

Funding for energy efficiency improvements in community buildings



Identifying opportunities

There are many changes you can make which are low or zero cost and should not be discounted since you can achieve significant carbon reductions by concentrating on these. However, for larger and more costly improvements you will need a budget. This resource outlines some options.

More information about finances and fundraising options for community energy projects is contained in CSE's PlanLoCaL resources (www.planlocal.org.uk) and may well be relevant to funding improvements to community buildings.

Bank loans and other loan funding

There are various low interest loans specifically for energy efficiency improvements. This will most likely require a robust business plan as well as a legally recognised body to manage the project and be held accountable should anything go wrong. It's worth some extra research in your local area, but some of the key ones are:

- SALIX finance - DECC funded and supplies zero or low interest loans to public sector organisations for the cost of energy efficiency improvements to their buildings. www.salixfinance.co.uk
- The Carbon Trust also offers low interest loans both to the public and private sector to fund improvements in building energy efficiency. www.carbontrust.com
- The Rural Community Buildings Loan Fund is managed by Action with Communities in Rural England (ACRE) and provides loans of up to £20,000 for measures that increase energy efficiency of community buildings. www.acre.org.uk

A loan could be an attractive option for improving the building's heating or lighting efficiency, where the payback times are relatively short. Not only will these improvements reduce overheads, but they will also help the building to reduce its carbon footprint.

Building maintenance budget

If there is already a budget allocated for improvements or maintenance to the building you could make recommendations for improvements that could be paid for using this allocation. Demonstrating the expected cost savings over time could help to justify investment to the building owner or management committee.

Display energy certificates

Larger public buildings (with a floor area of over 1,000 square metres) are required to have a Display Energy Certificate (DEC) which gives the building's energy efficiency rating. Installing a package of energy efficiency improvements could greatly improve this rating, and although this is not a source of funding *per se*, it could be a good lever to use to direct existing resource towards energy saving improvements.

Donations and fundraisers

Depending on the amount of money you need to raise to implement your plans, you may be able to generate some or all of it via local fundraising. This could include donations from local people or groups that use the building, business sponsorship, or any number of fundraising activities (such as local fetes, benefit gigs, cake sales, sponsored runs, and so on). If you also apply for grant funding, showing that you have already raised some of the money yourselves may help.

Crowd funding

There are more and more web based funding mechanisms which can be used to attract donations or investments from individuals or organisations. It can be easier than traditional fundraisers (mentioned above) to promote via the internet and easier to manage since payments are usually made electronically. However, success relies quite heavily on access to wide networks of people. There are a huge number of crowd funding 'platforms' which can be broadly categorised into equity-based, lending-based, reward-based and donation-based. If you are linking your energy efficiency project to a renewable energy project there are more options open to you (for example, www.AbundanceGeneration.com and www.solarschools.org.uk).

Here are some examples of crowd funding websites which could work for UK based energy efficiency projects.

Crowd Funder www.crowdfunder.co.uk

Microgenius www.microgenius.org.uk

Peoplefund.it www.Peoplefund.it

Indiegogo www.indiegogo.com

Spacehive www.spacehive.com

Bear in mind that some of these are designed for raising investment in business enterprises for an investment return rather than community activities for philanthropic purposes, though this is a fast-developing field and new approaches are frequently emerging.

Grants and other charitable funding

A number of organisations and trusts will fund energy efficiency improvements within community buildings, especially if it can be proved that there is social or environmental value in doing so. Big Lottery is an example, with their Awards for All fund: www.awardsforall.org.uk

The PlanLoCaL resource, '*Grants and other charitable funding*' explains the difference between charitable grants, government funding, company giving, in-kind funding and venture philanthropy and gives contact details for some key funding organisations and funding databases.

To identify grants and funds, your local council / Local Authority, or the Council for Voluntary Service should be aware of local opportunities. You can find your local council here www.gov.uk/find-your-local-council and your CVS at www.navca.org.uk/directory. The Charities Aid Foundation also lists funds: www.cafonline.org . The Big Lottery Fund at www.biglotteryfund.org.uk has many different funding approaches, including small grants for community projects.

There are a range of web based databases which can be used to identify potential sources of funding which you generally have to pay to use. However, libraries and community and volunteer support organisations may hold licenses to carry out funding searches on your behalf. The Directory of Social Change www.dsc.org.uk/FundingWebsites provides an overview of the main funding websites you can subscribe to, one of which is trustfunding.org.uk which holds a listing of trusts and foundations that award funds. Again unless you are in touch with an organisation that is already subscribed, you need to pay for full access: www.trustfunding.org.uk.

Some grants, or other types of other financial support, are available for specific types of buildings or locations. For example, there may be ring-fenced funding available for projects in conservation areas, in locations close to landfill sites, or for communities that fall into a particular ward or area which has been singled out for additional European, Central Government, Local Authority or other funding. Some more examples are given below.

When applying for any kind of grant, always check the criteria to make sure you're eligible (if necessary contact the funder directly) before putting time into an application that might be a waste of everyone's time. All funds are subject to changes so don't assume a fund is static in the projects it will consider, or that a 'closed' fund will not run another round of funding awards in future.

CSE provides support for community energy organisations, including a directory of funding opportunities. Email communities@cse.org.uk for more help.

Funding for village halls

If you're looking at a village hall or community centre, start by contacting your local council to see if they offer any local grant funding schemes for the measures that you mention. If your area has a Local Action Group or a Rural Community Council, they may have a small grants scheme you can apply to.

ACRE (Action for Rural Communities in England, www.acre.org.uk) runs a Village Hall Information Service. They can flag up funding specific to your area and also run the Rural Community Buildings Loan Fund which provides loans of up to £20,000 for measures that increase energy efficiency of community buildings. <http://www.acre.org.uk/our-work/rural-community-buildings-loan-fund>

Landfill Communities Fund - Landfill Operators are obligated to pay a tax for waste disposed of on landfill sites. Some of this can be put towards a fund for local environmental projects to help to offset the negative impacts of living close to a landfill site. Because this funding is linked to specific geographical areas, if your community building falls in an eligible area it is worth investigating. Funding could be available through a Distributive Environmental Body (DEB) or direct from the Landfill Operator. LCF is regulated by ENTRUST and more information and a directory of funds is available at <http://www.entrust.org.uk/landfill-community-fund>

Funding for churches

A number of funds are targeted specifically at churches and faith groups. Here are some examples:

- QPSW Sustainability Grants are intended to provide support to Quaker, or Quaker supported, projects focused on sustainability: www.quaker.org.uk/sustainability-grants

- The Churches and Community Fund (CCF) gives grants to community projects run by parish churches, deaneries, dioceses and other bodies connected to or working in partnership with the Church of England: www.churchandcommunityfund.org.uk
- The National Churches Trust aims to protect and support the built heritage of churches, chapels and meeting houses throughout the UK: www.nationalchurchestrust.org

Funding for schools

If there is a budget allocated for school improvements or maintenance costs you could make a strong case for monies to be allocated to making energy efficiency improvements. Loans such as SALIX loans could be a way to cover the upfront costs of improvements, paying back the loan over time using savings made from lower energy bills. Schools may also be able to raise a significant proportion of the money needed to install improvements through fundraising activities and donations from the school community.

Raising funds from renewable energy projects

Recent government initiatives such as the Feed in Tariff and the Renewable Heat Incentive mean that if you install renewable energy technologies to generate electricity or heat, you will qualify for payments. So if you are in a position to purchase and install renewable energy technology which attracts a payment, over time this could generate an income which could be used to support energy efficiency activities. There is a wide range of PlanLoCaL resources on renewable energy technologies, community engagement, project planning and case studies as well as a series of short videos on a range of topics including more resources on funding and finance for energy projects.

Other funding options

In addition to those outlined above, you may find there are other sources of finance you can tap into to support your activities. These could include Local Authority funding or business sponsorship. There are sometimes specific pots of funds managed by local authorities (e.g. Section 106 funds) which, if their aims align with your project, are worth exploring. These all relate to new building developments and associated planning decisions and would require engagement with the planning process at an early stage to ensure that any available funding from these approaches give priority to community-based energy efficiency projects.

Useful links

Display Energy Certificates: www.gov.uk/energy-performance-certificate-commercial-property

PlanLoCaL video, 'Traditional bank finance': www.planlocal.org.uk/videos/videopages/traditional-bank-finance.html

PlanLoCaL video, 'Funding and income streams': www.planlocal.org.uk/videos/videopages/funding-and-income-streams.html

PlanLoCaL video 'Grants and other charitable funding': www.planlocal.org.uk/videos/videopages/grants-and-other-charitable-funding.html