the debt across the portfolio with a view to concluding the debt refinancing by year end/early 2020.

In parallel, CORE is preparing for the equity refinancing whereby each community group will seek to raise sufficient community investment to acquire the solar farms and transfer them into full community ownership. It is anticipated that some community groups will seek to commence raising community investment in Q1 2020.

Alongside the CORE investment programme there is a grant programme which is aligned with the CORE objectives and which supports the community groups build their business cases and prepare for the equity raisings.

1.3 Market for community investment

In 2016 there were more than £20m successful energy and environment community share offers by 35 organisations and circa £5m by eight organisations by July 2017 (*Source: CSU Open Data and data provided by market infrastructure providers*).

In 2018, however, there was a steep fall in community share issues with the Community Shares Unit (CSU) reporting circa £160k and Ethex circa £4m raised by circa 12 organisations in 2018. This fall in the issuance of community shares was offset by a significant rise in community bonds and in the last 18 months Triodos has raised circa £20m of community-focused retail bonds (excluding Thrive) and Ethex a further circa £1.5m (*Source: Triodos and Ethex published data*).

2. Consultancy Brief

The work will be based on consultations with market intermediaries including, but not limited to, Community Shares Unit (CSU), Ethex, Triodos, Abundance and Crowdfunder with a view to understanding and evaluating:

1. the barriers and challenges to community investment in renewable energy (including battery storage), including learning from some community energy applicants to PTC and Coops UK’s Community Shares Booster programme;
2. the potential options (including any new or innovative approaches) for addressing these barriers and challenges. Consideration to be given to: marketing strategies; market targeting e.g. schools, local businesses, residents who could benefit from local energy supply; positive environmental impact of renewable energy provision in addition to community benefit fund; and, potential percentage split between ‘local’ and external investment.

This will help to fulfil CORE’s key objectives and commitment to:

1. enable the community groups to raise sufficient community investment to acquire the solar farms from CORE;
2. maximise the local ownership of the solar farms; and
3. ensure a broad diversity amongst community investors.

The further development of any potential solutions identified and evaluated as part of this consultancy brief may be funded in a second phase.

The Power to Change Research Institute has recently funded the CSU, in partnership with Community Shares Scotland and Community Shares Wales, to review:

1. the success of community share offers undertaken to date;
2. the prevailing characteristics and motivations of community shares investors and how these have changed in recent years;
3. the added value that institutional investment generates for community benefit societies.

The consultant should consult with the CSU on its emerging findings about the wider community shares marketplace.

3. Deliverables

The output should be a report of circa 20 pages which provides a view on what might improve the likelihood of success of CORE's equity refinancing, as well as improving the outcomes for the community groups such as diversity of ownership, localism.

4. Person specification

Power to Change is seeking an independent consultant with experience of the retail investment market and retail investment products and preferably an understanding of the community investment market including community shares and community bonds and community energy.

5. Timetable & budget guideline

This assignment is expected to be 6 weeks in duration and to report in mid/late October 2019. The budget for this assignment is £15k including VAT (if applicable).

6. Proposal requirements and evaluation

Bidders should set out in their proposal how they will achieve the Brief and Deliverables set out at 2. and 3. and provide details of their relevant expertise and experience. Proposals will be reviewed and evaluated by Power to Change and bidders may be required to attend a clarification call to discuss their proposal in more detail.

Bidders should send any enquires and their proposal via email to:

Sarah McCall
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