



Low Carbon Hub

Notes of the Pre-/Post-AGM Meeting

Held on Monday, 7 October 2019

5:30 for 6–8pm at Oxford Town Hall, St. Aldate's, Oxford OX1 1BX

a) Background

Before the official AGMs of The Low Carbon Hub IPS Limited and CIC Limited, members of both organisations present were given an update covering matters as set out in the companies' 2018/19 Annual Reports (circulated in advance with the Accounts).

b) Welcome and presentations

Tim Sadler, Chair, welcomed members and introduced other Board members present. He noted that this year we were trialling the use of a webinar to broadcast the event as it happens, in response to requests from members who can't always attend our AGMs. Online voting was open to IPS members as it had been last year.

The topics then covered by Board members present were (see [the full presentation](#)):

- **Year in reflection** – Barbara Hammond, CEO
- **Accounts 2018/19** – Luke Marion, Treasurer
- **Delivering Community Benefit** – Nina Alphey, Communities Director (CIC only)
- (after the formal AGMs) **Looking ahead / innovation / LEO** – Adriano Figueiredo.

Also present was Steve Drummond (IPS Board member, chair of its Investment Committee), with Tom Hoines (both IPS and CIC) and Sue Haliwell (CIC only) sending their apologies.

The **Lord Mayor of Oxford, Cllr Craig Simmons**, also addressed the meeting briefly, as he has chosen the Low Carbon Hub as one of the two organisations to raise funds for during his term in office. See www.gofundme.com/oxford-lord-mayor-climate-change-fund.

c) Members' questions

Members were given the opportunity to ask questions of the Directors of both organisations at the end after the formal AGMs, as follows:

Low Carbon Hub is two organisations working together: The Low Carbon Hub Industrial and Provident Society for Benefit of the Community (registration number: 31903R) and The Low Carbon Hub Community Interest Company (registration number: 7583663). Both are registered in England and Wales and the registered address is 9 Park End Street.



Q1 A member suggested that more **low-tech solutions for energy efficiency** such as opening windows for ventilation or providing shading or grilles to secure open windows, might be more appropriate than costlier, product-focused methods, esp. in an age of overheating .

A1 Adriano Figueiredo responded that summers are getting hotter and more extreme weather events are happening more frequently. We are working with different communities what the best solutions may be in each case. We will still need to heat our houses in the winter and reduce our carbon intensity further, for example replacing gas with heat pumps or using smarter appliances we can control better.

Tim Sadler added that in Oxfordshire, probably also the wider UK and other countries, more work was being done on **climate mitigation than adaptation**; this might be something for us to think about.

Nina Alphey suggested that the **community grants** which Low Carbon Hub CIC community shareholder groups can apply for might be open for projects looking at such low-tech solutions.

Q2 A member asked about **future projects**, with the removal of the Feed-in Tariff (FiT) and possible loss of access to European funding.

A2 Barbara Hammond replied that we went into **project LEO** being able to model solar installations that would just be viable without FiT. Since then, Ofgem's Targetted Charging Review means that all 'embedded benefits' had to be taken out of solar installations, meaning we will no longer receive no benefits from not using the National Grid by producing and then also using electricity locally. The LEO grant funding is helping plug that viability gap but we hope that by the end of the three-year programme costs will have come down and a new model have been developed.

In relation to EU funding, we had taken the opportunity to apply for an extension of the ERDF funding for the **OxFutures [programme targeting businesses](#)** until 2023, with the UK government committing to fund these projects if needed. Our application has been approved and we are in the process of completing the paperwork.

In the last year we had put in and won four bids for different projects; it has been challenging to set them all up in the same timescales. But it gives us **three years to find answers** to those questions and continue work. She noted that we only apply for grants where there will be a clear legacy from the work they fund.

Luke Marion added that the first LEO-funded project had just been commissioned after fewer new projects in 2018/19. We are working on a financial model that will be robust in the face of changes. Tim Sadler noted that the Hub, with its social purpose, was looking to develop business models where others do not go, without putting members' investments at risk.

Q3 A member asked whether the Hub would use its success to **lobby government**.



A3 Barbara Hammond replied we **work in partnership** and can gently flag up our issues or concerns and work practically on fixing specific problems. The Board has taken the view that we do not lobby or campaign as such, or take a political position. We are also technology-blind, meaning we take, e.g., no view on nuclear energy as we do not know enough about it.

Steve Drummond added that we develop projects in a given policy environment; some of these policies we can influence, others we cannot. With the **Targetted Charging Review** by Ofgem (in response to lobbying by the Big Six) already mentioned, which is taking away 'embedded' benefits although we are not using the network, we are feeding back through project LEO to explain how this affects the long-term vision – as it is not a helpful policy change for that and does not add up in the light of Ofgem's own future energy scenarios. Being actively delivering and politically neutral means we are more likely to be listened to.

Q4 A member noted that we wanted to make sure all members of the community benefit, but that the [CosyHomes Oxfordshire](#) project was only for those able to pay. That left a large gap; were we planning to fill that?

A4 Adriano Figueiredo replied that we had to have this focus as the Department for Business, Energy and Industrial Strategy (BEIS) which is funding this pilot had set it up that way. We are using a co-operative model that supports training and upskilling of suppliers at the same time as encouraging greater demand by householders. The idea is to add **accessible finance at a later stage**; though this will not reach the fuel-poor so we will need to look at that.

Debbie Haynes from **Oxford City Council** added that they are doing pilot work in this area too, such as with private landlords to improve energy efficiency in rented accommodation.

Barbara Hammond added that as part of LEO we are working with the City Council on a new development, looking to pilot trading on a local energy market, while others only talk about this. This will be working with tenants how to share this among them, not just in common areas. We are looking to develop models, and influence, to ensure there is also **space for people who have less** not just those who can afford solar installations or electric vehicles. It was also important to realise that the LEO model is not just about technical plugging into new energy markets but about **contracts with social value** – as part of a wider community energy model at the end of it. We are working on how to solve these issues too.

As there were no other questions, Tim Sadler closed the Q&A session, thanking members for reminding the Directors what they thought important and for holding them to account, as they ought to. He invited them to join the Board and staff present for **more informal discussion**.



d) Annual General Meetings

Between the presentations and before the Q&A session the two AGMs were held one after the other, as minuted separately:

1. 2018/19AGM for The Low Carbon Hub IPS Limited (registration number: 31903R)
2. 2018/19 AGM for The Low Carbon Hub CIC Limited (registration number: 7583663)



MINUTES OF THE 2018/19 AGM for The Low Carbon Hub IPS Limited

Registration number: 31903R

Held at Oxford Town Hall, St. Aldate's, Oxford OX1 1BX

Monday, 7 October 2019

1. Welcome and Introductions

Tim Sadler, chair of the Board, welcomed members present. He explained that members who were unable to attend in person had the opportunity to cast their vote using an online voting form; votes cast on the night using the printed voting form handed out at registration will take precedence over online votes, in the event of a member mistakenly voting using both forms. Votes cast overall were 111, with 41 online and 70 in person.

Apologies had been received from director Tom Hoines and 9 members sent their apologies without voting online.

2. Minutes of last meeting

There were no corrections to the [minutes of the 2018 AGM](#) as circulated before the meeting, nor any questions.

Members were asked *to approve the minutes of the last AGM*. They were approved by 94 votes for, no-one against and 17 abstentions.

3. Directors' report

Members had been sent the [Directors' report](#) with the AGM papers before the meeting.

Members were asked *to receive the Directors' report*. No vote was required.

4. Treasurer's report

Tim Sadler noted that members received the [accounts and auditor's report](#) as part of the papers circulated before the meeting. They had also heard the presentations preceding the AGM and had the opportunity to ask questions.

In response to questions by members, Luke Marion, treasurer, explained:

- **interest payments** to members investing in solar installations had been at the rate expected – noting these calculated as internal rates of return (IRR) over the lifetime of projects, with proportions of capital repayments and interest varying



- for **Sandford Hydro investors**, the Board had considered it right to make an interest payment although it had been a dry year so electricity generation had been low and no surplus generated, for reasons including:
 - it was the first year of the project, with changes made that we expect to improve generation in future (even given the same conditions)
 - the variation was within the range of predicted generation over the 40 years
 - the project had been crucial for the Hub being a part of the important project LEO which will also help improve the performance of the hydro further and allows us to claim back some of its depreciation
- all members have received the details of the performance of the various portfolios in the [annual performance summary](#) (in print and available online).

A member thanked the Directors for ‘sticking their necks’ out to make Sandford Hydro happen; this was an exciting project; this was met with applause.

Members were asked **to approve the 2018/19 accounts and auditor’s report** as circulated before the meeting. This was approved by 105 votes for, no-one against and 5 abstentions (one vote was not cast).

5. Special resolution

Tim Sadler noted that, as explained in the [documentation sent to members](#), the Board had taken legal advice and was proposing rules change in order to:

- **set out our social purpose** more clearly to enable us to challenge e.g. being charged commercial business rates and thus negatively impacting our community benefit (as noted in the pre-AGM presentation by treasurer Luke Marion)
- allow children under 16 to hold shares and also allow members to leave shares to the Low Carbon Hub CIC in their wills, in **response to member requests**
- **remove the £10m borrowing limit** originally set – this is not yet something required but as we are growing it might become a barrier to project development, and thus carbon savings, in future (especially with project LEO).

In response to member queries, Board members clarified the following points:

- the **IPS Investment Committee (IC)** is there to scrutinise and set policies for Hub projects, considering e.g. costs, risks, rewards to plan revenue so as to pay back any debt and interest to investors; it also recommends how to distribute any surpluses to the Board (inc. the rate of interest payments to investors each year)
- **£10 borrowing limit:** the IC has adopted a policy of allowing no more than 50% of debt (i.e. loans) to equity (i.e. investments) ; currently this stands at 65% equity
- in taking loans the Board was aware of the rules of the IPS and was careful not to give any rights of control over the IPS; loans were secured solely on the individual assets



- if ever there was not sufficient income to pay back loans, the IPS as a legal entity would be responsible (rather than Directors or individual investors); as borrowings are usually secured against the assets they are helping fund, the lender would have a claim over these assets in such a case – it is the IC’s role to avoid such a situation and our ability to generate electricity which can be sold gives us resilience
- the Directors’ view was that the IC policy of the no more than 50% debt ratio was sufficient and no new rule replacing the one proposed for removal was required
- there is no policy of a cap on the proportion of borrowing from any one lender; Steve Drummond (IC chair) explained why we had borrowed in the past:
 - long-term debt from the Charity Bank for building Sandford Hydro (cost £4m, with the greatest investment raised by one of our community share offers £1m – so we needed to find additional funding)
 - shorter-term borrowing to allow us to take opportunities for new projects when they arise, to be paid back as soon as possible and replaced by member investment (we have a construction loan facility with Oxford City Council)
- member investments are capped at £100,000 by law for individuals; one member will only ever have one vote regardless of how much money they have invested
- **shares for under 16 year olds:** it was clarified that while the proposed rules change would allow younger people to hold shares, they would only be able to vote once they have reached the age of 16.

Members ***approved the special resolution*** by 104 votes for, 2 against and 5 abstentions..

6. Appointment of Auditors

Members were asked ***to approve Critchleys as auditors for the coming year***. This was approved by 106 votes for, no-one against and 5 abstentions.

7. Election of Directors

Members had been asked in the papers circulated to:

- note the retirement of George Levvy and the appointment by the Board of Tim Sadler as Chair of the Board
- note the retirement of Ramsay Dunning

Barbara and Adriano were retiring by rotation, as set out in the rules, but had agreed to stand for re-election.

Barbara Hammond was elected by 111 votes for, no-one against and no abstentions.

Adriano Figueiredo was elected by 108 votes for, no-one against and 3 abstentions.

The formal part of the IPS AGM was then closed.



MINUTES OF THE 2018/19 AGM for The Low Carbon Hub CIC LIMITED

Registration number: 7583663

Held at Oxford Town Hall, St. Aldate's, Oxford OX1 1BX

Monday, 7 October 2019

1. Welcome and introductions

Tim Sadler, chair of the Board of Directors, welcomed the 14 of 26 members present:

- Abingdon Carbon Cutters
- GreenTEA (Transition Eynsham Area)
- Hook Norton Low Carbon
- Low Carbon Oxford North (LCON)
- Osney Lock Hydro
- Rose Hill and Iffley Low Carbon (RHILC)
- Southill Community Energy
- Sustainable Charlbury
- Sustainable Didcot
- Sustainable Kirtlington
- Sustainable Wallingford
- Sustainable Wantage
- Westmill Windfarm Co-operative
- West Oxford Community Renewables (WOCORE)

All CIC Directors were present except for Sue Haliwell who had sent her apologies; Rachel Wileman was attending on her behalf.

2. Minutes of the last AGM

There were no corrections to the [minutes of the 2018 AGM](#) as circulated before the meeting.

Members **approved the minutes of the last AGM** by 12 votes for, none against and 2 abstentions.

3. Directors' report

Tim noted this had been sent to members in advance. Members did not have any queries in relation to the report and no vote was required.



4. Treasurer's report

Tim noted the [CIC accounts for 2018/19](#) had been sent to members in advance. Members did not have any queries in relation to the report and no vote was required.

5. Special resolution

Tim Sadler explained that the proposed changes to the CIC articles, as circulated before the meeting, were:

- mirroring those proposed for the IPS, in order to clarify the overall charitable purpose of the organisation
- proposing to extend the term of the Communities Director to be extended from two to three years, bringing it into line with that of the other Directors and giving the postholder a decent run.

Members present approved ***the changes of the CIC articles as proposed*** unanimously with 14 votes for, none against and no abstentions.

6. Appointment of auditors

Members were asked to approve appointing ***Critchleys as auditors***. Members present approved this unanimously with 14 votes for, none against and no abstentions.

The formal part of the CIC AGM was then closed.