

## LONDON BOROUGH OF HAMMERSMITH & FULHAM

**Report to:** Climate Change and Ecology Policy and Accountability Committee

**Date:** 19/11/2024

**Subject:** H&F Green Investment Update

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### SUMMARY

On 6 November 2023 Cabinet approved the launch of the new H&F Green Investment: an innovative community investment scheme primarily aimed at engaging local residents and businesses in H&F's climate change objectives.

The H&F Green Investment provides:

- Residents with a low risk investment opportunity with attractive, fixed interest rates compared to high street alternatives and a chance to see the impact of their investment in their local community;
- The council with a more competitive interest rate for borrowing for climate related projects; and
- The borough with millions of pounds of investment into climate related projects, like measures to improve energy efficiency, promoting active transport, and climate change mitigation.

The Council is ambitious in its climate and ecological aims, and is therefore targeting £5m of funding in total – the largest ever green investment scheme of its kind. This funding is being sought in a phased way, across a number of tranches, in order to build and sustain effective communication, engagement and support of the Council's green agenda.

To date the Council has successfully raised £1.755m of funding from almost 1,100 investors across the first two tranches. This is the highest amount raised by any Council Green Investment to date, from a record high number of investors.

The first tranche of the H&F investment launched on 15 November 2023 and reached £1m of investment 6 days ahead of the scheduled closing date. The second tranche launched promptly after that on 26 February 2024, raising a further £755,000 in three months. Plans are now progressing to launch a third tranche of investment. This report sets out the key points from the first two tranches (including the green initiatives progressed to date), and the plans for future tranches.

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## RECOMMENDATIONS

1. For the Committee to note and comment on the report.
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**Wards Affected:** All

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<b>Our Values</b>	<b>Summary of how this report aligns to the <a href="#">H&amp;F Corporate Plan</a> and the H&amp;F Values</b>
Building shared prosperity	The communications campaign prioritises promotion of this investment opportunity to residents and local businesses, and offers a competitive return on investment compared to similar risk other forms of investment available on the market.
Creating a compassionate and inclusive council	These projects are all looking to create a healthier environment whilst looking to mitigate the negative effects of climate change including flooding and overheating. This investment opportunity is available to anyone, with investment starting at a very affordable £5
Doing things with local residents, not to them	The H&F Green Investment allows residents to work with the Council on achieving its climate and ecological objectives. It is widely communicated through H&F channels (website, newsletters etc). Friends' groups, residents, and other relevant stakeholders are consulted on project development.
Being ruthlessly financially efficient	This form of borrowing is at a rate below that of the Treasury Public Works Loan Board and so represents a cheaper form of external borrowing.
Taking pride in H&F	This investment will fund dramatic improvements to the look and feel of many locations throughout the borough.
Rising to the challenge of the climate and ecological emergency	The finance raised will only be invested in green initiatives, with the aim of reducing carbon and positively impacting the effects of climate change across the borough.

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## Background Papers Used in Preparing This Report

None

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## DETAILED ANALYSIS

### Purpose of the H&F Green Investment

1. The Council is working towards targeting net zero carbon, which requires significant investment to achieve. A community green investment scheme is an

effective way to finance some of the required investment for a number of reasons as follows:

- a) It allows for an in depth communications campaign, providing the opportunity to engage with residents and local businesses, champion the Council's climate and ecological aims and strengthen their support in achieving these.
- b) Although this investment opportunity is available to anyone in the UK, the principal aim is to engage with residents, local community groups and local businesses (with a minimum investment of only £5), enabling local people to support green initiatives in their own borough.
- c) The Council sets the rate of interest payable to investors, which is benchmarked to be below that of the Public Works Loan Board, therefore representing a cheaper form of external borrowing for the Council.
- d) In order to attract investors, interest rates are set to be competitive relative to other financial instruments with a similarly low risk profile. As such, this provides a fixed return on investment for residents and local businesses who choose to invest.
- e) The Council has contracted with Abundance Investment Ltd (Abundance) to provide the lending platform and facilitate the community loans on behalf of the Council (the Council is not permitted to provide this regulated service directly). As well as benefitting from Abundance's specialist expertise and resources, particularly in the marketing and communications area, it also allows the Council to engage with thousands of individuals already registered on the Abundance platform.

## **Fundraising Performance**

2. The first tranche of the H&F investment launched on 15 November 2023 with an interest rate of 4.85%. A total of £1m was raised by 7 February 2024, 6 days ahead of the scheduled closing date. There were a total of 864 investors - surpassing previous London borough records by 200 investors. Local engagement was significant, with 96 H&F residents signing up to the investment platform during the first tranche, 46 of whom proceeded to invest, contributing £125,000 (£13%) to the total raise. The campaign successfully attracted 67 new investors beyond the existing Abundance investor base.
3. H&F was the first Council to launch a second investment tranche, which launched promptly after the first tranche on 26 February 2024 with an interest rate of 4.6%. The second tranche raised a further £755,000 by the closing date of 27 May 2024, from 504 investors. Of these, 15 were local investors, contributing £54,000 (7%) to the total raise. There are no other Council second tranches to compare performance to, although the H&F second tranche had stronger investment momentum compared to second tranche raises for companies.
4. The total raise of £1.755m across both tranches is the highest amount raised by any Council Green Investment to date, and from a record high number of investors - almost 1,100 (281 of whom invested in both tranches). Across both tranches there were 138 local platform signups, with local investment of £179,000 (10%) from 61 H&F locals (those registered within the borough).

There was a strong rate of conversion from account sign up to actual investment when compared to Green Investment schemes in other boroughs.

## **Communications Campaign**

5. The strong fundraising performance has been driven by a comprehensive, multi-channel communications strategy, combining traditional community engagement with digital outreach to ensure maximum awareness amongst residents and local businesses.
6. Community engagement efforts have been centred on creating multiple touchpoints within the community. H&F's Climate Engagement Team has been actively present at local community events, fostering face-to-face conversations about the investment opportunity and its benefits for both residents and the borough. These in-person interactions have been complemented by virtual webinars as part of the H&F Climate Cafe series, allowing for broader participation and detailed discussions about the investment programme.
7. The digital communications strategy has been carried out across multiple channels to reach all members of the H&F community. Regular features in H&F's weekly resident newsletter and dedicated coverage in the monthly climate newsletter have formed a central part of the organic digital outreach. This has been enhanced by targeted paid social media campaigns via Meta and professional network outreach via a paid LinkedIn campaign, specifically designed to engage local businesses and residents. To ensure reach to community members who might not be active on social media or subscribed to H&F newsletters, a strategic Google Ads campaign was implemented, broadening reach whilst maintaining a local focus. The campaign has demonstrated exceptional engagement across all channels.
8. Across both tranches, total participation reached 1,100 investors - a record high for London borough green investments - with 281 investors participating in both tranches. There was strong performance against comparable London borough raises, particularly in daily investment rates and total investor numbers. The combination of direct community engagement and digital marketing channels has proven effective in reaching both experienced green investors and those new to sustainable investment opportunities.

## **Use of Funds**

9. Funds raised from the first two tranches have so far been invested in improving urban green spaces, helping to roll out sustainable drainage, and active travel measures, including:
  - a) Contribution to Eelbrook Common Grey to Green depaving scheme - the removal of concrete and hardstanding from an area of 1700 square metres and replacement with naturalistic meadow areas with permeable paving winding through. The meadow area is undergoing specialised management to help it establish and trees will be planted this winter.
  - b) Purcell Crescent depaving scheme - removing the old road to improve the quality and size of the greenspace, helping to tackle surface water flooding by removing impermeable surfaces. Also improving safety for

park users by removing uneven levels. The works are due to be completed over winter 2024/25.

- c) Brook Green sustainable drainage scheme – successful installation of a soakaway to help manage surface water flooding in the area.
- d) Westville Road sustainable drainage project – greening the pedestrianised area to introduce sustainable drainage and design out crime. There have been multiple co-design sessions with Greenside Primary School.
- e) Marinefield Road sustainable drainage and greening scheme - tackling surface water flooding and creating a biodiverse area near to the school entrance.
- f) Blythe Road sustainable drainage and greening scheme - depaving large areas and tree buildouts into the carriageway. This project is currently in the design stage.
- g) Edith Road sustainable drainage scheme - implementing raingardens at key locations along Edith Road to tackle the issue of surface water flooding and introduce streetscape greening to provide environmental and social benefits. This project is in the final design stages and will soon move on to consultation.
- h) Ravenscourt Park Nature Area pond restoration – including tree works and making the area more open and accessible. A steering group of local stakeholders is being created and tree work will commence this winter including hedge laying.
- i) Frank Banfield community garden – providing a new facility for residents and visitors to enjoy, supporting community engagement. The community garden has been officially opened and weekly sessions have started for the local friends group and wider community.
- j) School Greening Project - increasing greening and engagement with nature in schools. The initial focus is on five schools with the ambition to commit to a pilot programme. The project brief has been completed.
- k) School Green Vegetation barriers - implementing green vegetation barriers around school playgrounds/classrooms adjacent to high traffic roads (for schools that are included in the Schools Streets + project)
- l) Cycle Hangars – contribute to the roll out and installation of cycle parking hangars across the borough to support active travel.

## **Future Tranches**

- 10. Future tranches of the H&F Green Investment will continue to focus on the Council's overarching ambition to raise £5m over multiple tranches for investment in green schemes. The focus will, where possible, be on schemes that are expected to deliver both carbon and cost reductions for the Council.
- 11. Preparations for a third tranche are underway and will look to replicate the successes of the first two tranches and reflect on any opportunities for improvement. For example:
  - a) introduce ways to capture potential investor interest earlier in the consideration process
  - b) place the H&F Green Investment in the broader context of H&F's other work on climate change

- c) consider replicating engagement tools used with most success in other boroughs
- d) develop a business engagement strategy to attract support from local businesses
- e) New H&F hub on the Abundance website to better promote the H&F multi-tranche offer, improve user experience and recruit new investors
- f) Allow residents to opt in for email updates from Abundance, without having to set up an Abundance account

12. The launch date for the third tranche is currently being considered.

Report end.