

SW Net Zero Hub

Community Energy Fund

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What is the Community Energy Fund?

The Community Energy Fund (CEF) is a £10m grant scheme for urban and rural communities to develop community energy projects

These include local renewable and low carbon energy projects, community electric vehicle projects and energy efficiency retrofit projects

The CEF funds are for community-based organisations, which are developing projects for the benefit of the local community

Funding is for the development of projects from concept to investable scheme, including developing approaches to community fund raising

It cannot provide capital funding for the installation of projects

What are the Aims of the Community Energy Fund?

The aims of the fund are to:

1. Increase the level of community and locally owned renewable and low carbon energy assets to make progress towards the Government's net-zero carbon emissions targets
2. Support communities by helping them to reduce energy costs or generate income through community owned energy assets, reinvesting income locally, or services to reduce energy demand
3. Promote growth through the creation of jobs and volunteering opportunities in the communities where projects are located

The fund will achieve its aims by removing barriers to investment that are currently preventing the development of community-scale projects

Timescales and Budget

- CEF is expected to open in November 2023
- The first application reviews expected take place in January 2024
- The fund will run through to March 2025
- Each of the 5 Hubs has £2 million
- £1million of this is available in year 1 (Nov 23-March 24)
- A further £1million is available in year 2 (April 24-March 25)

What are the Funding Stages?

Stage 1 – up to £40,000 grant funding

Stage 1 grants can pay for professional support to scope project feasibility:

- Basic technical feasibility assessment, including grid connection
- Landowner agreement (Heads of Terms)
- Community engagement
- Public body stakeholder engagement
- Scoping planning issues
- Scoping need for permits, licences and consents
- Finance and business model development
- Project management
- Sharing learning with other community applicants

What are the Funding Stages?

Stage 2 – up to £100,000 grant funding

Stage 2 grants are available for projects that have been found to be feasible, with a good chance of securing planning permission and being implemented, to cover activities such as:

- more detailed investigation of the relevant technology
- planning applications and associated surveys
- advanced landowner agreements
- development of a robust business case to attract sufficient investment

The Application Process

Get in touch your Net Zero Hub early on

Complete a pre application form

Work on your project idea with Hub

Submit application form with supporting documents by the funding round deadline.

The Application Process

Before applying:

- Applicants must already be incorporated as an eligible organisation (see below)
- You must have undertaken some initial community engagement
- You should have a specific eligible technology in mind
- For asset-based projects, you should have a specific site(s) under consideration
- If relevant, you should have had an initial conversation with your Local Planning Authority about your project concept (formal advice is not required at this point)
- You should support your bid with a minimum of three quotes for the work for which you are seeking funding, or explain why has not been possible

Applicant Eligibility

Applications must be led by legally constituted voluntary, community and social enterprise organisations in England only. Eligible incorporations types are as follows:

- Charitable Incorporated Organisation (CIO)
- Community Benefit Society (CBS or Bencom)
- Community Interest Company (CIC)
- Co-operative Society
- Development Trust
- Pre-Commencement Society
- Registered Charity (including eligible faith groups, sports clubs, etc.)
- Registered Social Landlord (see paragraph below on local authorities)
- Registered Society
- Town or Parish Council

Applicant Eligibility

To be eligible to apply to the CEF, applications must be from eligible organisations and projects proposals should ensure at least 50% community ownership and must benefit the local community in their final project.

For this fund, 'community ownership' should ensure that people living locally to the project have the opportunity to influence decisions about the asset's management and/or distribution of benefits – for example, via an accessible membership that gives them voting rights.

Ownership models should ensure that a reasonable share of 'community benefit' flows to the local community. However, investment in the project may be raised from the wider community, such as through a national share offer, and benefits can also accrue to those other parties (i.e. through interest payments on their shares).

Project Eligibility

The following technologies are eligible for funding:

- Anaerobic digestion
- Biogas heat network
- Bio liquids/gas/fuels
- Biomass heat network
- Electric vehicle infrastructure (publicly available, incorporating generation/storage)
- Heat pumps
- Heat pump-fed heat networks (e.g., heat zoning for a village)
- Hydropower
- Solar (photo voltaic)
- Solar (thermal)
- Wind power
- Battery storage
- Other on a case by case basis, please get in touch early.

Further support for the community energy sector



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