



CLEVEDON PIER



 SITR offered the community an opportunity to help save a local treasure.

Colin Searing, Director, Clevedon Pier

Problem

Clevedon Pier is a Victorian seaside pier that suffered a partial collapse in 1970. Following successful lobbying from the local community, the pier was saved from demolition but requires continuous renovation. Situated in the Severn estuary with the second highest tidal reach in the world, the pier is expensive to maintain from environmental damage and needs continual public funding.

Solution

Clevedon Pier & Heritage Trust Limited (CPHT) was set up in 1970 to save the pier and want to provide it with financial independence to ensure its future survival. CPHT will create a new visitor's centre on the pier with a modern interactive activity and interpretation centre, cafe, restaurant, toilets and conference room facilities. Income from this business will be used to re-develop and maintain the pier for the enjoyment of future generations.

Revenue Model

Over 1,000 local people have invested into the pier through community shares. The investment will be repaid through income generated from the visitor's centre.

Impact

Clevedon Pier serves Clevedon town in Somerset with over 25,000 residents. The new facilities will be open for local people and organisations. Clevedon Pier is the only fully operating Grade 1 listed building in the country.

 **Invested** £250,000 Social Investment
Tax Relief, £330,000 in total

 **Cost of capital** 2%

 **Turnover** £180,000

 **Duration of investment** Not applicable

Organisational form

Community Benefit Society

Investors

Individual investors

Other key organisations

South West Co-op Support, Heritage Lottery Fund, Coastal Communities Fund, The Architectural Heritage Fund

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SOCIAL INVESTMENT TAX RELIEF

Social Investment Tax Relief (SITR) is a new tax relief designed to encourage individuals to support charities and social enterprises and help them access new sources of finance. Individuals making an eligible investment can deduct 30% of the cost of their investment from their income tax liability.

Eligibility

The maximum investment into an individual organisation is approximately £280,000 over three years.

Individual investors can invest up to £1million and can invest in multiple social enterprises per year. This relief is set on a par with the Enterprise Investment Scheme (EIS).

In the 2014 Autumn Statement, the Government announced its intention for this limit to increase to £5million per year and £15million in total per organisation, subject to EU state aid clearance. The Government also intends to provide for social venture capital trusts in the near future.

Why investors are using SITR



I had heard about social impact investing but didn't know how I could get involved. The introduction of SITR meant I could make a social impact investment through a tax efficient structure. With the help of my financial planners, I was able to deploy capital into this innovative investment product which is addressing a cause that seems to me really worthwhile.

Mike Davies, Private Investor

Key terms

What organisations can benefit?

Charity	✓
Community Interest Company	✓
Community Benefit Society	✓

Product types

Unsecured loan	✓
Equity	✓
Quasi-equity	✓
Social Impact Bond	✓

Accessible to

Institutional investors	✗
Professional individual investors	✓
Retail investors	✓

Investment method

Direct	✓
Nominee fund	✓

Tax incentives

Income Tax Relief (30%)	✓
Capital Gains Tax Deferral Relief	✓
Capital Gains Tax Disposal Relief	✓

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