



Consultation on DESNZ Working Paper: Community Benefit and Shared Ownership

Our Response

Community Benefit

- Community benefit should be kept distinct from planning gain or planning mitigation requirements that are normally set by Local Authorities. This means that:
 - Community energy businesses (co-ops and community benefit societies) and charities, community energy groups, community land and development trusts and community food businesses should be the main leaders and consultees;
 - Community benefit funds should be administered either by existing relevant bodies listed above, or by a new corporate structure whose Board consists of leading community enterprises and organisations plus some Board members elected to the position;
 - The new body can leverage the community benefit funds by developing its own projects, investing in others or fund-raising for match funds;
 - The new body can work with the developer or subsequent operator to ensure that the new installation remains properly embedded in its local community, and is developed through its lifetime to yield the best financial and environmental returns over and above the social returns to be gained through the community benefit fund;
 - Fund administration costs should be no more than 10%. If there is an existing and mature community enterprise, it may be possible for the administration costs to be absorbed into its business model at little or no cost because it complements or matches community benefit activities already undertaken.
- The community to be consulted and benefited should be defined at the earliest opportunity and include:
 - All settlements and dwellings within a set [1km?] distance from the red line surrounding the site area;
 - A mapping of existing community energy, land and development trusts and community food businesses within, or operating within, the designated area;
 - A mapping of existing voluntary and constituted groups working on energy, nature and food within the designated area;
 - The developer should provide funds to support the consultation.
- Community benefit should apply to all the technologies listed and be based on a percentage of **income** as disclosed in annual audited accounts and agreed with the Community Benefit Board. We prefer to use income rather than revenues because revenues are what remains after operational expenditure and is more open to gaming.



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This approach is much more flexible than the £/MW approach because it:

- Aligns all parties behind a desire for the installation to do well;
- Maintains a strong relationship between the community and the installation over its full life;
- Deals simply with re-powering and other improvements that may happen over the life of the installation;
- Deals simply with co-located projects where revenue benefits may in some cases be split between, e.g. solar and batteries;
- Can have a floor amount agreed, as with land leases, to cover situations where unplanned outages or other unforeseen issues arise, and to deal with planned outages;
- The percentage of income for community benefit should be set higher for mature technologies such as solar and wind. We have found precedent suggesting 2% of income for these technologies would be fair. For less mature technologies, or those with more complex financial models, the percentage should be provisionally agreed at planning consent and reviewed on an open book basis at commissioning (COD).

Shared Ownership

- This is the main route to growth for community energy in Britain. If we are serious about the benefits of community energy, we need to be serious about shared ownership.
- It is also a proven way to maintain and improve support for the energy transition because the community has a direct and tangible stake in the future of the energy system. It unlocks increased benefits to accelerate the transition to a better engaged and fair zero-carbon energy society.
- The voluntary scheme has failed: no-one knows about it; there is no information as to how it should work; no-one in England is tasked to achieve any actual targets; where bodies exist and there is a voluntary scheme in Scotland and Wales, relatively little progress has been made.
- For mandated shared ownership to work, there must be infrastructure to support it so that certainty breeds confidence for developers, investors and communities:
 - A national platform showing what projects are coming through the system and what the offers from developers are on shared ownership;
 - Templates that clearly and simply describe to developers, investors and communities how shared ownership can work;
 - Clear targets set for shared ownership in England, Scotland and Wales based on the known pipeline of projects, and regularly updated by Government;



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- Regular meetings of developers, investors and communities with Government to check on progress, identify barriers for removal, and share success stories;
 - A national database of community benefit funds and the projects they have supported.
 - It is very important that community energy and its benefits grow right across Britain, so that areas unlikely to host large new infrastructure (urban and disadvantaged communities mainly) can benefit equally. A Community Energy Wealth Fund may be one way of tackling this problem. We would also advocate for the Local Power Plan to be designed to encourage Local Authorities and community energy enterprises to partner on new shared ownership schemes so that they can be 'twinned' with urban and disadvantaged communities that are not otherwise identified as being local to a large new piece of infrastructure.
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Case Studies

We have developed over 50 community energy installations in Oxfordshire since 2011, with more owned by communities in our network. We now have recent experience to share of community benefit and shared ownership in Oxfordshire in the following large-scale, developer-led projects:

- 12 Acre Farm at Eynsham, a 32MW solar groundmount
- Ray Valley Solar, a 19.2MW solar groundmount
- Botley West, an 840MW solar groundmount

Energy planning processes in Oxfordshire identify solar groundmount as a major opportunity with 138MW per year needing to be built between 2021 and 2050 (Pathways to a Zero Carbon Oxfordshire report). This represents a major opportunity for the growth of community energy but, so far, no shared ownership project has happened that we know of, neither is there any combined record of community benefit funds arising from those installed to date. It has been beyond our capacity to engage with the pipeline effectively to ensure consistent approaches to either community benefit or shared ownership. We are not aware that any of our Local Authorities has that information either.

12 Acre Farm, Eynsham

We were alerted to this 32MW project by our very active community shareholder group at Eynsham, GreenTEA. There was much opposition to the plans because of perceived impact on biodiversity, visual amenity and walking routes, and worries about lorry movements to build it. GreenTEA wanted to ensure that proper community benefit would arise from the project, if consented, and wanted to work with LCH on possible shared ownership.



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GreenTEA successfully led on the work to identify the people involved and lobby for a meeting; they invited LCH to attend the meeting. The meeting established that the developer understood and was very concerned by the local opposition and was willing to discuss ways of working together to benefit the developer by mitigating opposition and to benefit the community by negotiating a community benefit fund, and ideally also a shared ownership agreement.

The negotiation was successful, with a small community fund agreed along with a potential 25% ownership of the solar farm for LCH. Following this agreement and improvements to the design, the local energy community supported the proposal at the planning committee and it was passed.

[Ray Valley Solar, Arncott](#)

The 19.2MW solar farm at Arncott is wholly owned by LCH, as a swap for the 25% stake in the 12 Acre Farm project. The swap was advantageous for both sides: for LCH it was a bigger project than the 25% stake; for the developer, it removed complexity for its funders and PPA offtaker. Both projects were built under the same umbrella EPC with one further project.

Lessons learned from the combined case study:

- Community support is very important for planning committees considering new proposals and can support the Local Planning Authority in making a positive decision.
- The local community energy group was the reason it all happened:
 - they had the local knowledge of what planning applications were coming through;
 - they had been working with LCH for many years and so we could bring a joint focus and expertise to the discussions;
 - they had the local connections to find the key people and facilitate meetings; LCH had the technical and commercial track record to show that we could structure and fund a shared ownership model; we had a combined understanding of the community energy activities we wanted to support with the proceeds.
- Developers are willing to talk when there is a clear benefit to them and there are community enterprises and groups with a track record that they can work with.

Botley West

The 840MW transmission-connected proposal is a National Strategic Infrastructure Planning (NSIPs) project. It fell without warning on communities and local authorities alike in the Autumn of 2022. The lack of warning or preparation combined with its size and location meant that local opposition was quick to develop and very vocal. Local politicians then found it difficult to do other than oppose or remain neutral in the face of such loud opposition.



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Existing community energy groups were again the only local bodies prepared to examine the proposals for their potential impact on the energy transition and on existing energy projects in the areas. Sustainable Woodstock led the way with a truly inspirational meeting at their Parish Church in the Autumn of 2023. The church was packed, and the audience heard an expert panel discussing the pros and cons of solar groundmount at this scale. The impact of this was, and remains, immense – it is an event many still refer back to for the way in which it was impartially chaired by a local Minister, completely independent of the planning process, with an expert panel of the highest quality and, most of all, for the opportunity it gave attendees to ask many questions that were carefully and considerately answered.

LCH then worked with its Board, Sustainable Woodstock and Green TEA to develop our joint approach to the second consultation on the project which ran from December 2023 to February 2024. We decided:

- To remain neutral on whether the project should go ahead;
- To focus on helping people to understand the proposal, particularly the two key questions of ‘why here?’ and ‘why now?’;
- To attend all the consultation events with an independent desk where we could be on hand to listen and to provide answers where we could;
- To gather the questions people asked us and find independent answers to them from trusted sources. [We put these on the Low Carbon Hub website.](#)

This approach proved to be very successful in opening up a space for enquiry rather than polarisation.

Our experience of the community benefit negotiations has unfortunately not been so positive. We made a response to the second consultation on the project setting out proposals for both community benefit and shared ownership. We did not get a formal response to those.

We worked hard over the following 12 months to find out how the community benefit proposals would be developed and agreed, although with very little success. We were told on various occasions that it was the County Council leading, or the main affected District Council leading, or a group of the 15 affected Parish Councils leading: when approached, these bodies either denied that was the case or were unwilling to meet with us. We were, and remain, baffled by this given the track record we and our community shareholders have of very positive relationships and partnerships with our local authorities. Given that the only possible leading bodies were local authorities, we also find it hard to see how community benefit will ultimately be different from normal planning gain or impact mitigation agreements.

We finally decided that, to get our voices heard, we would need to take separate action. So we put out a [petition in April 2025](#) to the main landowner, Blenheim Estate, asking them to work with us to achieve a good community benefit outcome. This seemed to gain us some traction and momentum for our proposals: 2% of income and with an independent enterprise to administer and grow the funds. We managed to get a meeting with the group of Parish Councils and we worked well with the Blenheim Estate throughout.



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Then in June 2025 we heard that the County Council had agreed directly with the developer a community benefit fund of £525/MW installed. We still do not understand the locus of the County Council to take that role; what the consultation process actually was to arrive at that figure; or what the administrative arrangements or focus of those funds will actually be.

The result is that a community benefit fund has been agreed that ignores the views put forward by the relevant community organisations and has not consulted on the final figure, let alone what the money is to be spent on or how it is to be administered.

On shared ownership, we have put forward proposals and remain hopeful that they will be considered. A clear statement from DESNZ on its intentions as soon as possible would be helpful, even though any consent for this project would be too early for a mandated scheme.

Response to Consultation Questions

Community Benefit

Question 1: Do you agree with the principle that developers must provide community benefit funds?

Yes, we do.

We think it is important that communities benefit from projects that are local to them because it gives everyone a stake in the energy transition. This will maintain and increase support for the actions that need to be taken.

Since community benefit is not a material consideration in the planning process, it is important for there to be a separate process that requires developers to provide it.

Question 2: Considering the policy parameters for the scope proposed above, what types of low carbon energy infrastructure should be included within the scope of the policy? Please provide your reasoning?

We agree that all technologies should be covered by the policy but think that levels of community benefit applied should differ according to the TRL level of particular technologies, i.e. higher for proven, mature technologies like wind and solar but lower for others. We think this differentiation is more easily achieved if community benefit is a percentage of income based on a generic investable financial model for each technology. On this basis, some early-stage technologies may be excluded.

Question 3: What would be the impacts on specific low carbon infrastructure technologies of bringing them within the scope of this potential scheme?

We have nothing to add here.



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Question 4: Do you agree that there needs to be provision for amending the scope of the policy in future to ensure that it can be adapted to fit future technological changes, and remains in line with the criteria set out above? Please provide your reasoning.

Yes, as per our answer to question 2, we think account should be taken of the stage of maturity of each technology.

Question 5: Do you agree with the approach outlined for the provision of community benefits for co-located infrastructure? Please provide your reasoning.

We would expect each co-located technology to have its own financial model and corporate structure, and so a percentage of income from each technology would capture all the activity at a particular place.

Question 6: Do you agree with the proposed mandatory community benefits threshold of 5MW for power generation and storage assets? Please provide your reasoning.

Yes, because it is the threshold applied to Contracts for Difference.

Question 7: Should the threshold vary by technology in order to accommodate nascent technology (such as floating offshore wind)? Please provide your reasoning.

Yes, please see answer to questions 2 and 4 above.

Question 8: How should any shared ownership arrangements interact with any mandated community benefit fund contributions?

We would expect shared ownership arrangements to sit within social enterprise structures that require profit to be spent on the community (Community Benefit Societies) or to benefit members (Co-operatives). For this reason, mandated community benefit fund contributions should not apply to the community-owned part of Shared Ownership arrangements.

Question 9: Are there any project types that should be exempt from a potential mandatory community benefits scheme?

No.

Question 10: For those developers already offering community benefits on a voluntary basis, how are these funded?

We would expect these to be funded as part of the operational expenses of a project.

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Question 11: Recognising the need for flexibility, are there any impacts of considerations of funding community-led projects that should be taken into account?

We think flexibility is best provided by applying a percentage of income to community benefit. This means that the payment can go down to deal with unforeseen or planned outages or other events. As with land leases, a floor value can be set to deal with particularly difficult periods for the project.

It also means that the payment can easily go up to take account of improvements to the project, such as re-powering or successful trading in new markets.

Question 12: Do you foresee any challenges for developers to fund mandatory community benefits? Does this differ between technologies?

As above, if percentages of income are applied according to normal financial modelling for mature technologies, then challenges for developers are addressed because the annual amount varies according to the performance of the project.

Question 13: How can significantly larger community funds be best managed?

Any community benefit funds are likely to be best managed by experienced community energy businesses, or community development or land trusts.

Question 14: Do you have a preference for either of the proposed methods for calculating the level of contribution payable in respect of energy generating stations? Are there any further considerations relating to either option which require exploration?

We much prefer the percentage of income approach as set out in our answers to questions 2, 11 and 12 above. We think this is better than percentage of revenues because less open to gaming on operational costs, give that revenues are income minus operational costs.

We also like this approach because it is simple and transparent, in being proven via annually audited accounts, and flexible to take account of both success and periods of difficulty.

Question 15: Do you agree with the principles of seeking to enable combining funds and utilising regional funds?

No. We think it is very important for funds to be closely associated with the communities they benefit.

We understand the issue that some places, mainly urban and/or disadvantaged, could be left behind. We would prefer some sort of 'twinning' approach where projects could be matched with local low-income areas.

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Question 16: Do you agree with the outline proposals for a) when payments apply, b) index-linking, c) changes to lifespan/capacity/ownership, and nd) suspension of payments?

- a) We think a down payment of a proportion of year 1 community benefit could be paid at project commissioning.
- b) If funds are calculated as a percentage of income, then index-linking is not required. If not, then we agree they should be index-linked, preferably to RPI as per the FiT;
- c) Community benefit agreements should move with ownership. Changes to lifespan or capacity are easily dealt with if community benefit is calculated on project income for the whole actual life of the project.
- d) A floor payment associated with a percentage payment, as per land leases, deals with this issue.

Question 17: Do you agree with the proposals to place the developer obligations for community benefits on the relevant licence-holder? Are there any further considerations that should be taken into account regarding ownership and change of project ownership?

Yes.

Question 18: Are there any other aspects on funding that should be considered?

No.

Question 19: Do you agree or disagree that we should not produce prescriptive guidance on what the fund can be used for? Are there any other factors that should be considered?

We agree that guidance need not be prescriptive, but we do think guidance would be helpful in linking a proportion of the funds to the energy transition. In particular, reliable and consistent funds for good quality, trusted engagement of communities, households and businesses are in very short supply and are sorely needed

Question 20: Do you agree with the suggested roles and responsibilities defined for the developer, fund administrator, administrative body, community representatives and community, and with the proposed governance structure? Would you suggest any amendments?

No. We think the proposals are overly complex and very top-down. If the funds are administered by experienced local community energy businesses or community development and land trusts, then the monitoring applied through normal annual reports and accounts should deal with most of the issues raised. We think government funding would be better used to provide platforms where shared ownership and community benefit fund offers could be available for anyone to view easily.

Question 21: Do you agree that some flexibility in the governance structure is needed? If yes, do you think that the suggested 'truncated' governance approach would adequately capture and reflect the needs of smaller funds or communities with less capacity?

We have nothing to add to our answer above.



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Question 22: Do you agree with the proposed approach to the decision-making process?

No. We see no reason why existing, experienced community energy businesses, or community land and development trusts shouldn't fill these roles.

We do agree that the funds should be held in a way that allows them to be accounted for separately and with a separate community board appointed to include key community organisations and some elected community members.

Question 23: Do you agree with the deadline of one year before payment is due for having governance structures in place?

Yes, but this should not be difficult if our recommended approach of involving existing community businesses or trusts is followed.

Question 24: What would an appropriate cap be on spending from the fund for administrative functions? What costs can you anticipate the fund structure would entail? What costs have you incurred in setting up voluntary schemes? Do you think we should set a sliding scale for larger projects?

10%.

Question 25: Do you agree with the suggested approach to enforcement of this potential scheme? To what extent do you the enforcement mechanism outlined above is appropriate and proportionate for this potential scheme? What other details should be considered?

Question 26: Do you agree with the proposed chain for dispute resolution between communities and administrators? Is the proposed escalating chain for resolving disputes appropriate and proportionate? Do you think we should include any more specific instances or reasons for enforcement action to ensure the robustness of the scheme?

Question 27: Should consideration be given to imposing any of the proposed enforcement actions on other persons or groups under the scheme? Please provide your reasoning.

Question 28: What do respondents think would be a practical use for any additional revenue generated from civil penalties?

We take all of these questions together because we think that all of this complexity can be removed if the funds are administered by one or other of the legal entities we have recommended. The corporate structures involved have regulation governing the way they operate; contracts between the administering body and the developer/operator can be enforced through normal legal channels.

It would, however, be useful to have a minister responsible to whom problems could be escalated. Political oversight and leadership of this sort demonstrates a seriousness of purpose that is important.



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Question 29: Do you think a case-by-case approach to defining the community is appropriate? Are there any other bodies or groups not listed above the should be part of the engagement process for determining eligibility?

Question 30: Do you agree that capacity building will be required in communities? What do you believe this should look like and who do you believe is best equipped to carry this out? Please provide reasons for your answers.

Question 31: Do you agree that capacity building and engagement should be funded by the community benefit fund administration budget? What do you believe should be done in cases where the administrative cost of capacity building and engagement initiatives are too costly for smaller-scale projects?

Question 32: Do you agree community engagement should be led by the fund administrator? Do you believe our proposals have any unfair impacts on those with protected characteristics? If yes, which groups do you expect would be specifically impacted? Please provide supporting evidence.

We take all of these questions together because we think they are addressed by our recommended approach for funds to be administered by experienced existing community-based social enterprises or trusts. A national platform of projects would allow such local and experienced bodies to come forward through the consultation process.

Shared Ownership

Question 33: Are you aware of evidence which suggests that shared ownership has or has not delivered the benefits referred to above?

Our experience of shared ownership is set out in the case studies above. We do not ourselves have any direct experience of a shared ownership project being put into operation in Oxfordshire. Our experience, however, of building our own pipeline of solar rooftops, solar groundmount and hydro is that it provides all of the benefits listed; we have no reason to believe that growing our portfolio through shared ownership would be materially different. Our Annual Reports over the last 12 years show the benefits we have built to date:

- Over 50 community energy groups engaged with us in understanding the transition to zero carbon energy and developing approaches to support it;
- 2,000 investors have invested £10.5m so far;
- 1:13 ratio of community benefit earned by our portfolio and then leveraged with grant and other funding to date;
- The milestone of a total £1m of our own community benefit profits was passed in 2024, with the 2023-24 accounting year approaching the milestone of £1m per year;
- Our success in developing projects is based largely on engaging with expert developers and investors, either through including them on our Board or by working with them to structure deals or run operations and maintenance. Our relationship with Low Carbon Ltd, for example, on 12



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Acre Farm and Ray Valley Solar has continued through early-stage structuring right through to long-term operations and maintenance.

Question 34: Are you aware of any evidence to support other benefits of shared ownership for either communities or developers?

We have no direct experience of shared ownership projects yet and so would defer to others on this.

Question 35: Are you aware of any risks from encouraging shared ownership schemes?

No. Developers and investors will point to risk arising from more complex project structures but we know from the success of shared ownership in other European countries that this is dealt with by providing certainty with clear expectations and models.

Question 36: What are the barriers to shared ownership in Great Britain?

The biggest barrier is not having a mandated requirement. The next barrier is not having easy visibility of projects and developer contacts coming through the connections queue.

Question 37: Do certain communities face barriers to shared ownership more than others? If so, how and/or why?

Question 38: How can government ensure that low-income communities, or those experiencing higher rates of fuel poverty, are able to engage with shared ownership offers?

We take question 37 and 38 together.

Clearly, disadvantaged communities will face barriers because of lack of personal wealth available to invest and lack of capacity to develop schemes. These issues are not just confined to shared ownership. Both can be addressed through good design of the Local Power Plan through GB Energy. We think this would include the ability for Local Authorities to co-invest in community shared ownership projects, so that their returns can be focused on disadvantaged communities that are local to, if not within the community envelope, of a particular project.

Question 39: Do certain developers and/or particular sectors face barriers to shared ownership more so than others? If so, how and/or why?

Given that our focus in Oxfordshire is on solar and co-located batteries, where we don't see particular barriers, we will leave it to others to answer this question.

Question 40: Does a particular barrier represent more of a barrier to shared ownership than others? If so, which and how?

The major barrier for us is making contact with developers and getting them to agree to shared ownership. A mandatory scheme will deal with this barrier.



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Question 41: what actions can government take to address these barriers and promote further uptake of shared ownership, particularly in England?

1. Mandate shared ownership.
2. Require Local Area Energy Plans and/or Local Plans to set a target for shared ownership in their area.
3. Provide a national platform of projects that should have shared ownership.
4. Develop a clear process by which developers and local authorities can set community boundaries for new proposals. This should include a process to identify existing community energy businesses to whom opportunities can be addressed.
5. Ensure that the Local Power Plan encourages partnership between community energy enterprises and Local Authorities, so that Local Authorities can apply funds from GB Energy to co-investments where their returns can be focused on disadvantaged communities.

Signatories

Low Carbon Hub
Sustainable Wantage
Abingdon Carbon Cutters
GreenTEA (Transition Eynsham Area)
Chinnor and Thame Friends of the Earth
Sustainable Woodstock
First & Last Mile CIC
Hardwick Community Energy
Southhill Solar
Sustainable Charlbury
West Oxford Community Renewables
Oxford Friends of the Earth