

Leapfrog Finance launches with a dedicated £15m community energy bridge facility

- New funding allows communities to take advantage of shared-ownership policy
- Community ownership allows profits to be channelled towards social impact programmes in local communities
- Investment into Leapfrog Finance by Big Society Capital is its biggest investment in community energy to date
- Enables communities to use local generation to fight local fuel poverty

Pure Leapfrog and Big Society Capital have entered into an agreement under which Big Society Capital will lend £15 million to Leapfrog Bridge Finance Ltd, to fund large-scale community energy projects across the UK.

The loan facility will be administered by Leapfrog Finance Ltd, a new wholly-owned trading subsidiary of the charity established for that purpose. The facility will allow communities to acquire large-scale renewable energy projects from developers, funding construction and allowing time for the community to raise equity through a share offer.

The fund will provide a clear solution to the increasing problems of capital constraints in the community energy sector. This ensures communities do not miss out on the opportunity created by the shared-ownership policy implemented by the Department for Energy & Climate Change (DECC). As a social investor, Leapfrog Finance is targeting at least £3m of net surplus to be generated over the lifetime of the projects.

“This transaction represents a major commitment to driving community energy projects forward at the pace necessary to secure community benefit at scale” said Managing Director of Leapfrog Finance, Richard O’Rourke. “It will allow communities to participate in and benefit for years to come from the energy transition taking place across the country, while also significantly reducing carbon emissions. Many communities we talk to will choose to apply that benefit to combat fuel poverty.”

Chris Matthews, Executive Director, added “This facility will deliver capital where and when it is needed most for the sector. We are confident in our ability to execute with purpose and with this fund as a precursor to additional investment, we can better meet the energy challenges of today and the future, while delivering significant social impact.”

Nick O’Donohoe, CEO of Big Society Capital said: “It is essential that communities have access to funding to enable them to purchase and own community assets, including renewable energy projects. Through this investment, we are supporting the greater control of assets by communities, the generation of surpluses and the ability to deliver local social impact.”

In addition, Steve McNab, Chairman of Pure Leapfrog and Head of Environment & Climate Change at law firm Simmons & Simmons LLP said: "The launch of Leapfrog Finance is an exciting game changer, for both Leapfrog and the community energy sector. The “energy future” that people crave has a social dimension and we are delighted to be working with Big Society Capital to unlock capital at scale. Up and down the country communities are turning energy from a commodity into an asset that they care about. These projects show what is possible when government policy, communities, commercial organisations and the third sector align."

The launch of Leapfrog Finance is the latest venture launched by Pure Leapfrog as part of its strategy to enable 500 megawatts of community energy by 2020 - the equivalent to generating enough energy to power all the homes in Bristol.

The new venture builds on over 12 months of investment by the Leapfrog Finance team in the community energy sector. With support from its funders, investors and partners, Pure Leapfrog has built up the sector's most diversified loan portfolio. An example of communities developing renewable energy projects that deliver social benefit, Pure Leapfrog recently lent £250,000 to support Chase Community Solar to support the roll out of 1 megawatt of solar across social housing in Staffordshire, saving on average £200 per year off homeowners energy bills.

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About Pure Leapfrog

Pure Leapfrog is a business led charity, and the leading provider of social investment and professional support to community energy projects in the UK. Its mission is to give all UK communities the opportunity to own, generate and benefit from clean, green power and to work together to reduce energy demand, by making finance accessible and affordable.

To find out more, please visit www.pureleapfrog.org

About Leapfrog Finance

Leapfrog Finance is the wholly-owned trading subsidiary of Pure Leapfrog and now takes over the lending previously performed by the charity. It has been set up with the ambition of delivering over £250m of finance into community energy projects by 2020.

About Big Society Capital

Big Society Capital is a financial institution with a social mission, set up to build the social investment market in the UK, so that charities and social enterprises can access appropriate repayable finance to enable them to grow, become more sustainable and increase their impact on society. It is doing this by building a diverse social investment market: encouraging investors to lend or invest money to achieve a social as well as a financial return.

Since it was set up as an independent organisation in 2012, Big Society Capital has committed over £165 million in investments to specialist organisations who lend to charities and social enterprises.

To find out more, please visit www.bigsocietycapital.com