

NEILSTON COMMUNITY WIND FARM CASE STUDY



OVERVIEW

COMMUNITY GROUP: NEILSTON
DEVELOPMENT TRUST
DEVELOPER: CARBON FREE
DEVELOPMENTS
DEVELOPMENT NAME: NEILSTON
COMMUNITY WIND FARM
YEAR OF COMMISSION: 2013
SIZE: 10MW (4 TURBINES)

Neilston Community Wind Farm is a partnership between Neilston Development Trust (NDT) and Carbon Free Developments. The two partners form a Limited Liability Partnership (LLP), and this joint venture vehicle owns the £15.6m Neilston Community Windfarm. Following attainment of planning consent, Carbon Free offered NDT the right with no obligation to contribute up to 49.9% of project costs, including a pro-rata share of development costs.

BACKGROUND

Carbon Free funded the technical, development, planning and construction aspects of the project, and NDT contributed community consultation and PR. The Co-operative Bank provided 80% debt against a project capital expenditure of £15.6m, and therefore to realise their potential 49.9% share in the project, NDT was required to source up to £1.5m equity. Through loans from Social Investment Scotland, Charities Aid Foundation, Big Issue Invest and West Scotland Loan Fund, NDT were able to secure £950,000. This equates to a 28.3% share in the windfarm, and consequently NDT now owns this proportion of the project.

The four turbine 10MW windfarm was opened in May 2013 and it is estimated to generate the community over £10m over the lifetime of the project.

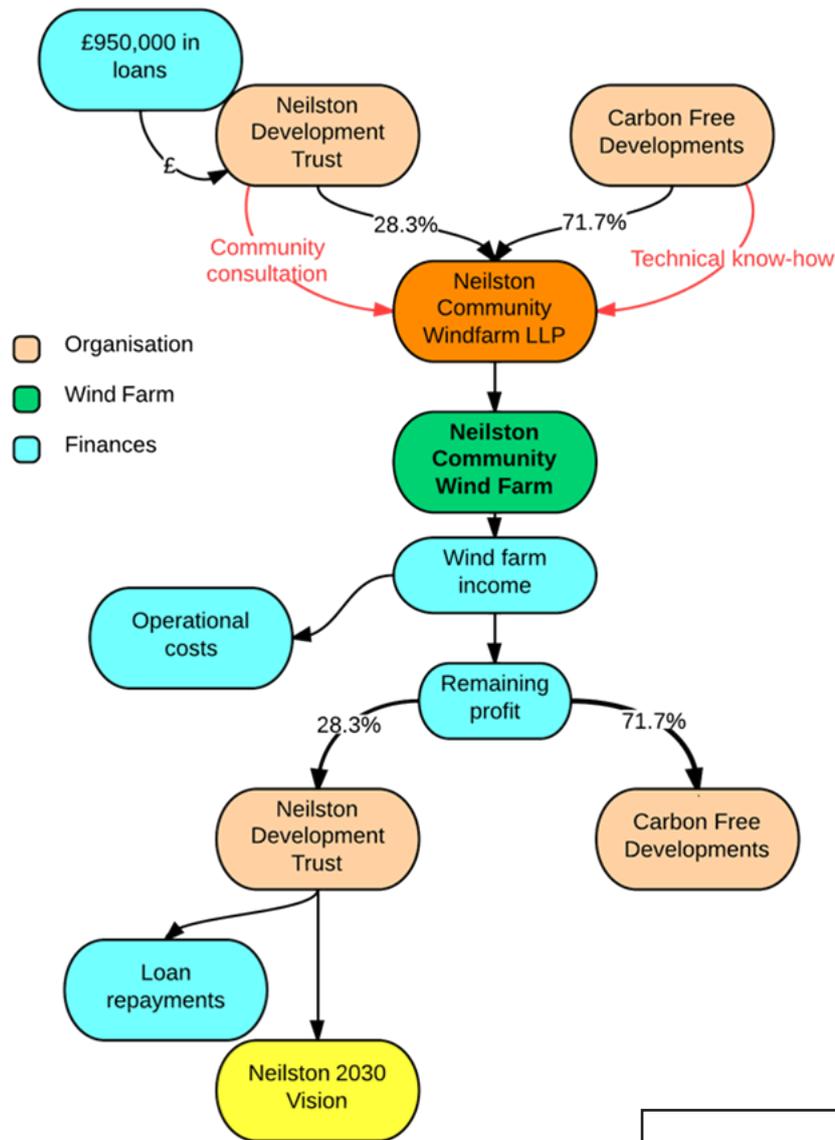


Neilston Development Trust (NDT) was established in 2006 by the Neilston community to lead the regeneration of Neilston. 2009 saw the publication of Neilston's visionary Renaissance Town Charter. This document was supported by Architecture and Design Scotland, the Development Trust Association Scotland, the Urban Lab at the Mackintosh School of Architecture, the Lighthouse and SUST. The Charter identified the community's aspirations and goals until 2030, and the next step was to find a source of sustainable income to implement the community's vision.

Following a desire to replicate other successful joint venture schemes elsewhere in Scotland, the community were introduced to Carbon Free, a developer looking to engage in joint

venture projects. A potential site was identified in 2009 and full planning consent was granted to Carbon Free in May 2011. The community did not have to commit until post planning consent, which de-risked the development phase and allowed the community time to identify sources of finance to fund its equity contribution to the joint venture.

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This diagram shows the funding structure of the project— the partners supplied financial and non-financial contributions to the development.

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SUCCESSSES TO DATE

Throughout the development process, NDT kept the local community informed of the project's progress through regular website updates, events and other media. The regular community newsletter was utilised to share information with local people, and opinions were sought at all stages of the process. The community always had a clear focus of the purpose of the project, as the town charter had a high profile in the area and helped to demonstrate the potential benefits to the wider community. This helped to bring local people on board with the need for an income and the purpose of the community investment.

The LLP is unique in its approach as community investment in projects remains a new area for Scotland's wind industry. Naturally the two partners had differing approaches by nature in that NDT was relying upon volunteer resource and Carbon Free operate as a commercial business. The community and developer worked closely together to create an agreement which maximised the mutual benefit from the project and could be implemented fairly and effectively. Carbon Free were flexible in their approach and allowed NDT to contribute any share up to 49.9% which meant there was no pressure to attain a certain target.

WHAT HAS BEEN LEARNT

There was a great deal of volunteer effort required to secure the 28.3% equity for the windfarm share. No grants were attained, but rather the support was secured from social loans. It proved difficult to identify and secure sources of funding due to the unique nature of the project and no replicable formula for the community to follow.



BENEFITS OF THE PROJECT

The community were inspired to undertake the project by the town charter. This is now feeding into a community action plan which will outline priorities and goals for the area.

The town charter outlines a vision for the community, placing the town's goals in the context of local council plans and Scottish Government's Sustainable Economic Growth policy. The process of creating the town charter employed a range of methods to better understand local people's needs, and focused on building capacity to ensure that all individuals in the community felt empowered to contribute to the project. Skills transfer between the facilitation team and the community, and design awareness training were used to maximise the mutual benefit from the consultation process.

The resulting Neilston 2030 vision outlined a pathway towards the creation of a sustainable, economically robust, well-planned and well-connected small town.

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NEXT STEPS

In the first years of production, the funds will go towards paying off loans and acting as retained earnings. This means that NDT can create a reserve of funds to pay off debt. Although income for community projects will be delayed, this will strengthen the Trust's financial position moving forward.

The creation of a detailed action plan will allow the community to invest their funds in a way which will create a sustainable and healthy Neilston for the life of the windfarm and beyond.

Find out more at
<http://www.neilstonwindfarm.org/>

Town-wide initiatives and key development projects were drawn out, and these plans will now support the following areas.

Town	Increasing the overall beauty of Neilston, capitalising on the village's historic
Civic renaissance	Creating streets and spaces for people as a place to meet and interact, strengthening the village's sense of community and identity
Social renaissance	Continuing to nurture community development and cohesion through civic leadership and community working, while targeting areas of deprivation
Rural renaissance	Rural Neilston should be protected from development, and enhanced as a green asset in embracing active and passive recreation opportunities
Green (economic)	Retain and commercial opportunities will help drive Neilston's renaissance, providing a positive contribution to people's quality of life and social well-being
High Street renaissance	The Main Street will provide a centre for civic life, living and commercial and retail activity. Initiatives will offer an improved balance in meeting the needs of users, and will provide a sense of arrival and departure.
Movement renaissance	Improving connections to outer areas through public transport and locally with improved neighbourhood connections and better linkages to the wider
Intelligent development	Sensitive infill development utilising brownfield sites will generally be supported before seeking development opportunities of greenfield areas.
Skills development	Post-school education will focus on skills development in emerging green-technology industries that can be exported, with Neilston as the business base for the wider region. Raise educational offers to secondary education.
Renewed social infrastructure	Retaining and enhancing facilities as part of the social infrastructure, including schools, the library, the leisure centre and public halls.

This case study has been created under the Scottish Government's
Community and Renewable Energy Scheme.

The Community and Renewable Energy Scheme is delivered on behalf of the Scottish Government
by the Local Energy Scotland consortium:

