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Social Innovation in Community Food and Community Energy: The Feeding Tariff[1]

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Abstract

The Feeding Tariff social innovation project creates a local circular economy whereby a 20-year income stream, generated by community renewable energy projects, is gifted to a range of community food projects to allow them to pursue nonmarket goals (food poverty, food health, mental health, food waste reduction, dietary education) with long-term revenue security, which allows strategic planning. This provides benefits in both community and environmental terms by working with systems rather than sectors. The innovation can be replicated anywhere and at many different scales.

The Challenge: Funding Non-Market Projects

Community food growing projects and food banks are not financially self-sustaining because they have non-market purposes in tackling dietary health, food poverty, community cohesion and mental health (Tanaka *et al*, 2015). Considerable time is spent by staff and volunteers on fundraising schemes and applying for grants. This is all time that is taken away from the purpose of the community food project. Further, funding for revenue (where the main financial challenges lie) is usually harder to secure than funding for capital projects (which provide a legacy value for the funder). Much funding also is short term and for relatively small sums, meaning that fund-seeking is persistent.

The Programme: Cross Subsidy in a Circular Economy – The Feeding Tariff

The second largest English county – Lincolnshire – with the Lincolnshire Food Partnership coordinates 50 food banks and nearly 100 community food growing projects in the county. All of these projects experience the above challenges.

In the county, there is also a community renewables energy group, Grimsby Community Energy. They specialize in installing solar panels on corporate, typically public, buildings to provide cheaper and renewable energy in the community. It uses a range of community financing tools, including public grants and community shares, to invest in long term capital projects. Solar panels provide an income (revenue) stream of the life of the panels – 20 years plus.

The two community organisations, with support from a local university – the University of Lincoln – have come together to produce a social innovation that uses revenue streams from community energy projects to provide long-term financial support for community food

projects. This has been endorsed by the regional state renewables energy hub and the county municipality.

Finance

The financing works in a variety of ways. Community shares can be issued for energy projects, for example, where shareholders can agree that a proportion or all of their dividend be paid to a community food project instead of to themselves. Their one-off share purchase will allow a 20-year income stream to be given to a food project.

More commonly, however, the Feeding Tariff programme can make bids for public grants. A number of community organisations (across a number of different spheres) operating in partnership is a popular target for public funding, and applications can be made for capital projects that last for long periods of time (a priority for public grants), but that provide definable constant revenue funding (a priority for community projects).

In England there is a range of public infrastructure grants that seek to redress regional disadvantage, poverty, public health, sustainable development (zero-carbon) and local economies. The Feeding Tariff does all of these simultaneously. It is therefore a strong candidate for funding. Current English funds, by name, include the Shared Prosperity Fund, the Levelling-up Fund, the Community Renewal Fund and the Community Assets Fund.

Through this blended public/shareholder financing, a circular economy is created that provides financial independence for community food projects, and thus allows them to plan strategically. It also allows both community food and community energy to pursue common environmental goals in the food (short food miles, organic plant-based food) and energy (renewable, non-carbon, locally-controlled) domains simultaneously.

And the win-win nature of the innovation is popular with municipal authorities, public universities, hospitals and the like as sites for solar panels: it is good to be associated with such a venture. Moreover, electricity is cheaper than from commercial sources. ‘Busy’ buildings also maximise the return on the solar installations.

Operational Advantages

This project would appear to be unique in the UK and it directly adopts the precepts of the ‘social economy’ by focusing local economic systems rather than global economic sectors (Quarter and Mook, 2018) and on objectives concerned with redistributive justice and the environment (Vezina *et al*, 2017). In fact, it has developed in tandem with the production of a county level social economy strategy by the other local university, Bishop Grosseteste as a part of a wider movement. Its core successes lie in a range of organisations working in partnership to achieve an outcome that is greater than its parts, and in converting one-time capital injections into-long term revenue flows, to achieve a wide range of community benefits. It does this at the same time as reducing energy costs for the solar panel recipients.

Scheme Benefits

Fundamentally, the Feeding Tariff allows both community food projects and community renewable energy projects to take place that otherwise might well not (or not at the same scale) and to grow in size and number. The partnership working of community groups in separate domains, brings money into the local economy that might not be captured by these groups working separately or in competition. Working to achieve several zero carbon goals simultaneously within a social circular economy creates significant multiplier effects. The long-term financial security for community food projects also allows them to plan and develop with clarity.

Of particular value, however, is that the project actively involves the local community both as investors and volunteers. It draws them in. This not only engenders local commitment but is a powerful means of educating the local community, in social, environmental, zero carbon and health issues – as well as alternative economic models – through positive participation.

The project is completely replicable anywhere in the world where there are basic skills in installing solar panels. And the cross-subsidising circular economy can work for a range of other community projects, not just for food.

Conclusion

The innovation of 'thinking outside of the box' in the development of local community sustainable systems and partnerships offers much potential to create something new that is larger than its components. As well as tackling the stated objectives of individual organisations in the partnership, new collective goals are achieved in introducing more people with similar values to each other, and enhancing community cohesion.

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[1]A Feed-in Tariff is a global term that describes incentivising guaranteed producer prices for renewable energy production. The title of this project is a playful adaptation of the term to describe a tariff on community energy to support community food projects.