

Community Benefits and Shared Ownership for Low Carbon Energy Infrastructure

Consultation Response – July 2025

SUMMARY

The Government's Working Paper on 'Community Benefits and Shared Ownership for Low Carbon Energy Infrastructure' (May 2025), includes proposals for making community benefits **mandatory** for low carbon energy projects. The paper also evaluates different forms of shared ownership for local communities hosting low carbon energy infrastructure and whether this should be mandated to give communities a right to shared ownership.

The consultation documents can be found here:

<https://www.gov.uk/government/publications/community-benefits-and-shared-ownership-for-low-carbon-energy-infrastructure>

Questions:

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

Agree

Currently, the voluntary nature of community benefit agreements means that only communities with individuals who are willing and have specialist knowledge and drive will be able to negotiate a community benefit agreement. For large scale renewable energy developments which affect more than one parish, the lack of process and the voluntary nature means that negotiations may take so long that it is not agreed in time and the opportunity is lost.

We hope that by making community benefit agreements mandatory it will increase support for renewable energy schemes locally and, provide much needed funding to help communities transition towards low-carbon lifestyles.

2. Considering the policy parameters for the scope proposed, what types of low carbon energy infrastructure should be included within the scope of the policy?

We would support the inclusion of all types of low carbon energy infrastructure, including, solar, wind, hydro, battery storage and thermal storage. All types of low-carbon energy infrastructure have impacts on our communities and should be in-scope for the policy.

3. What would be the impacts on specific low carbon energy infrastructure technologies of bringing them into the scope of this potential scheme?

We hope that making community benefit agreements mandatory would incentivise communities to welcome new energy projects in their area. However, for the benefits to be distributed as widely as possible the introduction of this policy needs to be linked to much needed upgrades to the distribution networks, to ensure that the schemes are not all clustered in areas where there is access and the grid and capacity to accept new generation.

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?

Agree

Low carbon energy technology is in its infancy, with new technological solutions being developed all the time. A new policy should allow flexibility to respond to a fast-developing sector.

5. Do you agree with the approach outlined for the provision of community benefits for co-located infrastructure?

Disagree

We believe that infrastructure such as a solar farm and an associated battery storage facility that are co-located are essential to provide flexibility in the grid for meeting the peaks and troughs of supply and demand. A more flexible approach is needed that would allow consideration of the individual circumstances of the site to be taken into account, to ensure projects which offer grid flexibility are not disincentivised.

6. Do you agree with the proposed mandatory community benefits threshold of 5MW for power generating and storage assets?

Agree

From experience in both south Oxfordshire and the Vale of White Horse we feel that this is a fair trigger point to allow for effective management of any community benefit scheme.

7. Should the threshold vary by technology in order to accommodate nascent technology (such as floating offshore wind)?

No comments submitted.

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

No comments submitted.

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

No

We believe that all developments of 5MW and above should be included.

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

No comments submitted.

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

No comments submitted.

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

The viability of schemes will always be a consideration for developers, and this will need to be taken into account when considering investment in a new scheme. We do not however believe that this will be a barrier to securing community benefits.

13. How can significantly larger community funds be best managed (requirements to use regional funds, introduction of a cap on funding, limit on cap duration)?

No comments submitted

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 (i.e. by reference to either installed capacity or generation output)? Are there any further considerations relating to either option which require exploration?

We can see advantages and disadvantages to both methods however; on balance we feel that a tariff based on the output of the scheme at planning permission stage would be the simplest to administer.

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

No response submitted.

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

Agree

17. Do you agree with the proposals to place the developer obligations for community benefits on the relevant licence-holder (e.g. a licence for generation of electricity under the Electricity Act 1989)? Are there any further considerations that should be taken into account regarding ownership and change of project ownership?

Neither agree nor disagree

We believe that the landowners should also be bound by a mandatory requirement.

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

No response submitted

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?

Agree

We agree that guidance should not be too prescriptive or, restrictive in relation to what funds can be used for however, we have a strong view that the overall design of the legislation should be about enabling communities to adopt low-carbon lifestyles. For example, we believe that the funding should be focussed on allowing the local communities to invest in technologies such as heat pumps, solar, retrofitting of buildings, and the installation of EV charge points.

If the funding can be directed in this way, it will enable communities impacted by renewable energy schemes to progress to net zero and complement the national and local efforts to de-carbonise.

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?

Agree

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?

No response submitted.

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

No response submitted.

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

No response submitted.

24. What would be an appropriate cap 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 out a sliding scale for larger projects?

No response submitted.

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

No response submitted.

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?

No response submitted.

27. Should consideration be given to imposing any of the proposed enforcement actions on other persons or groups under the scheme?

No response submitted.

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No response submitted.

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

No response submitted.

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 that should be part of the engagement process for determining eligibility?

No response submitted (this question relates primarily to off-shore generation).

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?

Yes – capacity building within communities will be essential to ensure the funds are set up properly and that they are administered properly throughout their lifetime to deliver their stated aims and objectives.

Flexibility should be allowed in determining who is best placed to provide capacity building support. In Oxfordshire, the Low Carbon Hub have expertise in community energy projects and could play a role in advising local communities.

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?

Agree

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?

No response submitted.

33. Are you aware of evidence which suggests that shared ownership has or has not delivered the benefits?

No response submitted.

34. Are you aware of any evidence to support other benefits of shared ownership for either communities and/or developers?

No response submitted.

35. Are you aware of any risks arising from encouraging shared ownership schemes?

We are unaware of any risks of encouraging shared ownership schemes.

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

We think that community capacity and capability is a barrier to shared ownership, due to the time and commitment communities would need to dedicate to the scheme as well as the upskilling likely needed to allow them to be capable of ownership responsibilities. Ownership is likely a daunting concept to many communities who may be limited on time to commit to the project and may not feel capable of the task, which may discourage them from pursuing an offer of shared ownership. They also may not have the capital to invest in the scheme or may not consider investing the best use of local finances.

Developers may also consider it to negatively affect viability, so may not offer the opportunity of shared ownership to communities.

37. Do certain communities face barriers to shared ownership more so than others?

Smaller communities may have less resource to draw upon to commit to shared ownership. Hard to reach communities may also be less likely to take up offers of shared ownership and may find it more difficult to engage with developers on projects, for example due to language barriers.

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?

Educating communities on the benefits of shared ownership could increase uptake, for example by explaining how surplus profits can be used to reinvest into the community to help address fuel poverty and improve energy efficiency of local homes

and buildings, resulting in cheaper energy bills. Additionally, providing support in the form of advising local communities and offering upskilling where required so they are equipped and feel confident to take on the responsibility of shared ownership. Also providing opportunities for funding so they can invest in schemes would likely encourage uptake in shared ownership.

39. Do certain developers and/or particular sectors face barriers to shared ownership more so than others?

No response submitted.

40. Does a particular barrier represent more of a barrier to shared ownership than others?

We think community capacity and capability, and financial reasons (viability and capital investment) to be the biggest barriers to shared ownership.

41. What actions can the government take to address these barriers and promote further uptake of shared ownership, particularly in England?

Government could potentially support a small number of communities in successfully pursuing shared ownership and use these as case studies. The case studies would provide reassurance to communities and developers that it can be successful venture for both parties.

42. How successful has a voluntary approach to shared ownership been? Should the government continue with a voluntary approach or consider expanding shared ownership, possibly via a requirement for developers to offer shared ownership to eligible communities?

Our emerging Joint Local Plan includes a policy (Policy CE5 – Renewable Energy) that requires ‘Commercial led renewable energy schemes with a capacity over 10MW shall provide an option to communities to own at least 5% of the scheme subject to viability’. Therefore, we support the option that would require developers to offer shared ownership to eligible communities, as we plan to do through our Joint Local Plan.

43. If shared ownership is expanded, should regulations be made in accordance with the existing provisions relating to the ‘Community Electricity Right’ in the 2015 Act? If you consider that amendments should be made to the scope of the existing provisions, what changes should be made and why?

The 2015 Act currently covers new renewable electricity generation projects with an expected capacity of 5MW or more. We think this should be reviewed if shared ownership is made mandatory, to understand if this threshold is still appropriate.

44. If shared ownership is expanded, how will communities and developers need to be supported for a mandatory shared ownership scheme to be successful?

To help shared ownership schemes to be successful, government could offer support to communities through guidance and/or training/upskilling and also capital investments. Providing a clear and consistent framework of shared ownership would also make the process easier for all parties, which would also make them more likely to pursue the offer.

45. If shared ownership is expanded, should there be exemptions to the expansion?

No response submitted.

46. If shared ownership is expanded, how should developers' engagement with communities take place?

Through public meetings and consultations.

47. Are you aware of any risks or potential adverse impacts arising from expanding shared ownership either in line with the 2015 Act provisions or otherwise?

No response submitted.

Questions 48-52 are in the analytical annex – No responses were submitted to these questions.