

# Wales Community Renewable Energy Toolkit

## Establishing a Community Group Module

### Toolkit Structure

The Ynni'r Fro Renewables Toolkit is intended to be used as a reference by Community Groups of all kinds. This module is one part of a series of documents forming the Ynni'r Fro Renewables Toolkit and is designed to cover all sizes of project, although the scale and complexity of multi-MW projects may require more detailed evaluation than smaller projects. Other modules that may also be of particular interest to those reading this module are as follows.

- project finance
- procurment
- planning
- grid connection
- the Feed-in-Tariff
- securing the site

This toolkit builds on the work completed for the Scottish Government's Community and Renewable Energy Scheme (CARES) by Local Energy Scotland and Ricardo-AEA.

### Module Structure

This module is structured in three parts to act as a guide and reference document for Community Groups in the development of a renewable projects in Wales.

#### **Project development overview**

A brief introduction setting out what is expected from the group in developing an energy project and the skills your group will need.

#### **Establishing a community group**

A detailed look at how to establish a community group, including the legal framework, financial considerations and how the group is involved during the operation phase of the project.

#### **Further Information**

Appropriate links, definitions and references to other information, collated for quick reference.

## Project development overview

Before covering the detail of how to establish a community group, it is important to understand the role that this group must play and the work that it must undertake. In reality, it is likely that the group started informally around an idea and was developed through the subsequent activities of a growing number of local people. During this process (and indeed throughout the life of the group), it is likely that people will leave and join the group rather than it having a static membership. There are a number of questions the group should be able to answer which are outlined in the next section.

The University of Edinburgh completed analysis of the factors that influence the success of a community led renewable project (see Appendix for details). This report provides evidence of the social factors which influence the success of community energy projects through different stages of development (from conception to operation). Having a specific skill set within a community group, does not impact the project's likelihood for success, however community cohesion and identity is a critical factor. Ensuring this is clear from the outset may have a significant impact on the success of your project.

## Establishing a community group

The identification of an opportunity to develop an energy generation project led by a community group usually involves the drive and leadership of an individual or a small group of people. The objective is to use the drive and leadership to create an effective group capable of developing a project.

The starting point is to expand the initial vision of the 'founding group' so that it forms the basis of a viable community group. The size and constitution of the group or team will be dictated by the size of the project, the technology selected and the location. A community group may need to assemble the required skills to develop and finance a project, which must include the ability to identify and secure a site. In some cases, a leader may be required with no technical skills other than the experience to lead the group or project. You can watch a video overview of managing a community project provided by The Centre for Sustainable Energy; details are provided in the Further Information section.

There are a number of sources of information in Wales available on setting up and managing a group, these are listed in the Further Information section.

## Formalising the group

Your community group will have to work together as a team and have the strength of determination to drive a project to completion. Therefore, it is important that any community group is properly constituted, which requires the objective behind developing the project to be correctly understood and agreed. This also applies to development activities undertaken by community businesses and is independent of the size of the project being undertaken.

The main points to be considered when setting up any community group are:

- What is it being set up to do (objectives)?;
- How will it do those things (powers)?;
- Who will run it (committee/board)?;
- What happens if changes need to be made (amendment provision)?;
- How will the group or association be run?;
- What happens if it wishes to wind up (dissolution provision)?; and
- What are the internal arrangements for meetings, voting, managing the finance?

Importantly, how the group is constituted has a significant impact on the funding that the group is hoping to obtain. For example, finance from a bank requires a different group constitution than if finance is being raised through a local share offer.

This means that any group wishing to develop a project must include the following:

- A clear management structure with an identified leader delivering good governance for the project;
- A robust project management plan;
- A person (or team of people) in the team with the required project management skills to take responsibility for delivering the project management plan; and
- An available pool of other skills (e.g. financial management/appraisal, community engagement, engineering/technical skills) to support the delivery of the group's objectives – some of these may need to be brought into the group by using consultants.

Once a project is considered to be viable and, therefore, capable of being developed, the community group must be constituted in an appropriate, formally constituted body or, in project development terms, a Special Purpose Vehicle (SPV).

Depending on the size and nature of the project, this may have to be based on an appropriate legal framework. This is to ensure that, from the outset, the group has the appropriate capacity to raise finance, receive grants, receive and distribute income from the operating project, pay bills and take out insurance. It is also important that the legal framework is such that it protects the individual members of the community group from personal liabilities for any financial shortfall or other redress.

Legal help should be obtained in setting up the appropriate SPV for your project and all applications for funding, planning, grid connection and support tariffs should be made by the SPV. Further information on securing professional advice can be found in the **Procurement Module**.

## The skills you will require

There are a large number of different skills that will be required to develop a community renewable energy project. While some may be specific to individual technologies (e.g. fuel contracting for biomass), many are generic to all projects. The following table maps the skills that you will need in the group to the steps in the project development table.

STEP	ACTIVITY	PROJECT MANAGEMENT	FINANCIAL CONTROL	LEGAL ISSUES	TECHNICAL DELIVERY
1	Develop the vision	X			
2	Seek Advice	X			
3	Communicate	X	X		
4	Find a Site	X	X		X / X
5	Initial Scoping	X	X		X / X
6	Establish an Entity	X	X	X	
7	Secure Initial Funds	X	X		
8	Pre-feasibility Study	X			X
9	Financial Viability Check	X			X / X
10	Secure the Site	X	X	X	
11	Full Feasibility Study	X	X		X
12	Confirm Grid Availability	X			X / X
13	Pre-Planning Consultation	X	X		X
14	Neighbour Notification	X	x		X
15	Fix the Project Size	X	X	X	X / X
16	Financial Viability Check	X			
17	Secure Pre-planning Funds	X			
18	Planning Application	X	X	X	X / X
19	Water Abstraction Licence Application	X	X	X	X
20	Grid Application	X	X	X	X
21	Identify Funding Sources	X	X	X	
22	Develop Full Financial Model	X	X / X		X / X
23	Identify and Contact Suppliers	X	X	X	
24	Secure Bridge Funds	X	X / X	X	
25	FIT Pre-accreditation	X	X	X	
26	Financial Close	X	X / X	X	
27	Repay Other Funds	X	X	X	
28	Construction	X / X	X	X	X
29	Community Benefit	X	X	X	
30	Operation	X	X		X
31	Decommissioning	X	X	X	

X	Potentially available within community group
X	Likely to be contracted out

These include:

- **Project management.** This role involves taking control of the development ‘timeline’ so that activities happen in a logical sequence to avoid delay and reduce premature investment of effort or money before they are required. In effect, this makes the project manager the leader of the project on a day-to-day basis. It is likely that, in many projects, especially at a larger scale (>50kW), there will be a series of discrete sub activities that need to be undertaken, each with its own manager or leader. Here, the project manager’s role is to coordinate these activities and to ensure that they are delivered to time and budget. Employing a dedicated project manager will reduce project risk, increase the likelihood of success and reduce the amount of time it takes for the project to be concluded. This should be balanced against the additional expense incurred.
- **Financial control.** This role has two distinct facets, which may be undertaken by two people. The first, ‘financial control’, is to manage the available budgets, including making payments, monitoring and managing the bank account(s), issuing invoices (where appropriate), etc. The second is to undertake the financial appraisal process that will be required and to make applications for grants, funding, loans, etc. Specialist advice from a qualified financial adviser should be obtained to identify the most appropriate source of funding.
- **Legal issues.** It is important that the legal liabilities of the community group associated with the development, operation and, ultimately, the decommissioning of the project are understood and mitigated as far as possible. This will involve the correct choice of legal entity to be made, and the right level and type of insurance to be in place. Legal advice should be sought to review all contracts, applications and agreements.
- **Technical delivery.** Throughout the project-development process there are a number of technical issues to be covered including collecting data to support a wide range of activities, making initial approaches and subsequently applications for grid connection, obtaining abstraction licences and seeking planning permission. It is likely that all of these will require some kind of supporting reports or other documentation to be written and supplied.

While it is undoubtedly the case that some of these skills are available in the community group, it is likely that others will need to be bought in on a contract basis. The **Procurement Module** provides guidance on how to secure consultancy support.

## Community group legal framework

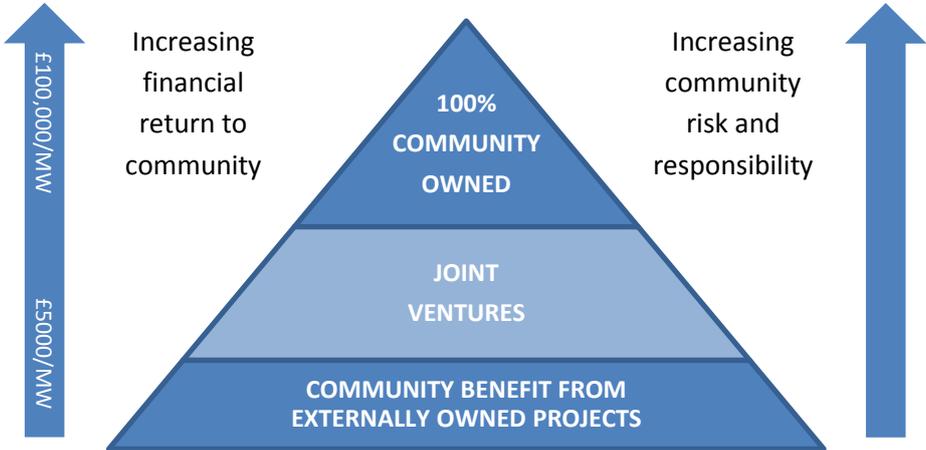
There are a number of models that allow community ownership of a renewable project.

These include:

- 1) **Owner operator** – project development and construction is led by the community and funded by the community, with the community operating the project;
- 2) **Commercial developer led** – project development and construction is led by a commercial developer, with the community being offered an investment stake in the shared ownership project or even full ownership;
- 3) **Joint venture** – both the community and the commercial developer work together to the develop and construct the project, with both parties investing in the project;
- 4) **Community developer** – project development is led by the community and a developer is approached to construct and invest in the shared ownership project.

If the objective of the community group is solely to develop an energy project, then, before any money is spent establishing a community group, it would be wise to confirm that the proposed project is viable and any required site or other essential facility is available. By following the guidance in this module, this risk should be reduced.

The figure below shows the spread from 100% community-owned projects to receiving community benefits from project led by a commercial developer.



Guidance on different legal entities is available from a variety of sources, listed in the Further Information section.

If you are thinking of taking forward a community-owned project support is available from the Ynni'r Fro Development Officers.

For community groups, the most appropriate, formally constituted body or legal framework will, to a degree, be dictated by the project, how it is to be financed, any partnerships that the group plans to enter into and how the benefits from the project will be distributed. For instance, an energy supply company (ESCo) approach may be best if the energy generated will be used in the community. More information about community focussed ESCOs is available from London Energy Partnership and Community Pathways. When you have reached that stage in your project development, you should refer to these organisation which are listed in the Further Information section..

If the project is community funded, then a form of co-operative may be more appropriate. Co-operatives are businesses owned and run by and for their members, whether they are customers, employees or residents. As well as giving members an equal say and share of the profits, co-operatives act together to build a better outcome from a given project or activity through co-operation. Working in this way is a good way to focus any investment from your group members as well as potentially proving a wider equity base to support the raising of loans (see the **Project Finance Module**). UK Cooperatives provide more information on cooperatives, you can find their details listed in the Further Information section.

### Different legal structures for your group

To access sources of finance it is a requirement that an incorporated structure is set up. This provides the Community Vehicle with the legal status required to issue shares, receive grants or secure loans. The Community Vehicle will also be able to enter into contracts and employ staff, which may be a requirement of entering a shared ownership with a commercial developer.

The following summarises some of the structures that may be suitable for your organisation. Additional information to this is required to enable a decision to be made about the most appropriate legal structure for a community group. Professional advice should be obtained to confirm this.

### ***Industrial and Provident Society (IPS)***

An IPS is an organisation set up to carry out a trade or business for the benefit of its members. It is incorporated, which means that it has gone through the registration process that converts a new or existing business into a corporate body, making it a legal entity in its own right. An IPS can fall into two categories: bona fide co-operatives and societies for the benefit of the community.

Most IPSs are not regulated by the Financial Conducts Authority (FCA) under the Financial Services and Markets Act. As this reduces the level of complexity and cost involved it is a popular way for setting up the Community Vehicle. Members of these societies will not have access to the Financial Ombudsman Service or the Financial Services Compensation Scheme. However as they do not need to comply with these regulations, then setting up an IPS is not a complex process and hence not an expensive process. However, it does require professional support and guidance to do so.

The maximum investment that can be made in an IPS is £100,000. Each member (or shareholder) only has one vote irrespective of the value of their investment. Shareholders may be paid interest at a rate “necessary to obtain and retain enough capital to run the business”.

Any surpluses are directed towards the objectives of the business, which in the case of bencoms are to benefit the community, or member co-operatives (Bona fide co-ops) may decide to re-invest in new projects or could direct surpluses to a community benefit fund. Rules governing an IPS ensure that any assets are locked, that is there are restrictions on how the asset is used, should there be any changes in the organisational structure.

Co-operatives can receive Seed Enterprise Investment Scheme tax relief (SEIS) and Enterprise Investment Scheme (EIS) tax relief on an individual’s investment. For SEIS this offers income tax relief of up to 50%, whilst for EIS this offers income tax relief of up to 30%. EIS will increase the return to investors which potentially means more surplus available for community benefit.

### ***Bona fide cooperatives (Co-ops)***

Cooperatives operate for the mutual benefit of their members and may or may not be a social enterprise, depending on their activities and how they distribute their profits. Coops cannot be established as charities. They are set up to provide benefit to the cooperative members.

### ***The Community Benefit Society (Bencoms)***

Bencoms are governed by the same legislation as co-ops, however by design are run for the benefit of the community to provide services for people other than their members. As with Co-ops, investors who purchase shares receive a small return on their investments (normally between 2–5 %) in turn for the remainder of the dividends being kept for the benefit of the community.

### ***Community Interest Company (CICs)***

CICs are a type of limited company for people wishing to establish businesses which trade with a social purpose (social enterprises), or to carry on other activities for the benefit of the community. CICs are easy to set up, with all the flexibility and certainty of the company form, but with some special features to ensure they are working for the benefit of the community. CICs are a useful legal form for holding local assets, such as land or a community hall, ensuring they are used for the benefit of the community.

CIC share offers have to be regulated under FCA so are often only used on larger share offers of over £1m as there are additional costs associated with FCA regulation.

### **Private Company Limited by shares (CLSs)**

For a private company limited by shares, an individual, or group, puts money into the company and in return, they obtain a percentage of ownership in the form of shares. Once all the shares in the company are fully paid for, the shareholder liability to the company is satisfied. If for whatever reason the company is wound up, the liability of the shareholder is limited to the amount they have paid.

If a community groups has charitable status and wants to undertake a particular activity that is commercial, such as investing in a renewable development, rather than charitable, it can establish a wholly owned subsidiary company to undertake that activity. Surplus from the wholly owned subsidiary can then be paid back to the parent company under gift aid (which is very tax efficient) or reinvested in other commercial activities.

This arrangement does increase your administrative burden and subject you to additional financial procedures to separate expenditure as between the parent and subsidiary.

### **Private Companies Limited by guarantee (CLGs)**

A private company limited by guarantee has no shares, hence no shareholders. The company has members. The members are bound by a guarantee in the company's articles of association which, if the company is wound up, requires them to pay the company's debts up to a fixed sum, usually £1.

The main reason for a community project to be a company limited by guarantee is to protect the people running the company from personal liability for the company's debts, just as a business may be set up as a company limited by shares for the same reason. Sometimes funding bodies, such as local authorities, insist on an organisation being registered as a company limited by guarantee.

### **Charitable Status**

A charity is not a distinct legal structure; it is a status that can be obtained by a variety of legal forms, such as unincorporated associations, CLGs and IPSs. An unincorporated charity can have an express power to borrow in their constitutional documents. However, if this is missing, the Charities Act 2011 can be used to include a power to borrow (provided that such an amendment is not expressly prohibited under the constitutional documentation).

Generally speaking, banks do insist on seeing an express power to borrow in a charity's governing document, so this is a question trustees must ask themselves early in the borrowing process.

If you are in discussions regarding community benefits from a commercial project, information is available from Community Pathways, their details are included in the Further Information section.

### **Ofgem Feed in Tariff**

Ofgem define community organisations falling into one of five categories. These are:

- A Community Interest Company, or
- A Co-operative Society, or
- A Community Benefit Society, or
- A Registered Charity, or
- A wholly owned subsidiary of such Organisations.

These community organisations can still benefit from the Feed in Tariff, however others are excluded. This can have a significant impact on the financial viability of your project. More information about Feed in Tariffs is available in the **Feed in Tariff module**; details are included in the Further Information section.

## Community group local engagement

It is important to note that the community group will, in effect, become an energy developer and must take responsibility for community engagement, not least as part of the planning process.

The community group also plays an important role in consulting local people about its own plans and objectives. Funders will look for evidence of community engagement and support as this can reduce some of the risks associated with delay in the development process while objections are dealt with. A detailed record of this information should be kept as it will be required when in discussions with lenders.

It is important to recognise that, just because a project is community based, it may not receive universal local support. From the very start of the project, clear communication in the whole of the community hosting the project must be established as well as with neighbouring communities and other stakeholders.

Experience shows that this communication must be open and honest about what is being planned, and must include good opportunities to receive and respond to feedback.

You can see an overview of consultation for a community renewable energy project in a video by Centre for Sustainable Energy and PlanLoCal have guidance on getting people involved and a resource pack that includes guidance on organising events, advertising and communicating outcomes. Details for both the video and resource pack are available in the Further Information section.

While all of the available sources of information are designed to help a community group to identify the most appropriate legal framework in which to operate, it might also be advisable for the group to seek professional advice in this area.

## Community group financial considerations

One of the main tasks to be undertaken by the community group is to develop its business plan to the point where it is suitable to achieve financial close. This will require money to be spent getting to this point.

A capital loan or capital grant can provide you with the finance to achieve this (see the **Finance Module**). It should be noted that the loan and the money to capitalise the project can be significant.

It is important that any risks involved with taking this financial responsibility are properly mitigated to reduce personal liabilities, which in turn comes back to how the community group is constituted.

## The role of the community group in the operating phase

Even with projects requiring little intervention, it is important that the community group continues to monitor the project and its performance to ensure that it continues to function optimally. In addition, all liabilities, insurance requirements and routine inspections must be managed. This means that the community group must exist for at least the operating life of the project.

### ***Distributing generation income***

Another major role for the community group is to distribute the financial income from its project. It is important that the way money will be spent or distributed is clear from the outset and that an open, transparent and regularly audited means of payment is used. The form of legal entity chosen by the group may dictate how income is distributed, more information is available in the Further Information section.

The planning system now includes more involvement of the community and includes the creation of community development plans (see the **Planning Module**). This may have an impact on how income is distributed, especially if a developer is leading the project. In this case, having a community development plan may be a prerequisite to identifying the benefits that will be delivered using the income generated.

### ***Decommissioning***

The community group will remain liable for the project throughout its life. It will also be responsible for decommissioning and, possibly, restoring the site. While some scrap value may result from disposal of equipment, it will be the responsibility of the group to set aside an appropriate sum to pay for project decommissioning.

Provision should be made within the project budget to build up enough funds to complete decommissioning.

### ***Dissolution of the community group***

Once the project has closed and it has been decommissioned, it is likely that the community group will also have to close. This will certainly be the case if the group was formed with the sole objective of developing and operating the project.

Therefore, it is essential that, at the point of its establishment, the group has set in place binding agreements as to how the assets and any residual money will be distributed and/or disposed of.

In addition, all agreements, contracts and other obligations must be properly terminated and liabilities managed. These liabilities will have been identified during the development or operating phase allowing mitigation actions to be put in place that may have to extend beyond the life of the group.

### ***Keeping records***

All information relating to establishing your community group should be included and updated within a single, secure central repository (either local or an online store). A summary of the group's aims and objectives should be noted. A record of all community consultations held should be kept in the tool, as should a record of all professional services obtained. Ensuring the SPV is properly set up is a requirement before lenders will fund a project. These records show the progress you have made and highlights your awareness of the steps you need to complete, which will be sufficient to initiate discussions with lenders.

## Further information

### Project Development Overview

The University of Edinburgh report provides evidence of the social factors which influence the success of community energy projects through different stages of development (from conception to operation)

[http://www.climatexchange.org.uk/files/4413/8315/2952/CXC\\_Report\\_-\\_Success\\_Factors\\_for\\_Community\\_Energy.pdf](http://www.climatexchange.org.uk/files/4413/8315/2952/CXC_Report_-_Success_Factors_for_Community_Energy.pdf)

### Establishing a community group

There are a number of good sources of information available on setting up a community group:

- The National Federation of Community Organisations has guidance on setting up a community organisation. Their advice also covers other aspects of community groups including legal status and finance and funding  
<http://www.communitymatters.org.uk/content/463/1-Setting-up-a-community-organisation>
- KnowHow Now Profit has information on organisational structure in the non profit sector as well as further support on managing day-to-day operations  
<http://knowhownonprofit.org/organisation/orgdev>
- The Centre for Sustainable Energy has a video overview of managing a community project <https://www.youtube.com/watch?v=HmlaXvhnUyk>
- <http://walescooperative.co.uk/>
- <http://www.renewwales.org.uk/>
- <http://www.communityenergywales.org.uk>
- <http://www.wcva.org.uk/advice-guidance>

### Formalising the group

If you required professional advice, further information can be found in the **Procurement Module**.

### The skills you will require

#### Community group legal framework

Further information on the raising of loans can be found in the **Project Finance Module**.

If you are thinking of taking forward a community-owned project support is available from the Ynni'r Fro Development Officers

<http://www.energysavingtrust.org.uk/organisations/content/ynnir-fro-community-programme>

Guidance on different legal entities is available from a variety of sources

- An Introduction to incorporation is available as part of the Urban Community Energy Fund  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/373268/intro\\_to\\_incorporation.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/373268/intro_to_incorporation.pdf)
- PlanLoCaL have a document that helps communities identify the most suitable organisational legal structure <http://www.planlocal.org.uk/planlocal-community-renewables/group/exercises/page:5>

- Co-operatives UK have guidance on adopting a formal structure <http://www.uk.coop/starting-co-operative-journey/getting-organised>
- Centre for Sustainability Energy have a video discussing how different legal structures work for community groups <https://www.youtube.com/watch?v=86J1TUpG6CQ>
- Centre for Sustainability Energy have a video showing the importance of having a legally recognised structure <https://www.youtube.com/watch?v=LByzIP4I7W4>
- Shared Community Ownership of Renewable Energy systems portal <http://scores.uk/index.html>
- Visit [www.lep.org.uk/uploads/lep\\_making\\_escos\\_work.pdf](http://www.lep.org.uk/uploads/lep_making_escos_work.pdf) and [www.communitypathways.org.uk/approach/450/full](http://www.communitypathways.org.uk/approach/450/full) for more information about community-focused ESCos
- Visit [www.uk.coop/](http://www.uk.coop/) for more information on cooperatives.

### Different legal structures for your group

A useful comparison between the different structures can be downloaded here <http://envirofile.wpengine.com/resource/legal-structures-for-social-enterprise-comparison-table/>

DECC have developed a short overview note on society models available to the community energy sector <https://www.gov.uk/government/publications/community-energy-strategy-update/decc-overview-on-co-operative-societies-and-community-benefit-societies>

### Industrial and Provident Society (IPS)

More information on IPS can be found <http://www.hmrc.gov.uk/manuals/ctmanual/ctm40505.htm>

Co-operatives can receive tax relief through

- Seed Enterprise Investment Scheme tax relief (SEIS) <http://www.hmrc.gov.uk/seedeis/background.htm>
- Enterprise Investment Scheme (EIS) <http://www.hmrc.gov.uk/eis/>

### Community Interest Company (CICs)

More information on CICs can be found <https://www.gov.uk/government/publications/community-interest-companies-how-to-form-a-cic>

### Private Company Limited by shares (CLSs)

More information on private companies limited by shares can be found <http://www.companieshouse.gov.uk/>

### Private Companies Limited by guarantee (CLGs)

More information on private companies limited by guarantee can be found [http://www.companylawclub.co.uk/topics/companies\\_limited\\_by\\_guarantee.shtml](http://www.companylawclub.co.uk/topics/companies_limited_by_guarantee.shtml)

### Charitable Status

More information on the Charities Act 2011 can be found <http://www.legislation.gov.uk/ukpga/2011/25/contents/enacted>

If you are in discussions regarding community benefits from a commercial project, information is available from Community Pathways

<http://www.communitypathways.org.uk/approach/models-community-benefits-or-shared-ownership-commercial-renewable-energy-projects>

## Ofgem Feed in Tariff

Information on Feed in Tariffs can be found on the Ofgem website

<https://www.ofgem.gov.uk/environmental-programmes/feed-tariff-fit-scheme>

## Community group local engagement

- The Centre for Sustainable Energy have a video providing an overview of the consultation for a community renewable energy project  
[https://www.youtube.com/watch?v=xHKys2\\_zjLo&list=PL73977304274232B7](https://www.youtube.com/watch?v=xHKys2_zjLo&list=PL73977304274232B7)
- PlanLoCal have guidance on getting people involved  
<http://www.planlocal.org.uk/pages/getting-people-involved> and a resource pack that includes guidance on organising events, advertising and communicating outcomes  
<http://www.planlocal.org.uk/planlocal-community-renewables>
- Planning Aid have developed a useful guide to support community development and communication – see <http://www.rtpi.org.uk/media/6312/Good-Practice-Guide-to-Public-Engagement-in-Development-Scheme-High-Res.pdf>
- The Home and Communities Agency (HCA) has also developed a Community Engagement Toolkit – see [http://cfg.homesandcommunities.co.uk/community-engagement-toolkit?page\\_id=&page=1](http://cfg.homesandcommunities.co.uk/community-engagement-toolkit?page_id=&page=1)

## Community group financial considerations

One of the main tasks to be undertaken by the community group is to develop its business plan to the point where it is suitable to achieve financial close. This will require money to be spent getting to this point.

## The role of the community group in the operating phase

### *Distributing generation income*

HIE has published a guide to help community groups identify the best means by which funds from community energy projects can be distributed (see [www.hie.co.uk/about-hie/news-and-media/archive/new-guide-published-to-help-communities-manage-funds.html](http://www.hie.co.uk/about-hie/news-and-media/archive/new-guide-published-to-help-communities-manage-funds.html)).

Low Carbon Hub has a resource library covering Setting up a community enterprise and share offer scheme <http://www.lowcarbonhub.org/resource/how-to-set-up-a-community-benefit-society/>

Joseph Rowntree Foundation has a briefing paper called Finance and business models for supporting community asset ownership and control  
<http://www.jrf.org.uk/sites/files/jrf/community-assets-business-models.pdf>

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