

# Guide to community energy

Actions for Local Authorities and Community Energy Groups

June 2026

Midlands Net Zero Hub Community Energy Capacity Building Study



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## Executive summary

Community energy represents a practical opportunity for Local Authorities (LA) to combine climate action with local economic and community benefit. With clear leadership, actions and close collaboration with local Community Energy Groups (CEG), councils can deliver effective, high impact and strategically significant community energy initiatives.

In 2025, the Midlands Net Zero Hub commissioned a *Community Energy Capacity Building Study* across six selected Midlands local authority areas. This study was delivered by Energy Saving Trust in partnership with Marches Energy Advice and involved engaging stakeholders through a series of workshops in each local authority to develop bespoke community energy action plans. The study was designed to prepare councils and partners for anticipated growth in community energy activity associated with the Government's Local Power Plan and forthcoming GB Energy funding.

As part of the commission, this *Guide to Community Energy* describes specific actions LAs and local CEGs can take to address the key barriers to community energy as highlighted across the Midlands-based workshops. This guide aims to strengthen local capacity to support and accelerate community energy initiatives, highlighting training and skills development needs and identifying key success factors to delivering collaborative and impactful projects.



Top three Local Authority (LA) actions to support community energy initiatives:

- 1. Embed community energy in policy and strategy and set targets.**

This is the key enabling action that provides the clarity and mandate needed to pursue further actions to address community energy barriers. Embed community energy within Local Area Energy Planning (LAEP) and quantify targets set as Key Performance Indicators that are reviewed regularly.

- 2. Engage proactively and consistently with CEGs.**

Identifying CEGs and engaging early and proactively gives CEGs confidence that their initiatives are supported. This also establishes a foundational route to the support and opportunities LAs can offer such as application support, access to energy and development networks, renewable development options and funding support.

- 3. Adopt a strategic partnership approach via formal agreement or Memorandum of Understanding (MOU) to work with CEGs only for local renewable energy projects.**

This significant action (or similar) will unlock opportunities for CEGs and demonstrates an LAs long-term commitment to community energy. It also ensures priority is given to community-led energy projects that deliver social value.



Top three Community Energy Group (CEG) actions to develop community energy initiatives:

**1. Co-host and attend community energy workshops to develop a focused community-led vision with LAs.**

This is a necessary starting point which ensures community and collaboration are central to developing community energy initiatives. These workshops help to initiate a structured project approach which explores pre-feasibility early and sets expectations of how projects will evolve so that all parties are aligned to follow a clear and consistent vision.

**2. Engage early with planning processes and LA officers.**

This action will unlock barriers later in project development including wider engagement with key stakeholders, and minimise risks by meeting planning and development requirements. CEGs could request planning representation at planning permission or guidance meetings.

**3. Design projects that demonstrate financial and social value (local benefits, fuel poverty, community reinvestment).**

CEGs understand their community needs best and should clearly demonstrate that projects will achieve financial and social value in a prospectus based on the community energy vision. This will help ensure that important community objectives are met and give confidence to development partners and investors. This may include outsourcing to professionals to support legal & contract assistance, technical design and accountancy organisations elements for example.



## Community energy – the opportunity

[Community energy](#) allows people and communities to take locally-led, democratic control over their energy future by designing, developing and owning (or part-owning) local renewable and low carbon energy infrastructure. Projects involve a range of technologies including solar PV, wind, hydroelectricity, battery storage, renewable heat systems (such as heat pumps) and electric vehicle charging points, as well as energy management systems including storage.

Community energy groups (CEG) work alongside Local Authorities (LA), energy suppliers, network operators and private sector partners to deliver energy projects, but also provide wider environmental, economic or social benefits to the local community rather than profit.

For more information, please see Community Energy [State of the Sector](#).



Figure 1: Community Energy in the UK State of the Sector summary infographic ([Community Energy Wales, England and Scotland](#))

## Local Authority context

LAs have an important role to play in [community capacity building](#) and growth of the community energy sector by using their expertise, resources and influence to support CEGs deliver local energy assets. CEGs often face barriers in pre-feasibility stages of development including lack of confidence, support or agreement from local authorities. Without LA support, momentum behind community energy initiatives can fade and stall growth in the sector.

[Great British Energy's](#) (GBE) [Local Power Plan](#) specifically supports the rollout of local energy solutions by putting LAs and communities at the heart of restructuring the energy economy. Up to 8 GW of local and community energy projects are expected to be developed by 2030 across the UK and Northern Ireland, with [Scotland](#) and [Wales](#) having specific targets of 2 GW by 2030 and 1.5 GW by 2035 respectively.

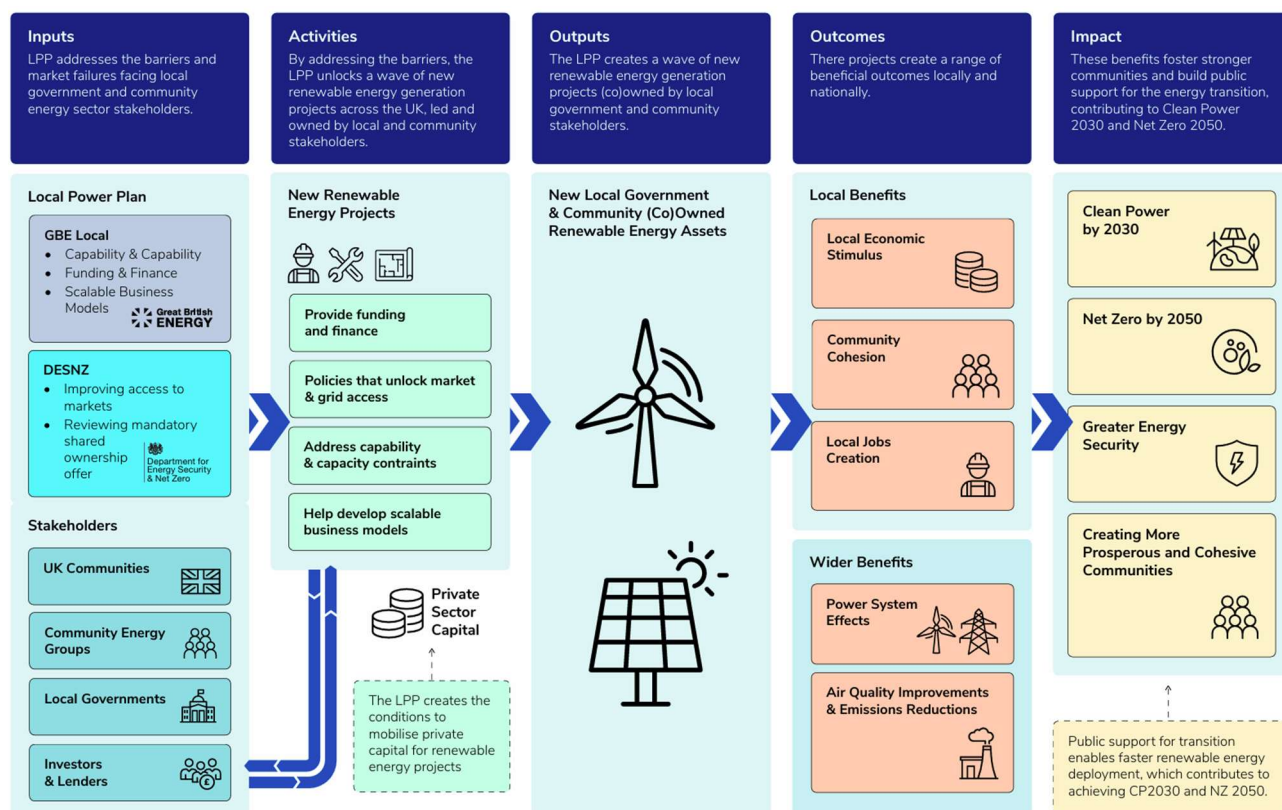
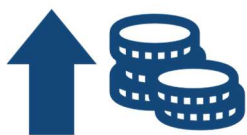


Figure 2: How the Local Power Plan delivers benefits for communities ([Local Power Plan](#))

Local and community power generation can contribute significantly to the prosperity of local places, driving down electricity bills, encouraging people to engage with the green economy, providing energy resilience, and promoting skilled jobs. While LA only contribute around 6% of the UK's greenhouse gas emissions, they have [influence of over 30% of emissions](#) and they can drive emission reductions in their areas.

## Benefits for Local Authorities

While playing a crucial supportive role in helping communities take control their energy future, there are also direct benefits for LAs themselves:



Engagement helps deliver core local authority priorities like local wealth building, creating skilled green jobs, improving public engagement in energy decisions and reducing fuel poverty.



Reduces local carbon emissions and fuel costs for public service operations and facilities with less reliance on council funds.

- Power Purchase Agreements (PPA) offer long-term price stability.
- Joint CEG and LA energy projects can take advantage of funding not otherwise available to LAs alone.



Communities feel empowered and supported to act independently working alongside local authorities with wider reach to communities with little previous council engagement.

## Approaches to community ownership of energy assets

Decentralised approaches to energy usually consist of [Community Energy and Local Energy initiatives](#):

- Community energy typically refers to grassroots energy initiatives driven by local citizens via CEGs seeking local ownership of assets to deliver shared benefits to their local communities.
- Local energy typically refers to initiatives delivered by the public sector, or through private – public partnerships.

This guide focuses on the actions LAs and CEGs can take to help to stimulate community energy specifically.

### Ownership models

GBE's [Local Power Plan](#) recommends LAs encourage developers to offer shared ownership and community funds as best practice.

Community energy projects can be locally-led and fully locally owned through the establishment of a CEG social enterprise which will own and operate (and possibly develop) the renewable energy project, often with an option for community members to buy shares in the project.

In addition to wholly community owned energy projects there is potential for shared ownership approaches.

Shared ownership models give CEGs the opportunity to invest in a usually large-scale energy project where the community's share is considered community owned. Shared ownership offers a relatively easy way for CEGs to own renewable energy projects without the responsibility of developing a project themselves. It also gives communities a greater say over large-scale developments by providing an opportunity to contribute to decision making.

Shared ownership can be:

- Split ownership where the community owns a physical portion of the project.
- Joint venture where the community group and developer are co-owners.
- Shared revenue where the CEG purchase a share of the project's future revenue.

## Selling community energy

Once installed, community energy developments can typically sell energy via one of five energy revenue models:

- A local off-taker such as to council or business buildings, typically on or neighbouring the development site.
- Long-term Power Purchase Agreement (PPA) to a specific end-user or energy supplier.
  - A Power Purchase Agreement (PPA) is a long-term contract where generated electricity is sold to a buyer at an agreed price, securing a stable income.
- Local energy supply model to local houses or businesses or off-takers via a licensed energy supplier or exemption.
- Private wire directly to a consumer not connected to the licensed network.
- Peer-to-peer energy trading as part of a local energy system keeps energy locally while balancing the system and reducing costs for local users and generators.

See Appendix C for details of PPA templates available from Net Zero Hub.

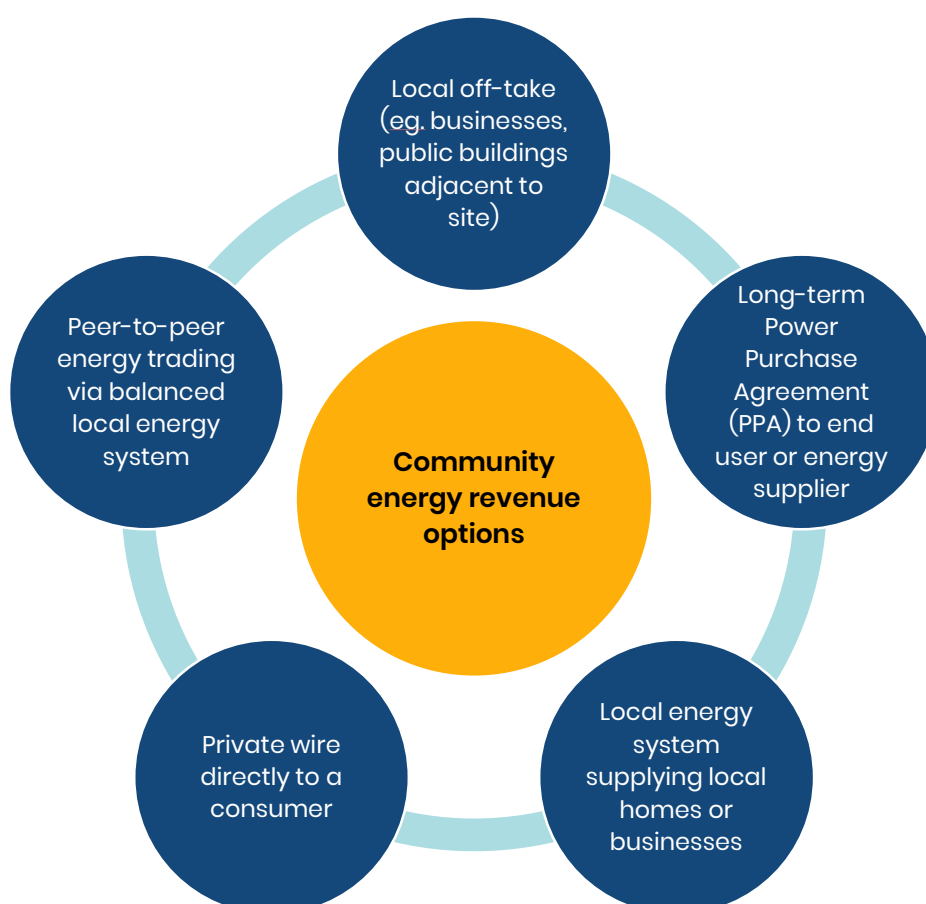


Figure 3: Five typical community energy revenue options available to community energy projects

## Community energy or self-installation – options for Local Authorities

There are advantages to council's taking a community energy approach to renewable installation to supply their own assets, as opposed to investing in and installing renewables themselves. These include:

- Fuel savings as a result of a direct renewable energy supply without the full upfront costs.
- Any excess power can be stored in battery storage for use later, or exported to generate surplus revenue for the CEG. This revenue will be used for social value projects, building capacity and community funds, or reinvestment into more renewable projects including on additional council assets.
- Social value projects can deliver benefits against council priorities such as addressing fuel poverty, improving skills and employability or improving local economic growth. By allowing access to assets or part-funding renewable projects, councils can have a say in what surplus revenue is invested in as long as it aligns with the goals of the CEG.
- Surplus revenue can provide consistent and sustainable funding for social value projects that may have received inconsistent funding historically.
- The council has the option to charge a rental fee to the CEG for use of their buildings or land. However, this cost should still allow for the community to generate returns on any surplus energy.

LA's should consider that surplus revenue may take time to establish which is why consistent support to CEGs to scale their activities is important.



## Supporting community energy initiatives

LAs are well placed to offer significant support to community energy initiatives. By committing to the actions in this guide, LAs can lead by example in the promotion and implementation of community energy. This guide also provides CEGs with actions they can take to effectively progress local energy initiatives and make the most of LA support. Depending on their local priorities, constraints and available resource, both parties have clear opportunities to act collaboratively to co-develop successful community energy initiatives.

The recommended actions specifically address key barriers to community energy identified as part of the Midlands Net Zero Hub Community Energy Capacity Building Study. The findings from workshops, a regional survey and bespoke action plans for each LA involved in the Study, have been used to inform this guide.

This guide specifically addresses the following barrier groups:

- Policy and strategy
- Vision and co-ordination
- CEG governance
- Planning process
- LA procurement
- Financing
- Grid and energy infrastructure

Barriers to community energy exist throughout a CEGs project development process. Community Energy London provide guidance as to a [typical process for developing a community energy project](#), and Regen and Local Energy Scotland's guide provides a [structured and detailed approach to rooftop solar PV community energy project development](#) with specific actions for local authorities and community energy groups. In addition, [UKRI and Carbon Trust](#) have produced an information pack and detailed process guidance on how LAs can support community energy in local areas. They suggest a useful approach to developing a dedicated community energy support programme which reflects several actions proposed in this guide.

The actions listed in this guide are not exhaustive, nor should a LA or CEG expect to be able to fully deliver every action. It is recommended that this guide is reviewed in full, then decisions made at a strategic level about which and to what extent a LA can deliver these actions considering the relevant constraints and current demand for community energy support.

## Policy and strategy barriers and actions

Community energy should be embedded into relevant council policies and strategies such as Climate Action Plans, Local Plans and Local Area Energy Plans (LAEP). When embedded, planning becomes an enabler setting out how community energy can be delivered collaboratively to support decarbonisation and deliver social value, raise awareness, strengthen funding cases, and help ensure long-term support will be available.

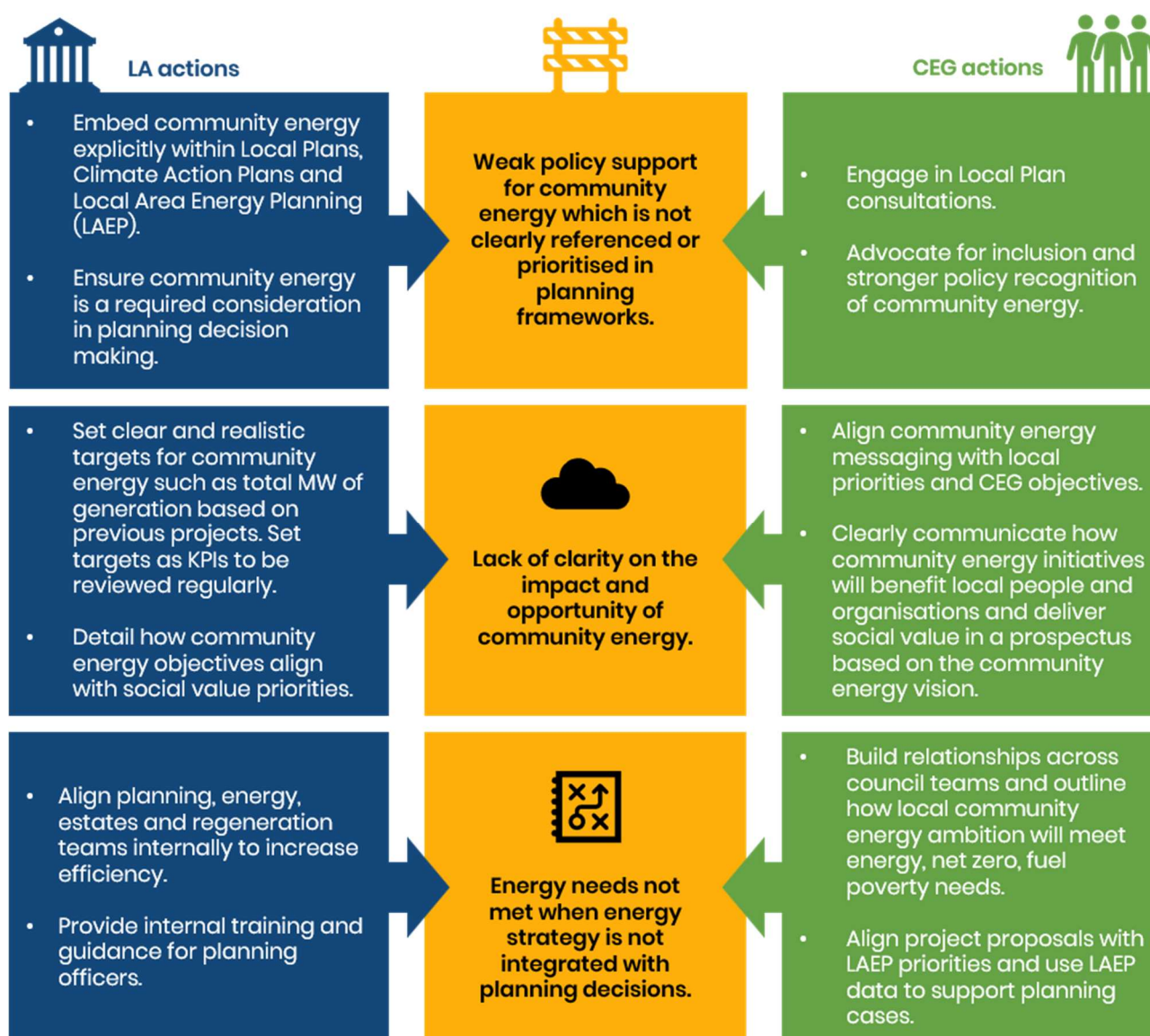


Figure 4: Policy and strategy barriers and actions.

[Local Net Zero Hubs](#) can support with planning and policy advice.

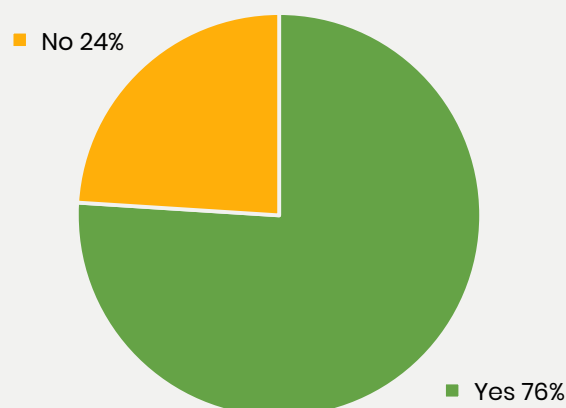


Figure 5: Proportion of Midlands community energy projects that directly target vulnerable, marginalised or disadvantaged groups as part of delivering social value.

#### Case study: Herefordshire policy and strategy

Herefordshire's strategic documents provide a clear mandate for community-based and partnership-led approaches to energy system change. The emphasis on collaboration, local engagement and integrated delivery creates a strong enabling environment for community energy activity, notably local renewable generation, retrofit support and behaviour change.

There is a strong emphasis on collaboration across sectors and communities when addressing energy and decarbonisation, rather than delivery by the local authority alone. The Herefordshire Council Plan 2024–2029 positions decarbonisation as a core priority and their Climate and Nature Partnership Board has identified priority actions across energy, housing and buildings, transport, food, waste, and land use.

In energy, priorities focus on strengthening the electricity network, increasing local renewable generation, and building public support for the transition. This includes ambitions to significantly expand locally generated renewable energy and to develop clear, long-term pathways for energy system change. Housing and building activities focus on retrofit, skills development and public engagement, and underline the importance of improving energy efficiency to reduce carbon and address fuel poverty.

Herefordshire has developed a strong focus on tackling fuel poverty and supporting vulnerable residents, recognising the close links between energy, health and wellbeing. Programmes such as affordable warmth initiatives bring together partners to deliver advice, access to grants, and practical support for households, whilst embedding decarbonisation within wider social outcomes. This reinforces a broader strategic narrative in which the transition to net zero is also a means of improving quality of life and reducing inequality.

## Vision and co-ordination barriers and actions

Across all workshops, it was noted that there is no clear, shared vision for the role of community energy within local energy systems or planning frameworks. There is a desire for clarity about the role of community energy in delivering net zero, social value and energy strategies and for it to be joined-up and contextualised within wider strategic planning.

A shared local community energy vision defines clear roles and activities for LAs, CEGs and other partners and aids project and initiative decision making.

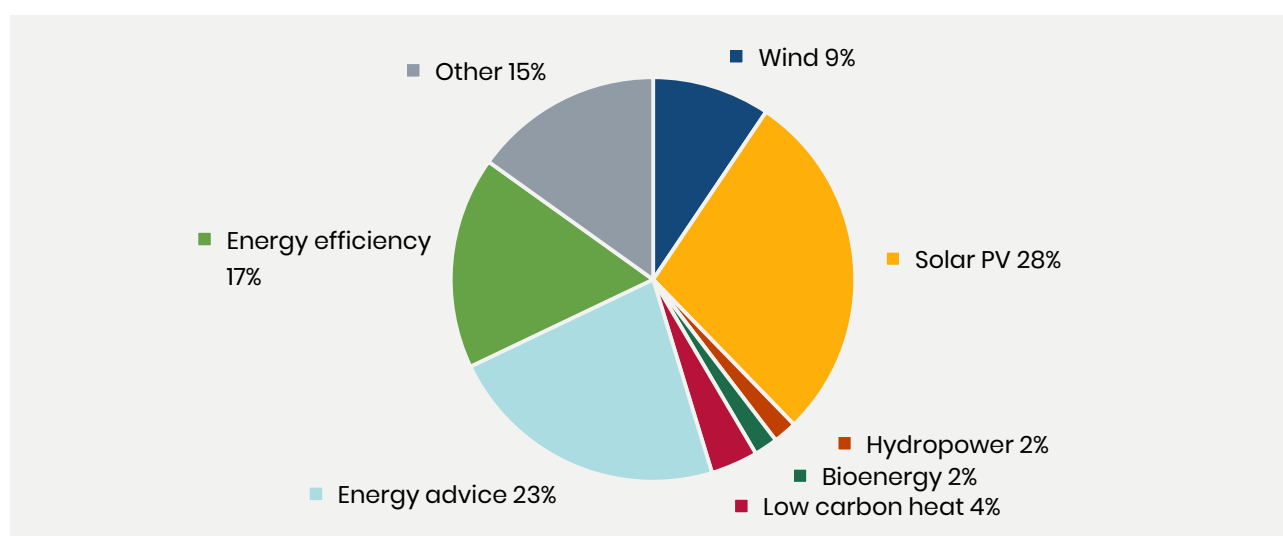


Figure 6: Midlands CEG project and activity types.



### Case study: Bath & West Community Energy Fund

Bath & West Community Energy (BWCE) established the [BWCE Fund](#) in 2014 as an independent grant programme, financed through surplus income from its community-owned renewable energy developments. As a Community Benefit Society, BWCE reinvests profits from electricity generation for local benefit. Close partnership with Bath & North East Somerset Council has been key to success through their cooperation agreement enabling direct access to council sites, knowledge sharing, and capital funding.

Since 2014, BWCE has developed over [14 MW of renewable capacity](#) across 38 projects capable of powering 5,000 homes. This portfolio has generated significant surplus revenues for the BWCE Fund which has distributed 111 grants worth over £350,000 locally since 2015. Many of these grant [funded projects directly address fuel poverty](#), which include home energy audits, insulation upgrades, community meals and provision of energy-saving equipment to low-income households.

(Left, [rooftop solar PV installation at Lewis House council offices, Bath.](#))

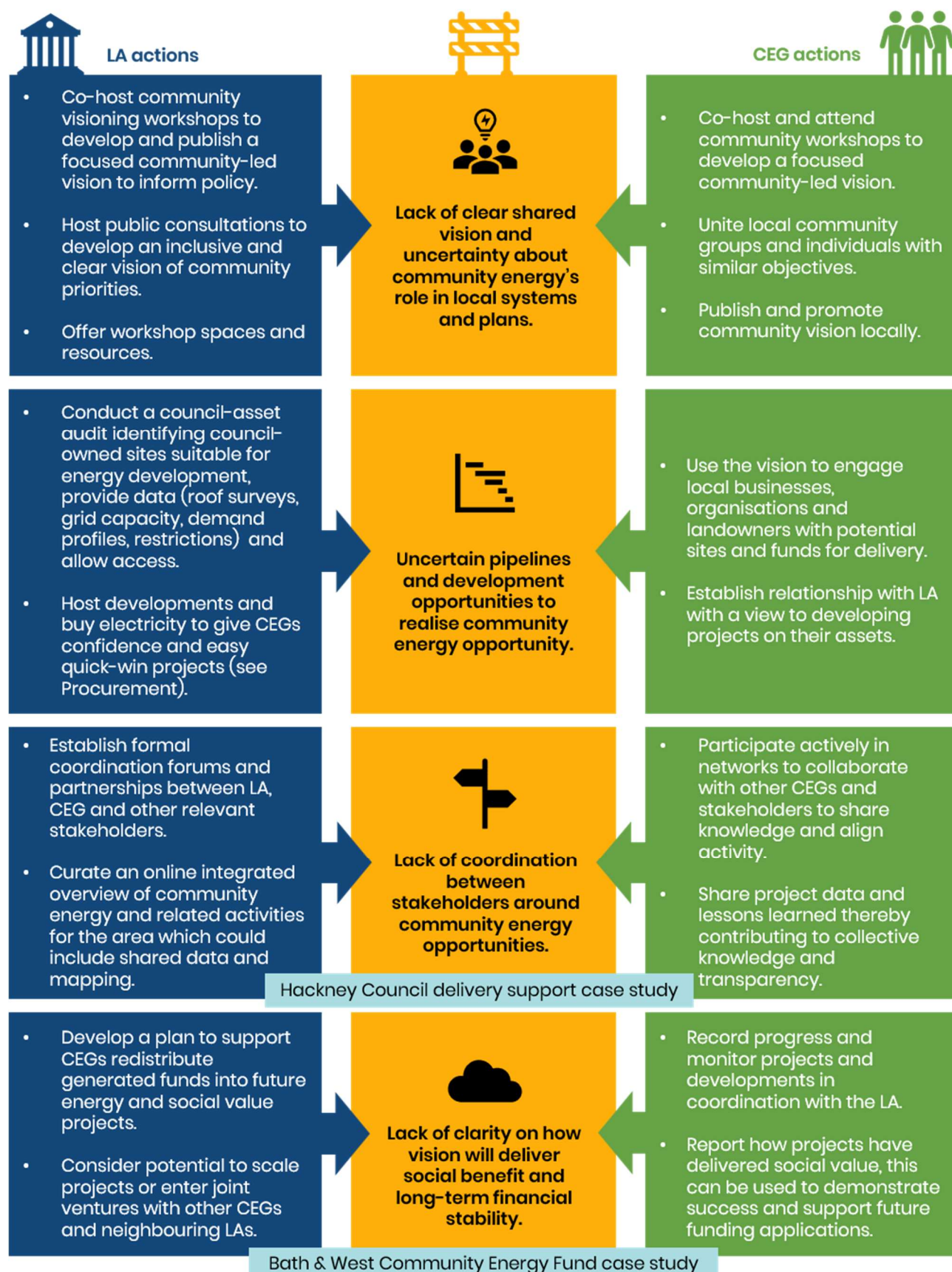


Figure 7: Vision and co-ordination barriers and actions.

## CEG governance barriers and actions

LA support and guidance will be welcome at every stage of a community energy process. However, demonstrating support early including when the CEG forms or registers as a legal entity will demonstrate commitment and establish trust with CEGs.

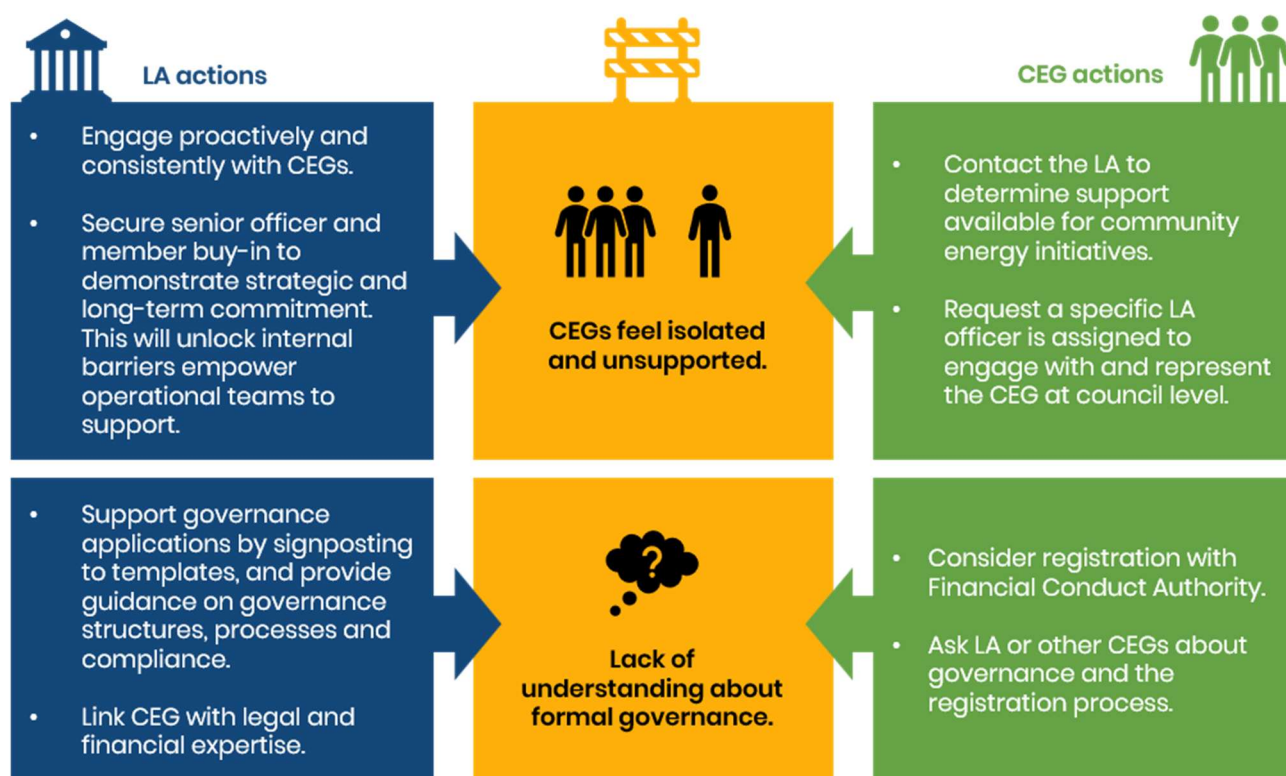


Figure 8: CEG governance barriers and actions.

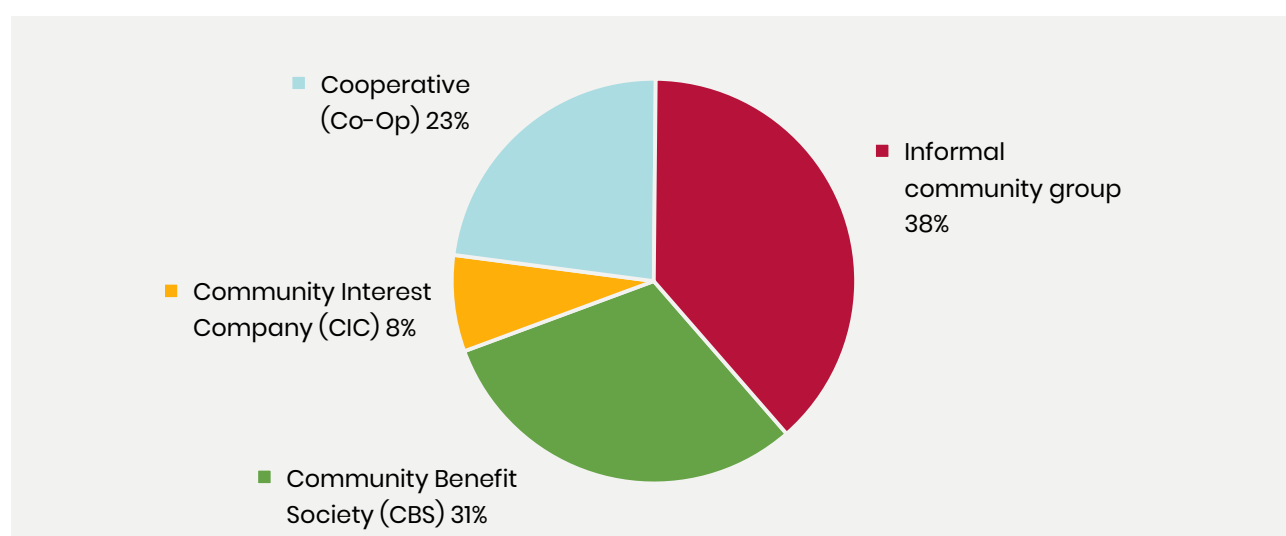


Figure 9: Midlands-based community group survey respondents by governance type.

If a CEG or community group in the local area doesn't yet exist, LAs can look to establish their own social enterprise.

More detail on governance, formation and structures can be found in [Community Energy Group governance, formation and structures](#).

### **Case study: Establishing a Local Community Energy Social Enterprise in North Lincolnshire**

North Lincolnshire Council was looking for ways to reduce the carbon footprint of schools and community buildings in Scunthorpe. In the absence of suitable local CEG, the council established [North Lincolnshire Community Energy \(NLCE\)](#) through the support of a £1.4 million Towns Fund grant. NLCE has formed part of the council's 'Green Future' Climate Action Plan, helping to achieve Net Zero by 2030.

As a result, North Lincolnshire Council has a strong and trusted delivery partnership with North Lincolnshire Community Energy (NLCE) which has enabled practical progress on rooftop solar schemes for schools and community buildings, resulting in:

- reductions in electricity bills for schools
- delivery of social value with greater retention of teaching and support staff
- energy education and engagement for students
- local membership growth for the NLCE.

[Success factors](#) of this partnership include the following specific Council actions:

- Supportive Green Future strategy and Climate Action Plan policies that embed community energy.
- Facilitating incorporation of NLCE as a community benefit society.
- Dedicated officer support for community energy (Energy Sustainability Manager, Investment & Delivery)
- Full project development support including planning, surveys, lease and maintenance agreements, legal assistance and marketing.
- Educational workshops and webinars for students, teachers and the public to increase knowledge of the sector, including career opportunities.
- Influence through land and property ownership helping to source sites.
- Long-term commitment with a third round of share offers in 2025.

(Below, [rooftop solar PV installation at St Bernadette's Primary Academy](#), Scunthorpe.)



## Planning process barriers and actions

Planning processes can be difficult for CEGs to navigate, particularly if the group does not have planning or project delivery experience. With clear policy and strategy behind them, LAs can support CEGs with pre-application advice and planning requirements.

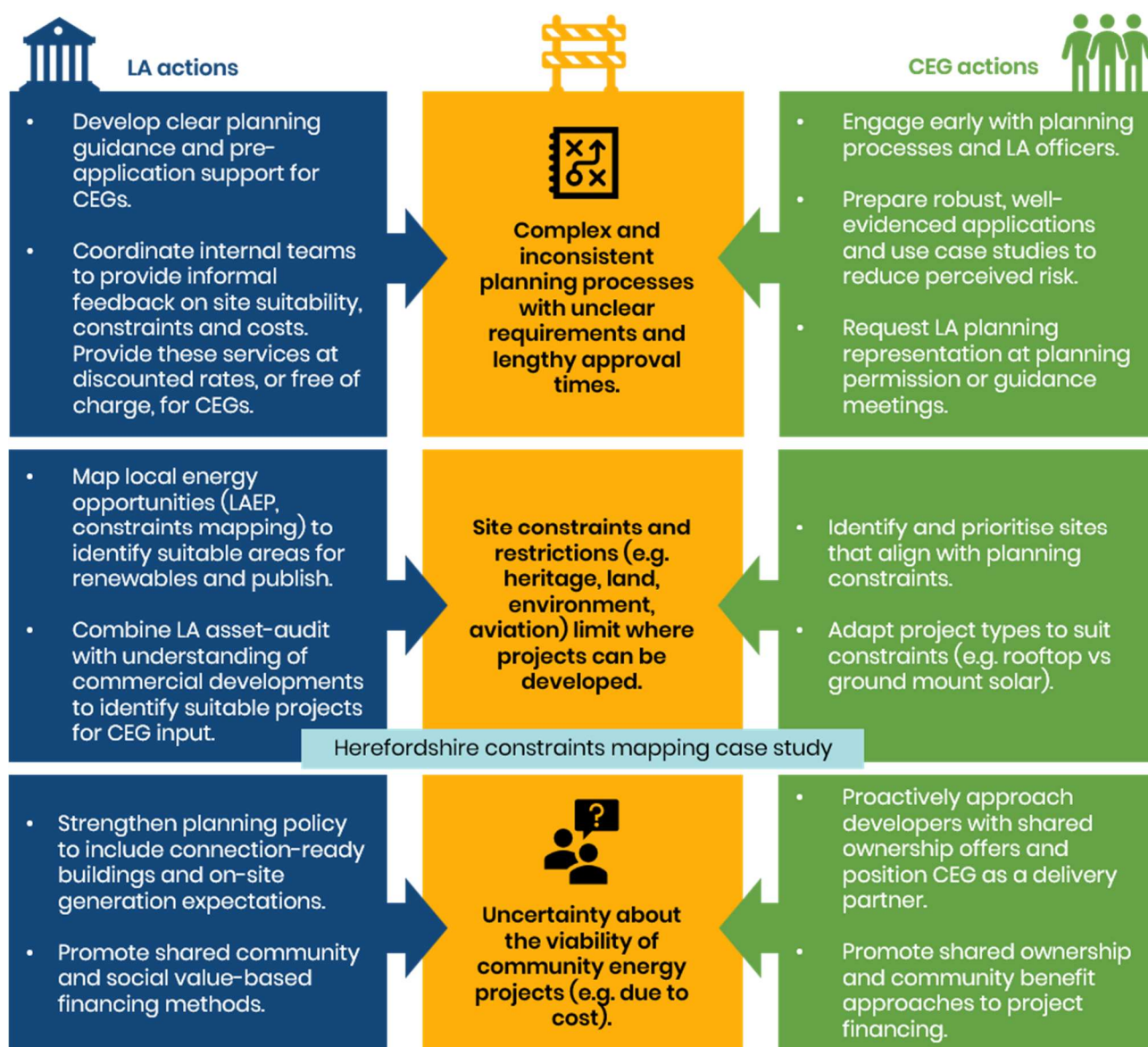


Figure 10: Planning process barriers and actions.

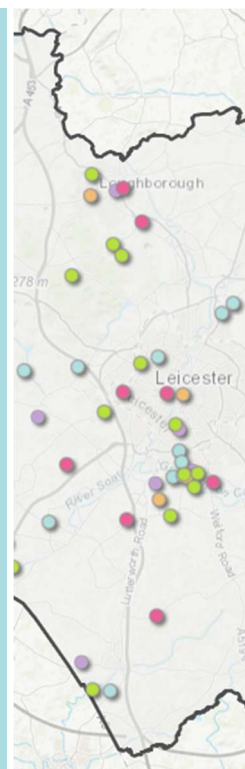
### Case study: Leicestershire County Council LAEP mapping

Leicestershire County Council has embedded community energy into planning policy, including the county's Net Zero Strategy. Through the [Leicestershire Collaborate to Accelerate Net Zero \(LCAN\)](#) demonstrator, the council has focused on forming new community energy groups, a community energy network and the Leicestershire Community Energy Forum.

To further support community energy groups, the council led the development of [LAEP Lens, a digital Local Area Energy Plan \(LAEP\) tool](#). LAEP Lens is freely available and maps cost-effective and low-risk opportunities in Leicester and Leicestershire such as retrofitting homes with modern heating systems, improving insulation, expanding access to electric vehicle charging and advising on the suitability of solar and other renewable projects. The map uses data such as energy demand, EPC ratings, building/structural suitability and potential for solar panels.

LAEP Lens has benefitted community energy groups by helping them to deliver local energy advice to residents and explore options for the delivery of rooftop solar projects on schools, redevelopment sites, and places of worship. As a result, potential for 12MW of solar on schools has been identified.

(Right, [LAEP Lens, a digital Local Area Energy Plan \(LAEP\) tool](#).)



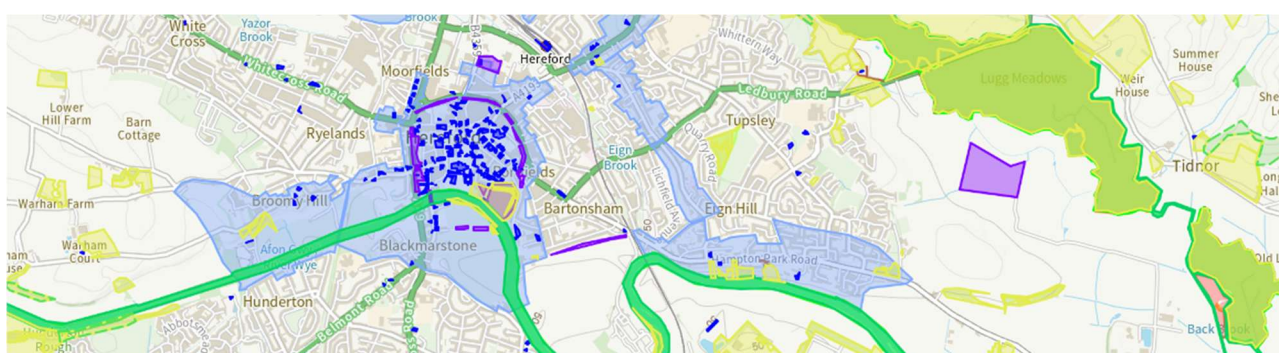
### Case study: Herefordshire constraints mapping

Herefordshire Council host freely available solar and wind [renewable energy constraints maps](#) on their website. These maps help community energy groups and others in the early stages of development understand where there may be constraints on development before proceeding to obtain pre-application advice.

Technical and secondary constraints provided and likely to have an impact on the potential for renewable development include:

- Protected sites due to their environmental and heritage value, including Sites of Special Scientific Interest and Scheduled Monuments.
- Buffer zones around protected sites.
- Ground conditions that are generally unsuitable for ground mounted solar systems including steep slopes and north facing slopes.
- Buffer zones where wind turbines may be unsuitable due to noise and landscape impacts.
- Factors such as agricultural grade of the land, flood zones and registered common land.

(Below, [Herefordshire wind renewable technical constraints map](#).)



## LA procurement barriers and actions

Procurement processes are perceived as a significant barrier to the delivery of community energy projects. LA procurement processes can be complex, inconsistent and evaluation criteria often favour well-resourced commercial organisations over community energy groups.

All six workshop groups identified procurement as a barrier to community energy projects, with four considering it a major barrier.



Figure 11: LA procurement barriers and actions.

The [Public Services \(Social Value\) Act 2012](#) requires local authorities to consider how procurement decisions can deliver local economic, social, and environmental benefits. As such, councils have the authority to embed relevant local social value criteria in tenders that CEGs, by nature, will be able to demonstrate. [Local Net Zero Hubs](#) can support with social value and procurement advice.

#### **Case study: Bath & West Community Energy "Cooperation Agreement"**

Bath and North East Somerset Council has worked closely with Bath and West Community Energy (BWCE) since 2011 through a community energy-specific Cooperation Agreement.

This high-level strategic partnership agreement places working with BWCE specifically on community energy projects above procurement requirements. [Community Energy England](#) recognised the model as one that demonstrates long-term commitment to a supportive community energy environment.

This partnership has enabled school rooftop solar projects, community hydroelectricity, home energy efficiency schemes, retrofit advice for listed buildings, and strong community engagement through volunteer Energy Champions. The council has also provided practical support, funding, and policy backing, making it easier for BWCE and other community groups to deliver projects.

#### **Case study: Egni co-op education programme**

[Egni co-operative has won contracts from Pembrokeshire County Council](#) to deliver 20 rooftop solar projects on schools and leisure centres by offering a linked educational programme, "We are Energy Warriors" alongside Sustainable Schools Pembrokeshire, to educate students on renewable energy and climate change. Egni believes this is one of the first examples of a council in Wales awarding a large contract to a social enterprise.

This is in part a result of a specific procurement model used by the council that requires energy projects in schools to be linked to educational support and social benefit, something that community energy groups are uniquely positioned to offer.

Pembrokeshire Country Council also promote local energy co-operatives that reinvest their profits into other community energy initiatives on their [website](#), with links to each co-operative's own webpage.

(Below, [rooftop solar PV installation Golden Grove Primary, Pembrokeshire](#).)



## Financing barriers and actions

The workshops highlighted that the core financing issue is not a lack of funding but a lack of financially viable projects. A pipeline of investable community energy projects needs to be built by providing structured support and funding to the project development process to de-risk the early stages and enable viable business models to be established.

Viable projects need good design, strong revenue models, controlled risks and credible delivery plans. By starting small and demonstrating successful delivery, CEGs can build credibility and improve their prospects of securing further investment for larger projects.

CEGs would [benefit from staged, multi-year funding opportunities](#), particularly for capacity building, pre-feasibility and later development stages.

### Case study: Essex County Council

Essex County Council (ECC) is committed to supporting and progressing community energy in their local area through partnerships, policy advocacy, financial support and practical assistance. For example, ECC has:

- Developed templates and guidance on forming community benefit societies so that community groups can unlock more funding opportunities.
- Developed and led a collaborative 'community of practice' network which enables community groups and organisations to exchange knowledge, resources and best practice and empowers them to grow and deliver projects.
- Collaborated with district councils to establish district-wide community energy initiatives.
- Provided financial backing to several projects.
- Raised awareness of grants, funding, and financing options through their social media and communications.

ECC has directly supported over 25 community energy groups. This has included facilitating Harlow Community Energy Project's incorporation as a community benefit society and connecting the group with key stakeholders and funding opportunities. ECC also provided the necessary resources for Jaywick Community Energy Group to establish the Jaywick and District Energy Hub, a community resource offering guidance on energy efficiency, fundings and retrofit grants for homes. ECC won Community Energy England's [Most Supportive Local Authority 2023](#).

(Below, [Jaywick and District Energy Hub winter energy advice flyer extract](#).)

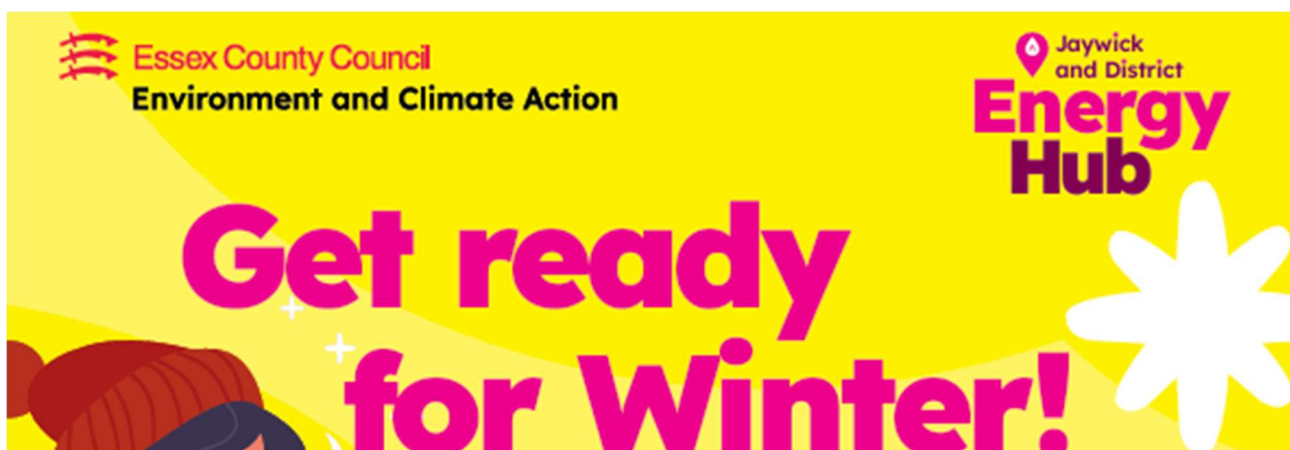




Figure 12: Financing barriers and actions.

## Grid and energy infrastructure barriers and actions

Barriers to grid connectivity will vary by context and location and the solution isn't always to increase capacity. Projects need to be designed to successfully integrate with the grid in cost-effective ways. LAs will have experience of local grid constraints and engagement with Distribution Network Operators (DNO) and Independent Distribution Network Operators (IDNO).

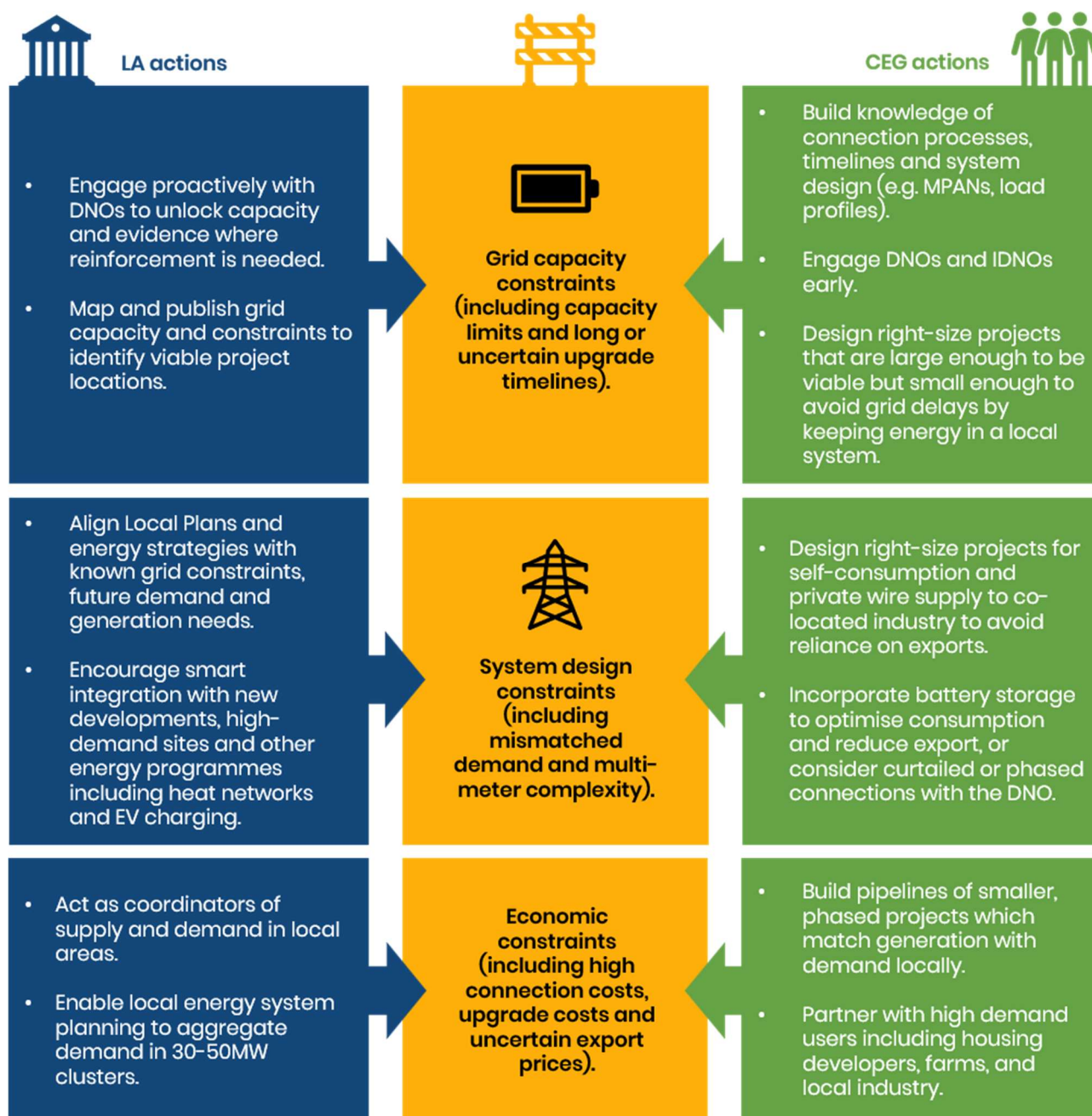


Figure 13: Grid and energy infrastructure barriers and actions

Infrastructure and grid challenges were present across the LA areas involved in the study but half cited grid constraints (in terms of limited capacity and upgrade costs) as primary blockers to further development, particularly for rural LAs.

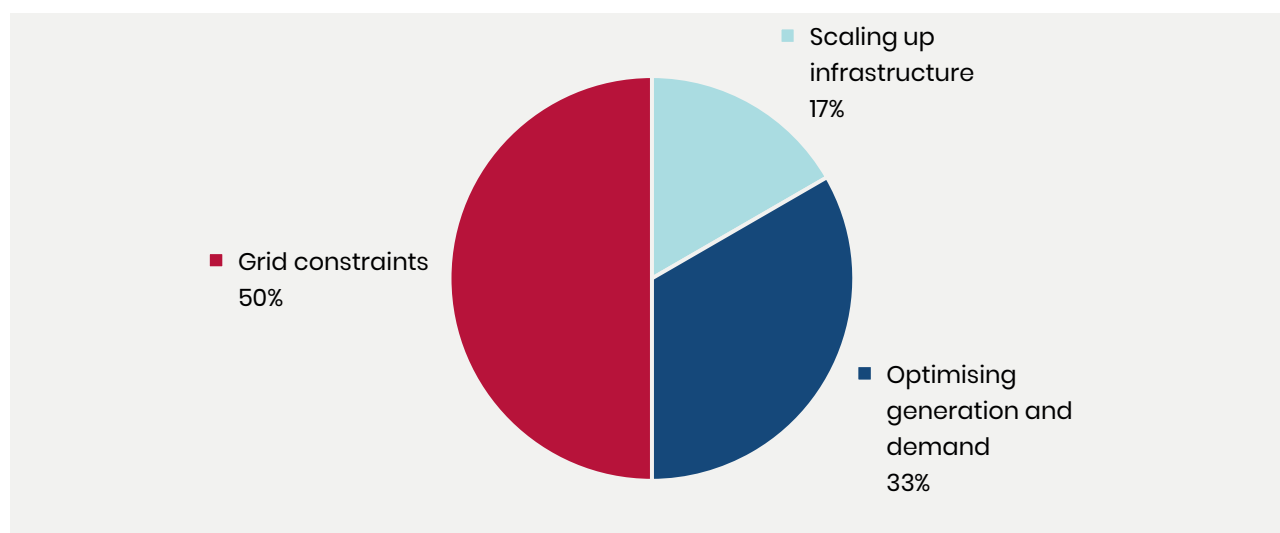


Figure 14: Main infrastructure challenges facing community energy developments in the Midlands.

Details of support and information available to CEGs is available from [National Grid](#) and [Northern Powergrid](#). [Local Net Zero Hubs](#) can also assist with early-stage connection discussions.

#### Case study: Nottingham Trent Basin, Project SCENE

Nottingham City Council, via its joint venture developer Blueprint, was involved from the earliest concept stage of the Trent Basin low-energy housing development. Partnering with the University of Nottingham, Blueprint helped shape the project vision and community energy model. This early engagement enabled long-term coordination across planning and delivery.

A collaboration between Blueprint, developers, [researchers](#), energy companies and the DNO, [Project SCENE](#) (Sustainable Community Energy Networks) helped establish integrated roof-mounted solar PV, Europe's largest community energy storage battery, local thermal energy production and a local Energy Service Company (ESCo) for the development. The ESCo is co-owned by residents and manages energy assets, supply to households and compliance.

A key focus of the project was engaging residents in energy ownership. Households could opt into the ESCo, [access data on their energy use](#), and participate in community activities and governance. An online platform and physical community hub for workshops helped residents understand and manage consumption, resulting in increased awareness and participation.

(Right, [Trent Basin housing development, Nottingham.](#))



## Appendix A Funding for Community Energy

| Fund name                                       | Description                                                                                                                                                                                                                                                                            |
|-------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <a href="#">Community Builders Fund</a>         | Loans between £100,000–£1.5m are available for asset development and growth, including scaling renewable or local energy projects. For UK charities and social enterprises based in England, Wales and Scotland.                                                                       |
| <a href="#">Community Shares Booster Fund</a>   | Development grants and matched equity investment (£10,000–£50,000) for community share offers. Open to co-operatives and community benefit societies raising finance for energy projects. England only.                                                                                |
| <a href="#">Energy Efficiency Sharematch</a>    | Match funding supporting community shares to pay for energy and carbon reduction measures. Available to co-operative societies, community benefit societies and charitable community benefit societies. England only.                                                                  |
| <a href="#">Energy Resilience Fund (ERF)</a>    | Grants and loans to support organisations to improve their energy resilience. Funds available between £25,000 and £250,000. For charities and social enterprises, including community energy organisations. England only.                                                              |
| <a href="#">GBE Community Energy Fund (CEF)</a> | Provides early-stage development support funding for community energy projects, up to £40,000 for feasibility and £100,000 for development. Delivered via Local Net Zero Hubs in funding rounds. Available to community organisations including CEGs, charities, and local councils.   |
| <a href="#">Voluntary Energy Redress Scheme</a> | Multiple streams offer funding for energy efficiency, advice and fuel poverty projects with grants from £20,000. Open to registered charities, community interest companies, co-operative societies and community benefit societies. For organisations in England, Scotland and Wales. |

Information correct at the time of publication.

For the latest funding information visit:

- [Midlands Net Zero Hub funding and finance page](#)
- [Community Energy England funding opportunities](#)

## Appendix B Community Energy Group governance, formation and structures

Community energy groups are typically formed by local people with clear social, environmental and energy objectives, such as reducing carbon emissions and tackling fuel poverty. These may be new community groups, or existing groups with interests in energy. Where possible, the group will look to [build a team with a mix of skills](#) including community engagement, finance and technical knowledge and begin engaging stakeholders, including with the local authority which may be able to support with skills and knowledge gaps.

A group may choose to [formally incorporate as a legal entity](#), typically a [community benefit society \(CBS\) or cooperative](#), with defined roles, decision-making processes and accountability structures. This improves the group's credibility enabling more effective progress with funders and landowners. Unincorporated or non-specialist community groups are likely to need increased support from their local council.

| Legal form                                        | What is its governing document called? | Can it issue shares? <sup>1</sup> |                  | Does it have to register with a regulatory body? | Is it suitable for charitable status? | Does it have an asset lock? <sup>2</sup> | Membership voting       |
|---------------------------------------------------|----------------------------------------|-----------------------------------|------------------|--------------------------------------------------|---------------------------------------|------------------------------------------|-------------------------|
|                                                   |                                        | Standard shares                   | Community shares |                                                  |                                       |                                          |                         |
| Company Limited by Guarantee                      | Articles                               | No                                | No               | Companies House                                  | Yes                                   | No (unless charity)                      | One member one vote     |
| Company Limited by Shares                         | Articles                               | Yes                               | No               | Companies House                                  | No                                    | No (unless charity)                      | One vote per share      |
| Community Interest Company (limited by guarantee) | Articles                               | No                                | No               | Companies House & CIC Regulator                  | No                                    | Yes                                      | One member one vote     |
| Community Interest Company (limited by shares)    | Articles                               | Yes                               | No               | Companies House & CIC Regulator                  | No                                    | Yes                                      | One vote per share      |
| Charitable Incorporated organisation              | Constitution                           | No                                | No               | Charity Commission                               | Yes                                   | Yes                                      | As per the constitution |
| Co-operative societies                            | Rules                                  | Yes                               | Yes              | Financial Conduct Authority                      | No                                    | No                                       | One member one vote     |
| Community Benefit Societies                       | Rules                                  | Yes                               | Yes              | Financial Conduct Authority                      | Yes                                   | Yes (optional)                           | One member one vote     |

<sup>1</sup> The difference between shares and community shares is that if issuing community shares you can raise share capital without having to fully comply with the Financial Services and Markets Act (2000) (FMSA). Community shares can only be issued by Co-operatives and Community Benefit Societies

<sup>2</sup> An asset lock stops your organisation's assets from being used for private gain.

Figure 15: Key characteristics of different legal forms that are most relevant to community energy (Greater South East Net Zero Hub [Community Energy Governance guide](#)).

## Appendix C Local Net Zero Hubs Template Agreements

The North East and Yorkshire Net Zero Hub have worked with partners to develop template documents for progressing a solar power purchase agreement (PPA) project on business rooftops.

They can be found at [netzerogo.org.uk/solar-ppa-projects-template-business-case-and-legal-documents](https://netzerogo.org.uk/solar-ppa-projects-template-business-case-and-legal-documents).

The Hub's documents include draft outline business case reports and calculations, plus template legal documents for the PPA and roof lease. These documents are designed to streamline the project development process for any local/combined authority or community energy group looking to set up such a project by providing the initial documentation that can be adapted for local use.

## Appendix D Useful links

| Subject                                                      | Organisation                        | Link                                                                                                                                                                                                                                                                   |
|--------------------------------------------------------------|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Community Asset Transfer guide                               | Local Government Association        | <a href="http://www2.local.gov.uk/publications/empowering-communities-and-making-most-local-assets-guide-officers">www2.local.gov.uk/publications/empowering-communities-and-making-most-local-assets-guide-officers</a>                                               |
| Local Authority Awards                                       | Community Energy England            | <a href="http://www.communityenergyengland.org/awards">www.communityenergyengland.org/awards</a>                                                                                                                                                                       |
| Community Energy State of the Sector                         | Community Energy England            | <a href="http://www.communityenergyengland.org/state-of-the-sector">www.communityenergyengland.org/state-of-the-sector</a>                                                                                                                                             |
| Community Engagement Toolkit                                 | Centre for Sustainable Energy (CSE) | <a href="http://www.cse.org.uk/resource/community-engagement-toolkit">www.cse.org.uk/resource/community-engagement-toolkit</a>                                                                                                                                         |
| How to support community energy in your local authority area | UKRI and Carbon Trust               | <a href="https://iuk-business-connect.org.uk/perspectives/how-to-support-community-energy-in-your-local-authority-area">https://iuk-business-connect.org.uk/perspectives/how-to-support-community-energy-in-your-local-authority-area</a>                              |
| Local Area Energy Plan (LAEP) guidance                       | Energy Systems Catapult             | <a href="http://www.es.catapult.org.uk/guide/guidance-on-creating-a-local-area-energy-plan">www.es.catapult.org.uk/guide/guidance-on-creating-a-local-area-energy-plan</a>                                                                                             |
| Local Area Energy Planning (LAEP)                            | Local Net Zero Hub                  | <a href="http://www.yourlocalnetzerohub.co.uk/learn/get-started/local-area-energy-planning-laep-basics">www.yourlocalnetzerohub.co.uk/learn/get-started/local-area-energy-planning-laep-basics</a>                                                                     |
| Local Power Plan                                             | Great British Energy                | <a href="http://www.gbe.gov.uk/local-power-plan">www.gbe.gov.uk/local-power-plan</a>                                                                                                                                                                                   |
| Midlands Net Zero Hub                                        | Midlands Net Zero Hub               | <a href="http://www.midlandsnetzerohub.co.uk">www.midlandsnetzerohub.co.uk</a>                                                                                                                                                                                         |
| Power Purchase Agreement (PPA)                               | Community Energy England            | <a href="http://www.communityenergyengland.org/news/people-powered-how-communities-can-fund-and-sell-their-own-power">www.communityenergyengland.org/news/people-powered-how-communities-can-fund-and-sell-their-own-power</a>                                         |
| Social Value Act information                                 | UK Government                       | <a href="http://www.gov.uk/government/publications/social-value-act-information-and-resources/social-value-act-information-and-resources">www.gov.uk/government/publications/social-value-act-information-and-resources/social-value-act-information-and-resources</a> |
| Social Value Toolkit                                         | Local Government Association        | <a href="http://www.local.gov.uk/our-support/procurement-hub/national-procurement-strategy/toolkit-social-value-achieving-community">www.local.gov.uk/our-support/procurement-hub/national-procurement-strategy/toolkit-social-value-achieving-community</a>           |