

# **Good Practice Principles for Shared Ownership of Onshore Renewable Energy Developments**

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# Good Practice Principles for Shared Ownership of Onshore Renewable Energy Developments

## Preface

As an annex to the Community Benefit Good Practice Principles for Onshore Renewable Energy Developments, all principles in the original document should be followed. The Community Benefit Good Practice Principles can be found at [www.localenergyscotland.org/goodpractice](http://www.localenergyscotland.org/goodpractice).

The information in this document or contained in any document or source referred to in this document should not be considered as and shall not constitute an investment recommendation or legal, financial, investment or taxation advice by Scottish Ministers or their respective advisors, consultants or agents to any person.

During public consultation, this document will be reviewed under the Financial Services and Markets Act 2000 (“FSMA”).

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## Good Practice Principles for Shared Ownership of Onshore Renewable Energy Developments

### 1. Foreword

The Scottish Government is committed to supporting the evolving field of shared ownership. Recent years have seen great advances in terms of community participation in renewable energy, and there are now a variety of ways in which local people can engage with the field. Shared ownership projects, where the community is involved as a partner rather than a passive recipient of funds, can have mutual benefits for both local people and commercial developers. We believe shared ownership projects offer Scotland the opportunity for improved community empowerment, a leading and respected renewable energy industry, and increased local economic and social benefits.

The 2014 *One Scotland Programme for Government*<sup>1</sup> outlined our commitment to securing the co-operation of energy developers to offer a stake in developments to communities as a matter of course. **We believe this should be the standard**, and are committed to working with industry, community groups and other stakeholders to ensure this becomes a reality.

The UK Government's Department of Energy and Climate Change (DECC) recently published a "*Government Response to the Shared Ownership Taskforce*"<sup>2</sup>. DECC now expects all relevant renewable energy developers to be engaging and discussing shared ownership opportunities with local communities. The Scottish Government shares this expectation, but we think we can go even further in Scotland, given the package of practical support we offer, as well as the detailed good practice principles outlined in this document. Hence we expect to monitor progress not just against engagement and offers made but against take-up. We also expect to see engagement for all scales of development above microgeneration – not just the larger sites – as this is an opportunity to embed energy partnerships in schemes on our farms and estates and add value to their local communities.

In short, we want to see significant implementation of shared ownership arrangements in Scotland, putting energy into the hands of local communities.

This document has been informed by an industry working group and is intended to be a valuable tool for developers, community groups, local authorities and other stakeholders involved in development of renewable energy.

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<sup>1</sup> <http://www.gov.scot/Resource/0046/00464455.pdf>

<sup>2</sup> <https://www.gov.uk/government/publications/government-response-to-the-shared-ownership-taskforce>

## 2. Scottish Government Introduction

The Scottish Government has been supportive of the shared ownership projects delivered in recent years, but recognises that considerable hurdles and issues remain before projects will be delivered as standard on a large scale. While progress to date is welcomed, there remains great potential for Scotland's communities to engage with and benefit from renewable energy developments.

Scottish Government hopes to see communities and the renewable industry working together – all stakeholders stand to benefit from greater partnership working in bringing forward renewable energy projects.

The Scottish Government hopes to see all renewable energy projects making an offer of shared ownership where appropriate. If the principles in this document are followed, along with other relevant supporting material, it is expected that many of these offers will successfully develop into uptake and delivery of a shared ownership project. However, some communities may not always wish to engage as a partner in a shared ownership project.

Success of the 'shared ownership industry' will therefore be measured by the percentage of projects which realise a shared ownership model. Monitoring of the market in these terms of uptake will begin following finalisation and publication of these principles. Community groups and developers involved in shared ownership projects will have a joint responsibility to share lessons learnt on a central Scottish Government portal to be linked with the existing Community Benefits Register.

While stakeholders must be flexible in approaching shared ownership projects, there are a number of principles which should be respected. Shared ownership projects are based on building successful working relationships and the following principles aim to encourage an environment of trust.

The Scottish Government recognises that no one size fits all and that shared ownership models must be tailored and adapted to work best for each project, developer and community. However, early engagement is fundamental to the success of a shared ownership project and therefore developers are encouraged to begin discussions with community groups at the earliest reasonable point. All discussions should be noted in meeting minutes where possible, and these should be circulated. A signed agreement is recommended once an initial arrangement has been agreed upon.

Renewable energy projects must always be assessed in the planning system on their merits. It is vital that projects are assessed on their individual merits, taking into consideration the relevant environmental, economic and social effects of each project. Shared ownership projects offer the opportunity to engage meaningfully with communities and to consider from an early stage how any income resulting from a shared ownership arrangement could be used to best effect in the area. Where such discussions have been conducted, developers may wish to reflect this in a planning

application. Community groups are not required to support the project.

Including an element of shared ownership in a renewable energy project should not reduce the economic viability of the project. Rather, with a suitable structure, shared ownership offers the potential to involve communities more meaningfully with developments. Care should be taken to ensure that the structure of shared ownership works for both the developer and the community.

Fundamental to the success of shared ownership opportunities is strong working relationships. Developers and communities should look to work together in partnership to maximise mutual benefit.

### 3. Glossary

Bond	A debt security, under which the issuer owes the holders a debt and, depending on the terms of the bond, is obliged to pay them interest and/or to repay the principal at the maturity date.
CARES	Community And Renewable Energy Scheme, CARES, is delivered by Local Energy Scotland and provides support and advice to community groups. Grant and loan support is available for shared ownership projects. Local Energy Scotland can be contacted at <a href="http://www.localenergyscotland.org">www.localenergyscotland.org</a> .
Community	Can refer to community of interest or community of place: <b>Community of interest:</b> A community of people who are bound together because of a shared interest or passion. Members of such a community may engage with one another to share information or ideas around the shared topic. <b>Community of place:</b> A community of people who are bound together because of where they reside, work, visit or otherwise spend a continuous portion of their time. Such a community can be a neighbourhood, town, coffeehouse, work place, gathering place, public space or any other geographically specific place that a number of people share, have in common or visit frequently.  A “community group” may refer to any number of member-led organisation types, and may not always be formally constituted, however to be a partner in a shared ownership project, a community group will have to take on a formal structure.
Community Benefit Good Practice Principles	The Scottish Government’s Good Practice Principles for Community Benefits from Onshore Renewable Energy Developments, available at <a href="http://localenergyscotland.org/goodpractice">localenergyscotland.org/goodpractice</a> , and to which this document is an annex.
Cost Value	The price of a development, calculated by the sum of the cost of the resources that went into making it. See also market value. Some developers may consider a ‘cost plus’ model which may combine cost value plus an additional agreed value to compensate the developer, ensuring cost neutrality.
Debt finance	A loan to raise money for investment into a project. Investing using debt finance does not give ownership of an asset.
Equity	Investment for ownership of a share of the development.
Joint Venture	A model where the community and developer create an organisation to take forward a project together. The developer may own a larger share of the joint venture company.
LEIF	Local Energy Investment Fund – a fund which will be piloted under REIF to make early investment in energy projects on behalf of communities, who will then have time and support to consider buying in.
Market Value	The price of a development, calculated by the value which it could achieve on a given market – i.e. once a project has achieved planning permission, its market value will be



	considerably higher. See also cost value.
Material Consideration	A factor which must be considered by the decision maker when assessing a planning application for development.
Memorandum of Understanding	Document describing an agreement between two or more parties. This document is not legally binding, but indicates an intended common line of action.
Partnership Portal	An online tool where you can post and browse investment opportunities in community renewable energy projects. Available at <a href="http://localenergyscotland.org/partnershipportal">localenergyscotland.org/partnershipportal</a>
Post-planning	Following approval of a planning application.
Pre-planning	In advance of submission of a planning application to the relevant planning authority
REIF	Renewable Energy Investment Fund – Scottish Government scheme which provides financial support to community groups looking to invest in a shared ownership project.
Share Offer	The sale of shares in an enterprise, often used by communities to raise finance for investment in a project
Shared Ownership	A renewable energy project which involves the community as a partner.  N.B. A community may refer to local individuals organised in a member-led organisation.
Shared Ownership Industry	Where the ‘shared ownership industry’ is used in this document, this is intended to refer to a combination of stakeholders, including renewable energy developers, communities actively engaged in progressing shared ownership projects, and other third party organisations.
Shared Revenue	A community group buys the rights to a future virtual revenue stream, calculated on the basis of a specified proportion of the development’s output.
Shareholders’ agreement	A shareholders’ agreement is an agreement amongst the shareholders of a company. The relationships amongst the shareholders, and those between the shareholders and the company, are regulated by these constitutional documents.
Split Ownership	The asset is developed by two parties in parallel- some development costs can be shared between the groups.
SPV	Special Purpose Vehicle –a subsidiary company with an asset/liability structure and legal status that makes its obligations secure even if the parent company goes bankrupt

Further financial definitions are available at  
[www.localenergyscotland.org/financeglossary](http://www.localenergyscotland.org/financeglossary)

#### 4. Shared Ownership Context

**The Scottish Government has been supportive of the shared ownership projects delivered in recent years, but recognises that considerable hurdles and issues remain before projects will be delivered as standard on a large scale. While progress to date is welcomed, there remains great potential for Scotland's communities to engage with and benefit from renewable energy developments.**

**Scottish Government hopes to see communities and the renewable industry working together – all stakeholders stand to benefit from greater partnership working in bringing forward renewable energy projects.**

Renewable energy developments in Scotland offer a range of benefits to Scotland's people and communities. Climate change continues to pose a threat to rural areas and communities, and as energy demand increases, the need for a secure and stable, mixed energy supply has become crucial.

Furthermore, renewable energy now represents an important and vibrant contribution to Scotland's employment, with over 11,000 direct jobs in the renewables industry, and considerably more active in or supplying the sector.

Each renewable energy installation offers employment and investment opportunities for Scotland's local contractors, environmental consultancies and a whole host of other stakeholders.

While some community groups may be most comfortable receiving traditional community benefit payments, shared ownership offers the opportunity to empower communities to be active energy citizens.

Developers are encouraged to make an offer of shared ownership on all renewable energy projects following publication of this document. The principles and guidance in this document are expected to apply to onshore renewable energy developments over 50kW.

## 5. Rationale for Shared Ownership

The Scottish Government hopes to see all renewable energy projects making an offer of shared ownership where appropriate. If the principles in this document are followed, along with other relevant supporting material, it is expected that many of these offers will successfully develop into uptake and delivery of a shared ownership project. However, some communities may not always wish to engage as a partner in a shared ownership project.

Success of the ‘shared ownership industry’ will therefore be measured by the percentage of projects which realise a shared ownership model. Monitoring of the market in these terms of uptake will begin following finalisation and publication of these principles. Community groups and developers involved in shared ownership projects will have a joint responsibility to share lessons learnt on a central Scottish Government portal to be linked with the existing Community Benefits Register.

Making an offer of shared ownership is encouraged as good practice. Shared ownership projects are encouraged for the following mutually beneficial reasons:

- Including an element of shared ownership will actively involve local people in the project and build relationships, creating greater positive public feeling and support for the project. Including a community group as a project partner will also strengthen the project due to the local knowledge available<sup>3</sup>.
- Including an element of shared ownership can be reflected in a planning application through indirect economic and social impacts (see Section 8 - “Shared Ownership and the Planning System”).
- Shared ownership offers an opportunity to further improve trust and reputation of the renewables industry<sup>3</sup>.
- To progress towards Scotland’s ambitious target of 500MW of community owned renewables.

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<sup>3</sup> Haggett, Aitken, Rudolph, van Veelen, Harnmeijer and Markantoni. (2014). *Supporting community investment in commercial energy schemes*. ClimateXChange, available from <http://www.climateexchange.org.uk/reducing-emissions/supporting-community-investment-commercial-energy-schemes/>

## 6. Principles for Communities, Developers and Local Authorities

**While stakeholders must be flexible in approaching shared ownership projects, there are a number of principles which should be respected. Shared ownership projects are based on building successful working relationships and the following principles aim to encourage an environment of trust.**

The level/structure of investment must be tailored for each project and should take a range of factors into account, such as the costs involved with establishing the arrangement, the community's appetite for risk, capacity to deliver the project, and ability to raise the necessary finance. Flexibility is therefore fundamental to the success of shared ownership projects, and there are currently no standardised structures which must be used. It is important that developers and communities take time to consider a range of structures, and select a model and timeframe which is appropriate to the project and resources available.

However, when designing and developing a shared ownership model, the following points should be incorporated:

- **Increased understanding and engagement:**
  - Shared ownership should engage and motivate people.
  - Local participation in shared ownership discussions should be prioritised.
- **Cost-neutral:**
  - Projects should strive for cost-neutrality; CARES financial support is available for communities and developers to assist this.
  - Developers are not expected to subsidise communities' costs.
  - Efforts can be taken where possible to share costs such as technical or legal fees.
- **Inclusive:**
  - Ensure that those who cannot afford to contribute financially can still engage in the project and receive wider benefit.
  - Do not cherry pick communities – geographically neighbouring groups must be given first option to be involved. The offer may be expanded geographically.
  - Opportunities must be well advertised both offline as per Section 7 of the Good Practice Principles for Community Benefits (at [www.localenergyscotland.org/goodpractice](http://www.localenergyscotland.org/goodpractice)) and online via the CARES Partnership Portal (at [www.localenergyscotland.org/partnershipportal](http://www.localenergyscotland.org/partnershipportal)) if appropriate.
- **Distinct from community benefit funds:**
  - Shared ownership should be considered separately from community benefit funds.
  - Communities should be given the opportunity to roll community benefit funds into debt or equity investments.

- **Mutually beneficial:**
  - Schemes should benefit the commercial operators and communities involved.
- **Timing**
  - Developers should engage and commence dialogue as early as possible.
  - Incorporating shared ownership should not delay projects and thus risk missing funding deadlines.
- **Transparent:**
  - All processes must be explained clearly and openly at an early stage
  - All discussions should be minuted and an agreement signed when possible
- **Liability**
  - Communities and developers should seek professional advice to manage any liability risks.

### **Expectations upon communities:**

- A single community entity should be utilised or created – this may be formed of a number of different community groups.
- A project manager must be in place (or commitment to appoint) once the premise of shared ownership is agreed in principle. Following initial discussions with the developer, the community must work towards identifying a single point of contact. Subsequently communities must adhere to reasonable timescales. Project managers should work to progress discussions in a timeframe that is suitable for both community and developer.

*NB: Financial support for appointing a community project manager can be accessed through CARES*

### **Expectations upon developers:**

- A project manager or other relevant consistent contact must be provided.
- Discussions must be opened at an early stage in the project development. If the shared ownership model requires post-planning investment, this should be clearly explained to the community at the earliest possible stage.
- Shared equity is encouraged to be considered by developers.
- Timescales should be reasonable and community groups should be given adequate time to consider and evaluate any potential offer. One month is considered minimum from providing a finalised offer to requiring investment.
- Opportunities are additional to community benefit provisions where appropriate. Community benefits must be provided in line with Scottish Government Good Practice Principles for Community Benefits from Onshore Renewable Energy Developments. It must be made clear if local communities can convert community benefit payments into a carried equity stake

### **Expectations upon local authorities:**

- Local authorities may wish to engage on discussions with developers and/or communities and should look to facilitate and support shared ownership projects on a case-by-case basis.
- Local authorities should look to support with identification of appropriate communities and relevant contacts.

## 7. Timing of Shared Ownership model

The Scottish Government recognises that no one size fits all and that shared ownership models must be tailored and adapted to work best for each project, developer and community. However, early engagement is fundamental to the success of a shared ownership project and therefore developers are encouraged to begin discussions with community groups at the earliest reasonable point. All discussions should be noted in meeting minutes where possible and circulated, and a signed agreement is recommended once an initial arrangement has been agreed upon.

Developers can encourage all community groups to contact Local Energy Scotland for impartial independent advice regarding shared ownership, under CARES.

The opportunity to discuss shared ownership should be raised as early as possible, likely to be the point at which the project is launched publically. At the earliest reasonable point, developers should support communities to allow them to make contact with Local Energy Scotland, which manages the Scottish Government's Community and Renewable Energy Scheme (CARES) and will help them to appoint relevant professional advice. Support structures are in place to streamline this process.

Some investment opportunities may be available to communities pre-planning, while others may enable the community to invest later in the development process.

If the community intends to invest post-planning, an agreement should be signed in advance of submission of a planning application.

It is important for commercial projects that investment decisions are made in the timescales required by developers. However, it is also important that local communities have enough time to seek the support and guidance needed to assess what are often complex investment opportunities. A new Local Energy Investment Fund is being piloted under REIF in 2015-16, as part of the Scottish Government's Community Energy Empowerment Programme. The fund will make early investment in energy projects on behalf of communities, enabling them to take the time necessary to consider if the investment opportunity is right for them, and buy the LEIF stake back at a later date. Any unclaimed equity in the Local Energy Investment Fund will be used to support further direct community ownership of energy projects and measures to reduce fuel poverty.

Find out more by contacting Scottish Investment Bank on 0845 607 8787.

## **What does this mean for communities?**

While developers are encouraged to engage early, it should be recognised that the early stages of a project can be very risky and uncertain in project development terms. The developer may not be able to release information on expected returns, or may not have finalised the project design. Much of this information may be commercially sensitive. As a community, it is important to understand these potential sensitivities, and to have open discussions with the developer to understand what their timescales might be moving forward, and when more information can be expected.



## 8. Shared Ownership and the Planning System

**Renewable energy projects must always be assessed in the planning system on their merits. It is vital that projects are assessed on their individual merits, taking into consideration the relevant environmental, economic and social effects of each project. Shared ownership projects offer the opportunity to engage meaningfully with communities and to consider from an early stage how any income resulting from a shared ownership arrangement could be used to best effect in the area. Where such discussions have been conducted, developers may wish to reflect this in a planning application. Community groups are not required to support the project.**

Net economic benefit is a material planning consideration as detailed in Scottish Planning Policy. Shared Ownership projects may generate positive social and economic impacts in an area. Where a community is involved in the project from an early stage, the developer may wish to include the expected socioeconomic benefits in a planning application.

Once a community has decided to progress discussions regarding shared ownership, it is strongly recommended that a community group is set up specifically for this purpose. This group may wish to remain **neutral** with regard to the planning process. All other groups and individuals within the community may interact with the planning application process as normal. It is acknowledged that projects which do not offer a shared ownership opportunity may still be important to the economic growth, jobs, environment and renewable energy ambitions of Scotland.

**Developers must not request support from the community as a condition of offering shared ownership**

### **What does this mean for communities?**

Scottish Government recognises that communities are composed of diverse groups and that consensus will be extremely difficult to achieve. Neutrality regarding the planning process is therefore recommended to show commitment to the developer, while removing any perceived element of bribery. Communities with concerns regarding setting up of community groups should contact Local Energy Scotland.

### **What does this mean for developers?**

By creating a clear link between shared ownership and the resulting socio-economic impacts which are a material consideration, these projects can hope to see an increased chance of planning success, compared to a project of similar environmental impact. Developers should see this as an opportunity to engage meaningfully with communities, and support the development of detailed community action or investment plan.

### **What does this mean for local authorities?**

Following on from publication of the Scottish Planning Policy in June 2014, the Scottish Government is in the process of developing further guidance for planning authorities on assessing net economic benefit as part of the planning process. We are exploring how shared ownership can be considered as part of this.

## 9. Structure of Shared Ownership Model

**Including an element of shared ownership in a renewable energy project should not reduce the economic viability of the project. Rather, with a suitable structure, shared ownership offers the potential to involve communities more meaningfully with developments. Care should be taken to ensure that the structure of shared ownership works for both the developer and the community.**

The Scottish Government encourages discussion of cost value participation as an option where possible. It may be possible to consider offering a model of shared ownership which allows the community to buy in at cost value in advance of planning permission. While this approach is welcomed, it is recognised that this will not be possible for all developers, and will not be desirable for all communities. Such a model carries increased risk for communities and may not be appealing or appropriate. The increased risk and reward of such a model should be outlined to the community by the developer.

### **What does this mean for communities?**

Buying in at cost value will give the community greater return on investment, and will also involve greater risk. CARES support is available to assess possible options and a CARES pre-planning loan can be used to de-risk this early stage of the process.

### **What does this mean for developers?**

Flexibility is fundamental to the success of shared ownership projects, and efforts must be taken to ensure projects remain cost neutral. While no single model is preferred by Scottish Government, an open discussion of the various available possibilities, challenges and benefits is strongly encouraged.

## **COMMONLY USED MODELS OF SHARED OWNERSHIP:**

*Please note that this is a new and evolving sector. The following list is therefore not exhaustive.*

### **Split ownership**

“The term 'split ownership' is used to describe the approach where a scheme is divided into two or more separate generating systems, each of which can then produce energy for the benefit of an identified owner. One of the eventual owners would be a community enterprise. The other owner or owners would typically be the commercial project developer or a utility, independent power producer or investment fund to which the developer sells the energy generating station.”

In this model a developer offers equity in a project, for example 20% or one wind turbine.

- The development may be physically split correspondingly with separate grid connections and substations.
- The development may also be kept as a whole project and a share of equity given to the community.

### **Joint venture**

“A commercial operator and community organisation work together, from the beginning, to create a joint venture to develop, own and manage a renewables scheme, local to the community. The community benefits from partnering with a commercial developer who carries the risks at the early stages and brings the experience and competency required to bring a large-scale renewables project from the drawing board into reality.”

Where possible, this relationship should be developed from the beginning of the project, however in some instances, the joint venture may be developed post-planning.

### **Shared revenue**

“A commercial operator develops a project, engaging with a community of individuals during the process, and offers a revenue share to a community enterprise. The community enterprise raises a proportion of capital for the project, e.g. through a share offer. They have a financial stake in the development and a share of the profits; however the community enterprise does not own a physical asset”

### **Further structures**

Where developers cannot deliver any of the above structures, the following may be considered:

- Build and Transfer
  - The commercial developer builds a project and subsequently sells the entire development to a community (either fully or in-part).
- Community developer
  - The community may act as a developer and develop the project to financial close/planning/construction, and sell it on at market value to a commercial developer or other organisation.

## 10. Engagement, Consultation and Involvement on Shared Ownership

**Fundamental to the success of shared ownership opportunities is strong working relationships. Developers and communities should look to work together in partnership to maximise mutual benefit.**

It can be difficult to understand the complexities of shared ownership projects. It is therefore vital that developers engage early with communities, to allow groups time to access professional support and advice. Local Energy Scotland marketing material is available on request for developers to disseminate to community groups; please contact Local Energy Scotland.

The Local Energy Scotland Partnership Portal should be used to promote opportunities to community groups at the earliest possible stage if appropriate.

Opportunities should be promoted in line with the Terms of Use for the Partnership Portal and Scottish Government Good Practice Principles for Community Benefits from Onshore Renewable Energy Developments. These documents are available at [www.localenergyscotland.org/partnershipportal](http://www.localenergyscotland.org/partnershipportal) and [www.localenergyscotland.org/goodpractice](http://www.localenergyscotland.org/goodpractice) respectively.

### **What does this mean for communities?**

Communities have a responsibility to engage locally – local networks and promotional avenues should be used to let individuals know and understand the opportunity. It may be appropriate to undertake a community ballot to determine whether the community wish to support the project, and whether to engage on the shared ownership proposal.

### **What does this mean for local authorities?**

The promotion of shared ownership opportunities should be greatly supported by local authorities. The opportunities, risks and rewards from engaging in such projects should be explained to communities where relevant and appropriate. Local authorities may seek to invite input from Local Energy Scotland if suitable.

## 11. Templates

Flexibility is key, therefore there are no template documents which must be used. To support innovation and bespoke solutions, some example template documents will be available on the CARES website to support the principles.

- Template legal agreement for community and developer SPV to develop joint venture
- Template legal agreement for revenue share
- Template legal agreement for split asset ownership – single development
- Template legal agreement for split asset ownership – split development

## 12. Support available

### Community and Renewable Energy Scheme (CARES):

- [The Partnership Portal](#) and [The Partnership Portal Terms of Use](#)
  - The Partnership Portal is a tool to allow communities or developers to publically post information regarding possible shared ownership opportunities. This will also allow communities to partner with other communities in distal areas of Scotland. Before submitting information, users must follow the Partnership Portal Terms of Use. This aims to ensure that developers offer reasonable and realistic opportunities.
- [Informational Leaflet for developers and communities](#)
  - This short leaflet has been designed to inform both developers and communities about the benefits of shared ownership and some suggested starting points.
- [Start-up grant of up to £20,000](#)
  - This grant is designed to help communities streamline the early stages of the shared ownership process. With a short application form and turnaround time, communities can quickly and easily access funds for initial legal and financial professional advice.
- [Framework contractors](#)
  - To support communities in appointing professional services, Local Energy Scotland has 3 sets of framework contractors- legal, financial and project management.
- [CARES Pre-planning loan](#)
  - Up to £150,000 is available for community organisations for pre-capital costs in a shared ownership project.
- [Development officer network](#)
  - Bespoke advice and support is available from the Local Energy Scotland development officer network
- [CARES Toolkit Community Investor Module](#)
  - This online module provides information on shared ownership projects and links to further sources of support.
- [CARES Toolkit Finance Model](#)
  - The interactive Finance Model allows community groups to enter details about the proposed project and see potential likely returns.
- [Case studies](#)
  - Information on live developments provides inspiration to communities who may be considering undertaking a project.

### Renewable Energy Investment Fund

- The REIF team offers a range of financial solutions to facilitate communities' aspirations to secure stakes in shared ownership projects. REIF works closely with all stakeholders following planning approval to maintain open discussions to smooth the progress of the project through to successful

completion. Find out more at: <http://www.scottish-enterprise.com/services/attract-investment/renewable-energy-investment-fund>

### **Local Energy Investment Fund**

- LEIF will make early investment in energy projects on behalf of communities, who will then have time and support to consider buying in. This reconciles the conflicting commercial/community timescales. Find out more by contacting Scottish Investment Bank on 0845 607 8787.

### 13. Information on your consultation/invitation to respond

#### Responding to this consultation paper

We are inviting written responses to this consultation paper by 9 June 2015. **Please send your response with the completed Respondent Information Form (see "Handling your Response" below) to:**

[Jamie.macleod@scotland.gsi.gov.uk](mailto:Jamie.macleod@scotland.gsi.gov.uk)

or

Jamie Macleod  
Onshore Renewables and Community Energy  
Scottish Government  
4th Floor  
5 Atlantic Quay  
150 Broomielaw  
Glasgow  
G2 8LU

If you have any queries contact Jamie Macleod on 0300 244 1257.

We would be grateful if you would use the consultation questionnaire provided or could clearly indicate in your response which questions or parts of the consultation paper you are responding to as this will aid our analysis of the responses received.

This consultation, and all other Scottish Government consultation exercises, can be viewed online on the consultation web pages of the Scottish Government website at <http://www.scotland.gov.uk/consultations>.

The Scottish Government has an email alert system for consultations, <http://register.scotland.gov.uk>. This system allows stakeholder individuals and organisations to register and receive a weekly email containing details of all new consultations (including web links). It complements, but in no way replaces SG distribution lists, and is designed to allow stakeholders to keep up to date with all SG consultation activity, and therefore be alerted at the earliest opportunity to those of most interest. We would encourage you to register.

#### Handling your response

We need to know how you wish your response to be handled and, in particular, whether you are happy for your response to be made public. Please complete and return the **Respondent Information Form** which forms part of the consultation questionnaire as this will ensure that we treat your response appropriately. If you ask for your response not to be published we will regard it as confidential, and we will treat it accordingly.

All respondents should be aware that the Scottish Government are subject to the provisions of the Freedom of Information (Scotland) Act 2002 and would therefore have to consider any request made to it under the Act for information relating to responses made to this consultation exercise.



### **Next steps in the process**

Where respondents have given permission for their response to be made public and after we have checked that they contain no potentially defamatory material, responses will be made available to the public in the Scottish Government Library (see the attached **Respondent Information Form**). These will be made available to the public in the Scottish Government Library by 7 July 2015 and on the Scottish Government consultation web pages by 14 July 2015. You can make arrangements to view responses by contacting the SG Library on 0131 244 4552. Responses can be copied and sent to you, but a charge may be made for this service.

### **What happens next ?**

Following the closing date, all responses will be analysed and considered along with any other available evidence to help us reach a decision shared ownership good practice. The final document will be added as an annex to the existing “Good Practice Principles for Community Benefits from Onshore Renewable Energy Developments” published in April 2014 and available at [www.localenergyscotland.org/goodpractice](http://www.localenergyscotland.org/goodpractice).

### **Comments and complaints**

If you have any comments about how this consultation exercise has been conducted, please send them to:

Name: Jamie Macleod

Address: Onshore Renewables and Community Energy  
Scottish Government  
4th Floor  
5 Atlantic Quay  
150 Broomielaw  
Glasgow  
G2 8LU

E-mail: [Jamie.macleod@scotland.gsi.gov.uk](mailto:Jamie.macleod@scotland.gsi.gov.uk)

## THE SCOTTISH GOVERNMENT CONSULTATION PROCESS

Consultation is an essential and important aspect of Scottish Government working methods. Given the wide-ranging areas of work of the Scottish Government, there are many varied types of consultation. However, in general, Scottish Government consultation exercises aim to provide opportunities for all those who wish to express their opinions on a proposed area of work to do so in ways which will inform and enhance that work.

The Scottish Government encourages consultation that is thorough, effective and appropriate to the issue under consideration and the nature of the target audience. Consultation exercises take account of a wide range of factors, and no two exercises are likely to be the same.

Typically Scottish Government consultations involve a written paper inviting answers to specific questions or more general views about the material presented. Written papers are distributed to organisations and individuals with an interest in the issue, and they are also placed on the Scottish Government web site enabling a wider audience to access the paper and submit their responses. Consultation exercises may also involve seeking views in a number of different ways, such as through public meetings, focus groups or questionnaire exercises.

Copies of all the written responses received to a consultation exercise (except those where the individual or organisation requested confidentiality) are placed in the Scottish Government library at Saughton House, Edinburgh (K Spur, Saughton House, Broomhouse Drive, Edinburgh, EH11 3XD, telephone 0131 244 4565).

All Scottish Government consultation papers and related publications (eg, analysis of response reports) can be accessed at: Scottish Government consultations (<http://www.scotland.gov.uk/consultations>)

The views and suggestions detailed in consultation responses are analysed and used as part of the decision making process, along with a range of other available information and evidence. Depending on the nature of the consultation exercise the responses received may:

- indicate the need for policy development or review
- inform the development of a particular policy
- help decisions to be made between alternative policy proposals
- be used to finalise legislation before it is implemented

Final decisions on the issues under consideration will also take account of a range of other factors, including other available information and research evidence.

**While details of particular circumstances described in a response to a consultation exercise may usefully inform the policy process, consultation exercises cannot address individual concerns and comments, which should be directed to the relevant public body.**

## 14. Respondent Information Form and Consultation Questions

Good Practice Principles for Shared Ownership of Onshore Renewable Energy Developments

Please Note this form **must** be returned with your response to ensure that we handle your response appropriately

**We welcome both complete responses to the consultation and responses that focus on specific questions or areas.**

## 1. Name/Organisation

Organisation Name

Title Mr ☐ Ms ☐ Mrs ☐ Miss ☐ Dr ☐ *Please tick as appropriate*

Surname

Forename

## 2. Postal Address

Postcode	Phone	Email

### 3. Permissions - I am responding as...

Individual

/ Group/Organisation

☐

***Please tick as appropriate***

☐

- (a) Do you agree to your response being made available to the public (in Scottish Government library and/or on the Scottish Government web site)?

***Please tick as appropriate***

☐ Yes ☐ No

- (b) Where confidentiality is not requested, we will make your responses available to the public on the following basis

***Please tick ONE of the following boxes***

Yes, make my response, name and address all available

☐

***or***

Yes, make my response available, but not my name and address

☐

***or***

Yes, make my response and name available, but not my address

☐

- (c) The name and address of your organisation ***will be*** made available to the public (in the Scottish Government library and/or on the Scottish Government web site).

Are you content for your ***response*** to be made available?

***Please tick as appropriate***

☐ Yes ☐ No

- (d) We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

***Please tick as appropriate***

☐ Yes

☐ No

## Questions

**1. Are the principles that should be followed by developers, community groups and local authorities clearly defined?**

**2. Do you agree with the principles as outlined in the document?**

**3. Is the support offered through CARES, LEIF and REIF adequate to allow the principles set out in the document to be achieved consistently?**

**4. Are the principles sufficient to encourage more shared ownership development that takes place in a fair, transparent way and is of benefit to communities and developers?**

**5. Are there further challenges to delivering shared ownership which are not addressed in the document?**

**6. Do you have any further comments on the document?**



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This document is also available on The Scottish Government website:  
**[www.gov.scot](http://www.gov.scot)**

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