

Green Growth West Impact Fund

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Investment Priorities

The MCA is proposing a £100m, Regional Net Zero Impact Fund to invest in tackling Regional Net Zero priorities by:

Providing asset-focused finance for regional infrastructure projects, including those led by public bodies, established Small and Medium Enterprises (SMEs) and communities.

Scaling up the regional supply chain to meet its Net Zero infrastructure needs, including growth finance for established SMEs and social enterprises.

Accelerating energy efficiency by investing in the take up of low carbon heat and energy networks by Asset owners including public bodies, communities, and charitable land and property owners.

WEST | MAYORAL
OF ENGLAND | COMBINED
AUTHORITY



Investment Strategy

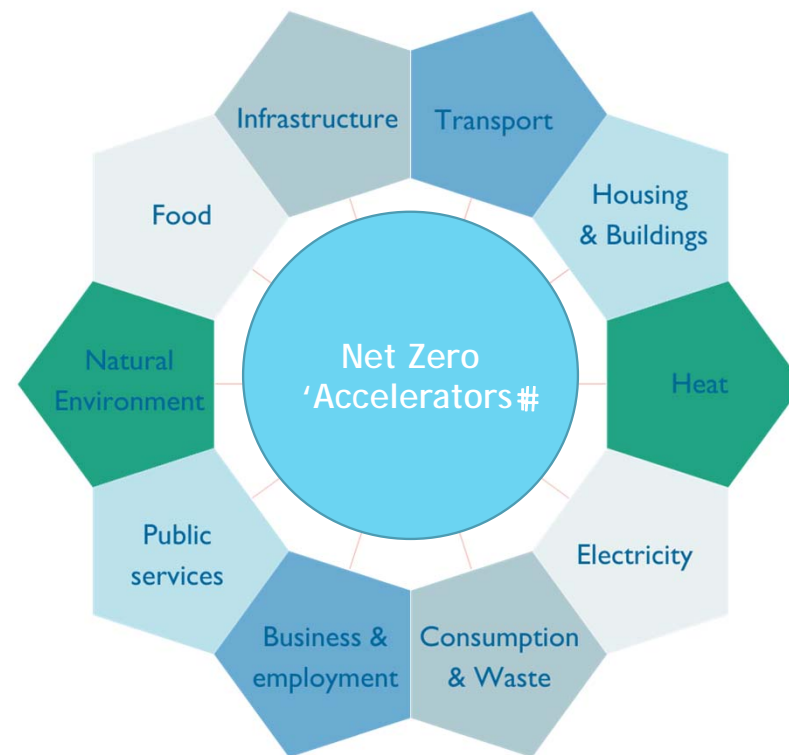
focus on energy-related, Supplier SMEs and Infrastructure Projects

Combined Authority – generate up to 10x more impact than by investing or granting money solo, by:

- **Attracting up to £90m public-private match** that would otherwise go elsewhere, while helping shape its KPIs.
- **Targeting net zero investment needs**, where others leave a finance gap
- **Managing risk** in a regulated, local investment pool, returning capital value

Other benefits

- -Remove the friction of making case-by-case loans, releasing resource to focus on other priorities

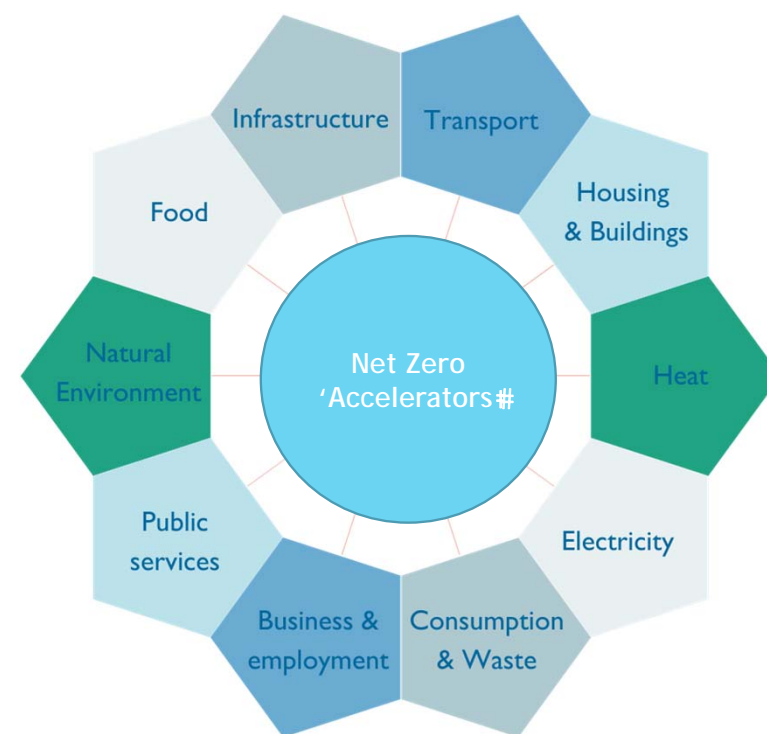


Leveraging additionality: The Fund can leverage matching private capital, adding up to £90m to the region.

Fund Outline

risk-adjusted, targeting real cashflows and growth opportunities

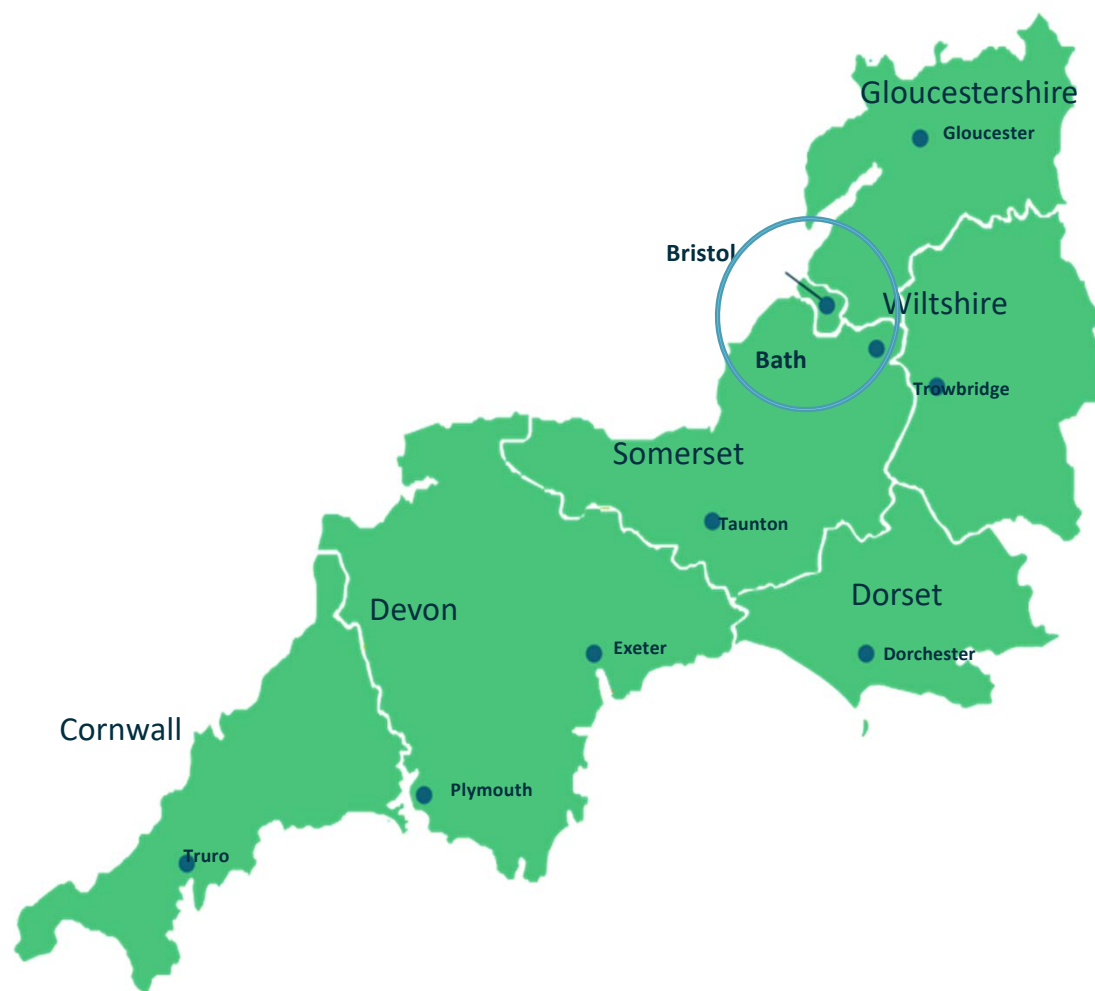
Target Capital Raise	£100m
Of which Combined Authority	£10m as Cornerstone Investor Grant provider to Investment Readiness Advisory Service
Uses of Finance	Growth Capital for SME's and Asset backed, place-based Projects with established revenues from Net Zero acceleration. Portfolio mix of 70% debt (minimum) and 30% equity (maximum)
Impact	Projects demonstrate routes to net zero, green jobs and skills and energy, waste and health impacts.
Structure	Limited Partnership - pooled investing with other LPs with agreed portfolio parameters (such as geography, sector)
Timing	Raise: During 2024. Deployment: From 2025 for 5 years (+ option to re-invest)
Term	12 years (+3, if agreed during term)
Returns	Risk adjusted, prioritising Core Plus and Value Add profiles, at estimated IRR 6-8% after fees
Management fees	Competitive % of funds committed, during the deployment period; falling thereafter. Incentives to achieve impact and financial KPIs.



Leveraging additionality: The Fund can leverage matching private capital, adding significant £m's to the region.

Impact Areas

Area	Investment Impact Areas
Bath and North-East Somerset	7
Bristol	7
North Somerset	6
South Gloucestershire	7
Other Locations in the Southwest	6
Total	33



Capital Summary: Net Zero Pipeline

Net Zero Sectoral focus

Four core areas for investment reveal a potential pipeline value per Sectoral Focus of (numbers rounded):

Building Retrofit	£40m
Renewable Energy	£20m
E-Mobility (Transport)	£20m
Natural Capital	£20m
Total	£100 million .

- The Fund will agree before First Close to a set of parameters that balance risk and return. This will be agreed in conjunction with all perspective LPs but with particular consideration to the wider Net Zero Policies being promoted by the Combined Authority and other regional stakeholders
- One parameter will be a cap on each sector as a percentage of the Fund's Assets Under Management ("AuM"). Based on our experience to date our expected portfolio splits by sector are shown above
- As the Fund will evolve over time (i.e. as certain sectors mature or policies change) there will be flexibility built into the Fund's sectoral focus to ensure the fund remains fit for purpose throughout its investment period

Key Output Metrics

GVA - based on Jobs Created	£58.8m
GVA - based on SME turnover growth	£60m
Jobs Created - direct, indirect & safeguarded	9,250
Jobs Created - Direct	1,945
CO2 Emissions Reduced	230k tCO ₂



Development - CONSULTEES



Fund Setup

Shaping the vehicle to accelerate



MCA investment capital £10m as repayable capital, Cornerstoning a raise of up to £100m



MCA as Granting body to Investment Readiness Advisory Service, Building the pipeline



Impacts KPIs shaped with the Combined Authority as change-maker from the outset



Timing x 2 OCT 24 - MAR 25 (Fund Launch)



MAR 25 - MAR 26 (Second Close)

Investment Priorities



Impact History

Fund	Date
London Energy Efficiency Fund (LEEF)	2014
Scottish Partnership for Regeneration in Urban Centres (SPRUCE) & City Funds BBRC	2015
Mayor of London's Energy Efficiency Fund (MEEF)	2018
The Green New Deal Fund (GNDF)	2023



**We are an award winning,
place-based, impact investment firm**

Jari Moate



Introducing BBRC



BBRC's mission is to use investment to improve the wellbeing of people, communities and the environment in the South West of England.

Since 2019, we have mobilised over £70m into impact in the region. We will grow this to £500m by 2030.

We are the region's original, place-based impact investment firm.

Established as a CIC in 2015, we have strong community roots, owned and backed by South West anchor institutions such as:

- Bristol, UWE and Bath Universities, Local Authorities, and Business and Investor networks.



The Approach - pioneers in Place Based Impact Investing

We invest in place-making businesses and asset-owners who create positive impact in our region. We deploy:

Purpose-driven capital: The right-shaped money to help growth-focused organisations increase their impact

Knowledge and experience: The right financial solution to maximise impact and returns

Local network: Regional connections and insight to source deals and ramp up impact investment opportunities

Systems approach: A bridge for Public and Private capital, creating a healthy, cyclical impact ecosystem for the Place.

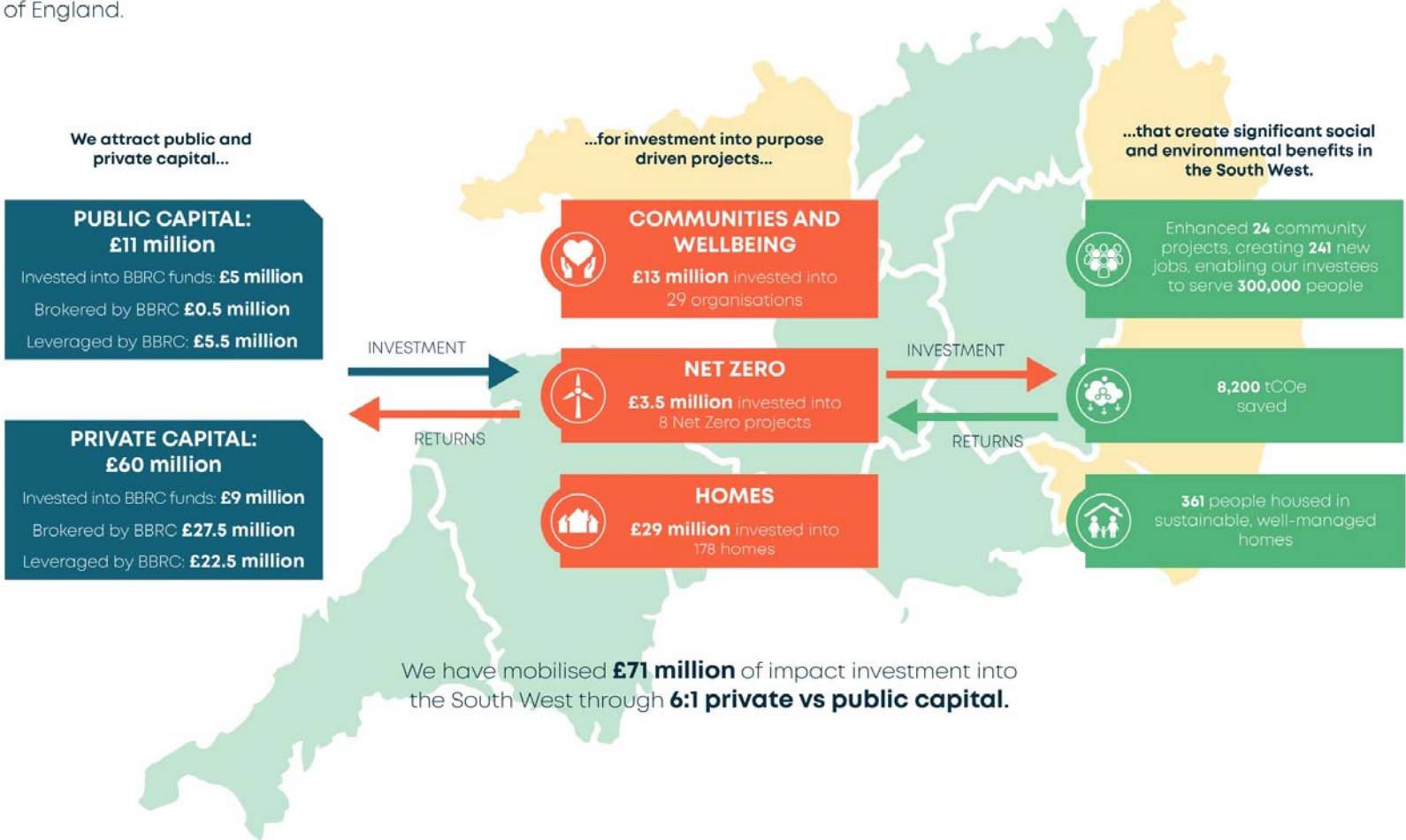
We advise, invest, create products and sit as GP partners.



Map: South West Region from **Bristol** reaching out to M5 **Gloucester** to **Plymouth** & M4 **Oxford** to **Swansea** nexus – plus **maritime and agriculture hubs**. Includes the West of England Combined Authority and the Western Gateway areas in the north and the SW Net Zero Hub and Heart of the South West Local Economic Partnership areas in the south.

The Impact - 2024 Impact Report - measurable and defensible

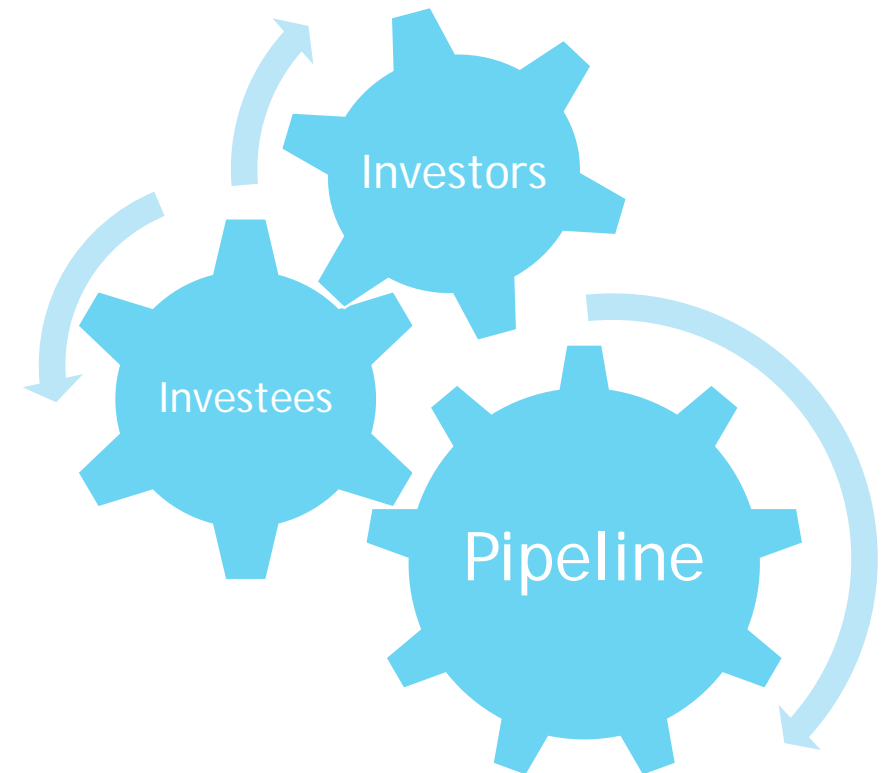
BBRC's mission is to improve the wellbeing of people, local communities, and the environment with a focus on the South West of England.



Investment Readiness Advisory Service

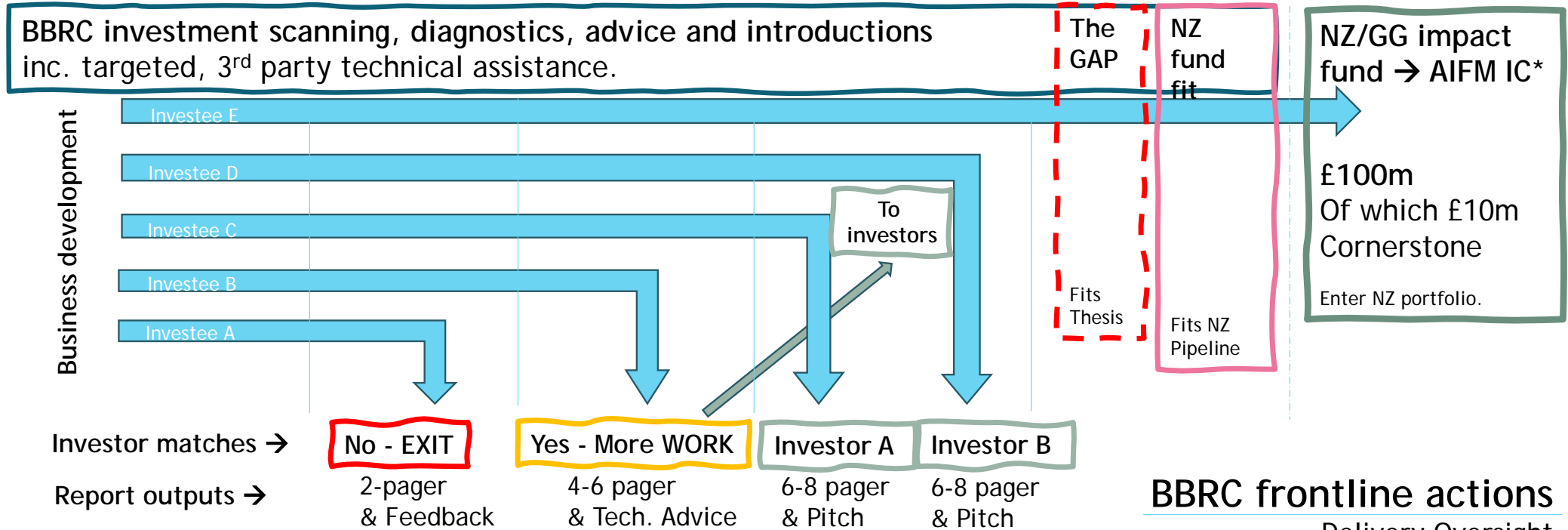
Context & Task

- The Mayoral Combined Authority have commissioned BBRC to provide a 2-year advisory service on its behalf
- BBRC Team scouts the Investor & Investee landscape
 - This comprises desktop and in-person research
 - **Ensuring Product ↔ Market Fit**
- Investees are filtered for quality. Those who would most benefit, are offered Investment Readiness Advice
 - This includes a Diagnostic Report, followed by in-person workshops calibrated against the likelihood of a successful investor match.
 - Diagnostic Reports will recommend actions for investees to carry out
 - 3rd party Technical Assistance is added in targeted cases
- Qualifying Investees are introduced to matching Investors - And once it is launched, to the regional Net Zero impact fund - BBRC will support clients in investor meetings if they wish.



Service launches publicly in November 2024.

IRAS - the Investees' Journey



General points

If there is No Match, this may be because the Proposition is a long way from being investible. It may also be because it falls into the Finance Gap - but may then fit the NZ impact fund.

Net Zero / Green Growth Investment Strategy

focus on energy-related, Supplier SMEs and Infrastructure Projects

As an aide memoir, the proposed regional Net Zero / Green Growth impact fund is designed to invest in the following, which would constitute an investee being a Net Zero / Green Growth impact fund Fit under IRAS:

Fund size

An impact investment fund of target size £100m, aimed at impact-aligned investors onboarding as Limited Partners (LPs).

Target investees: Net Zero 'Accelerators'

SMEs and Asset-backed Projects who supply or build Net Zero solutions in the West and South West of England, tackling Net Zero priorities.

Investible SMEs and Asset-Backed Projects are those with:

- 3 years of trading or a deep track record in their leadership
- A proven technology that accelerates the route to Net Zero
- £1m of visible or current revenues, *and*
- £1m - £10m investment to grow their market in or beyond the region, and asset owners decarbonising within the region.



Contact us

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